



**TABLED ANNUAL BUDGET OF**

**Msunduzi  
Municipality  
KZN225**

**2025/26 TO 2027/28**

**MEDIUM TERM REVENUE AND  
EXPENDITURE FORECASTS**

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## Abbreviations and Acronyms

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

## **Part 1 – Annual Budget**

### **1.1 Mayor's Report**

#### **LEGISLATIVE REQUIREMENTS**

#### **1. MOVE FOR THE IDP ADOPTION**

##### **1.1.1 MUNICIPAL MANAGER'S FOREWORD 2025/26 IDP/BUDGET MTREF**

### **1.2 Executive Summary**

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

The City's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low - to high-priority programmes to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore and 'nice to have' items.

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

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

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

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

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

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

- The 2024/25 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2025/26 tabled annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals.
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

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



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

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

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

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

Msunduzi (KZN225) - Table A4 Budgeted Financial Performance

| Description   | Ref | 2021/22         | 2022/23         | 2023/24         | Current year 2024/25 |                 |                    |                   | 2025/26 Medium Term Revenue & Expenditure Framework |                     |                     |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|---------------------|---------------------|
|   |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit Outcome | Budget Year 2025/26                                 | Budget Year 2026/27 | Budget Year 2027/28 |
| R thousands   | 1   |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Total Revenue (excluding capital transfers and contributions) |     | 6,116,383       | 6,427,061       | 6,927,537       | 8,963,903            | 8,970,488       | 8,970,488          | 2,293,405         | 9,511,574   | 9,995,076           | 10,436,445          |
| Total Expenditure   |     | 6,722,368       | 6,225,702       | 8,034,116       | 8,380,271            | 8,175,464       | 8,175,464          | 2,060,248         | 8,561,797   | 9,070,557           | 9,483,682           |
| Surplus/(Deficit)   |     | (605,986)       | 201,359         | (1,106,579)     | 583,632              | 795,024         | 795,024            | 233,157           | 949,777   | 924,519             | 952,763             |
| Transfers and subsidies - capital (monetary allocations)      | 6   | 368,725         | 324,319         | 427,923         | 456,975              | 488,696         | 488,696            | 39,933            | 376,127   | 429,887             | 457,347             |
| Transfers and subsidies - capital (in-kind)                   | 6   | 60              | 2               | 199             | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Surplus/(Deficit) after capital transfers and contributions   |     | (237,201)       | 525,680         | (678,457)       | 1,040,607            | 1,283,720       | 1,283,720          | 273,090           | 1,325,904   | 1,354,407           | 1,410,110           |
| Income Tax  |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Surplus/(Deficit) after income tax                            |     | (237,201)       | 525,680         | (678,457)       | 1,040,607            | 1,283,720       | 1,283,720          | 273,090           | 1,325,904   | 1,354,407           | 1,410,110           |
| Share of Surplus/Deficit attributable to Joint Venture        |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Share of Surplus/Deficit attributable to Minorities           |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Surplus/(Deficit) attributable to municipality                |     | (237,201)       | 525,680         | (678,457)       | 1,040,607            | 1,283,720       | 1,283,720          | 273,090           | 1,325,904   | 1,354,407           | 1,410,110           |
| Share of Surplus/Deficit attributable to Associate            | 7   | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Intercompany/Parent subsidiary transactions                   |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Surplus/(Deficit) for the year                                |     | (237,201)       | 525,680         | (678,457)       | 1,040,607            | 1,283,720       | 1,283,720          | 273,090           | 1,325,904   | 1,354,407           | 1,410,110           |

Total operating revenue of R 9.511 billion has grown by 6 per cent or R541 million for the 2025/26 financial year when compared to the 2024/25 Adjustments Budget. For the two outer years, operational revenue will increase by 11 percent (R 483.5 million) and 12 per cent (R 441 million) respectively.

Total operating expenditure for the 2025/26 financial year has been appropriated at R9.5 billion and results to a budgeted operating surplus of R949.7 million. When compared to the 2024/25 Adjustments Budget, operational expenditure has grown overall by 5 per cent in the 2025/26 budget and an average of 5 per cent in the two outer years of the MTREF.

The capital budget of R 627.6 million (R376 million grant funding, R 90 million internal funding and R161.5 million Borrowings).

### 1.3 Operating Revenue Framework

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

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

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

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

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

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

| Description  | Ref | 2021/22          | 2022/23          | 2023/24          | Current year 2024/25 |                  |                    |                   | 2025/26 Medium Term Revenue & Expenditure Framework |                     |                     |
|--|-----|------------------|------------------|------------------|----------------------|------------------|--------------------|-------------------|---|---------------------|---------------------|
| R thousands  | 1   | Audited Outcome  | Audited Outcome  | Audited Outcome  | Original Budget      | Adjusted Budget  | Full Year Forecast | Pre-audit Outcome | Budget Year 2025/26                                 | Budget Year 2026/27 | Budget Year 2027/28 |
| <b>Revenue</b>   |     |                  |                  |                  |                      |                  |                    |                   |   |                     |                     |
| <b>Exchange Revenue</b>  |     |                  |                  |                  |                      |                  |                    |                   |   |                     |                     |
| Service charges - Electricity  | 2   | 2,676,489        | 2,724,540        | 2,858,084        | 4,297,825            | 4,224,358        | 4,224,358          | 926,873           | 4,702,555   | 4,932,981           | 5,174,697           |
| Service charges - Water  | 2   | 860,676          | 824,369          | 902,755          | 1,009,760            | 1,009,760        | 1,009,760          | 308,058           | 1,161,224   | 1,218,124           | 1,277,812           |
| Service charges - Waste Water Management                             | 2   | 193,119          | 197,960          | 198,617          | 220,725              | 220,725          | 220,725            | 74,303            | 229,216   | 240,533             | 252,408             |
| Service charges - Waste Management                                   | 2   | 116,022          | 123,629          | 127,307          | 155,391              | 155,391          | 155,391            | 36,423            | 166,268   | 174,415             | 182,962             |
| Sale of Goods and Rendering of Services                              |     | 11,477           | 10,982           | 14,955           | 42,043               | 42,043           | 42,043             | 3,574             | 23,403  | 24,550              | 25,753              |
| Agency services  |     | 2,139            | 2,599            | 2,667            | 765                  | 765              | 765                | 968               | 5,508   | 5,777               | 6,061               |
| Interest   |     | -                | -                | -                | -                    | -                | -                  | -                 | -   | -                   | -                   |
| Interest earned from Receivables                                     |     | 167,310          | 158,697          | 325,984          | 230,682              | 230,682          | 230,682            | 64,316            | 256,057   | 268,604             | 281,765             |
| Interest earned from Current and Non Current Assets                  |     | 10,445           | 16,957           | 44,118           | 19,135               | 19,135           | 19,135             | 8,195             | 19,996  | 20,976              | 22,004              |
| Dividends  |     | -                | -                | -                | -                    | -                | -                  | -                 | -   | -                   | -                   |
| Rent on Land   |     | -                | -                | -                | -                    | -                | -                  | -                 | -   | -                   | -                   |
| Rental from Fixed Assets   |     | 26,117           | 20,071           | 33,590           | 113,962              | 113,962          | 113,962            | 7,472             | 44,672  | 46,861              | 49,157              |
| Licence and permits  |     | 984              | 2,415            | 2,021            | 2,547                | 2,547            | 2,547              | 508               | 3,097   | 3,248               | 3,408               |
| Special rating levies  |     | -                | -                | -                | -                    | -                | -                  | -                 | -   | -                   | -                   |
| Operational Revenue  |     | 54,548           | 57,523           | 53,626           | 204,124              | 204,124          | 204,124            | 23,190            | 102,112   | 107,115             | 112,364             |
| <b>Non-Exchange Revenue</b>  |     |                  |                  |                  |                      |                  |                    |                   |   |                     |                     |
| Property rates   | 2   | 1,212,773        | 1,370,173        | 1,359,087        | 1,649,353            | 1,649,352        | 1,649,352          | 448,827           | 1,721,665   | 1,799,140           | 1,844,118           |
| Surcharges and Taxes   |     | -                | -                | -                | -                    | -                | -                  | -                 | -   | -                   | -                   |
| Fines, penalties and forfeits  |     | 14,489           | 20,129           | 34,247           | 11,687               | 11,687           | 11,687             | 3,674             | 12,213  | 12,812              | 13,439              |
| Licences or permits  |     | -                | -                | -                | -                    | -                | -                  | -                 | -   | -                   | -                   |
| Transfer and subsidies - Operational                                 |     | 681,678          | 801,751          | 824,545          | 946,343              | 1,026,395        | 1,026,395          | 357,125           | 993,197   | 1,066,101           | 1,113,040           |
| Interest   |     | 55,783           | 63,181           | 106,729          | 59,562               | 59,562           | 59,562             | 29,898            | 66,114  | 69,354              | 72,752              |
| Fuel Levy  |     | -                | -                | -                | -                    | -                | -                  | -                 | -   | -                   | -                   |
| Operational Revenue  |     | -                | -                | -                | -                    | -                | -                  | -                 | -   | -                   | -                   |
| Gains on disposal of Assets  |     | 5,195            | 2,660            | 465              | -                    | -                | -                  | -                 | 4,277   | 4,486               | 4,706               |
| Other Gains  |     | 27,140           | 29,425           | 38,741           | -                    | -                | -                  | -                 | -   | -                   | -                   |
| Discontinued Operations  |     | -                | -                | -                | -                    | -                | -                  | -                 | -   | -                   | -                   |
| <b>Total Revenue (excluding capital transfers and contributions)</b> |     | <b>6,116,383</b> | <b>6,427,061</b> | <b>6,927,537</b> | <b>8,963,903</b>     | <b>8,970,488</b> | <b>8,970,488</b>   | <b>2,293,405</b>  | <b>9,511,574</b>                                    | <b>9,995,076</b>    | <b>10,436,445</b>   |

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

**Msunduzi (KZN225) - Table A4 Budgeted Financial Performance**

| Description  | Ref | 2021/22          | 2022/23          | 2023/24          | Current year 2024/25 |                  |                           | 2025/26 Medium Term Revenue & Expenditure Framework |                           |                     |                           |                     |
|--|-----|------------------|------------------|------------------|----------------------|------------------|---------------------------|---|---------------------------|---------------------|---------------------------|---------------------|
| R thousands  | 1   | Audited Outcome  | Audited Outcome  | Audited Outcome  | Original Budget      | Adjusted Budget  | Increase/decrease 2025/26 | Budget Year 2025/26                                 | Increase/decrease 2026/27 | Budget Year 2026/27 | Increase/decrease 2027/28 | Budget Year 2027/28 |
| <b>Revenue</b>   |     |                  |                  |                  |                      |                  |                           |   |                           |                     |                           |                     |
| <b>Exchange Revenue</b>  |     |                  |                  |                  |                      |                  |                           |   |                           |                     |                           |                     |
| Service charges - Electricity  | 2   | 2,676,489        | 2,724,540        | 2,858,084        | 4,297,825            | 4,224,358        | 11%                       | 4,702,555   | 5%                        | 4,932,981           | 5%                        | 5,174,697           |
| Service charges - Water  | 2   | 860,676          | 824,369          | 902,755          | 1,009,760            | 1,009,760        | 15%                       | 1,161,224   | 5%                        | 1,218,124           | 5%                        | 1,277,812           |
| Service charges - Waste Water Management                             | 2   | 193,119          | 197,960          | 198,617          | 220,725              | 220,725          | 4%                        | 229,216   | 5%                        | 240,533             | 5%                        | 252,408             |
| Service charges - Waste Management                                   | 2   | 116,022          | 123,629          | 127,307          | 155,391              | 155,391          | 7%                        | 166,268   | 5%                        | 174,415             | 5%                        | 182,962             |
| Sale of Goods and Rendering of Services                              |     | 11,477           | 10,982           | 14,955           | 42,043               | 42,043           | -44%                      | 23,403  | 5%                        | 24,550              | 5%                        | 25,753              |
| Agency services  |     | 2,139            | 2,599            | 2,667            | 765                  | 765              | 620%                      | 5,508   | 5%                        | 5,777               | 5%                        | 6,061               |
| Interest   |     | -                | -                | -                | -                    | -                | -                         | -   | -                         | -                   | -                         | -                   |
| Interest earned from Receivables                                     |     | 167,310          | 158,697          | 325,984          | 230,682              | 230,682          | 11%                       | 256,057   | 5%                        | 268,604             | 5%                        | 281,765             |
| Interest earned from Current and Non Current Assets                  |     | 10,445           | 16,957           | 44,118           | 19,135               | 19,135           | 4%                        | 19,996  | 5%                        | 20,976              | 5%                        | 22,004              |
| Dividends  |     | -                | -                | -                | -                    | -                | -                         | -   | -                         | -                   | -                         | -                   |
| Rent on Land   |     | -                | -                | -                | -                    | -                | -                         | -   | -                         | -                   | -                         | -                   |
| Rental from Fixed Assets   |     | 26,117           | 20,071           | 33,590           | 113,962              | 113,962          | -61%                      | 44,672  | 5%                        | 46,861              | 5%                        | 49,157              |
| Licence and permits  |     | 984              | 2,415            | 2,021            | 2,547                | 2,547            | 22%                       | 3,097   | 5%                        | 3,248               | 5%                        | 3,408               |
| Special rating levies  |     | -                | -                | -                | -                    | -                | -                         | -   | -                         | -                   | -                         | -                   |
| Operational Revenue  |     | 54,548           | 57,523           | 53,626           | 204,124              | 204,124          | -50%                      | 102,112   | 5%                        | 107,115             | 5%                        | 112,364             |
| <b>Non-Exchange Revenue</b>  |     |                  |                  |                  |                      |                  |                           |   |                           |                     |                           |                     |
| Property rates   | 2   | 1,212,773        | 1,370,173        | 1,359,087        | 1,649,353            | 1,649,352        | 4%                        | 1,721,665   | 5%                        | 1,799,140           | 2%                        | 1,844,118           |
| Surcharges and Taxes   |     | -                | -                | -                | -                    | -                | -                         | -   | -                         | -                   | -                         | -                   |
| Fines, penalties and forfeits  |     | 14,489           | 20,129           | 34,247           | 11,687               | 11,687           | 5%                        | 12,213  | 5%                        | 12,812              | 5%                        | 13,439              |
| Licences or permits  |     | -                | -                | -                | -                    | -                | -                         | -   | -                         | -                   | -                         | -                   |
| Transfer and subsidies - Operational                                 |     | 681,678          | 801,751          | 824,545          | 946,343              | 1,026,395        | -3%                       | 993,197   | 7%                        | 1,066,101           | 4%                        | 1,113,040           |
| Interest   |     | 55,783           | 63,181           | 106,729          | 59,562               | 59,562           | 11%                       | 66,114  | 5%                        | 69,354              | 5%                        | 72,752              |
| Fuel Levy  |     | -                | -                | -                | -                    | -                | -                         | -   | -                         | -                   | -                         | -                   |
| Operational Revenue  |     | -                | -                | -                | -                    | -                | -                         | -   | -                         | -                   | -                         | -                   |
| Gains on disposal of Assets  |     | 5,195            | 2,660            | 465              | -                    | -                | -                         | 4,277   | 5%                        | 4,486               | 5%                        | 4,706               |
| Other Gains  |     | 27,140           | 29,425           | 38,741           | -                    | -                | -                         | -   | -                         | -                   | -                         | -                   |
| Discontinued Operations  |     | -                | -                | -                | -                    | -                | -                         | -   | -                         | -                   | -                         | -                   |
| <b>Total Revenue (excluding capital transfers and contributions)</b> |     | <b>6,116,383</b> | <b>6,427,061</b> | <b>6,927,537</b> | <b>8,963,903</b>     | <b>8,970,488</b> | <b>6%</b>                 | <b>9,511,574</b>                                    | <b>5%</b>                 | <b>9,995,076</b>    | <b>4%</b>                 | <b>10,436,445</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 2025/26 financial year, revenue from rates and services charges totalled to R7.9 billion or 84 per cent. A notable trend is the increase in the total percentage revenue generated from rates and services charges. The table above excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality.

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

Operating grants and transfers totals R 993 million in the 2025/26 financial year and increase to R 950.2 million by 2025/26, R1.017 million by 2026/27. 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

| Description   | Ref  | 2021/22         | 2022/23         | 2023/24         | Current Year 2024/25 |                 |                    | 2025/26 Medium Term Revenue & Expenditure Framework |                        |                        |
|---|------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
|   |      | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2025/26                                 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| <b>R thousand</b>   |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>RECEIPTS:</b>  | 1, 2 |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Operating Transfers and Grants</b>                     |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>National Government:</b>                               |      | 631,359         | 765,767         | 795,277         | 895,184              | 953,644         | 953,644            | 963,091   | 1,037,846              | 1,083,207              |
| Local Government Equitable Share                          |      | 616,262         | 696,056         | 767,222         | 822,072              | 822,072         | 822,072            | 877,312   | 926,722                | 968,645                |
| Finance Management  |      | 1,900           | 1,950           | 1,807           | 1,900                | 1,900           | 1,900              | 1,035   | 1,180                  | 1,180                  |
| Municipal Systems Improvement Operating                   |      |                 |                 | -               | -                    | -               | -                  | -   | -                      | -                      |
| EPWP Incentive  |      | 3,516           | 5,228           | 4,701           | 2,092                | 2,092           | 2,092              | -   | -                      | -                      |
| Municipal Water Infrastructure Grant                      |      |                 | 55,555          | 13,948          | 30,000               | 60,000          | 60,000             | 25,000  | 25,000                 | 25,000                 |
| Public Transport Infrastructure                           |      |                 |                 | -               | 30,000               | 30,000          | 30,000             | 50,000  | 75,000                 | 78,375                 |
| Energy Efficiency and Demand Management                   |      |                 |                 | -               |                      | 700             | 700                | -   | 70                     | 70                     |
| Regional Bulk Infrastructure Grant                        |      |                 |                 | -               |                      | 28,802          | 28,802             |   |                        |                        |
| Operating costs-MIG                                       |      | 9,681           | 6,977           | 7,599           | 9,120                | 8,077           | 8,077              | 9,744   | 9,874                  | 9,937                  |
| <b>Provincial Government:</b>                             |      | 26,247          | 35,985          | 29,268          | 61,696               | 55,108          | 55,108             | 26,517  | 27,235                 | 28,713                 |
| Provincial Government:                                    |      |                 |                 |                 |                      | 919             | 919                |   |                        |                        |
| Airport Grant   |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Expanded Public Works Grant                               |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Human Settlements - Housing Development                   |      |                 | 2,831           |                 |                      |                 |                    |   |                        |                        |
| Human Settlements - Title Deeds Restoration               |      | 9,106           |                 |                 |                      |                 |                    |   |                        |                        |
| Housing Accreditation-OPERATING                           |      | 3,853           |                 | 6,418           | 8,000                | 9,343           | 9,343              | 8,000   | 8,472                  | 8,972                  |
| Human Settlements - Accredited Municipal RO               |      |                 | 2,051           |                 | -                    |                 |                    |   |                        | -                      |
| Housing Projects -OPERATING                               |      |                 |                 | 1,181           | 38,536               | 27,999          | 27,999             | 3,538   | 3,746                  | 3,967                  |
| Arts and Culture- Community Library Services              |      |                 | 16,172          | 14,821          | 14,660               | 14,693          | 14,693             | 14,356  | 14,356                 | 15,074                 |
| Community Library Service and Provincialisation Library-C |      | 12,863          |                 |                 |                      |                 |                    |   |                        |                        |
| Arts and Culture-Museum Subsidies                         |      | 425             |                 |                 |                      |                 |                    |   |                        | -                      |
| Tatham Art Gallery-OPERATING                              |      |                 |                 | 205             |                      | 296             | 296                | 623   | 660                    | 700                    |
| <b>Total Operating Transfers and Grants</b>               | 5    | 657,606         | 801,751         | 824,545         | 956,880              | 1,008,752       | 1,008,752          | 989,608   | 1,065,081              | 1,111,920              |
| <b>Capital Transfers and Grants</b>                       |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>National Government:</b>                               |      | 305,550         | 286,472         | 259,763         | 325,817              | 345,980         | 345,980            | 362,913   | 426,887                | 447,347                |
| Municipal Infrastructure Grant (MIG)                      |      | 199,650         | 220,149         | 204,367         | 222,682              | 225,609         | 225,609            | 232,913   | 256,887                | 269,701                |
| Public Transport Infrastructure                           |      | 11,900          |                 | -               | 20,000               | 20,000          | 20,000             | 50,000  | 75,000                 | 78,375                 |
| Neighbourhood Development Partnership                     |      | 34,000          | 34,499          | 12,973          | 20,000               | 20,000          | 20,000             | 30,000  | 30,000                 | 30,000                 |
| Dept of Mineral/Electricity                               |      |                 |                 | -               | -                    | -               | -                  |   |                        |                        |
| Integrated National Electrification Programme             |      | 20,000          | 27,380          | 12,219          | 4,971                | 4,971           | 4,971              |   | 6,000                  | 6,271                  |
| Municipal Systems Improvement Capital                     |      |                 |                 | -               | 13,214               | 46,592          | 46,592             |   |                        |                        |
| Water Services Infrastructure Grant (WSIG)-CAPITAL        |      | 40,000          | 4,444           | 25,204          | 40,000               | 24,507          | 24,507             | 50,000  | 55,000                 | 59,000                 |
| Energy Efficiency and Demand Management                   |      |                 | -               | 5,000           | 4,950                | 4,300           | 4,300              |   | 4,000                  | 4,000                  |
| <b>Provincial Government:</b>                             |      | 48,143          | 37,847          | 168,482         | 120,621              | 131,946         | 131,946            | 13,214  | 3,000                  | 10,000                 |
| Greater Edendale Development Initiative-CAPITAL           |      |                 | 11,683          | 77,553          |                      | 12,519          | 12,519             |   |                        | 8,000                  |
| Youth Enterprise Park-CAPITAL                             |      |                 | 198             |                 |                      |                 |                    |   |                        |                        |
| Informal Economy Instructure Development-CAPITAL          |      |                 | 66              |                 | 1,000                | 1,062           | 1,062              |   |                        |                        |
| Corridor Development- CAPITAL                             |      |                 | 487             |                 |                      |                 |                    |   |                        |                        |
| Municipal Disaster Relief Grant-CAPITAL                   |      |                 | 620             | 8,203           |                      |                 |                    | 13,214  |                        |                        |
| Community Library Service and Provincialisation Library-C |      | 3,500           |                 | 6,377           |                      |                 |                    |   |                        |                        |
| Provincial Government                                     |      | 620             |                 |                 |                      |                 |                    |   |                        |                        |
| Arts and Culture-Museum Subsidies - Tatham Art Gallery    |      | 90              | 348             | 171             | 1,865                | 1,565           | 1,565              |   | 3,000                  | 2,000                  |
| <b>Total Capital Transfers and Grants</b>                 | 5    | 353,694         | 324,319         | 428,245         | 446,438              | 477,926         | 477,926            | 376,127   | 429,887                | 457,347                |
| <b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>           |      | 1,011,300       | 1,126,071       | 1,252,790       | 1,403,318            | 1,486,678       | 1,486,678          | 1,365,735   | 1,494,968              | 1,569,266              |

### 1.3.1 Property Rates

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

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

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

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). In addition to this rebate, a 100% rebate is granted on property values between R15 001 and R 100 000 is granted in terms of the City's own Property Rates Policy;
- For pensioners, disability grantees and child headed households, a maximum/total rebate of 40 per cent will be granted to owners of rate-able property if the total gross income of the applicant and/or his/her spouse, if any, does not to exceed the amount equal to R 3 700.

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

| BUDGET AND TREASURY OFFICE   |                |                |        |                |          |                |          |
|--|----------------|----------------|--------|----------------|----------|----------------|----------|
| Revenue Management   |                |                |        |                |          |                |          |
| Rates  |                |                |        |                |          |                |          |
|  | 2024/25        | 2025/26        |        | 2026/27        |          | 2027/28        |          |
|  | R              | R              | % Incr | % Incr         | Excl.Vat | % Incr         | Excl.Vat |
| <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   | 0.0291         | 0.0297         | 2.0%   | 0.0311         | 4.9%     | 0.0327         | 4.9%     |
| (b) <u>Unauthorised Use</u> (Inclusive of surcharges)  | 0.0500         | 0.0510         | 2.0%   | 0.0535         | 4.9%     | 0.0561         | 4.9%     |
| (c) <u>Residential Property</u>  | 0.0161         | 0.0164         | 2.0%   | 0.0172         | 4.9%     | 0.0181         | 4.9%     |
| (d) <u>Commercial Property</u>   | 0.0282         | 0.0288         | 2.0%   | 0.0302         | 4.9%     | 0.0317         | 4.9%     |
| (e) <u>Industrial Property</u>   | 0.0282         | 0.0288         | 2.0%   | 0.0302         | 4.9%     | 0.0317         | 4.9%     |
| (f) <u>Specialised Property</u>  | 0.0282         | 0.0288         | 2.0%   | 0.0302         | 4.9%     | 0.0317         | 4.9%     |
| (g) <u>Agricultural Property</u>   | 0.0039         | 0.0040         | 2.0%   | 0.0042         | 4.9%     | 0.0044         | 4.9%     |
| (h) <u>Public Service Infrastructure</u>   | 0.0039         | 0.0040         | 2.0%   | 0.0042         | 4.9%     | 0.0044         | 4.9%     |
| (i) <u>Rural Communal Property</u> Tariff removed - properties categorised as COMM, RES and VAC  | NIL            |                |        |                |          |                |          |
| (j) <u>Sectional Title Garages - Separately Registered</u>   | 0.0161         | 0.0164         | 2.0%   | 0.0172         | 4.9%     | 0.0181         | 4.9%     |
| (k) <u>Mining Property</u>   | 0.0282         | 0.0288         | 2.0%   | 0.0302         | 4.9%     | 0.0317         | 4.9%     |
| (l) <u>Public Benefit Organisations</u> Additional Rebate  | 0.0039<br>100% | 0.0040<br>100% | 2.0%   | 0.0042<br>100% | 4.9%     | 0.0044<br>100% | 4.9%     |
| (m) Public Service Property  | 0.0282         | 0.0288         | 2.0%   | 0.0302         | 4.9%     | 0.0317         | 4.9%     |
| (n) Multipurpose Property  |                |                |        |                |          |                |          |
| Applicable tariff will be charged in respect of the combination of categories above.   |                |                |        |                |          |                |          |
| <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.<br>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:<br>60 years and over   |                |                |        |                |          |                |          |
| Total monthly income of all occupants and owners from all sources (p.m)  | R6,108         | R6,108         | 0.00%  | R6,407.29      | 4.90%    | R6,721.25      | 4.90%    |
| %tage Rebate –   |                |                |        |                |          |                |          |
| <u>Child Headed Households</u>   |                |                |        |                |          |                |          |
| (q) Maximum monthly income of all occupants and owners from all sources (p.m)  |                |                |        |                |          |                |          |
| %tage Rebate –   | R6,108         | R6,108         | 0.00%  | R6,407.29      | 4.90%    | R6,721.25      | 4.90%    |
| <u>Listed Buildings</u>  |                |                |        |                |          |                |          |
| (r) Rates Rebate on Listed Buildings (Maximum Percentage)  | 40%            | 40%            |        | 40%            |          | 40%            |          |
| <u>Developers Rebate</u>   |                |                |        |                |          |                |          |
| (s) Rates Rebate on Vacant Land Only, Subject to Council's Conditions  |                |                |        |                |          |                |          |
| Year 1   | 100%           | 100%           |        |                |          |                |          |
| Year 2   | 66%            | 66%            |        |                |          |                |          |
| Year 3   | 33%            | 33%            |        |                |          |                |          |

| BUDGET AND TREASURY OFFICE<br>Revenue Management<br>Rates  |                                |                                |                         |                                   |                         |                                   |                         |
|--|--------------------------------|--------------------------------|-------------------------|-----------------------------------|-------------------------|-----------------------------------|-------------------------|
|  | 2024/25<br>Excl.Vat            | 2025/26<br>Excl.Vat            | % Incr                  | 2026/27<br>Excl.Vat               | % Incr                  | 2027/28<br>Excl.Vat               | % Incr                  |
| <b>3. MISCELLANEOUS CHARGES:</b>   |                                |                                |                         |                                   |                         |                                   |                         |
| (a) i. Rates Clearance Certificate Application Fee   | R474.96                        | R498.71                        | 5.00%                   | R 523.14                          | 4.90%                   | R 548.78                          | 4.90%                   |
| ii. Duplicate Statement Fee  | R80.23                         | R84.24                         | 5.00%                   | R 88.37                           | 4.90%                   | R 92.70                           | 4.90%                   |
| iii. Duplicate Revenue Clearance Certificate   | R120.34                        | R126.36                        | 5.00%                   | R 132.55                          | 4.90%                   | R 139.05                          | 4.90%                   |
| iv. Fee for Letters of Undertaking   | R150.81                        | R158.35                        | 5.00%                   | R 166.11                          | 4.90%                   | R 174.25                          | 4.90%                   |
| (b) Deeds Search Fee-per search  | R60.14                         | R63.15                         | 5.00%                   | R 66.24                           | 4.90%                   | R 69.49                           | 4.90%                   |
| (c) To search for and prepare any reconciliation,<br>for each hour, or part of an hour, excluding the first half hour,<br>reasonably required for such search and preparation.<br><b>PLUS</b> Administration Fee<br>(Excluding applications made in terms of the Promotion of<br>Access to Information Act, No. 2 of 2000)<br><b>PLUS</b> all copies incidental to complete the reconciliation | R152.02<br>R47.51<br><br>R5.70 | R159.62<br>R49.88<br><br>R5.98 | 5.00%<br>5.00%<br>5.00% | R 167.45<br>R 52.33<br><br>R 6.27 | 4.90%<br>4.90%<br>4.90% | R 175.65<br>R 54.89<br><br>R 6.58 | 4.90%<br>4.90%<br>4.90% |
| <b>4. INTEREST RATE AND COLLECTION CHARGES RATE:</b>   |                                |                                |                         |                                   |                         |                                   |                         |
| (a) Interest rate per annum (calculated on daily outstanding balance)  | 11.75%                         | 11.25%                         |                         | 11.25%                            |                         | 11.25%                            |                         |
| (b) Collection Charge Rate per annum   | NIL                            | Nil                            |                         |                                   |                         |                                   |                         |



**BUDGET AND TREASURY OFFICE**  
**Revenue Management**  
Application for Municipal Services - Deposits

| DEPOSITS                                 |        | 2024/2025  | 2025/2026  |           |
|--|--------|------------|------------|-----------|
| CHURCHES                                 |        | R2,025.00  | R2,126.25  | PER METER |
| BUSINESSES                               |        |            |            |           |
| 20 AMP                                   |        | R5,675.00  | R5,958.75  | PER METER |
| 30 AMP                                   |        | R7,015.00  | R7,365.75  | PER METER |
| 40 AMP                                   |        | R8,355.00  | R8,772.75  | PER METER |
| 50 AMP                                   |        | R9,710.00  | R10,195.50 | PER METER |
| 60 AMP                                   |        | R11,035.00 | R11,586.75 | PER METER |
| 80 AMP                                   |        | R12,365.00 | R12,983.25 | PER METER |
| 100 AMP                                  |        | R13,705.00 | R14,390.25 | PER METER |
|  |        |            |            |           |
| INCLUDING WATER- SINGLE PHASE WITH WATER |        |            |            |           |
| 20 AMP                                   |        | R6,355.00  | R6,672.75  | PER METER |
| 30 AMP                                   |        | R8,355.00  | R8,772.75  | PER METER |
| 40 AMP                                   |        | R9,710.00  | R10,195.50 | PER METER |
| 50 AMP                                   |        | R11,035.00 | R11,586.75 | PER METER |
| 60 AMP                                   |        | R12,365.00 | R12,983.25 | PER METER |
| 80 AMP                                   |        | R13,705.00 | R14,390.25 | PER METER |
| 100 AMP                                  |        | R15,035.00 | R15,786.75 | PER METER |
|  |        |            |            |           |
| DOMESTIC-HOUSE, FLATS, COMPLEXES         |        |            |            |           |
| WATER ONLY                               |        | R2,345.00  | R2,462.25  | PER METER |
| WATER & ELECTRICITY                      | 30 AMP | R4,685.00  | R4,919.25  | PER METER |
| WATER & ELECTRICITY                      | 40 AMP | R5,015.00  | R5,265.75  | PER METER |
| WATER & ELECTRICITY                      | 50 AMP | R5,675.00  | R5,958.75  | PER METER |
| WATER & ELECTRICITY                      | 60 AMP | R6,035.00  | R6,336.75  | PER METER |
| WATER & ELECTRICITY                      | 80 AMP | R6,340.00  | R6,657.00  | PER METER |
|  |        |            |            |           |
| ELECTRICITY ONLY                         |        |            |            |           |
|  | 30 AMP | R2,345.00  | R2,462.25  | PER METER |
|  | 40 AMP | R2,605.00  | R2,735.25  | PER METER |
|  | 50 AMP | R3,020.00  | R3,171.00  | PER METER |
|  | 60 AMP | R3,685.00  | R3,869.25  | PER METER |
|  | 80 AMP | R4,350.00  | R4,567.50  | PER METER |

**BUDGET AND TREASURY OFFICE**  
**SUPPLY CHAIN MANAGEMENT**  
Tender Documents Deposits

The tender documentation deposit is charged on pick up of a tender document by a tenderer.

Non-refundable deposit for projects  
Contract Values between

R 30 000.00 to R 200 000.00  
R 200 001.00 to R1 000 000.00  
R1 000 001.00 to R5 000 000.00  
R5 000 001.00 and over

| 2024/25<br>Excl.Vat | 2025/26<br>Excl.Vat | % Incr | 2026/27<br>Excl.Vat | % Incr | 2027/28<br>Excl.Vat | % Incr |
|---------------------|---------------------|--------|---------------------|--------|---------------------|--------|
| R219.93             | R230.93             | 5.00%  | R 242               | 4.90%  | R 254               | 4.90%  |
| R263.92             | R277.12             | 5.00%  | R 291               | 4.90%  | R 305               | 4.90%  |
| R659.80             | R692.79             | 5.00%  | R 727               | 4.90%  | R 762               | 4.90%  |
| R1,099.67           | R1,154.66           | 5.00%  | R 1,211             | 4.90%  | R 1,271             | 4.90%  |

**BUDGET AND TREASURY OFFICE**  
**REAL ESTATE AND VALUATIONS**  
Valuations

**Miscellaneous Charges**

|  | 2024/25<br>Excl.Vat | 2025/26<br>Excl.Vat | % Incr |            |       |            |       |
|--|---------------------|---------------------|--------|------------|-------|------------|-------|
| 1 Valuation CD   | R1,147.67           | R1,205.05           | 5.00%  | R 1,264.10 | 4.90% | R 1,326.04 | 4.90% |
| 2 Valuation Certificate  | R62.60              | R65.73              | 5.00%  | R 68.95    | 4.90% | R 72.33    | 4.90% |
| 3 Deed search fee  | R62.60              | R65.73              | 5.00%  | R 68.95    | 4.90% | R 72.33    | 4.90% |
| 4 Request ito Section 53 of the Municipal Properties Rates Act for reasons for the decision of the Municipal Valuer in respect of objections | R146.07             | R153.37             | 5.00%  | R 160.89   | 4.90% | R 168.77   | 4.90% |

**Waste Management**  
Refuse Removal Tariff

| COMMUNITY SERVICES<br>WASTE MANAGEMENT<br>Refuse Removal Tariffs  |  | 2024/25<br>Excl.Vat        | 2025/26<br>Excl.Vat        | % Incr | 2026/27<br>Excl.Vat        | 2027/28<br>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   | R46.64                     | R49.91                     | 7.00%  | R52.35                     | R54.92                     | 0.049  |
|   | (ii) 240l wheeled bin or part thereof  | R46.64                     | R49.91                     | 7.00%  | R52.35                     | R54.92                     |        |
| (b)   | Other than normal removal days, per collection –   |                            |                            |        |                            |                            |        |
|   | (i) 3 x 85l bins or part thereof   | R282.36                    | R302.12                    | 7.00%  | R316.93                    | R332.45                    |        |
| (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. | R461.58                    | R493.89                    | 7.00%  | R518.09                    | R543.47                    |        |
| 2. (a)  | Removal of additional domestic refuse: Central Business District   |                            |                            |        |                            |                            |        |
|   | Normal days per collection –   |                            |                            |        |                            |                            |        |
|   | (i) 3 x 85l bins or part thereof   | R46.81                     | R50.09                     | 7.00%  | R52.55                     | R55.12                     |        |
|   | (ii) 240l wheeled bin or part thereof  | R46.81                     | R50.09                     | 7.00%  | R52.55                     | R55.12                     |        |
| (b)   | Other than normal removal days, per collection –   |                            |                            |        |                            |                            |        |
|   | (i) 3 x 85l bins or part thereof   | R287.61                    | R307.74                    | 7.00%  | R322.82                    | R338.64                    |        |
| (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. | R470.09                    | R502.99                    | 7.00%  | R527.64                    | R553.49                    |        |
| 3. (a)  | Removal of trade refuse [Industrial/Commercial]:   |                            |                            |        |                            |                            |        |
|   | Normal days, per collection –  |                            |                            |        |                            |                            |        |
|   | (i) 3 x 85l bins or part thereof   | R121.99                    | R130.52                    | 7.00%  | R136.92                    | R143.63                    |        |
|   | (ii) 210l drum or part thereof   | R121.99                    | R130.52                    | 7.00%  | R136.92                    | R143.63                    |        |
|   | (iii) 240l bin or part thereof   | R121.99                    | R130.52                    | 7.00%  | R136.92                    | R143.63                    |        |
|   | (iv) Removal of additional refuse as per 3(a)(i)-(iii)   | R121.99                    | R130.52                    | 7.00%  | R136.92                    | R143.63                    |        |
| (b)   | Other than normal removal days, per collection –   |                            |                            |        |                            |                            |        |
|   | (i) 3 x 85l bins or part thereof   | R270.00                    | R288.90                    | 7.00%  | R303.06                    | R317.91                    |        |
|   | (ii) 210l drum or part thereof   | R270.00                    | R288.90                    | 7.00%  | R303.06                    | R317.91                    |        |
|   | (iii) 240l bin or part thereof   | R270.00                    | R288.90                    | 7.00%  | R303.06                    | R317.91                    |        |
| COMMUNITY SERVICES<br>WASTE MANAGEMENT<br>Refuse Removal Tariffs  |  |                            |                            |        |                            |                            |        |
|   |  | 2024/25<br>Excl.Vat        | 2025/26<br>Excl.Vat        | % Incr | 2026/27<br>Excl.Vat        | 2027/28<br>Excl.Vat        | % Incr |
| 4   | Removal of industrial refuse [Industrial/Commercial]:  |                            |                            |        |                            |                            |        |
|   | (a) (i) per load or part thereof [maximum 15 m³] removed as a once off clearance   | R4,637.13                  | R4,961.73                  | 7.00%  | R5,204.85                  | R5,459.89                  |        |
|   | (ii) bulk refuse containers [15 m³] hire thereof, including a once off clearance   | R3,490.61                  | R3,734.95                  | 7.00%  | R3,917.97                  | R4,109.95                  |        |
|   | (iii) bulk refuse containers [maximum 15 m³] hire thereof, including one clearance per week  | R3,380.06                  | R3,616.66                  | 7.00%  | R3,793.88                  | R3,979.78                  |        |
|   | (iv) second clearance  | R2,340.42                  | R2,504.25                  | 7.00%  | R2,626.96                  | R2,755.68                  |        |
|   | (v) each additional clearance  | R2,099.46                  | R2,246.42                  | 7.00%  | R2,356.49                  | R2,471.96                  |        |
|   | (b) small mobile refuse containers [approx. 0,24m³]  |                            |                            |        |                            |                            |        |
|   | available in Otto Bin serviced areas only:   |                            |                            |        |                            |                            |        |
|   | (i) hire thereof, including one clearance per week.  | R129.41                    | R138.47                    | 7.00%  | R145.26                    | R152.37                    |        |
|   | (ii) second clearance  | R97.70                     | R104.54                    | 7.00%  | R109.66                    | R115.04                    |        |
|   | (iii) each additional clearance  | R89.28                     | R95.53                     | 7.00%  | R100.21                    | R105.12                    |        |
|   | (c) small mobile refuse containers [approx. 1 m³]  |                            |                            |        |                            |                            |        |
|   | available in Otto Bin serviced areas only:   |                            |                            |        |                            |                            |        |
|   | (i) hire thereof, including one clearance per week.  | R518.06                    | R554.33                    | 7.00%  | R581.49                    | R608.98                    |        |
|   | (ii) second clearance  | R382.14                    | R408.89                    | 7.00%  | R428.93                    | R449.95                    |        |
|   | (iii) each additional clearance  | R333.92                    | R357.29                    | 7.00%  | R374.80                    | R393.16                    |        |
|   | (d) small mobile refuse containers [approx. 2 m³]:   |                            |                            |        |                            |                            |        |
|   | (i) hire thereof as a once off clearance   | R842.39                    | R901.35                    | 7.00%  | R945.52                    | R991.85                    |        |
|   | (ii) hire per week, including one clearance  | R765.62                    | R819.22                    | 7.00%  | R859.36                    | R901.47                    |        |
|   | (iii) second clearance   | R397.50                    | R425.32                    | 7.00%  | R446.16                    | R468.02                    |        |
|   | (iv) each additional clearance   | R348.35                    | R372.74                    | 7.00%  | R391.00                    | R410.16                    |        |
|   | (e) 7 m³ refuse skips available in south-west area only:   |                            |                            |        |                            |                            |        |
|   | (i) hire thereof, including one clearance per week.  | R1,691.70                  | R1,810.12                  | 7.00%  | R1,898.81                  | R1,991.85                  |        |
|   | (ii) second clearance  | R1,185.15                  | R1,268.11                  | 7.00%  | R1,330.24                  | R1,395.43                  |        |
|   | (iii) each additional clearance  | R1,008.84                  | R1,079.46                  | 7.00%  | R1,132.36                  | R1,187.84                  |        |
| 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.  | R130.66                    | R139.81                    | 7.00%  | R146.66                    | R153.85                    |        |
|   | (ii) second clearance  | R97.70                     | R104.54                    | 7.00%  | R109.66                    | R115.04                    |        |
|   | (iii) each additional clearance  | R89.53                     | R95.80                     | 7.00%  | R100.49                    | R105.42                    |        |
|   | 1 100l   |                            |                            |        |                            |                            |        |
|   | (i) hire thereof, including one clearance per week.  | R495.54                    | R530.22                    | 7.00%  | R556.20                    | R583.46                    |        |
|   | (ii) second clearance  | R365.37                    | R390.95                    | 7.00%  | R410.11                    | R430.20                    |        |
|   | (iii) each additional clearance  | R310.64                    | R332.38                    | 7.00%  | R348.67                    | R365.75                    |        |
| COMMUNITY SERVICES<br>WASTE MANAGEMENT<br>Refuse Removal Tariffs  |  |                            |                            |        |                            |                            |        |
|   |  | 2024/25<br>Excl.Vat        | 2025/26<br>Excl.Vat        | % Incr | 2026/27<br>Excl.Vat        | 2027/28<br>Excl.Vat        | % Incr |
|   | 1,75m³   |                            |                            |        |                            |                            |        |
|   | (i) hire thereof, including once off clearance   | R805.84                    | R862.25                    | 7.00%  | R 904.50                   | R 948.82                   | 4.90%  |
|   | (ii) hire per week, including one clearance per week   | R732.50                    | R783.77                    | 7.00%  | R 822.18                   | R 862.46                   | 4.90%  |
|   | (iii) second clearance   | R380.23                    | R406.84                    | 7.00%  | R 426.78                   | R 447.69                   | 4.90%  |
|   | (iv) each additional clearance   | R333.25                    | R356.58                    | 7.00%  | R 374.05                   | R 392.38                   | 4.90%  |
|   | 7m³  |                            |                            |        |                            |                            |        |
|   | (i) hire thereof, including one clearance per week   | R1,617.85                  | R1,731.10                  | 7.00%  | R 1,815.93                 | R 1,904.91                 | 4.90%  |
|   | (ii) Second clearance  | R1,144.10                  | R1,224.18                  | 7.00%  | R 1,284.17                 | R 1,347.09                 | 4.90%  |
|   | (iii) Each additional clearance  | R965.21                    | R1,032.77                  | 7.00%  | R 1,083.38                 | R 1,136.46                 | 4.90%  |
|   | 15m³   |                            |                            |        |                            |                            |        |
|   | (i) per load or part thereof removed as a once off clearance   | R4,637.13                  | R4,961.73                  | 7.00%  | R 5,204.85                 | R 5,459.89                 | 4.90%  |
|   | (ii) hire thereof, including a once off clearance  | R3,490.61                  | R3,734.95                  | 7.00%  | R 3,917.97                 | R 4,109.95                 | 4.90%  |
|   | (iii) hire thereof, including once off clearance per week  | R3,380.06                  | R3,616.66                  | 7.00%  | R 3,793.88                 | R 3,979.78                 | 4.90%  |
|   | (iv) second clearance  | R2,340.42                  | R2,504.25                  | 7.00%  | R 2,626.96                 | R 2,755.68                 | 4.90%  |
|   | (v) each additional clearance  | R2,099.46                  | R2,246.42                  | 7.00%  | R 2,356.49                 | R 2,471.96                 | 4.90%  |
|   | 20m³   |                            |                            |        |                            |                            |        |
|   | (i) per load or part thereof removed as a once off clearance   | R6,182.47                  | R6,615.25                  | 7.00%  | R 6,938.39                 | R 7,279.42                 | 4.90%  |
|   | (ii) hire thereof, including a once off clearance  | R4,653.73                  | R4,979.49                  | 7.00%  | R 5,223.49                 | R 5,478.44                 | 4.90%  |
|   | (iii) hire thereof, including once off clearance per week  | R4,507.21                  | R4,822.72                  | 7.00%  | R 5,059.03                 | R 5,306.93                 | 4.90%  |
|   | (iv) second clearance  | R3,161.87                  | R3,383.20                  | 7.00%  | R 3,548.97                 | R 3,722.87                 | 4.90%  |
|   | (v) each additional clearance  | R2,799.91                  | R2,995.91                  | 7.00%  | R 3,142.71                 | R 3,296.70                 | 4.90%  |
|   | 25m³   |                            |                            |        |                            |                            |        |
|   | (i) per load or part thereof removed as a once off clearance   | R7,728.32                  | R8,269.30                  | 7.00%  | R 8,674.50                 | R 9,099.55                 | 4.90%  |
|   | (ii) hire thereof, including a once off clearance  | R5,817.60                  | R6,224.83                  | 7.00%  | R 6,529.85                 | R 6,849.81                 | 4.90%  |
|   | (iii) hire thereof, including a once off clearance per week  | R5,633.62                  | R6,027.97                  | 7.00%  | R 6,323.35                 | R 6,633.19                 | 4.90%  |
|   | (iv) second clearance  | R3,951.94                  | R4,228.57                  | 7.00%  | R 4,435.77                 | R 4,653.13                 | 4.90%  |
|   | (v) each additional clearance  | R3,500.21                  | R3,745.22                  | 7.00%  | R 3,928.74                 | R 4,121.24                 | 4.90%  |
| 6   | Removal and clearances from properties outside the refuse removal area:  | Applicable Tariff plus 20% | Applicable Tariff plus 20% |        | Applicable Tariff plus 20% | Applicable Tariff plus 20% |        |





|   |  |                 |                 |               |             |                 |                 |
|---|--|-----------------|-----------------|---------------|-------------|-----------------|-----------------|
| <b>COMMUNITY SERVICES</b>   |  |                 |                 |               |             | 0               |                 |
| <b>WASTE MANAGEMENT</b>   |  |                 |                 |               |             | 0               |                 |
| <u>Refuse Removal Tariffs</u>   |  |                 |                 |               |             | 0               |                 |
|   |  |                 |                 |               |             | 0               |                 |
|   |  | <b>2024/25</b>  | <b>2025/26</b>  |               |             | <b>2026/27</b>  | <b>2026/27</b>  |
|   |  | <b>Excl.Vat</b> | <b>Excl.Vat</b> | <b>% Incr</b> |             | <b>Excl.Vat</b> | <b>Excl.Vat</b> |
|   |  |                 |                 |               |             | <b>% Incr</b>   | <b>% Incr</b>   |
| 7   | Dead animals [per carcass] during working hours –  |                 |                 |               |             |                 |                 |
|   | (i) dog or cat   | R795.16         | R850.82         | 7.00%         | R 892.512   | 4.90%           | R936.24         |
|   | (ii) sheep, goat, calf or pig  | R1,192.66       | R1,276.14       | 7.00%         | R 1,338.674 | 4.90%           | R1,404.27       |
|   | (iii) ox, cow, bull, horse, mule or donkey   | R2,570.71       | R2,750.66       | 7.00%         | R 2,885.444 | 4.90%           | R3,026.83       |
|   | (b) outside working hours –  |                 |                 |               |             |                 |                 |
|   | (i) dog or cat   | R887.86         | R950.01         | 7.00%         | R 996.560   | 4.90%           | R1,045.39       |
|   | (ii) sheep, goat, calf or pig  | R2,252.81       | R2,410.51       | 7.00%         | R 2,528.627 | 4.90%           | R2,652.53       |
|   | (iii) ox, cow, bull, horse, mule or donkey   | R4,505.63       | R4,821.02       | 7.00%         | R 5,057.253 | 4.90%           | R5,305.06       |
| 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  | R265.08         | R283.64         | 7.00%         | R 297.535   | 4.90%           | R312.11         |
|   | (ii) after normal working hours  | R954.11         | R1,020.90       | 7.00%         | R 1,070.920 | 4.90%           | R1,123.40       |
|   | (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. |                 |                 |               |             |                 |                 |
|   | (c) Recycling  |                 |                 |               |             |                 |                 |
|   | (c) Supply of clear plastic bag and collection of recyclables thereof  | R9.64           | R10.32          | 7.00%         | 10.82476487 | 4.90%           | R11.36          |

#### 1.4.2 Sale of Water and Impact of Tariff Increases

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

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

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

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

An average tariff increase of 15% (13.5 plus two percent mark up) as from 1 July 2025 for water is proposed. The specific increases for different categories are detailed in the tariffs of charges and in the extract below.

## Water Management

| WATER DISTRIBUTION AND SANITATION MANAGEMENT                             |  |  |  |  |  |
|--|--|--|--|--|--|
| Water Management   |  |  |  |  |  |
|  |  |  | 2024/25<br>Excl.Vat                            | 2025/26<br>Excl.Vat                            | % Incr   |
| Water Supply Tariffs   |  |  |  |  |  |
| 1  | Scale 2 (1) – Domestic   | Basic Charge<br>0kl to 6kl   | R32.72<br>R116.58                              | R37.13<br>R132.32                              | 13.50%<br>13.50%                               |
|  | 2 (2) – Domestic   | 7kl to 30kl per kl   | R39.22   | R44.52   | 13.50%   |
|  | 2 (3) – Domestic   | 31kl to 60kl per kl  | R67.79   | R76.94   | 13.50%   |
|  | 2 (4) _Domestic  | 61kl and over per kl   | R79.13   | R89.81   | 13.50%   |
|  | 2 (5) _Domestic  | Flat rate (unmetered households)   | R174.28  | R197.80  | 13.50%   |
| Indigent Benefit - Domestic Water supply only                            |  |  |  |  |  |
| Qualifying indigent consumers will receive the first 6kl's of water free |  |  |  |  |  |
| 2  | Scale 3A – Flats, Simplexes  | Basic Charge<br>Unit   | R32.72<br>R36.98                               | R37.13<br>R41.97                               | 13.50%<br>13.50%                               |
| 3  | Scale 3B – Flats (Non-Rateable)  | Basic Charge<br>Unit   | R32.72<br>R50.88                               | R37.13<br>R57.74                               | 13.50%<br>13.50%                               |
| 4  | Scale 4A (1) – Commercial  | Basic Charge<br>0 - 30 kl per kl   | R54.53<br>R41.39                               | R61.89<br>R46.98                               | 13.50%<br>13.50%                               |
|  | 4A (2) – Commercial  | 31kl to 60kl per kl  | R46.13   | R52.36   | 13.50%   |
|  | 4A (3) – Commercial  | 61kl to 100kl per kl   | R54.12   | R61.43   | 13.50%   |
|  | 4A (4) – Commercial  | 101kl and over per kl  | R41.39   | R46.98   | 13.50%   |
| 5  | Scale 4B – Commercial (Non-Rateable)   | Basic Charge<br>Unit   | R54.53<br>R51.06                               | R61.89<br>R57.95                               | 13.50%<br>13.50%                               |
| 6  | Scale 5 – Builders, Construction Sites   | Basic Charge<br>Unit   | R54.53<br>R51.76                               | R61.89<br>R58.75                               | 13.50%<br>13.50%                               |
|  |  | Flat Rate - Unmetered Fire Mains   | R435.69  | R494.51  | 13.50%   |
| 7  | Scale 6 – Religious Organisations  | Basic Charge<br>Unit   | R54.53<br>R41.05                               | R61.89<br>R46.59                               | 13.50%<br>13.50%                               |
| 8  | Scale 7 – Registered Welfare & Charitable Institutions & certain Sporting Bodies<br>which are exempted from payment of rates. Including such<br>organizations & institutions exempted by the City Council.   | Basic Charge<br>Unit   | R54.53<br>R41.05                               | R61.89<br>R46.59                               | 13.50%<br>13.50%                               |
| 9  | Scale 8 – Municipal Departments  | Unit   | R39.19   | R44.49   | 13.50%   |
| 10   | Scale 9– Farmers (Privately<br>owned Land)   | Basic Charge<br>0 - 30 kl per kl<br>31kl to 60kl per kl<br>61kl to 100kl per kl<br>101kl and over per kl | R53.55<br>R40.65<br>R45.31<br>R53.16<br>R40.65 | R60.78<br>R46.14<br>R51.42<br>R60.33<br>R46.14 | 13.50%<br>13.50%<br>13.50%<br>13.50%<br>13.50% |
| 11   | Rates that will be applied for the supply and delivery of potable water per km as per any written agreement:<br><b>Vehicle Capacity</b>  |  |  |  |  |
|  | 6kl  | Rate per km  | R22.18   | R25.17   | 13.50%   |
|  | 12kl   | Rate per km  | R25.49   | R28.93   | 13.50%   |
|  | 18kl   | Rate per km  | R28.82   | R32.71   | 13.50%   |
| 12   | The invoice will include the rates for the supply of potable water as reflected in 10 above.<br>In addition, the invoice will be inclusive of the billing for water based on the applicable scale of water<br>delivered during the relevant billing cycle. |  |  |  |  |
| INTEREST RATE  |  |  |  |  |  |
| 1  | Interest rate per annum (calculated on daily outstanding balance)  |  | 11.75%   | 11.25%   |  |

**INFRASTRUCTURE SERVICES**  
**Electricity Management**

| INFRASTRUCTURE SERVICES                         |   | 2024/25  | 2025/26  |        |
|---|---|----------|----------|--------|
| Electricity Management                          |   | Excl.Vat | Excl.Vat | % Incr |
| Key Tariff Rules applicable to Domestic Tariffs |   |          |          |        |
| 1.  | Customer is allowed one free MCB change per 12 months period, however a customer who is reducing the MCB needs to understand that any future request for MCB size increase may attract MCB size increase fees and shall be subject to availability of such demand in that network.  |          |          |        |
| 2.  | Customer are allowed to migrate from credit to prepaid but if the customer has chosen to do so, the same customer will not be allowed to migrate back to credit - this is due to the fact that the Municipality is intending to phase out credit system and migrate all customers to prepaid system. Therefore the customer should do their analysis properly before an application to migrate is lodged with the Municipality. |          |          |        |
| 3.  | The supply provided as per the application for new supply or for an upgrade will only be changed after 12 months of taking supply, the application for a downgrade of MCB within the first 12 months of taking supply may not be entertained.   |          |          |        |
| 4.  | The act of scratching the MCB, replacing Municipal MCB with other MCBs and any other inteference with the MCB is regarded as tampering, any customer whose MCB has been found to be scratched, replaced with other MCBs, or intefered with in any way will be dealt with in terms of Debt collection and Credit control Policy and Electricity  |          |          |        |
| 5.  | Any domestic supply that takes supply greater than 70 kVA shall be clasified as large power user and be charged a standard tariff of either C Scale or TOU. There shall be no concession on this matter   |          |          |        |
| 6.  | ADDITIONAL METERS   |          |          |        |
| 6.1   | Application for additional meters will be up to 1 only, a request for a futher 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 aproprate tariff will apply   |          |          |        |
| Scale A: Domestic (Credit Metered Supply)       |   |          |          |        |
| 1   | A.1 Single-Phase <b>Supplies from 20A</b> up to 80A –   |          |          |        |
|   | Basic Charge per month  | R51.10   | R69.50   | 36.00% |
|   | Net Ampere Charge per amp per phase <b>per month</b>  | R18.92   | R25.73   | 36.00% |
|   | Energy Charge per kWh (cents)   | 187.06   | 254.40   | 36.00% |
| 2   | Scale A.3 Three Phase <b>Supplies from 5A</b> up to 100A  |          |          |        |
|   | Basic Charge per month  | R 85.16  | R 115.82 | 36.00% |
|   | Net Ampere Charge per amp per phase <b>per month</b>  | R13.94   | R18.96   | 36.00% |
|   | Energy Charge per kWh (cents)   | 187.06   | 254.40   | 36.00% |



| INFRASTRUCTURE SERVICES   |   |                     |                     |        |
|---|---|---------------------|---------------------|--------|
| Electricity Management  |   |                     |                     |        |
|   |   | 2024/25<br>Excl.Vat | 2025/26<br>Excl.Vat | % Incr |
| Scale S: Domestic (Prepaid metered supply)  |   |                     |                     |        |
| Scale S0: Domestic Indigent 20 Amp  |   |                     |                     |        |
| Qualifying Indigent consumers will receive the first 70kWh of electricity free.                     |   |                     |                     |        |
| Conditional on being on Prepaid with 20 Amps Current limiting breaker                               |   |                     |                     |        |
| 3   | Energy Charge only (cents)<br>No Basic Charge   | 224.30              | 305.05              | 36.00% |
| Scale S1: Domestic Life Line Tariff 20 Amp  |   |                     |                     |        |
| 4   | Energy Charge only (cents)<br>No Basic Charge   | 259.12              | 352.40              | 36.00% |
| Scale S2: Domestic Straight Line Tariff - 40 Amps 1 phase   |   |                     |                     |        |
| 5.1   | Energy Charge only (cents)  | 259.12              | 352.40              | 36.00% |
|   | Basic Charge (Included in the Municipal Bill/or deducted by Vending System) per month                                 | R0.00               | R0.00               |        |
| Scale S3.1: Domestic Straight Line Tariff - 60 Amps 1 phase   |   |                     |                     |        |
| 5.2   | Energy Charge only (cents)  | 298.22              | 405.58              | 36.00% |
|   | Basic Charge (Included in the Municipal Bill/or deducted by Vending System) per month                                 | R0.00               | R0.00               |        |
| Scale S3.2: High End Two Part Tariff - 60 to 100 Amps 1 phase                                       |   |                     |                     |        |
| 5.3   | Energy Charge only (cents)  | 339.95              | 462.33              | 36.00% |
|   | Low End - Basic Charge - 20 to 40 Amps Supply (Included in the Municipal Bill/or deducted by Vending System) per      | R212.30             | R288.73             | 36.00% |
|   | Medium End - Basic Charge - 60 Amps Supply (Included in the Municipal Bill/or deducted by Vending System) per         | R265.39             | R360.93             | 36.00% |
|   | High End - Basic Charge - 80 Amps Supply (Included in the Municipal Bill/or deducted by Vending System) per month     | R331.72             | R451.13             | 36.00% |
| COMMERCIAL PREPAID SINGLE PHASE   |   |                     |                     |        |
| Scale S3.3: High End Two Part Tariff - 60 to 100 Amps 1 phase                                       |   |                     |                     |        |
| 5.4   | Energy Charge only (cents)  | 339.95              | 462.33              | 36.00% |
|   | Low End - Basic Charge - 20 - 40 Amps Supply (Included in the Municipal Bill/or deducted by Vending System) per month | R212.30             | R288.73             | 36.00% |
|   | Medium End - Basic Charge - 60 Amps Supply (Included in the Municipal Bill/or deducted by Vending System) per month   | R265.39             | R360.93             | 36.00% |
|   | High End - Basic Charge - 80 Amps Supply (Included in the Municipal Bill/or deducted by Vending System) per month     | R331.72             | R451.13             | 36.00% |
| Scale S4: 3 Phase Two Part Tariff - 100 Amps 3 phase  |   |                     |                     |        |
| 5.5   | Energy Charge only (cents)  | 339.95              | 462.33              | 36.00% |
|   | Low End - Basic Charge - 20 Amps Supply (Included in the Municipal Bill/or deducted by Vending System) per month      | R318.44             | R433.08             | 36.00% |
|   | Medium End - Basic Charge - 40 Amps Supply (Included in the Municipal Bill/or deducted by Vending System) per month   | R623.19             | R847.54             | 36.00% |
|   | High End - Basic Charge - 60 Amps Supply (Included in the Municipal Bill/or deducted by Vending System) per month     | R995.15             | R1,353.40           | 36.00% |
| TARIFF - COMMERCIAL PREPAID THREE PHASE   |   |                     |                     |        |
| Scale S5: High End Two Part Tariff - 60 to 100 Amps per phase                                       |   |                     |                     |        |
| 5.6   | Energy Charge only (cents)  | 339.95              | 462.33              | 36.00% |
|   | Low End - Basic Charge - 20 - 40 Amps Supply (Included in the Municipal Bill/or deducted by Vending System) per month | R212.30             | R288.73             | 36.00% |
|   | Medium End - Basic Charge - 60 Amps Supply (Included in the Municipal Bill/or deducted by Vending System) per month   | R265.40             | R360.94             | 36.00% |
|   | High End - Basic Charge - 80 Amps Supply (Included in the Municipal Bill/or deducted by Vending System) per month     | R331.72             | R451.13             | 36.00% |
| Scale TD1: Time Of Use Domestic Single Phase  |   |                     |                     |        |
| Supply Metered by a Smart Meter (Conditional on Municipality rolling out Smart Meters to Community) |   |                     |                     |        |
| 6   | Scale TD.1 Time Of Use Domestic Single Phase  |                     |                     |        |
|   | Basic Charge per month  | R102.90             | R139.94             | 36.00% |
|   | Capacity charge per kVA per month   | R18.93              | R25.74              | 36.00% |
|   | Energy charge c/kWh (Periods as per shown in table below - public holidays treated as normal day)                     |                     |                     |        |
|   | High Demand: (June, July, August)   |                     |                     |        |
|   | Peak  | 658.70              | 895.83              | 36.00% |
|   | Standard  | 215.37              | 292.90              | 36.00% |
|   | Off Peak  | 128.78              | 175.14              | 36.00% |
|   | Low Demand: (Other Months)  |                     |                     |        |
|   | Peak  | 231.35              | 314.64              | 36.00% |
|   | Standard  | 166.86              | 226.93              | 36.00% |
|   | Off Peak  | 114.81              | 156.14              | 36.00% |

| INFRASTRUCTURE SERVICES  |  |                     |                     |        |
|--|--|---------------------|---------------------|--------|
| <u>Electricity Management</u>  |  |                     |                     |        |
|  |  | 2024/25<br>Excl.Vat | 2025/26<br>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   | R159.86             | R217.41             | 36.00% |
|  | Capacity charge per kVA per month  | R13.68              | R18.60              | 36.00% |
|  | Energy charge c/kWh (Periods as per shown in table below - public holidays treated as normal day)  |                     |                     |        |
|  | High Demand: (June, July, August)  |                     |                     |        |
|  | Peak   | 658.70              | 895.83              | 36.00% |
|  | Standard   | 216.62              | 294.60              | 36.00% |
|  | Off Peak   | 128.78              | 175.14              | 36.00% |
|  | Low Demand: (Other Months)   |                     |                     |        |
|  | Peak   | 227.07              | 308.81              | 36.00% |
|  | Standard   | 163.78              | 222.74              | 36.00% |
|  | Off Peak   | 112.68              | 153.24              | 36.00% |
| <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 warnings has been issued and not adhered to. |                     |                     |        |
| 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   |   |           |           |        |
|---|---|-----------|-----------|--------|
| <u>Electricity Management</u>   |   |           |           |        |
|   |   | 2024/25   | 2025/26   | % Incr |
|   |   | Excl. Vat | Excl. Vat |        |
| <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  | R131.08   | R178.26   | 36.00% |
|   | Net Ampere Charge per amp per phase p.m.  | R39.79    | R54.11    | 36.00% |
|   | Energy Charge per kWh (cents)   | 205.35    | 279.28    | 36.00% |
| 9   | Scale B.3 Small Power Three-Phase ≤100A   |           |           |        |
|   | Basic Charge per month  | R235.05   | R319.67   | 36.00% |
|   | Net Ampere Charge per amp per phase p.m.  | R33.55    | R45.63    | 36.00% |
|   | Energy Charge per kWh (cents)   | 205.35    | 279.28    | 36.00% |
| <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  | R1,026.86 | R1,396.53 | 36.00% |
|   | Demand charge per kVA per month   | R394.55   | R536.59   | 36.00% |
|   | Energy charge per kWh (cents)   | 174.95    | 237.93    | 36.00% |
| <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  | R5,134.24 | R6,982.57 | 36.00% |
|   | Demand charge per kVA (Peak and Standard periods only) per month.   | R166.75   | R226.78   | 36.00% |
|   | Access charge per kVA per month.  | R74.59    | R101.44   | 36.00% |
|   | 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  | 628.57    | 854.86    | 36.00% |
|   | Standard  | 226.69    | 308.30    | 36.00% |
|   | Off Peak  | 146.86    | 199.73    | 36.00% |
|   | Low Demand: (Other Months)  |           |           |        |
|   | Peak  | 240.06    | 326.48    | 36.00% |
|   | Standard  | 181.46    | 246.78    | 36.00% |
|   | Off Peak  | 134.14    | 182.43    | 36.00% |
|   | 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) | 16.08     | 21.88     | 36.00% |

**INFRASTRUCTURE SERVICES**  
Waste Water Management

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

### 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**

Kwazulu-Natal: Msunduzi (KZN225) - Table SA14 Household Bills

| Description  | Ref | 2021/22         | 2022/23         | 2023/24         | Current year 2024/25 |                 |                    | 2025/26 Medium Term Revenue & Expenditure Framework |                     |                     |                     |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|---------------------|---------------------|---------------------|
|  |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2025/26 % incr                          | Budget Year 2025/26 | Budget Year 2026/27 | Budget Year 2027/28 |
| <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             | .07%  | 846.76              | 888.25              |                     |
| Electricity: Basic levy  |     | 38.88           | 35.53           | 37.13           | 44.14                | 44.14           | 44.14              | .22%  | 53.86               | 62.47               |                     |
| Electricity: Consumption   |     | 1,038.37        | 949.06          | 991.77          | 1,178.98             | 1,178.98        | 1,178.98           | .22%  | 1,438.36            | 1,668.50            |                     |
| Water: Basic levy  |     | 23.10           | 21.07           | 22.02           | 27.29                | 27.29           | 27.29              | .10%  | 30.02               | 31.49               |                     |
| Water: Consumption   |     | 607.79          | 554.55          | 579.51          | 718.10               | 718.10          | 718.10             | .10%  | 789.91              | 828.61              |                     |
| Sanitation   |     | 162.55          | 153.35          | 160.25          | 181.72               | 181.72          | 181.72             | .16%  | 210.80              | 221.13              |                     |
| Refuse removal   |     | 105.14          | 99.18           | 103.65          | 117.54               | 117.54          | 117.54             | .07%  | 125.76              | 131.93              |                     |
| 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%</b>  | <b>2,648.70</b>     | <b>2,944.12</b>     |                     |
| VAT on Services  |     | 402.55          | 372.08          | 388.83          | 458.87               | 458.87          | 458.87             | .15%  | 397.31              | 441.62              |                     |
| <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%</b>  | <b>3,046.01</b>     | <b>3,385.74</b>     |                     |
| <b>% increase/-decrease</b>                                      |     |                 | <b>-.08%</b>    | <b>.04%</b>     | <b>.18%</b>          |                 |                    |   | <b>-.13%</b>        | <b>.11%</b>         |                     |
| <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             | .07%  | 565.41              | 593.11              |                     |
| Electricity: Basic levy  |     | 38.88           | 35.53           | 37.13           | 44.14                | 44.14           | 44.14              | .22%  | 53.86               | 62.47               |                     |
| Electricity: Consumption   |     | 519.01          | 474.37          | 495.72          | 589.29               | 589.29          | 589.29             | .22%  | 718.94              | 833.97              |                     |
| Water: Basic levy  |     | 23.10           | 21.07           | 22.02           | 27.29                | 27.29           | 27.29              | .10%  | 30.02               | 31.49               |                     |
| Water: Consumption   |     | 425.92          | 388.61          | 406.10          | 503.22               | 503.22          | 503.22             | .10%  | 553.54              | 580.67              |                     |
| Sanitation   |     | 162.55          | 153.35          | 160.25          | 181.72               | 181.72          | 181.72             | .16%  | 210.80              | 221.13              |                     |
| Refuse removal   |     | 105.14          | 99.18           | 103.65          | 117.54               | 117.54          | 117.54             | .07%  | 125.76              | 131.93              |                     |
| 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%</b>   | <b>2,258.32</b>     | <b>2,454.76</b>     |                     |
| VAT on Services  |     | 262.09          | 242.70          |                 | 298.74               | 298.74          | 298.74             | .15%  | 338.75              | 368.21              |                     |
| <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%</b>   | <b>2,597.07</b>     | <b>2,822.97</b>     |                     |
| <b>% increase/-decrease</b>                                      |     |                 | <b>-.07%</b>    | <b>-.09%</b>    | <b>.35%</b>          |                 |                    |   | <b>.13%</b>         | <b>.09%</b>         |                     |
| <b>Monthly Account for Household - Indigent HH receiving FBS</b> | 3   |                 |                 |                 |                      |                 |                    |   |                     |                     |                     |
| <b>Rates and services charges:</b>                               |     |                 |                 |                 |                      |                 |                    |   |                     |                     |                     |
| Property rates   |     | 235.96          | 222.60          | 232.62          | 263.79               | 263.79          | 263.79             | .07%  | 282.25              | 296.08              |                     |
| Electricity: Basic levy  |     |                 |                 |                 |                      |                 |                    | .22%  |                     |                     |                     |
| Electricity: Consumption   |     | 311.50          | 284.71          | 297.52          | 353.68               | 353.68          | 353.68             | .22%  | 431.49              | 500.53              |                     |
| Water: Basic levy  |     | 23.10           | 21.07           | 22.02           | 27.29                | 27.29           | 27.29              | .10%  | 30.02               | 34.82               |                     |
| Water: Consumption   |     | 364.44          | 332.52          | 347.49          | 430.59               | 430.59          | 430.59             | .10%  | 473.65              | 496.86              |                     |
| Sanitation   |     |                 |                 |                 |                      |                 |                    | .16%  |                     |                     |                     |
| Refuse removal   |     |                 |                 |                 |                      |                 |                    | .07%  |                     |                     |                     |
| 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%</b>   | <b>1,217.41</b>     | <b>1,328.29</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%</b>   | <b>1,217.41</b>     | <b>1,328.29</b>     |                     |
| <b>% increase/-decrease</b>                                      |     |                 | <b>-.08%</b>    | <b>.04%</b>     | <b>.20%</b>          |                 |                    |   | <b>.13%</b>         | <b>.09%</b>         |                     |

## 1.4 Operating Expenditure Framework

The City's expenditure framework for the 2025/26 budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- Funded budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Low debt collection ratio which impacts negatively on budgeting for service delivery
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;

Operational gains and efficiencies will be directed to funding the capital budget and other core services; and

- **Strict adherence to the principle of no project plans no budget. If there is no business plan, no funding allocation can be made.**

The following table is a high-level summary of the 2025/26 budget and MTREF (classified per main type of operating expenditure):

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

Msunduzi (KZN225) - Table A4 Budgeted Financial Performance

| Description                     | Ref      | 2021/22          | 2022/23          | 2023/24          | Current year 2024/25 |                  |                    |                   | 2025/26 Medium Term Revenue & Expenditure Framework |                     |                     |
|---------------------------------|----------|------------------|------------------|------------------|----------------------|------------------|--------------------|-------------------|---|---------------------|---------------------|
|                                 |          | Audited Outcome  | Audited Outcome  | Audited Outcome  | Original Budget      | Adjusted Budget  | Full Year Forecast | Pre-audit Outcome | Budget Year 2025/26                                 | Budget Year 2026/27 | Budget Year 2027/28 |
| <b>Expenditure</b>              | <b>1</b> |                  |                  |                  |                      |                  |                    |                   |   |                     |                     |
| Employee related costs          | 2        | 1,468,961        | 1,466,856        | 1,612,918        | 1,847,017            | 1,798,841        | 1,798,841          | 383,824           | 1,922,439   | 2,059,216           | 2,204,702           |
| Remuneration of councillors     |          | 49,439           | 51,818           | 63,542           | 66,462               | 66,462           | 66,462             | 14,263            | 70,450  | 73,902              | 77,523              |
| Bulk purchases - electricity    | 2        | 2,212,725        | 2,350,401        | 2,714,396        | 3,145,119            | 3,145,119        | 3,145,119          | 1,134,908         | 3,522,533   | 3,695,137           | 3,876,199           |
| Inventory consumed              | 8        | 821,790          | 739,336          | 877,663          | 993,409              | 893,409          | 893,409            | 278,453           | 1,013,606   | 1,068,601           | 1,123,752           |
| Debt impairment                 | 3        | 776,533          | 71,196           | 1,143,098        | 636,000              | 636,000          | 636,000            | -                 | 420,000   | 438,900             | 458,651             |
| Depreciation and amortisation   |          | 372,611          | 350,684          | 361,848          | 362,179              | 388,679          | 388,679            | 97,824            | 390,260   | 386,743             | 282,527             |
| Interest                        |          | 33,596           | 150,814          | 86,051           | 42,825               | 42,825           | 42,825             | 5,184             | 56,180  | 58,708              | 62,231              |
| Contracted services             |          | 694,851          | 799,399          | 904,134          | 1,023,282            | 924,590          | 924,590            | 100,325           | 855,830   | 970,844             | 1,041,669           |
| Transfers and subsidies         |          | 32,413           | 29,562           | 25,240           | 69,670               | 69,670           | 69,670             | 13,000            | 72,457  | 76,007              | 79,732              |
| Irrecoverable debts written off |          | 75,248           | 26,721           | 22,524           | -                    | -                | -                  | 4,525             | -   | -                   | -                   |
| Operational costs               |          | 153,847          | 178,599          | 208,326          | 194,308              | 209,870          | 209,870            | 28,616            | 238,041   | 242,498             | 276,698             |
| Losses on disposal of Assets    |          | 833              | 2,160            | 14,049           | -                    | -                | -                  | -                 | -   | -                   | -                   |
| Other Losses                    |          | 29,522           | 8,157            | 327              | -                    | -                | -                  | (675)             | -   | -                   | -                   |
| <b>Total Expenditure</b>        |          | <b>6,722,368</b> | <b>6,225,702</b> | <b>8,034,116</b> | <b>8,380,271</b>     | <b>8,175,464</b> | <b>8,175,464</b>   | <b>2,060,248</b>  | <b>8,561,797</b>                                    | <b>9,070,557</b>    | <b>9,483,682</b>    |

The budgeted allocation for employee related costs for the 2025/26 financial year totals R1,922 billion, which equals to 22 per cent of the total operating expenditure. Salary increases have been factored into this

budget at a percentage increase of 6 per cent for the 2025/26 and 4.90 per cent the two outer years. In addition, expenditure against overtime was critically reviewed for inefficiencies and significantly streamlined with provisions against this budget item only being provided for emergency services and other critical functions.

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

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

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

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

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

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

priority being given to preserving and maintaining the City's current infrastructure, the 2025/26 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the City. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services.

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

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved which is why it has decreased quite substantially. The highest contributor are SALGA fees, audit fees, ICT Fees and municipal service fees.

#### **1.4.1 Priority given to repairs and maintenance**

Aligned to the priority being given to preserving and maintaining the City's current infrastructure, the 2025/26 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the City. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. The provision for repairs and maintenance is below the norm due to a huge provision on capital budget being towards infrastructure renewal.

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

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



**Table 8 Repairs and maintenance per asset class****Msunduzi(KZN225) - Table SA34c Repairs and Maintenance Expenditure by Asset Class (**

| Description   |  | Ref | 2021/22         | 2022/23         | 2023/24         | Current year 2024/25 |                 |                    | 2025/26 Medium Term Revenue & Expenditure Framework |                     |                     |
|---|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|---------------------|---------------------|
| R thousands   |  |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2025/26                                 | Budget Year 2026/27 | Budget Year 2027/28 |
| <b>Repairs and Maintenance Expenditure by Asset Class/Sub-class</b> |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| <b>Infrastructure</b>   |  |     | -               | -               | -               | 520,223              | 377,345         | 377,345            | 419,381   | 464,676             | 497,249             |
| Roads Infrastructure  |  |     | -               | -               | -               | 155,467              | 118,567         | 118,567            | 44,921  | 60,213              | 65,348              |
| Roads   |  |     |                 |                 |                 | 148,240              | 113,279         | 113,279            | 41,794  | 56,773              | 61,565              |
| Road Structures   |  |     |                 |                 |                 | 3,401                | 2,401           | 2,401              | 1,401   | 1,541               | 1,695               |
| Road Furniture  |  |     |                 |                 |                 | 3,826                | 2,887           | 2,887              | 1,726   | 1,898               | 2,088               |
| Electrical Infrastructure   |  |     | -               | -               | -               | 27,650               | 26,200          | 26,200             | 20,665  | 27,154              | 29,598              |
| LV Networks   |  |     |                 |                 |                 | 300                  | 24,900          | 24,900             | 19,472  | 25,586              | 27,889              |
| Capital Spares  |  |     |                 |                 |                 |                      | 1,300           | 1,300              | 1,193   | 1,568               | 1,709               |
| Water Supply Infrastructure   |  |     | -               | -               | -               | 25,675               | 15,897          | 15,897             | 38,080  | 41,888              | 46,077              |
| Bulk Mains  |  |     |                 |                 |                 | 600                  | 100             | 100                | 1,000   | 1,100               | 1,210               |
| Distribution  |  |     |                 |                 |                 | 25,075               | 15,797          | 15,797             | 37,080  | 40,788              | 44,867              |
| Sanitation Infrastructure   |  |     | -               | -               | -               | 311,176              | 214,976         | 214,976            | 311,582   | 330,917             | 351,476             |
| Pump Station  |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Reticulation  |  |     |                 |                 |                 | 10,000               | 3,800           | 3,800              | 16,000  | 17,600              | 19,360              |
| Toilet Facilities   |  |     |                 |                 |                 | 301,176              | 211,176         | 211,176            | 295,582   | 313,317             | 332,116             |
| Capital Spares  |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Solid Waste Infrastructure  |  |     | -               | -               | -               | 255                  | 255             | 255                | 3,470   | 3,633               | 3,800               |
| Landfill Sites  |  |     |                 |                 |                 | 255                  | 255             | 255                | 3,470   | 3,633               | 3,800               |
| Coastal Infrastructure  |  |     | -               | -               | -               | -                    | 1,450           | 1,450              | 663   | 871                 | 950                 |
| Capital Spares  |  |     |                 |                 |                 |                      | 1,450           | 1,450              | 663   | 871                 | 950                 |
| <b>Community Assets</b>   |  |     | -               | -               | -               | 30,550               | 27,820          | 27,820             | 10,670  | 11,189              | 11,724              |
| Community Facilities  |  |     | -               | -               | -               | 29,292               | 26,613          | 26,613             | 9,244   | 9,696               | 10,162              |
| Halls   |  |     |                 |                 |                 | 23,032               | 19,953          | 19,953             | 8,505   | 8,909               | 9,325               |
| Public Ablution Facilities  |  |     |                 |                 |                 | 850                  | 850             | 850                | 500   | 524                 | 548                 |
| Markets   |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Stalls  |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Abattoirs   |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Airports  |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Taxi Ranks/Bus Terminals  |  |     |                 |                 |                 | 239                  | 639             | 639                | 239   | 263                 | 290                 |
| Capital Spares  |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Sport and Recreation Facilities                                     |  |     | -               | -               | -               | 1,258                | 1,207           | 1,207              | 1,426   | 1,493               | 1,562               |
| Indoor Facilities   |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Outdoor Facilities  |  |     |                 |                 |                 | 1,258                | 1,207           | 1,207              | 1,426   | 1,493               | 1,562               |
| Capital Spares  |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| <b>Other assets</b>   |  |     | -               | -               | -               | 37,809               | 37,540          | 37,540             | 18,400  | 18,764              | 20,105              |
| Operational Buildings   |  |     | -               | -               | -               | 33,773               | 14,186          | 14,186             | 17,950  | 18,287              | 19,599              |
| Municipal Offices   |  |     |                 |                 |                 | 32,688               | 13,501          | 13,501             | 16,860  | 16,937              | 18,166              |
| Pay/Enquiry Points  |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Building Plan Offices   |  |     |                 |                 |                 | 1,000                | 600             | 600                | 1,000   | 1,272               | 1,348               |
| Stores  |  |     |                 |                 |                 | 85                   | 85              | 85                 | 90  | 78                  | 85                  |
| Housing   |  |     | -               | -               | -               | 4,036                | 23,354          | 23,354             | 450   | 477                 | 506                 |
| Staff Housing   |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Social Housing  |  |     |                 |                 |                 | 4,036                | 23,354          | 23,354             | 450   | 477                 | 506                 |
| <b>Intangible Assets</b>  |  |     | -               | -               | -               | -                    | 140             | 140                | 148   | 157                 | 167                 |
| Unspecified   |  |     |                 |                 |                 |                      | 140             | 140                | 148   | 157                 | 167                 |
| <b>Machinery and Equipment</b>                                      |  |     | -               | -               | -               | 14,367               | 11,880          | 11,880             | 14,540  | 16,231              | 17,418              |
| Machinery and Equipment   |  |     |                 |                 |                 | 14,367               | 11,880          | 11,880             | 14,540  | 16,231              | 17,418              |
| <b>Transport Assets</b>   |  |     | -               | -               | -               | 21,411               | 19,908          | 19,908             | 32,426  | 34,926              | 38,009              |
| Transport Assets  |  |     |                 |                 |                 | 21,411               | 19,908          | 19,908             | 32,426  | 34,926              | 38,009              |
| <b>Total+A1:K175 Capital Expenditure on new assets</b>              |  |     | -               | -               | -               | 624,360              | 474,632         | 474,632            | 495,564   | 545,944             | 584,671             |

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

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

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services, the households are required to register in terms of the City's Indigent Policy. Details relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement) on page 44.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

## **1.5 Capital expenditure**

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

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

| Vote Description   | Ref      | 2021/22         | 2022/23         | 2023/24         | Current Year 2024/25 |                 |                    |                   | 2025/26 Medium Term Revenue & Expenditure Framework |                        |                        |
|--|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
|  |          | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2025/26                                 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| <b>R thousand</b>  | <b>1</b> |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Capital expenditure - Vote</b>  |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Multi-year expenditure to be appropriated</b>   |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Vote 1 - City Manager  | 2        | 1,614           | 27              | –               | 37,445               | 850             | 850                | –                 | –   | –                      | –                      |
| Vote 2 - City Finance  |          | 4,936           | 9,153           | 10,485          | 25,000               | 25,000          | 25,000             | –                 | 45,000  | 45,000                 | 50,000                 |
| Vote 3 - Corporate Services  |          | 2,273           | 938             | 5,072           | 6,585                | 6,835           | 6,835              | –                 | 10,000  | 10,000                 | 10,000                 |
| Vote 4 - Community Services and Social Equity  |          | 33,154          | 48,934          | 70,000          | 42,143               | 34,601          | 34,601             | –                 | 34,617  | 18,494                 | 18,423                 |
| Vote 5 - Infrastructure Services   |          | 308,960         | 268,923         | 291,474         | 284,464              | 349,088         | 349,088            | –                 | 346,701   | 386,147                | 404,940                |
| Vote 6 - Sustainable Development and City Enterprises  |          | 51,772          | 133,279         | 168,625         | 153,599              | 155,162         | 155,162            | –                 | –   | –                      | 8,000                  |
| Vote 7 - Electricity   |          | 98,800          | 71,071          | 116,839         | 237,331              | 198,158         | 198,158            | –                 | 181,333   | 30,247                 | 31,483                 |
| <b>Capital multi-year expenditure sub-total</b>  | <b>7</b> | <b>501,510</b>  | <b>532,326</b>  | <b>662,496</b>  | <b>786,566</b>       | <b>769,693</b>  | <b>769,693</b>     | <b>–</b>          | <b>617,651</b>                                      | <b>489,887</b>         | <b>522,847</b>         |
| <b>Single-year expenditure to be appropriated</b>  |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Vote 1 - City Manager  | 2        | 2,151           | 944             | 6,003           | 5,000                | 6,400           | 6,400              | –                 | –   | –                      | –                      |
| Vote 2 - City Finance  |          | 6,345           | 3,084           | 5,571           | –                    | 1,300           | 1,300              | –                 | –   | –                      | –                      |
| Vote 3 - Corporate Services  |          | 2,270           | 3,796           | 15,256          | 7,615                | 11,871          | 11,871             | –                 | –   | –                      | –                      |
| Vote 4 - Community Services and Social Equity  |          | 3,553           | 4,980           | 8,052           | 8,690                | 9,090           | 9,090              | –                 | 10,000  | 30,000                 | 30,000                 |
| Vote 5 - Infrastructure Services   |          | 3,549           | 793             | 15,179          | 10,000               | 10,092          | 10,092             | –                 | –   | –                      | –                      |
| Vote 6 - Sustainable Development and City Enterprises  |          | 2,059           | 1,035           | 843             | 2,140                | 2,502           | 2,502              | –                 | –   | –                      | –                      |
| Vote 7 - Electricity   |          | –               | 831             | 12,909          | 4,000                | 5,600           | 5,600              | –                 | –   | –                      | –                      |
| <b>Capital single-year expenditure sub-total</b>   |          | <b>19,927</b>   | <b>15,464</b>   | <b>63,814</b>   | <b>37,445</b>        | <b>46,856</b>   | <b>46,856</b>      | <b>–</b>          | <b>10,000</b>                                       | <b>30,000</b>          | <b>30,000</b>          |
| <b>Total Capital Expenditure - Vote</b>  |          | <b>521,437</b>  | <b>547,790</b>  | <b>726,310</b>  | <b>824,011</b>       | <b>816,549</b>  | <b>816,549</b>     | <b>–</b>          | <b>627,651</b>                                      | <b>519,887</b>         | <b>552,847</b>         |
| <b>Capital Expenditure - Functional</b>  |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Governance and administration</b>   |          | <b>19,336</b>   | <b>18,773</b>   | <b>43,055</b>   | <b>45,300</b>        | <b>37,948</b>   | <b>37,948</b>      | <b>–</b>          | <b>55,000</b>                                       | <b>57,475</b>          | <b>60,061</b>          |
| Executive and council  |          | 2,639           | 750             | 6,003           | 5,100                | 7,650           | 7,650              | –                 | –   | –                      | –                      |
| Finance and administration   |          | 16,697          | 18,024          | 37,052          | 40,200               | 30,298          | 30,298             | –                 | 55,000  | 57,475                 | 60,061                 |
| Internal audit   |          | –               | –               | –               | –                    | –               | –                  | –                 | –   | –                      | –                      |
| <b>Community and public safety</b>   |          | <b>36,891</b>   | <b>57,141</b>   | <b>117,916</b>  | <b>168,351</b>       | <b>149,294</b>  | <b>149,294</b>     | <b>–</b>          | <b>44,617</b>                                       | <b>48,494</b>          | <b>48,423</b>          |
| Community and social services  |          | 33,969          | 43,937          | 39,760          | 24,745               | 16,970          | 16,970             | –                 | 44,617  | 48,494                 | 48,423                 |
| Sport and recreation   |          | 1,041           | 922             | 5,256           | 11,933               | 12,166          | 12,166             | –                 | –   | –                      | –                      |
| Public safety  |          | 94              | 148             | 724             | 2,100                | 2,100           | 2,100              | –                 | –   | –                      | –                      |
| Housing  |          | 1,786           | 12,135          | 72,176          | 129,574              | 118,058         | 118,058            | –                 | –   | –                      | –                      |
| Health   |          | –               | –               | –               | –                    | –               | –                  | –                 | –   | –                      | –                      |
| <b>Economic and environmental services</b>   |          | <b>239,009</b>  | <b>277,382</b>  | <b>247,500</b>  | <b>139,974</b>       | <b>187,682</b>  | <b>187,682</b>     | <b>–</b>          | <b>125,584</b>                                      | <b>136,782</b>         | <b>157,770</b>         |
| Planning and development   |          | 37,474          | 118,612         | 92,996          | 23,150               | 36,591          | 36,591             | –                 | –   | –                      | 8,000                  |
| Road transport   |          | 201,377         | 158,749         | 154,504         | 116,824              | 151,091         | 151,091            | –                 | 125,584   | 136,782                | 149,770                |
| Environmental protection   |          | 158             | 22              | –               | –                    | –               | –                  | –                 | –   | –                      | –                      |
| <b>Trading services</b>  |          | <b>226,176</b>  | <b>191,140</b>  | <b>314,321</b>  | <b>467,535</b>       | <b>438,774</b>  | <b>438,774</b>     | <b>–</b>          | <b>402,450</b>                                      | <b>277,006</b>         | <b>291,006</b>         |
| Energy sources   |          | 98,800          | 64,942          | 129,749         | 260,054              | 243,758         | 243,758            | –                 | 181,333   | 30,809                 | 32,133                 |
| Water management   |          | 58,052          | 67,842          | 78,803          | 100,375              | 82,258          | 82,258             | –                 | 108,900   | 127,247                | 132,785                |
| Waste water management   |          | 54,322          | 48,192          | 78,088          | 97,047               | 102,698         | 102,698            | –                 | 112,217   | 118,950                | 126,088                |
| Waste management   |          | 15,002          | 10,165          | 27,681          | 10,060               | 10,060          | 10,060             | –                 | –   | –                      | –                      |
| <b>Other</b>   |          | <b>415</b>      | <b>3,353</b>    | <b>3,518</b>    | <b>2,850</b>         | <b>2,850</b>    | <b>2,850</b>       | <b>–</b>          | <b>–</b>  | <b>–</b>               | <b>–</b>               |
| <b>Total Capital Expenditure - Functional</b>  | <b>3</b> | <b>521,827</b>  | <b>547,790</b>  | <b>726,310</b>  | <b>824,011</b>       | <b>816,549</b>  | <b>816,549</b>     | <b>–</b>          | <b>627,651</b>                                      | <b>519,757</b>         | <b>557,261</b>         |
| <b>Funded by:</b>  |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| National Government  |          | 291,413         | 251,840         | 302,791         | 325,817              | 345,980         | 345,980            | –                 | 346,127   | 396,887                | 425,347                |
| Provincial Government  |          | 21,308          | 111,490         | 92,791          | 131,158              | 131,946         | 131,946            | –                 | 30,000  | 33,000                 | 32,000                 |
| District Municipality  |          | –               | –               | –               | –                    | –               | –                  | –                 | –   | –                      | –                      |
| Transfers and subsidies - capital (monetary allocations) (Nat/ Prov)   |          | –               | –               | –               | –                    | –               | –                  | –                 | –   | –                      | –                      |
| Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions) |          | –               | –               | –               | –                    | –               | –                  | –                 | –   | –                      | –                      |
| <b>Transfers recognised - capital</b>  | <b>4</b> | <b>312,721</b>  | <b>363,330</b>  | <b>395,582</b>  | <b>456,975</b>       | <b>477,926</b>  | <b>477,926</b>     | <b>–</b>          | <b>376,127</b>                                      | <b>429,887</b>         | <b>457,347</b>         |
| <b>Borrowing</b>   | <b>6</b> | <b>49,401</b>   | <b>–</b>        | <b>72,310</b>   | <b>234,316</b>       | <b>206,616</b>  | <b>206,616</b>     | <b>–</b>          | <b>161,524</b>                                      | <b>–</b>               | <b>–</b>               |
| <b>Internally generated funds</b>  |          | <b>159,705</b>  | <b>184,460</b>  | <b>258,418</b>  | <b>132,720</b>       | <b>132,007</b>  | <b>132,007</b>     | <b>–</b>          | <b>90,000</b>                                       | <b>90,000</b>          | <b>100,000</b>         |
| <b>Total Capital Funding</b>   | <b>7</b> | <b>521,827</b>  | <b>547,790</b>  | <b>726,310</b>  | <b>824,011</b>       | <b>816,549</b>  | <b>816,549</b>     | <b>–</b>          | <b>627,651</b>                                      | <b>519,887</b>         | <b>557,347</b>         |

The capital budget of R 627 million (R 376 million grant funding, R 90 million internal funding and R161 million Borrowings) for 2025/26. About 40.9% of the total capital budget will go towards renewal of existing assets while 59.1.6 % is going to be spent on new assets.

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

### 1.5.1 Future operational cost of new infrastructure

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

## 1.6 Annual Budget Tables - Parent Municipality

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2025/26 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 10 MBRR Table A1 -

## Msunduzi (KZN225) - Table A1 Budget Summary

| Description  | 2021/22            | 2022/23          | 2023/24            | Current year 2024/25 |                  |                    |                   | 2025/26 Medium Term Revenue & Expenditure Framework |                     |                     |
|--|--------------------|------------------|--------------------|----------------------|------------------|--------------------|-------------------|---|---------------------|---------------------|
|  | Audited Outcome    | Audited Outcome  | Audited Outcome    | Original Budget      | Adjusted Budget  | Full Year Forecast | Pre-audit Outcome | Budget Year 2025/26                                 | Budget Year 2026/27 | Budget Year 2027/28 |
| <b>R thousands</b>   |                    |                  |                    |                      |                  |                    |                   |   |                     |                     |
| <b>Financial Performance</b>   |                    |                  |                    |                      |                  |                    |                   |   |                     |                     |
| Property rates   | 1,212,773          | 1,370,173        | 1,359,087          | 1,649,353            | 1,649,352        | 1,649,352          | 448,827           | 1,721,665   | 1,799,140           | 1,844,118           |
| Service charges  | 3,846,305          | 3,870,497        | 4,086,762          | 5,683,701            | 5,610,234        | 5,610,234          | 1,345,657         | 6,259,264   | 6,566,053           | 6,887,879           |
| Investment revenue   | 10,445             | 16,957           | 44,118             | 19,135               | 19,135           | 19,135             | 8,195             | 19,996  | 20,976              | 22,004              |
| Transfer and subsidies - Operational                                 | 681,678            | 801,751          | 824,545            | 946,343              | 1,026,395        | 1,026,395          | 357,125           | 993,197   | 1,066,101           | 1,113,040           |
| Other own revenue  | 365,182            | 367,682          | 613,025            | 665,372              | 665,372          | 665,372            | 133,601           | 517,452   | 542,807             | 569,404             |
| <b>Total Revenue (excluding capital transfers and contributions)</b> | <b>6,116,383</b>   | <b>6,427,061</b> | <b>6,927,537</b>   | <b>8,963,903</b>     | <b>8,970,488</b> | <b>8,970,488</b>   | <b>2,293,405</b>  | <b>9,511,574</b>                                    | <b>9,995,076</b>    | <b>10,436,445</b>   |
| Employee costs   | 1,468,961          | 1,466,856        | 1,612,918          | 1,847,017            | 1,798,841        | 1,798,841          | 383,824           | 1,922,439   | 2,059,216           | 2,204,702           |
| Remuneration of councillors  | 49,439             | 51,818           | 63,542             | 66,462               | 66,462           | 66,462             | 14,263            | 70,450  | 73,902              | 77,523              |
| Depreciation and amortisation  | 372,611            | 350,684          | 361,848            | 362,179              | 388,679          | 388,679            | 97,824            | 390,260   | 386,743             | 282,527             |
| Finance charges  | 33,596             | 150,814          | 86,051             | 42,825               | 42,825           | 42,825             | 5,184             | 56,180  | 58,708              | 62,231              |
| Inventory consumed and bulk purchases                                | 3,034,515          | 3,089,737        | 3,592,059          | 4,138,528            | 4,038,528        | 4,038,528          | 1,413,361         | 4,536,139   | 4,763,739           | 4,999,951           |
| Transfers and subsidies  | 32,413             | 29,562           | 25,240             | 69,670               | 69,670           | 69,670             | 13,000            | 72,457  | 76,007              | 79,732              |
| Other expenditure  | 1,730,834          | 1,086,231        | 2,292,457          | 1,853,590            | 1,770,459        | 1,770,459          | 132,791           | 1,513,871   | 1,652,242           | 1,777,017           |
| <b>Total Expenditure</b>   | <b>6,722,368</b>   | <b>6,225,702</b> | <b>8,034,116</b>   | <b>8,380,271</b>     | <b>8,175,464</b> | <b>8,175,464</b>   | <b>2,060,248</b>  | <b>8,561,797</b>                                    | <b>9,070,557</b>    | <b>9,483,682</b>    |
| <b>Surplus/(Deficit)</b>   | <b>(605,986)</b>   | <b>201,359</b>   | <b>(1,106,579)</b> | <b>583,632</b>       | <b>795,024</b>   | <b>795,024</b>     | <b>233,157</b>    | <b>949,777</b>                                      | <b>924,519</b>      | <b>952,763</b>      |
| Transfers and subsidies - capital (monetary allocations)             | 368,725            | 324,319          | 427,923            | 456,975              | 488,696          | 488,696            | 39,933            | 376,127   | 429,887             | 457,347             |
| Transfers and subsidies - capital (in-kind)                          | 60                 | 2                | 199                | -                    | -                | -                  | -                 | -   | -                   | -                   |
| <b>Surplus/(Deficit) after capital transfers &amp; contributions</b> | <b>(237,201)</b>   | <b>525,680</b>   | <b>(678,457)</b>   | <b>1,040,607</b>     | <b>1,283,720</b> | <b>1,283,720</b>   | <b>273,090</b>    | <b>1,325,904</b>                                    | <b>1,354,407</b>    | <b>1,410,110</b>    |
| Share of Surplus/Deficit attributable to Associate                   | -                  | -                | -                  | -                    | -                | -                  | -                 | -   | -                   | -                   |
| <b>Surplus/(Deficit) for the year</b>                                | <b>(237,201)</b>   | <b>525,680</b>   | <b>(678,457)</b>   | <b>1,040,607</b>     | <b>1,283,720</b> | <b>1,283,720</b>   | <b>273,090</b>    | <b>1,325,904</b>                                    | <b>1,354,407</b>    | <b>1,410,110</b>    |
| <b>Capital expenditure &amp; funds sources</b>                       |                    |                  |                    |                      |                  |                    |                   |   |                     |                     |
| <b>Capital expenditure</b>   | <b>12,565,964</b>  | <b>552,514</b>   | <b>882,088</b>     | <b>823,982</b>       | <b>816,549</b>   | <b>816,549</b>     | <b>77,767</b>     | <b>627,651</b>                                      | <b>519,757</b>      | <b>555,912</b>      |
| Transfers recognised - capital                                       | -                  | 323,914          | -                  | 456,975              | 477,926          | 477,926            | -                 | 376,127   | 429,887             | 455,998             |
| Borrowing  | -                  | -                | -                  | 234,316              | 206,616          | 206,616            | -                 | 161,524   | -                   | 5,460               |
| Internally generated funds   | -                  | 228,600          | 819,701            | 132,691              | 132,007          | 132,007            | -                 | 90,000  | 89,870              | 94,454              |
| <b>Total sources of capital funds</b>                                | <b>-</b>           | <b>552,514</b>   | <b>819,701</b>     | <b>823,982</b>       | <b>816,549</b>   | <b>816,549</b>     | <b>-</b>          | <b>627,651</b>                                      | <b>519,757</b>      | <b>555,912</b>      |
| <b>Financial position</b>  |                    |                  |                    |                      |                  |                    |                   |   |                     |                     |
| Total current assets   | 3,301,660          | 4,168,889        | 2,297,435          | 4,114,508            | 4,405,836        | 4,405,836          | 397,017           | 3,566,622   | 3,715,259           | 3,837,128           |
| Total non current assets   | 8,206,003          | 8,924,750        | 8,604,430          | 10,127,020           | 10,147,287       | 10,147,287         | (6,728)           | 9,232,081   | 9,511,387           | 9,952,165           |
| Total current liabilities  | 2,718,511          | 3,885,790        | 4,104,188          | 2,372,667            | 1,904,920        | 1,904,920          | 140,312           | 2,157,958   | 2,131,999           | 2,157,120           |
| Total non current liabilities  | 775,015            | 658,474          | 733,130            | 1,223,486            | 1,223,486        | 1,223,486          | -                 | 3,413,769   | 3,567,389           | 3,727,921           |
| Community wealth/Equity  | 8,251,338          | 8,023,695        | 6,743,004          | 10,645,376           | 11,424,717       | 11,424,717         | (15,038)          | 7,226,976   | 7,527,259           | 7,904,252           |
| <b>Cash flows</b>  |                    |                  |                    |                      |                  |                    |                   |   |                     |                     |
| Net cash from (used) operating                                       | -                  | 790,678          | -                  | 568,083              | 776,440          | 776,440            | 239,442           | 585,213   | 621,431             | 648,490             |
| Net cash from (used) investing                                       | -                  | (498,681)        | -                  | (824,011)            | (824,011)        | (824,011)          | (355)             | (627,651)   | (519,887)           | (557,347)           |
| Net cash from (used) financing                                       | -                  | (79,163)         | -                  | 144,316              | 184,316          | 184,316            | -                 | 71,524  | (90,000)            | (90,000)            |
| <b>Cash/cash equivalents at the year end</b>                         | <b>56,302</b>      | <b>695,267</b>   | <b>366,360</b>     | <b>190,172</b>       | <b>632,738</b>   | <b>632,738</b>     | <b>239,087</b>    | <b>395,446</b>                                      | <b>394,390</b>      | <b>401,219</b>      |
| <b>Cash backing/surplus reconciliation</b>                           |                    |                  |                    |                      |                  |                    |                   |   |                     |                     |
| Cash and investments available                                       | 321,845            | 482,433          | 456,935            | 211,783              | 372,824          | 372,824            | (125,789)         | 923,006   | 947,152             | 942,615             |
| Application of cash and investments                                  | 2,452,587          | 821,005          | 3,723,444          | (941,591)            | (1,480,351)      | (1,480,351)        | 40,999            | 95,964  | (31,479)            | (108,915)           |
| <b>Balance - surplus (shortfall)</b>                                 | <b>(2,130,742)</b> | <b>(338,572)</b> | <b>(3,266,508)</b> | <b>1,153,374</b>     | <b>1,853,175</b> | <b>1,853,175</b>   | <b>(166,788)</b>  | <b>827,042</b>                                      | <b>978,631</b>      | <b>1,051,530</b>    |
| <b>Asset management</b>  |                    |                  |                    |                      |                  |                    |                   |   |                     |                     |
| Asset register summary (WDV)   | 6,763,544          | 7,128,088        | 7,784,729          | 9,389,757            | 9,420,291        | 9,420,291          | (74,882)          | 7,807,004   | 8,151,004           | 8,545,100           |
| Depreciation   | 365,699            | 337,452          | 359,060            | 362,179              | 388,679          | 388,679            | 97,824            | 390,260   | 386,743             | 282,527             |
| Renewal and Upgrading of Existing Assets                             | -                  | -                | 11,937             | 108,308              | 247,127          | 247,127            | 15,031            | 258,987   | 290,851             | 226,565             |
| Repairs and Maintenance  | -                  | -                | -                  | 624,360              | 474,632          | 474,632            | 74,224            | 495,564   | 545,944             | 584,671             |
| <b>Free services</b>   |                    |                  |                    |                      |                  |                    |                   |   |                     |                     |
| Cost of Free Basic Services provided                                 | -                  | -                | -                  | 282,387              | 254,768          | 254,768            | 7,131             | 323,555   | 339,324             | 355,862             |
| Revenue cost of free services provided                               | -                  | -                | -                  | 120,844              | 120,844          | 120,844            | 23                | 258,775   | 270,420             | 277,180             |
| <b>Households below minimum service level</b>                        |                    |                  |                    |                      |                  |                    |                   |   |                     |                     |
| Water:   | 6,396              | 6,396            | 6,396              | 6,654                | 6,654            | 6,654              | 6,654             | -   | -                   | -                   |
| Sanitation/sewerage:   | 71,527             | 71,527           | 71,527             | 74,417               | 74,417           | 74,417             | 74,417            | -   | -                   | -                   |
| Energy:  | 8,000              | 8,000            | 8,000              | 8,320                | 8,320            | 8,320              | 8,320             | -   | -                   | -                   |
| Refuse:  | 40,770             | 40,770           | 40,770             | 42,401               | 42,401           | 42,401             | 42,401            | -   | -                   | -                   |

## **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)****Msunduzi (KZN225) - Table A2 Budgeted Financial Performance by Functional Classification**

| Description                                    | Ref      | 2021/22         | 2022/23         | 2023/24         | Current year 2024/25 |                 |                    | 2025/26 Medium Term Revenue & Expenditure Framework |                     |                     |
|--|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|---------------------|---------------------|
|  |          | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2025/26                                 | Budget Year 2026/27 | Budget Year 2027/28 |
| <b>R thousands</b>                             | <b>1</b> |                 |                 |                 |                      |                 |                    |   |                     |                     |
| <b>Revenue - Functional</b>                    |          |                 |                 |                 |                      |                 |                    |   |                     |                     |
| <i>Municipal governance and administration</i> |          | 6,485,167       | 6,751,382       | 7,355,659       | 2,688,151            | 2,687,713       | 2,687,713          | 2,802,817   | 2,939,444           | 3,036,382           |
| Executive and council                          |          |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Finance and administration                     |          | 6,485,167       | 6,751,382       | 7,355,659       | 2,688,151            | 2,687,713       | 2,687,713          | 2,802,817   | 2,939,444           | 3,036,382           |
| Internal audit                                 |          |                 |                 |                 |                      |                 |                    |   |                     |                     |
| <i>Community and public safety</i>             |          | -               | -               | -               | 525,429              | 322,789         | 322,789            | 63,190  | 62,953              | 66,181              |
| Community and social services                  |          |                 |                 |                 | 307,323              | 106,951         | 106,951            | 25,185  | 22,970              | 24,117              |
| Sport and recreation                           |          |                 |                 |                 | 23,527               | 30,479          | 30,479             | 1,224   | 1,284               | 1,347               |
| Public safety                                  |          |                 |                 |                 | 9,173                | 9,173           | 9,173              | 16,851  | 17,677              | 18,543              |
| Housing  |          |                 |                 |                 | 185,406              | 176,187         | 176,187            | 19,930  | 21,022              | 22,175              |
| Health   |          |                 |                 |                 |                      |                 |                    |   |                     |                     |
| <i>Economic and environmental services</i>     |          | -               | -               | -               | 86,692               | 150,008         | 150,008            | 146,237   | 200,033             | 214,617             |
| Planning and development                       |          |                 |                 |                 | 31,697               | 44,121          | 44,121             | 40,665  | 44,187              | 51,735              |
| Road transport                                 |          |                 |                 |                 | 50,000               | 100,893         | 100,893            | 100,000   | 150,000             | 156,750             |
| Environmental protection                       |          |                 |                 |                 | 4,994                | 4,994           | 4,994              | 5,573   | 5,846               | 6,132               |
| <i>Trading services</i>                        |          | -               | -               | -               | 5,997,734            | 6,174,882       | 6,174,882          | 6,819,417   | 7,163,749           | 7,514,945           |
| Energy sources                                 |          |                 |                 |                 | 4,347,604            | 4,286,092       | 4,286,092          | 4,740,506   | 4,982,861           | 5,226,798           |
| Water management                               |          |                 |                 |                 | 1,219,122            | 1,282,859       | 1,282,859          | 1,365,916   | 1,435,396           | 1,507,035           |
| Waste water management                         |          |                 |                 |                 | 262,027              | 436,950         | 436,950            | 531,644   | 555,255             | 581,552             |
| Waste management                               |          |                 |                 |                 | 168,980              | 168,980         | 168,980            | 181,351   | 190,238             | 199,559             |
| <i>Other</i>                                   | 4        |                 |                 |                 | 122,873              | 123,792         | 123,792            | 56,039  | 58,785              | 61,665              |
| <b>Total Revenue - Functional</b>              | 2        | 6,485,167       | 6,751,382       | 7,355,659       | 9,420,878            | 9,459,184       | 9,459,184          | 9,887,700   | 10,424,963          | 10,893,791          |
| <b>Expenditure - Functional</b>                |          |                 |                 |                 |                      |                 |                    |   |                     |                     |
| <i>Municipal governance and administration</i> |          | 3,772,161       | 3,246,201       | 4,600,265       | 1,698,538            | 2,294,519       | 2,294,519          | 2,319,911   | 2,479,163           | 2,616,800           |
| Executive and council                          |          | 49,439          | 51,818          | 63,542          | 170,182              | 795,525         | 795,525            | 871,977   | 1,003,250           | 1,058,342           |
| Finance and administration                     |          | 3,722,722       | 3,194,383       | 4,536,723       | 1,500,384            | 1,484,968       | 1,484,968          | 1,415,040   | 1,440,490           | 1,520,303           |
| Internal audit                                 |          |                 |                 |                 | 27,972               | 14,026          | 14,026             | 32,894  | 35,423              | 38,155              |
| <i>Community and public safety</i>             |          | -               | -               | -               | 643,153              | 552,041         | 552,041            | 547,653   | 572,186             | 594,667             |
| Community and social services                  |          |                 |                 |                 | 273,423              | 143,956         | 143,956            | 132,144   | 137,090             | 140,344             |
| Sport and recreation                           |          |                 |                 |                 | 109,113              | 111,821         | 111,821            | 116,559   | 121,529             | 125,810             |
| Public safety                                  |          |                 |                 |                 | 185,537              | 184,250         | 184,250            | 197,872   | 207,397             | 217,176             |
| Housing  |          |                 |                 |                 | 75,079               | 103,330         | 103,330            | 91,953  | 96,600              | 101,298             |
| Health   |          |                 |                 |                 |                      | 8,683           | 8,683              | 9,124   | 9,571               | 10,039              |
| <i>Economic and environmental services</i>     |          | -               | -               | -               | 661,832              | 572,610         | 572,610            | 456,968   | 509,996             | 502,934             |
| Planning and development                       |          |                 |                 |                 | 229,215              | 137,355         | 137,355            | 149,408   | 158,045             | 165,764             |
| Road transport                                 |          |                 |                 |                 | 400,547              | 403,435         | 403,435            | 273,693   | 316,399             | 299,867             |
| Environmental protection                       |          |                 |                 |                 | 32,070               | 31,820          | 31,820             | 33,867  | 35,552              | 37,303              |
| <i>Trading services</i>                        |          | 2,950,207       | 2,979,501       | 3,433,851       | 5,319,349            | 4,693,760       | 4,693,760          | 5,177,106   | 5,446,370           | 5,704,756           |
| Energy sources                                 |          | 2,212,725       | 2,350,401       | 2,714,396       | 3,775,631            | 3,151,352       | 3,151,352          | 3,529,419   | 3,702,057           | 3,883,155           |
| Water management                               |          | 737,483         | 629,100         | 719,454         | 1,042,193            | 1,083,333       | 1,083,333          | 1,107,383   | 1,165,500           | 1,211,259           |
| Waste water management                         |          |                 |                 |                 | 376,546              | 341,345         | 341,345            | 414,857   | 447,531             | 473,184             |
| Waste management                               |          |                 |                 |                 | 124,980              | 117,730         | 117,730            | 125,447   | 131,282             | 137,158             |
| <i>Other</i>                                   | 4        |                 |                 |                 | 57,398               | 62,534          | 62,534             | 60,158  | 62,841              | 64,525              |
| <b>Total Expenditure - Functional</b>          | 3        | 6,722,368       | 6,225,702       | 8,034,116       | 8,380,271            | 8,175,464       | 8,175,464          | 8,561,797   | 9,070,557           | 9,483,682           |
| <b>Surplus/(Deficit)</b>                       |          | (237,201)       | 525,680         | (678,457)       | 1,040,607            | 1,283,720       | 1,283,720          | 1,325,904   | 1,354,407           | 1,410,110           |

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

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for Electricity, however this is not the case for Water, Wastewater and the Waste management functions, as already noted above, the municipality will be undertaking a detailed study of these functions to explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under the Budget and Treasury Office.



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

| Vote Description                                      | Ref | 2021/22          | 2022/23          | 2023/24          | Current Year 2024/25 |                  |                    | 2025/26 Medium Term Revenue & Expenditure Framework |                        |                        |
|---|-----|------------------|------------------|------------------|----------------------|------------------|--------------------|---|------------------------|------------------------|
|   |     | Audited Outcome  | Audited Outcome  | Audited Outcome  | Original Budget      | Adjusted Budget  | Full Year Forecast | Budget Year 2025/26                                 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| <b>R thousand</b>                                     |     |                  |                  |                  |                      |                  |                    |   |                        |                        |
| <b>Revenue by Vote</b>                                | 1   |                  |                  |                  |                      |                  |                    |   |                        |                        |
| Vote 1 - City Manager                                 |     | 22               | (15)             | –                | –                    | –                | –                  | –   | –                      | –                      |
| Vote 2 - City Finance                                 |     | 1,692,708        | 1,855,452        | 2,025,042        | 2,675,603            | 2,675,603        | 2,675,603          | 2,789,050   | 2,925,325              | 3,021,943              |
| Vote 3 - Corporate Services                           |     | 3,543            | 8,603            | 2,110            | 5,258                | 2,578            | 2,578              | 1,906   | 2,000                  | 2,098                  |
| Vote 4 - Community Services and Social Equity         |     | 215,035          | 235,448          | 292,947          | 490,386              | 323,834          | 323,834            | 265,344   | 289,823                | 271,592                |
| Vote 5 - Infrastructure Services                      |     | 1,596,046        | 1,628,015        | 1,696,701        | 1,540,531            | 1,803,806        | 1,803,806          | 2,007,035   | 2,149,916              | 2,254,291              |
| Vote 6 - Sustainable Development and City Enterprises |     | 144,082          | 248,423          | 304,119          | 366,567              | 354,076          | 354,076            | 97,217  | 102,103                | 115,236                |
| Vote 7 - Electricity                                  |     | 2,571,002        | 2,771,995        | 2,673,652        | 4,342,533            | 3,810,591        | 3,810,591          | 4,763,308   | 4,985,898              | 5,290,069              |
| <b>Total Revenue by Vote</b>                          | 2   | <b>6,222,437</b> | <b>6,747,922</b> | <b>6,994,572</b> | <b>9,420,878</b>     | <b>8,970,488</b> | <b>8,970,488</b>   | <b>9,923,860</b>                                    | <b>10,455,065</b>      | <b>10,955,229</b>      |
| <b>Expenditure by Vote to be appropriated</b>         | 1   |                  |                  |                  |                      |                  |                    |   |                        |                        |
| Vote 1 - City Manager                                 |     | 155,044          | 151,982          | 195,836          | 191,820              | 157,226          | 157,226            | 228,590   | 241,141                | 254,016                |
| Vote 2 - City Finance                                 |     | 611,784          | 362,345          | 722,564          | 1,166,932            | 1,110,450        | 1,110,450          | 1,199,140   | 1,234,176              | 1,290,052              |
| Vote 3 - Corporate Services                           |     | 69,616           | 163,339          | 201,261          | 212,747              | 185,426          | 185,426            | 207,252   | 198,151                | 229,549                |
| Vote 4 - Community Services and Social Equity         |     | 864,837          | 904,577          | 970,678          | 844,627              | 796,597          | 796,597            | 845,155   | 872,797                | 934,892                |
| Vote 5 - Infrastructure Services                      |     | 2,026,076        | 1,565,729        | 2,239,448        | 1,881,447            | 1,926,440        | 1,926,440          | 1,880,935   | 2,019,303              | 2,078,905              |
| Vote 6 - Sustainable Development and City Enterprises |     | 271,856          | 295,042          | 308,983          | 331,869              | 342,802          | 342,802            | 339,956   | 357,731                | 373,729                |
| Vote 7 - Electricity                                  |     | 2,950,207        | 2,779,228        | 3,297,675        | 3,750,828            | 3,167,829        | 3,167,829          | 4,123,803   | 4,416,705              | 4,638,933              |
| <b>Total Expenditure by Vote</b>                      | 2   | <b>6,949,419</b> | <b>6,222,242</b> | <b>7,936,445</b> | <b>8,380,270</b>     | <b>7,686,768</b> | <b>7,686,768</b>   | <b>8,824,831</b>                                    | <b>9,340,005</b>       | <b>9,800,076</b>       |
| <b>Surplus/(Deficit) for the year</b>                 | 2   | <b>(726,982)</b> | <b>525,680</b>   | <b>(941,874)</b> | <b>1,040,608</b>     | <b>1,283,720</b> | <b>1,283,720</b>   | <b>1,099,029</b>                                    | <b>1,115,060</b>       | <b>1,155,153</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)****Msunduzi (KZN225) - Table A4 Budgeted Financial Performance**

| Description  | Ref      | 2021/22          | 2022/23          | 2023/24            | Current year 2024/25 |                  |                    |                   | 2025/26 Medium Term Revenue & Expenditure Framework |                     |                     |
|--|----------|------------------|------------------|--------------------|----------------------|------------------|--------------------|-------------------|---|---------------------|---------------------|
|  |          | Audited Outcome  | Audited Outcome  | Audited Outcome    | Original Budget      | Adjusted Budget  | Full Year Forecast | Pre-audit Outcome | Budget Year 2025/26                                 | Budget Year 2026/27 | Budget Year 2027/28 |
| <b>R thousands</b>   | <b>1</b> |                  |                  |                    |                      |                  |                    |                   |   |                     |                     |
| <b>Revenue</b>   |          |                  |                  |                    |                      |                  |                    |                   |   |                     |                     |
| <b>Exchange Revenue</b>  |          |                  |                  |                    |                      |                  |                    |                   |   |                     |                     |
| Service charges - Electricity  | 2        | 2,676,489        | 2,724,540        | 2,858,084          | 4,297,825            | 4,224,358        | 4,224,358          | 926,873           | 4,702,555   | 4,932,981           | 5,174,697           |
| Service charges - Water  | 2        | 860,676          | 824,369          | 902,755            | 1,009,760            | 1,009,760        | 1,009,760          | 308,058           | 1,161,224   | 1,218,124           | 1,277,812           |
| Service charges - Waste Water Management                             | 2        | 193,119          | 197,960          | 198,617            | 220,725              | 220,725          | 220,725            | 74,303            | 229,216   | 240,533             | 252,408             |
| Service charges - Waste Management                                   | 2        | 116,022          | 123,629          | 127,307            | 155,391              | 155,391          | 155,391            | 36,423            | 166,268   | 174,415             | 182,962             |
| Sale of Goods and Rendering of Services                              |          | 11,477           | 10,982           | 14,955             | 42,043               | 42,043           | 42,043             | 3,574             | 23,403  | 24,550              | 25,753              |
| Agency services  |          | 2,139            | 2,599            | 2,667              | 765                  | 765              | 765                | 968               | 5,508   | 5,777               | 6,061               |
| Interest   |          | -                | -                | -                  | -                    | -                | -                  | -                 | -   | -                   | -                   |
| Interest earned from Receivables                                     |          | 167,310          | 158,697          | 325,984            | 230,682              | 230,682          | 230,682            | 64,316            | 256,057   | 268,604             | 281,765             |
| Interest earned from Current and Non Current Assets                  |          | 10,445           | 16,957           | 44,118             | 19,135               | 19,135           | 19,135             | 8,195             | 19,996  | 20,976              | 22,004              |
| Dividends  |          | -                | -                | -                  | -                    | -                | -                  | -                 | -   | -                   | -                   |
| Rent on Land   |          | -                | -                | -                  | -                    | -                | -                  | -                 | -   | -                   | -                   |
| Rental from Fixed Assets   |          | 26,117           | 20,071           | 33,590             | 113,962              | 113,962          | 113,962            | 7,472             | 44,672  | 46,861              | 49,157              |
| Licence and permits  |          | 984              | 2,415            | 2,021              | 2,547                | 2,547            | 2,547              | 508               | 3,097   | 3,248               | 3,408               |
| Special rating levies  |          | -                | -                | -                  | -                    | -                | -                  | -                 | -   | -                   | -                   |
| Operational Revenue  |          | 54,548           | 57,523           | 53,626             | 204,124              | 204,124          | 204,124            | 23,190            | 102,112   | 107,115             | 112,364             |
| <b>Non-Exchange Revenue</b>  |          |                  |                  |                    |                      |                  |                    |                   |   |                     |                     |
| Property rates   | 2        | 1,212,773        | 1,370,173        | 1,359,087          | 1,649,353            | 1,649,352        | 1,649,352          | 448,827           | 1,721,665   | 1,799,140           | 1,844,118           |
| Surcharges and Taxes   |          | -                | -                | -                  | -                    | -                | -                  | -                 | -   | -                   | -                   |
| Fines, penalties and forfeits  |          | 14,489           | 20,129           | 34,247             | 11,687               | 11,687           | 11,687             | 3,674             | 12,213  | 12,812              | 13,439              |
| Licences or permits  |          | -                | -                | -                  | -                    | -                | -                  | -                 | -   | -                   | -                   |
| Transfer and subsidies - Operational                                 |          | 681,678          | 801,751          | 824,545            | 946,343              | 1,026,395        | 1,026,395          | 357,125           | 993,197   | 1,066,101           | 1,113,040           |
| Interest   |          | 55,783           | 63,181           | 106,729            | 59,562               | 59,562           | 59,562             | 29,898            | 66,114  | 69,354              | 72,752              |
| Fuel Levy  |          | -                | -                | -                  | -                    | -                | -                  | -                 | -   | -                   | -                   |
| Operational Revenue  |          | -                | -                | -                  | -                    | -                | -                  | -                 | -   | -                   | -                   |
| Gains on disposal of Assets  |          | 5,195            | 2,660            | 465                | -                    | -                | -                  | -                 | 4,277   | 4,486               | 4,706               |
| Other Gains  |          | 27,140           | 29,425           | 38,741             | -                    | -                | -                  | -                 | -   | -                   | -                   |
| Discontinued Operations  |          | -                | -                | -                  | -                    | -                | -                  | -                 | -   | -                   | -                   |
| <b>Total Revenue (excluding capital transfers and contributions)</b> |          | <b>6,116,383</b> | <b>6,427,061</b> | <b>6,927,537</b>   | <b>8,963,903</b>     | <b>8,970,488</b> | <b>8,970,488</b>   | <b>2,293,405</b>  | <b>9,511,574</b>                                    | <b>9,995,076</b>    | <b>10,436,445</b>   |
| <b>Expenditure</b>   |          |                  |                  |                    |                      |                  |                    |                   |   |                     |                     |
| Employee related costs   | 2        | 1,468,961        | 1,466,856        | 1,612,918          | 1,847,017            | 1,798,841        | 1,798,841          | 383,824           | 1,922,439   | 2,059,216           | 2,204,702           |
| Remuneration of councillors  |          | 49,439           | 51,818           | 63,542             | 66,462               | 66,462           | 66,462             | 14,263            | 70,450  | 73,902              | 77,523              |
| Bulk purchases - electricity   | 2        | 2,212,725        | 2,350,401        | 2,714,396          | 3,145,119            | 3,145,119        | 3,145,119          | 1,134,908         | 3,522,533   | 3,695,137           | 3,876,199           |
| Inventory consumed   | 8        | 821,790          | 739,336          | 877,663            | 993,409              | 893,409          | 893,409            | 278,453           | 1,013,606   | 1,068,601           | 1,123,752           |
| Debt impairment  | 3        | 776,533          | 71,196           | 1,143,098          | 636,000              | 636,000          | 636,000            | -                 | 420,000   | 438,900             | 458,651             |
| Depreciation and amortisation  |          | 372,611          | 350,684          | 361,848            | 362,179              | 388,679          | 388,679            | 97,824            | 390,260   | 386,743             | 282,527             |
| Interest   |          | 33,596           | 150,814          | 86,051             | 42,825               | 42,825           | 42,825             | 5,184             | 56,180  | 58,708              | 62,231              |
| Contracted services  |          | 694,851          | 799,399          | 904,134            | 1,023,282            | 924,590          | 924,590            | 100,325           | 855,830   | 970,844             | 1,041,669           |
| Transfers and subsidies  |          | 32,413           | 29,562           | 25,240             | 69,670               | 69,670           | 69,670             | 13,000            | 72,457  | 76,007              | 79,732              |
| Irrecoverable debts written off                                      |          | 75,248           | 26,721           | 22,524             | -                    | -                | -                  | 4,525             | -   | -                   | -                   |
| Operational costs  |          | 153,847          | 178,599          | 208,326            | 194,308              | 209,870          | 209,870            | 28,616            | 238,041   | 242,498             | 276,698             |
| Losses on disposal of Assets   |          | 833              | 2,160            | 14,049             | -                    | -                | -                  | -                 | -   | -                   | -                   |
| Other Losses   |          | 29,522           | 8,157            | 327                | -                    | -                | -                  | (675)             | -   | -                   | -                   |
| <b>Total Expenditure</b>   |          | <b>6,722,368</b> | <b>6,225,702</b> | <b>8,034,116</b>   | <b>8,380,271</b>     | <b>8,175,464</b> | <b>8,175,464</b>   | <b>2,060,248</b>  | <b>8,561,797</b>                                    | <b>9,070,557</b>    | <b>9,483,682</b>    |
| <b>Surplus/(Deficit)</b>   |          | <b>(605,986)</b> | <b>201,359</b>   | <b>(1,106,579)</b> | <b>583,632</b>       | <b>795,024</b>   | <b>795,024</b>     | <b>233,157</b>    | <b>949,777</b>                                      | <b>924,519</b>      | <b>952,763</b>      |
| Transfers and subsidies - capital (monetary allocations)             | 6        | 368,725          | 324,319          | 427,923            | 456,975              | 488,696          | 488,696            | 39,933            | 376,127   | 429,887             | 457,347             |
| Transfers and subsidies - capital (in-kind)                          | 6        | 60               | 2                | 199                | -                    | -                | -                  | -                 | -   | -                   | -                   |
| <b>Surplus/(Deficit) after capital transfers and contributions</b>   |          | <b>(237,201)</b> | <b>525,680</b>   | <b>(678,457)</b>   | <b>1,040,607</b>     | <b>1,283,720</b> | <b>1,283,720</b>   | <b>273,090</b>    | <b>1,325,904</b>                                    | <b>1,354,407</b>    | <b>1,410,110</b>    |
| Income Tax   |          | -                | -                | -                  | -                    | -                | -                  | -                 | -   | -                   | -                   |
| <b>Surplus/(Deficit) after income tax</b>                            |          | <b>(237,201)</b> | <b>525,680</b>   | <b>(678,457)</b>   | <b>1,040,607</b>     | <b>1,283,720</b> | <b>1,283,720</b>   | <b>273,090</b>    | <b>1,325,904</b>                                    | <b>1,354,407</b>    | <b>1,410,110</b>    |
| Share of Surplus/Deficit attributable to Joint Venture               |          | -                | -                | -                  | -                    | -                | -                  | -                 | -   | -                   | -                   |
| Share of Surplus/Deficit attributable to Minorities                  |          | -                | -                | -                  | -                    | -                | -                  | -                 | -   | -                   | -                   |
| <b>Surplus/(Deficit) attributable to municipality</b>                |          | <b>(237,201)</b> | <b>525,680</b>   | <b>(678,457)</b>   | <b>1,040,607</b>     | <b>1,283,720</b> | <b>1,283,720</b>   | <b>273,090</b>    | <b>1,325,904</b>                                    | <b>1,354,407</b>    | <b>1,410,110</b>    |
| Share of Surplus/Deficit attributable to Associate                   | 7        | -                | -                | -                  | -                    | -                | -                  | -                 | -   | -                   | -                   |
| Intercompany/Parent subsidiary transactions                          |          | -                | -                | -                  | -                    | -                | -                  | -                 | -   | -                   | -                   |
| <b>Surplus/(Deficit) for the year</b>                                |          | <b>(237,201)</b> | <b>525,680</b>   | <b>(678,457)</b>   | <b>1,040,607</b>     | <b>1,283,720</b> | <b>1,283,720</b>   | <b>273,090</b>    | <b>1,325,904</b>                                    | <b>1,354,407</b>    | <b>1,410,110</b>    |

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

1. Total revenue is R8.9 billion in 2024/25 and escalates to R9.5 billion by 2025/26.
2. Revenue to be generated from property rates is R1.649 billion in the 2024/25 financial year and increases to R1.721 billion by 2025/26 which represents a 18 % per cent of the operating revenue base of the City and therefore remains a significant funding source for the municipality.
3. Service charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the City totalling R5.610 billion for the 2024/25 financial year and increasing to R8.002 billion by 2025/26. For the 2025/26 financial year, services charges amount to 66 % of the total revenue base and remains at an average of 66 % over the entire MTREF. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government.
4. Bulk purchases have increased over the 2024/25 and 2025/26 period escalating from R3, 145 billion to R3, 522 billion. This increase can be attributed to high annual increase in the cost of bulk electricity from Eskom.
5. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

**Table 14 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source**

| Vote Description   | Ref      | 2021/22         | 2022/23         | 2023/24         | Current Year 2024/25 |                 |                    |                   | 2025/26 Medium Term Revenue & Expenditure Framework |                        |                        |
|--|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
|  |          | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2025/26                                 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| <b>R thousand</b>  | <b>1</b> |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Capital expenditure - Vote</b>  |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Multi-year expenditure to be appropriated</b>   | <b>2</b> |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Vote 1 - City Manager  |          | 1,614           | 27              | –               | 37,445               | 850             | 850                | –                 | –   | –                      | –                      |
| Vote 2 - City Finance  |          | 4,936           | 9,153           | 10,485          | 25,000               | 25,000          | 25,000             | –                 | 45,000  | 45,000                 | 50,000                 |
| Vote 3 - Corporate Services  |          | 2,273           | 938             | 5,072           | 6,585                | 6,835           | 6,835              | –                 | 10,000  | 10,000                 | 10,000                 |
| Vote 4 - Community Services and Social Equity  |          | 33,154          | 48,934          | 70,000          | 42,143               | 34,601          | 34,601             | –                 | 34,617  | 18,494                 | 18,423                 |
| Vote 5 - Infrastructure Services   |          | 308,960         | 268,923         | 291,474         | 284,464              | 349,088         | 349,088            | –                 | 346,701   | 386,147                | 404,940                |
| Vote 6 - Sustainable Development and City Enterprises  |          | 51,772          | 133,279         | 168,625         | 153,599              | 155,162         | 155,162            | –                 | –   | –                      | 8,000                  |
| Vote 7 - Electricity   |          | 98,800          | 71,071          | 116,839         | 237,331              | 198,158         | 198,158            | –                 | 181,333   | 30,247                 | 31,483                 |
| <b>Capital multi-year expenditure sub-total</b>  | <b>7</b> | <b>501,510</b>  | <b>532,326</b>  | <b>662,496</b>  | <b>786,566</b>       | <b>769,693</b>  | <b>769,693</b>     | <b>–</b>          | <b>617,651</b>                                      | <b>489,887</b>         | <b>522,847</b>         |
| <b>Single-year expenditure to be appropriated</b>  | <b>2</b> |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Vote 1 - City Manager  |          | 2,151           | 944             | 6,003           | 5,000                | 6,400           | 6,400              | –                 | –   | –                      | –                      |
| Vote 2 - City Finance  |          | 6,345           | 3,084           | 5,571           | –                    | 1,300           | 1,300              | –                 | –   | –                      | –                      |
| Vote 3 - Corporate Services  |          | 2,270           | 3,796           | 15,256          | 7,615                | 11,871          | 11,871             | –                 | –   | –                      | –                      |
| Vote 4 - Community Services and Social Equity  |          | 3,553           | 4,980           | 8,052           | 8,690                | 9,090           | 9,090              | –                 | 10,000  | 30,000                 | 30,000                 |
| Vote 5 - Infrastructure Services   |          | 3,549           | 793             | 15,179          | 10,000               | 10,092          | 10,092             | –                 | –   | –                      | –                      |
| Vote 6 - Sustainable Development and City Enterprises  |          | 2,059           | 1,035           | 843             | 2,140                | 2,502           | 2,502              | –                 | –   | –                      | –                      |
| Vote 7 - Electricity   |          | –               | 831             | 12,909          | 4,000                | 5,600           | 5,600              | –                 | –   | –                      | –                      |
| <b>Capital single-year expenditure sub-total</b>   |          | <b>19,927</b>   | <b>15,464</b>   | <b>63,814</b>   | <b>37,445</b>        | <b>46,856</b>   | <b>46,856</b>      | <b>–</b>          | <b>10,000</b>                                       | <b>30,000</b>          | <b>30,000</b>          |
| <b>Total Capital Expenditure - Vote</b>  |          | <b>521,437</b>  | <b>547,790</b>  | <b>726,310</b>  | <b>824,011</b>       | <b>816,549</b>  | <b>816,549</b>     | <b>–</b>          | <b>627,651</b>                                      | <b>519,887</b>         | <b>552,847</b>         |
| <b>Capital Expenditure - Functional</b>  |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Governance and administration</b>   |          | <b>19,336</b>   | <b>18,773</b>   | <b>43,055</b>   | <b>45,300</b>        | <b>37,948</b>   | <b>37,948</b>      | <b>–</b>          | <b>55,000</b>                                       | <b>57,475</b>          | <b>60,061</b>          |
| Executive and council  |          | 2,639           | 750             | 6,003           | 5,100                | 7,650           | 7,650              | –                 | –   | –                      | –                      |
| Finance and administration   |          | 16,697          | 18,024          | 37,052          | 40,200               | 30,298          | 30,298             | –                 | 55,000  | 57,475                 | 60,061                 |
| Internal audit   |          | –               | –               | –               | –                    | –               | –                  | –                 | –   | –                      | –                      |
| <b>Community and public safety</b>   |          | <b>36,891</b>   | <b>57,141</b>   | <b>117,916</b>  | <b>168,351</b>       | <b>149,294</b>  | <b>149,294</b>     | <b>–</b>          | <b>44,617</b>                                       | <b>48,494</b>          | <b>48,423</b>          |
| Community and social services  |          | 33,969          | 43,937          | 39,760          | 24,745               | 16,970          | 16,970             | –                 | 44,617  | 48,494                 | 48,423                 |
| Sport and recreation   |          | 1,041           | 922             | 5,256           | 11,933               | 12,166          | 12,166             | –                 | –   | –                      | –                      |
| Public safety  |          | 94              | 148             | 724             | 2,100                | 2,100           | 2,100              | –                 | –   | –                      | –                      |
| Housing  |          | 1,786           | 12,135          | 72,176          | 129,574              | 118,058         | 118,058            | –                 | –   | –                      | –                      |
| Health   |          | –               | –               | –               | –                    | –               | –                  | –                 | –   | –                      | –                      |
| <b>Economic and environmental services</b>   |          | <b>239,009</b>  | <b>277,382</b>  | <b>247,500</b>  | <b>139,974</b>       | <b>187,682</b>  | <b>187,682</b>     | <b>–</b>          | <b>125,584</b>                                      | <b>136,782</b>         | <b>157,770</b>         |
| Planning and development   |          | 37,474          | 118,612         | 92,996          | 23,150               | 36,591          | 36,591             | –                 | –   | –                      | 8,000                  |
| Road transport   |          | 201,377         | 158,749         | 154,504         | 116,824              | 151,091         | 151,091            | –                 | 125,584   | 136,782                | 149,770                |
| Environmental protection   |          | 158             | 22              | –               | –                    | –               | –                  | –                 | –   | –                      | –                      |
| <b>Trading services</b>  |          | <b>226,176</b>  | <b>191,140</b>  | <b>314,321</b>  | <b>467,535</b>       | <b>438,774</b>  | <b>438,774</b>     | <b>–</b>          | <b>402,450</b>                                      | <b>277,006</b>         | <b>291,006</b>         |
| Energy sources   |          | 98,800          | 64,942          | 129,749         | 260,054              | 243,758         | 243,758            | –                 | 181,333   | 30,809                 | 32,133                 |
| Water management   |          | 58,052          | 67,842          | 78,803          | 100,375              | 82,258          | 82,258             | –                 | 108,900   | 127,247                | 132,785                |
| Waste water management   |          | 54,322          | 48,192          | 78,088          | 97,047               | 102,698         | 102,698            | –                 | 112,217   | 118,950                | 126,088                |
| Waste management   |          | 15,002          | 10,165          | 27,681          | 10,060               | 10,060          | 10,060             | –                 | –   | –                      | –                      |
| <b>Other</b>   |          | <b>415</b>      | <b>3,353</b>    | <b>3,518</b>    | <b>2,850</b>         | <b>2,850</b>    | <b>2,850</b>       | <b>–</b>          | <b>–</b>  | <b>–</b>               | <b>–</b>               |
| <b>Total Capital Expenditure - Functional</b>  | <b>3</b> | <b>521,827</b>  | <b>547,790</b>  | <b>726,310</b>  | <b>824,011</b>       | <b>816,549</b>  | <b>816,549</b>     | <b>–</b>          | <b>627,651</b>                                      | <b>519,757</b>         | <b>557,261</b>         |
| <b>Funded by:</b>  |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| National Government  |          | 291,413         | 251,840         | 302,791         | 325,817              | 345,980         | 345,980            | –                 | 346,127   | 396,887                | 425,347                |
| Provincial Government  |          | 21,308          | 111,490         | 92,791          | 131,158              | 131,946         | 131,946            | –                 | 30,000  | 33,000                 | 32,000                 |
| District Municipality  |          | –               | –               | –               | –                    | –               | –                  | –                 | –   | –                      | –                      |
| Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions) |          | –               | –               | –               | –                    | –               | –                  | –                 | –   | –                      | –                      |
| Transfers recognised - capital   | <b>4</b> | <b>312,721</b>  | <b>363,330</b>  | <b>395,582</b>  | <b>456,975</b>       | <b>477,926</b>  | <b>477,926</b>     | <b>–</b>          | <b>376,127</b>                                      | <b>429,887</b>         | <b>457,347</b>         |
| Borrowing  | <b>6</b> | <b>49,401</b>   | <b>–</b>        | <b>72,310</b>   | <b>234,316</b>       | <b>206,616</b>  | <b>206,616</b>     | <b>–</b>          | <b>161,524</b>                                      | <b>–</b>               | <b>–</b>               |
| Internally generated funds   |          | 159,705         | 184,460         | 258,418         | 132,720              | 132,007         | 132,007            | –                 | 90,000  | 90,000                 | 100,000                |
| <b>Total Capital Funding</b>   | <b>7</b> | <b>521,827</b>  | <b>547,790</b>  | <b>726,310</b>  | <b>824,011</b>       | <b>816,549</b>  | <b>816,549</b>     | <b>–</b>          | <b>627,651</b>                                      | <b>519,887</b>         | <b>557,347</b>         |

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

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

2. The capital programme is mainly grant dependent on both National and Provincial transfers. The insignificant portion being Council funding, which comprises 16 percent of the total Capital budget. For 2025/26, capital transfers totals R 376 million, internal funding of R 90 million whilst Borrowings amount to R161,5 million.

Table 15 MBRR Table A6 - Budgeted Financial Position

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

| Description   | Ref | 2021/22         | 2022/23         | 2023/24         | Current year 2024/25 |                 |                    |                   | 2025/26 Medium Term Revenue & Expenditure Framework |                     |                     |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|---------------------|---------------------|
|   |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit Outcome | Budget Year 2025/26                                 | Budget Year 2026/27 | Budget Year 2027/28 |
| R thousands   | 1   |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| ASSETS  |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Current assets  |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Cash and cash equivalents                               |     | 321,845         | 482,433         | 456,935         | 211,783              | 372,824         | 372,824            | (666,355)         | 395,446   | 394,390             | 401,219             |
| Trade and other receivables from exchange transactions  | 1   | 1,792,394       | 2,233,301       | 737,164         | 2,649,262            | 2,649,262       | 2,649,262          | 588,056           | 1,677,177   | 1,758,178           | 1,843,096           |
| Receivables from non-exchange transactions              | 1   | 624,384         | 765,104         | 277,660         | 811,010              | 811,010         | 811,010            | 235,087           | 467,188   | 488,211             | 506,223             |
| Current portion of non-current receivables              |     | 90              | 93              | 29              | -                    | -               | -                  | (13)              | 29  | 30                  | 31                  |
| Inventory   | 2   | 368,555         | 420,123         | 498,281         | 442,453              | 512,740         | 512,740            | 2,088             | 498,281   | 520,703             | 544,135             |
| VAT   |     | 193,752         | 246,824         | 326,424         | -                    | -               | -                  | 175,104           | -   | -                   | -                   |
| Other current assets                                    |     | 639             | 21,011          | 942             | -                    | -               | -                  | 976               | 942   | 985                 | 1,029               |
| Total current assets                                    |     | 3,301,660       | 4,168,889       | 2,297,435       | 4,114,508            | 4,345,836       | 4,345,836          | 334,943           | 3,039,062   | 3,162,498           | 3,295,732           |
| Non current assets                                      |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Investments   |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Investment property                                     | 3   | 891,299         | 924,805         | 922,392         | 974,256              | 974,256         | 974,256            | -                 | 922,392   | 963,899             | 1,007,275           |
| Property, plant and equipment                           |     | 6,942,287       | 7,624,937       | 7,250,806       | 8,754,770            | 8,754,737       | 8,754,737          | 191,398           | 7,878,182   | 8,096,562           | 8,473,674           |
| Biological assets                                       |     | 80,896          | 76,376          | 83,234          | 80,958               | 80,958          | 80,958             | (33)              | 83,234  | 86,980              | 90,894              |
| Living and non-living resources                         |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Heritage assets   |     | 273,094         | 274,718         | 323,520         | 291,270              | 291,270         | 291,270            | -                 | 323,520   | 338,078             | 353,292             |
| Intangible assets                                       |     | 18,426          | 23,913          | 24,478          | 25,766               | 26,566          | 26,566             | (4,365)           | 24,753  | 25,867              | 27,031              |
| Trade and other receivables from exchange transactions  |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Non-current receivables from non-exchange transactions  |     | -               | -               | -               | -                    | -               | -                  | (1,090)           | -   | -                   | -                   |
| Other non-current assets                                |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Total non current assets                                |     | 8,206,003       | 8,924,750       | 8,604,430       | 10,127,020           | 10,127,787      | 10,127,787         | 185,909           | 9,232,081   | 9,511,387           | 9,952,165           |
| TOTAL ASSETS  |     | 11,507,663      | 13,093,639      | 10,901,865      | 14,241,528           | 14,473,622      | 14,473,622         | 520,852           | 12,271,143  | 12,673,885          | 13,247,897          |
| LIABILITIES   |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Current liabilities                                     |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Bank overdraft  | -   | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Financial liabilities                                   |     | 79,163          | 74,271          | 50,311          | (11,273)             | 28,727          | 28,727             | (82,960)          | 76,586  | 84,083              | 91,916              |
| Consumer deposits                                       |     | 133,072         | 142,188         | 152,357         | 150,719              | 150,719         | 150,719            | 9,040             | 152,357   | 159,214             | 166,378             |
| Trade and other payables from exchange transactions     | 4   | 1,949,231       | 3,003,317       | 3,158,414       | 1,713,734            | 1,644,234       | 1,644,234          | 684,823           | 1,713,734   | 1,663,734           | 1,663,734           |
| Trade and other payables from non-exchange transactions | 5   | 136,088         | 175,933         | 189,532         | -                    | -               | -                  | (19,419)          | -   | -                   | -                   |
| Provision   |     | 49,118          | 58,245          | 53,143          | 61,739               | 61,739          | 61,739             | (60)              | 53,143  | 55,535              | 58,034              |
| VAT   |     | 371,840         | 431,837         | 500,430         | 457,747              | -               | -                  | 107,725           | 162,137   | 169,434             | 177,058             |
| Other current liabilities                               |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Total current liabilities                               |     | 2,718,511       | 3,885,790       | 4,104,188       | 2,372,667            | 1,885,420       | 1,885,420          | 699,149           | 2,157,958   | 2,131,999           | 2,157,120           |
| Non current liabilities                                 |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Financial liabilities                                   | 6   | 124,582         | 50,311          | 116,275         | 559,919              | 559,919         | 559,919            | -                 | -   | -                   | -                   |
| Provision   | 7   | 133,244         | 130,248         | 117,456         | 80,111               | 80,111          | 80,111             | -                 | 117,456   | 122,742             | 128,265             |
| Long term portion of trade payables                     |     | -               | -               | -               | -                    | -               | -                  | -                 | 2,796,914   | 2,922,775           | 3,054,300           |
| Other non-current liabilities                           |     | 517,190         | 477,915         | 499,399         | 583,456              | 583,456         | 583,456            | -                 | 499,399   | 521,872             | 545,356             |
| Total non current liabilities                           |     | 775,015         | 658,474         | 733,130         | 1,223,486            | 1,223,486       | 1,223,486          | -                 | 3,413,769   | 3,567,389           | 3,727,921           |
| TOTAL LIABILITIES                                       |     | 3,493,527       | 4,544,264       | 4,837,318       | 3,596,153            | 3,108,906       | 3,108,906          | 699,149           | 5,571,727   | 5,699,387           | 5,885,042           |
| NET ASSETS  | 10  | 8,014,136       | 8,549,376       | 6,064,547       | 10,645,376           | 11,364,717      | 11,364,717         | (178,298)         | 6,699,416   | 6,974,497           | 7,362,856           |
| COMMUNITY WEALTH/EQUITY                                 |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Accumulated surplus/(deficit)                           | 8   | 8,015,925       | 7,773,527       | 6,490,080       | 10,645,376           | 11,294,430      | 11,294,430         | (51,891)          | 6,699,416   | 6,974,497           | 7,362,856           |
| Reserves and funds                                      | 9   | 235,413         | 250,168         | 252,924         | -                    | -               | -                  | (1,469)           | -   | -                   | -                   |
| Other   |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| TOTAL COMMUNITY WEALTH/EQUITY                           | 10  | 8,251,338       | 8,023,695       | 6,743,004       | 10,645,376           | 11,294,430      | 11,294,430         | (53,359)          | 6,699,416   | 6,974,497           | 7,362,856           |

## Explanatory notes to Table A6 - Budgeted Financial Position

- Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
- This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version, which presents Assets less Liabilities as “accounting” Community

- Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table A6 is supported by an extensive table of notes (SA3 which can be found on page 102) providing a detailed analysis of the major components of a number of items, including:
    - Call investments deposits;
    - Consumer debtors;
    - Property, plant and equipment;
    - Trade and other payables;
    - Provisions non-current;
    - Changes in net assets; and
    - Reserves
  4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
  5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

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

Msunduzi (KZN225) - Table A7 Budgeted Cash Flows

| Description                                    | Ref | 2021/22         | 2022/23         | 2023/24         | Current year 2024/25 |                 |                    |                   | 2025/26 Medium Term Revenue & Expenditure Framework |                     |                     |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|---------------------|---------------------|
|  |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit Outcome | Budget Year 2025/26                                 | Budget Year 2026/27 | Budget Year 2027/28 |
| R thousands                                    |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| CASH FLOW FROM OPERATING ACTIVITIES            |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Receipts                                       |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Property rates                                 |     | -               | 1,337,835       | -               | 1,484,417            | 1,484,417       | 1,484,417          | 107,996           | 1,532,282   | 1,601,234           | 1,641,265           |
| Service charges                                |     | -               | 3,549,237       | -               | 4,717,472            | 4,717,472       | 4,717,472          | 10,126            | 5,220,730   | 5,476,546           | 5,744,897           |
| Other revenue                                  |     | -               | -               | -               | 765,832              | 765,832         | 765,832            | 834,294           | 194,260   | 203,779             | 213,764             |
| Transfers and Subsidies - Operational          | 1   | -               | 814,489         | -               | 946,343              | 1,008,752       | 1,008,752          | 14,123            | 992,232   | 1,065,081           | 1,111,920           |
| Transfers and Subsidies - Capital              | 1   | -               | 351,427         | -               | 456,975              | 477,926         | 477,926            | 35,665            | 376,127   | 429,887             | 457,347             |
| Interest                                       |     | -               | 16,708          | -               | 19,135               | 19,135          | 19,135             | (6,143,760)       | 19,996  | 20,976              | 22,004              |
| Dividends                                      |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Payments                                       |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Suppliers and employees                        |     | -               | (5,260,181)     | -               | (7,709,596)          | (7,584,599)     | (7,584,599)        | 964               | (7,621,777)   | (8,041,356)         | (8,400,743)         |
| Finance charges                                |     | -               | (18,837)        | -               | (42,825)             | (42,825)        | (42,825)           | -                 | (56,180)  | (58,708)            | (62,231)            |
| Transfers and Subsidies                        | 1   | -               | -               | -               | (69,670)             | (69,670)        | (69,670)           | -                 | (72,457)  | (76,007)            | (79,732)            |
| NET CASH FROM/(USED) OPERATING ACTIVITIES      |     | -               | 790,678         | -               | 568,083              | 776,440         | 776,440            | (5,140,593)       | 585,213   | 621,431             | 648,490             |
| CASH FLOWS FROM INVESTING ACTIVITIES           |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Receipts                                       |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Proceeds on disposal of PPE                    |     | -               | 3,343           | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Decrease (increase) in non-current receivables |     | -               | -               | -               | -                    | -               | -                  | 1,090             | -   | -                   | -                   |
| Decrease (increase) in non-current investments |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Payments                                       |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Capital assets                                 |     | -               | (502,024)       | -               | (824,011)            | (824,011)       | (824,011)          | -                 | (627,651)   | (519,887)           | (557,347)           |
| NET CASH FROM/(USED) INVESTING ACTIVITIES      |     | -               | (498,681)       | -               | (824,011)            | (824,011)       | (824,011)          | 1,090             | (627,651)   | (519,887)           | (557,347)           |
| CASH FLOWS FROM FINANCING ACTIVITIES           |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Receipts                                       |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Short term loans                               |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Borrowing long term/refinancing                |     | -               | -               | -               | 234,316              | 234,316         | 234,316            | -                 | 161,524   | -                   | -                   |
| Increase (decrease) in consumer deposits       |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Payments                                       |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Repayment of borrowing                         |     | -               | (79,163)        | -               | (90,000)             | (50,000)        | (50,000)           | -                 | (90,000)  | (90,000)            | (90,000)            |
| NET CASH FROM/(USED) FINANCING ACTIVITIES      |     | -               | (79,163)        | -               | 144,316              | 184,316         | 184,316            | -                 | 71,524  | (90,000)            | (90,000)            |
| NET INCREASE/ (DECREASE) IN CASH HELD          |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Cash/cash equivalents at the year begin:       | 2   | -               | 212,834         | -               | (111,612)            | 136,745         | 136,745            | (5,139,503)       | 29,086  | 11,544              | 1,144               |
| Cash/cash equivalents at the year end:         | 2   | 56,302          | 482,433         | 366,360         | 301,783              | 495,993         | 495,993            | -                 | 366,360   | 382,846             | 400,075             |
|  |     | 56,302          | 695,267         | 366,360         | 190,172              | 632,738         | 632,738            | (5,139,503)       | 395,446   | 394,390             | 401,219             |

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

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. The cash levels of the City are stable over the MTREF period.
4. The City has embarked on an extensive debt collection drive to reduce the already high debtor's book.
5. The 2025/26 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
6. Projected cash and cash equivalents totals to R395.4million as at the end of the 2025/26 financial year and increases to R394.3 million by 2026/27.



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

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

| WINDWARD (REVENUE) - Table A-6 Cash-backed User-Contributed Surplus Reconciliation |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|---------------------|---------------------|
| Description  | Ref | 2021/22         | 2022/23         | 2023/24         | Current year 2024/25 |                 |                    |                   | 2025/26 Medium Term Revenue & Expenditure Framework |                     |                     |
|  |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit Outcome | Budget Year 2025/26                                 | Budget Year 2026/27 | Budget Year 2027/28 |
| R thousands  |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Cash and investments available   |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Cash/cash equivalents at the year end  | 1   | 56,302          | 695,267         | 366,360         | 190,172              | 632,738         | 632,738            | (5,139,503)       | 395,446   | 394,390             | 401,219             |
| Other current investments > 90 days  |     | 265,544         | (212,834)       | 90,575          | 21,612               | (259,914)       | (259,914)          | 4,473,147         | -   | -                   | -                   |
| Non current assets - Investments   | 1   | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Cash and investments available:  |     | 321,845         | 482,433         | 456,935         | 211,783              | 372,824         | 372,824            | (666,355)         | 395,446   | 394,390             | 401,219             |
| Application of cash and investments  |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Unspent conditional transfers  |     | 136,088         | 175,933         | 189,531         | -                    | -               | -                  | (19,419)          | -   | -                   | -                   |
| Unspent borrowing  |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Statutory requirements   | 2   | 178,089         | 185,013         | 174,006         | 457,747              | -               | -                  | (67,379)          | 162,137   | 169,434             | 177,058             |
| Other working capital requirements   | 3   | 1,949,231       | 256,223         | 3,158,414       | (1,461,077)          | (1,561,591)     | (1,561,591)        | 512,946           | (114,524)   | (251,441)           | (338,768)           |
| Other provisions   |     | 49,118          | 58,245          | 53,143          | 61,739               | 61,739          | 61,739             | (60)              | 53,143  | 55,535              | 58,034              |
| Long term investments committed  | 4   | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Reserves to be backed by cash/investments  | 5   | 140,062         | 145,592         | 148,348         | -                    | -               | -                  | (1,469)           | -   | -                   | -                   |
| Total Application of cash and investments:   |     | 2,452,587       | 821,005         | 3,723,444       | (941,591)            | (1,499,851)     | (1,499,851)        | 424,619           | 100,757   | (26,473)            | (103,676)           |
| Surplus(shortfall) - Excl Non-Current Creditors Trf to Debt Relief                 |     | (2,130,742)     | (338,572)       | (3,266,508)     | 1,153,374            | 1,872,675       | 1,872,675          | (1,090,974)       | 294,690   | 420,863             | 504,894             |
| Creditors transferred to Debt Relief - Non-Current portion                         |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Surplus(shortfall) -Incl Non-Current Creditors Trf to Debt Relief                  |     | (2,130,742)     | (338,572)       | (3,266,508)     | 1,153,374            | 1,872,675       | 1,872,675          | (1,090,974)       | 294,690   | 420,863             | 504,894             |

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

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence, the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year-end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would be either a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is 88[assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. From the table it can be seen that for the MTREF period 2025/6 to 2027/28 the budgeted surplus gradually increases. Adequate control and management of budget implementation shall ensure that projections are realised come the end of the budget year.
6. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2025/26 MTREF is sufficiently funded.
7. As part of the budgeting and planning guidelines that informed the compilation of the 2025/26 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.
8. As it can be seen the budget has been modelled to retain a surplus throughout the MTREF period.

Table 18 MBRR Table A9 - Asset Management

Msunduzi (KZN225) - Table A9 Asset Management

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

Msunduzi (KZN225) - Table A9 Asset Management

| Description                                      | Ref      | 2021/22         | 2022/23         | 2023/24         | Current year 2024/25 |                 |                    | 2025/26 Medium Term Revenue & Expenditure Framework |                     |                     |
|--|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|---------------------|---------------------|
|  |          | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2025/26                                 | Budget Year 2026/27 | Budget Year 2027/28 |
| <b>R thousands</b>                               | <b>N</b> |                 |                 |                 |                      |                 |                    |   |                     |                     |
| <b>Infrastructure</b>                            |          | -               | -               | 11,937          | 22,764               | 83,723          | 83,723             | 94,000  | 121,640             | 100,176             |
| <b><u>Total Upgrading of Existing Assets</u></b> | 6        | -               | -               | -               | 73,400               | 156,244         | 156,244            | 164,987   | 169,211             | 126,389             |
| Roads Infrastructure                             |          |                 |                 |                 | 52,080               | 93,465          | 93,465             | 82,370  | 60,737              | 73,715              |
| Storm water Infrastructure                       |          |                 |                 |                 |                      | 500             | 500                |   |                     |                     |
| Electrical Infrastructure                        |          |                 |                 |                 | 3,000                |                 |                    |   |                     |                     |
| Water Supply Infrastructure                      |          |                 |                 |                 | 8,320                | 41,186          | 41,186             | 71,400  | 74,184              | 37,000              |
| Sanitation Infrastructure                        |          |                 |                 |                 |                      | 13,793          | 13,793             |   |                     |                     |
| Solid Waste Infrastructure                       |          |                 |                 |                 | 10,000               | 7,000           | 7,000              |   |                     |                     |
| Rail Infrastructure                              |          |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Coastal Infrastructure                           |          |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Information and Communication Infrastructure     |          |                 |                 |                 |                      |                 |                    |   |                     |                     |
| <b>Infrastructure</b>                            |          | -               | -               | -               | 73,400               | 155,944         | 155,944            | 153,770   | 134,921             | 110,715             |
| Community Facilities                             |          |                 |                 |                 |                      |                 |                    | 10,000  | 33,000              | 10,000              |
| Sport and Recreation Facilities                  |          |                 |                 |                 |                      |                 |                    | 1,217   | 1,290               | 5,674               |
| <b>Community Assets</b>                          |          | -               | -               | -               | -                    | -               | -                  | 11,217  | 34,290              | 15,674              |
| <b><u>Total Capital Expenditure</u></b>          | 4        | 12,565,964      | 552,514         | 882,088         | 823,982              | 797,049         | 797,049            | 627,651   | 519,757             | 555,912             |
| Roads Infrastructure                             |          |                 |                 |                 | 115,414              | 191,551         | 191,551            | 145,584   | 136,782             | 203,713             |
| Storm water Infrastructure                       |          |                 |                 |                 |                      | 14,700          | 14,700             |   |                     |                     |
| Electrical Infrastructure                        |          | 12,565,964      | 552,514         | 819,701         | 225,418              | 226,691         | 226,691            | 181,333   | 30,809              | 31,863              |
| Water Supply Infrastructure                      |          |                 |                 |                 | 96,306               | 78,685          | 78,685             | 108,900   | 127,247             | 83,650              |
| Sanitation Infrastructure                        |          |                 |                 |                 | 97,047               | 99,971          | 99,971             | 112,217   | 118,950             | 128,784             |
| Solid Waste Infrastructure                       |          |                 |                 |                 | 10,000               | 7,000           | 7,000              |   |                     |                     |
| Rail Infrastructure                              |          |                 |                 |                 | 500                  |                 |                    |   |                     |                     |
| Coastal Infrastructure                           |          |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Information and Communication Infrastructure     |          |                 |                 | 11,937          |                      |                 |                    |   |                     |                     |
| <b>Infrastructure</b>                            |          | 12,565,964      | 552,514         | 831,638         | 544,684              | 618,598         | 618,598            | 548,034   | 413,789             | 448,010             |
| Community Facilities                             |          |                 |                 |                 | 26,780               | 19,786          | 19,786             | 23,400  | 47,204              | 52,547              |
| Sport and Recreation Facilities                  |          |                 |                 |                 | 6,953                | 10,086          | 10,086             | 1,217   | 1,290               | 5,674               |
| <b>Community Assets</b>                          |          | -               | -               | -               | 33,733               | 29,871          | 29,871             | 24,617  | 48,494              | 58,221              |
| <b>Heritage Assets</b>                           |          |                 |                 | 50,450          |                      |                 |                    |   |                     |                     |
| Revenue Generating                               |          |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Non-revenue Generating                           |          |                 |                 |                 |                      |                 |                    |   |                     |                     |
| <b>Investment properties</b>                     |          | -               | -               | -               | -                    | -               | -                  | -   | -                   | -                   |
| Operational Buildings                            |          |                 |                 |                 |                      | 3,410           | 3,410              |   |                     |                     |
| Housing  |          |                 |                 |                 | 127,593              | 78,389          | 78,389             |   |                     |                     |
| <b>Other Assets</b>                              |          | -               | -               | -               | 127,593              | 81,799          | 81,799             | -   | -                   | -                   |
| <b>Biological or Cultivated Assets</b>           |          |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Servitudes                                       |          |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Licences and Rights                              |          |                 |                 |                 | 25,650               | 3,400           | 3,400              | 40,000  | 41,800              | 6,000               |
| <b>Intangible Assets</b>                         |          | -               | -               | -               | 25,650               | 3,400           | 3,400              | 40,000  | 41,800              | 6,000               |
| <b>Computer Equipment</b>                        |          |                 |                 |                 | 15,044               | 23,408          | 23,408             |   |                     |                     |
| <b>Furniture and Office Equipment</b>            |          |                 |                 |                 | 5,205                | 4,998           | 4,998              | 5,000   | 5,225               | 43,681              |
| <b>Machinery and Equipment</b>                   |          |                 |                 |                 | 53,273               | 13,574          | 13,574             | 10,000  | 10,450              |                     |
| <b>Transport Assets</b>                          |          |                 |                 |                 | 18,800               | 21,400          | 21,400             |   |                     |                     |
| <b>Land</b>                                      |          |                 |                 |                 |                      |                 |                    |   |                     |                     |
| <b>Zoo's, Marine and Non-biological Animals</b>  |          |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Mature   |          |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Immature   |          |                 |                 |                 |                      |                 |                    |   |                     |                     |
| <b>Living Resources</b>                          |          | -               | -               | -               | -                    | -               | -                  | -   | -                   | -                   |
| <b>TOTAL CAPITAL EXPENDITURE - Asset Class</b>   |          | 12,565,964      | 552,514         | 882,088         | 823,982              | 797,049         | 797,049            | 627,651   | 519,757             | 555,912             |

Msunduzi (KZN225) - Table A9 Asset Management

| Description   | Ref      | 2021/22          | 2022/23          | 2023/24          | Current year 2024/25 |                  |                    | 2025/26 Medium Term Revenue & Expenditure Framework |                     |                     |
|---|----------|------------------|------------------|------------------|----------------------|------------------|--------------------|---|---------------------|---------------------|
|   |          | Audited Outcome  | Audited Outcome  | Audited Outcome  | Original Budget      | Adjusted Budget  | Full Year Forecast | Budget Year 2025/26                                 | Budget Year 2026/27 | Budget Year 2027/28 |
| <b>R thousands</b>                                  | <b>N</b> |                  |                  |                  |                      |                  |                    |   |                     |                     |
| <b>ASSET REGISTER SUMMARY - PPE (WDV)</b>           | <b>5</b> | <b>6,763,544</b> | <b>7,128,088</b> | <b>7,784,729</b> | <b>9,389,757</b>     | <b>9,412,891</b> | <b>9,412,891</b>   | <b>7,807,004</b>                                    | <b>8,151,004</b>    | <b>8,545,100</b>    |
| <i>Roads Infrastructure</i>                         |          | 1,499,584        | 1,749,611        | 1,977,697        |                      |                  |                    | 1,977,697   | 2,066,693           | 2,159,695           |
| <i>Storm water Infrastructure</i>                   |          | 527,358          | 594,163          | 655,306          |                      |                  |                    | 655,306   | 684,795             | 715,611             |
| <i>Electrical Infrastructure</i>                    |          | 1,053,749        | 1,036,798        | 1,069,982        | 7,968,095            | 7,970,785        | 7,970,785          | 1,069,982   | 1,118,132           | 1,168,448           |
| <i>Water Supply Infrastructure</i>                  |          | 536,655          | 500,351          | 574,009          |                      |                  |                    | 574,009   | 599,839             | 626,832             |
| <i>Sanitation Infrastructure</i>                    |          | 399,228          | 462,955          | 620,336          |                      |                  |                    | 620,336   | 648,251             | 677,422             |
| <i>Solid Waste Infrastructure</i>                   |          | 22,538           | 28,916           | 27,410           |                      |                  |                    | 27,410  | 28,643              | 29,932              |
| <i>Rail Infrastructure</i>                          |          | 783              | 669              | 556              |                      |                  |                    | 556   | 581                 | 607                 |
| <i>Coastal Infrastructure</i>                       |          |                  |                  |                  |                      |                  |                    |   |                     |                     |
| <i>Information and Communication Infrastructure</i> |          |                  |                  | 4,221            |                      |                  |                    | 4,221   | 4,411               | 4,609               |
| <b>Infrastructure</b>                               |          | <b>4,039,895</b> | <b>4,373,463</b> | <b>4,929,517</b> | <b>7,968,095</b>     | <b>7,970,785</b> | <b>7,970,785</b>   | <b>4,929,517</b>                                    | <b>5,151,345</b>    | <b>5,383,155</b>    |
| <b>Community Assets</b>                             |          | <b>299,648</b>   | <b>307,151</b>   | <b>301,412</b>   |                      |                  |                    | <b>301,412</b>                                      | <b>314,975</b>      | <b>329,149</b>      |
| <b>Heritage Assets</b>                              |          | <b>273,094</b>   | <b>274,718</b>   | <b>323,520</b>   | <b>291,270</b>       | <b>291,270</b>   | <b>291,270</b>     | <b>323,520</b>                                      | <b>338,078</b>      | <b>353,292</b>      |
| <b>Investment properties</b>                        |          | <b>891,299</b>   | <b>924,805</b>   | <b>922,392</b>   | <b>974,256</b>       | <b>974,256</b>   | <b>974,256</b>     | <b>922,392</b>                                      | <b>963,899</b>      | <b>1,007,275</b>    |
| <b>Other Assets</b>                                 |          | <b>256,089</b>   | <b>250,980</b>   | <b>260,774</b>   |                      |                  |                    | <b>213,035</b>                                      | <b>222,621</b>      | <b>232,639</b>      |
| <b>Biological or Cultivated Assets</b>              |          | <b>80,896</b>    | <b>76,376</b>    | <b>83,234</b>    | <b>80,958</b>        | <b>80,958</b>    | <b>80,958</b>      | <b>83,234</b>                                       | <b>86,980</b>       | <b>90,894</b>       |
| <b>Intangible Assets</b>                            |          | <b>18,426</b>    | <b>23,913</b>    | <b>24,478</b>    | <b>25,766</b>        | <b>26,566</b>    | <b>26,566</b>      | <b>24,753</b>                                       | <b>25,867</b>       | <b>27,031</b>       |
| <b>Computer Equipment</b>                           |          | <b>25,792</b>    | <b>23,594</b>    | <b>33,536</b>    | <b>9,934</b>         | <b>22,169</b>    | <b>22,169</b>      | <b>33,536</b>                                       | <b>35,045</b>       | <b>36,622</b>       |
| <b>Furniture and Office Equipment</b>               |          | <b>11,788</b>    | <b>12,603</b>    | <b>12,095</b>    | <b>5,405</b>         | <b>5,063</b>     | <b>5,063</b>       | <b>17,095</b>                                       | <b>17,865</b>       | <b>56,889</b>       |
| <b>Machinery and Equipment</b>                      |          | <b>69,823</b>    | <b>69,501</b>    | <b>76,989</b>    | <b>15,273</b>        | <b>20,424</b>    | <b>20,424</b>      | <b>128,406</b>                                      | <b>126,869</b>      | <b>121,658</b>      |
| <b>Transport Assets</b>                             |          | <b>84,367</b>    | <b>78,557</b>    | <b>104,447</b>   | <b>18,800</b>        | <b>21,400</b>    | <b>21,400</b>      | <b>117,769</b>                                      | <b>123,069</b>      | <b>128,607</b>      |
| <b>Land</b>   |          | <b>712,427</b>   | <b>712,427</b>   | <b>712,336</b>   |                      |                  |                    | <b>712,336</b>                                      | <b>744,391</b>      | <b>777,888</b>      |
| <b>Zoo's, Marine and Non-biological Animals</b>     |          |                  |                  |                  |                      |                  |                    |   |                     |                     |
| <b>Living Resources</b>                             |          |                  |                  |                  |                      |                  |                    |   |                     |                     |
| <b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>     |          | <b>6,763,544</b> | <b>7,128,088</b> | <b>7,784,729</b> | <b>9,389,757</b>     | <b>9,412,891</b> | <b>9,412,891</b>   | <b>7,807,004</b>                                    | <b>8,151,004</b>    | <b>8,545,100</b>    |

Msunduzi (KZN225) - Table A9 Asset Management

| Description  | Ref      | 2021/22         | 2022/23         | 2023/24         | Current year 2024/25 |                 |                    | 2025/26 Medium Term Revenue & Expenditure Framework |                     |                     |
|--|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|---------------------|---------------------|
|  |          | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2025/26                                 | Budget Year 2026/27 | Budget Year 2027/28 |
| <b>R thousands</b>   | <b>N</b> |                 |                 |                 |                      |                 |                    |   |                     |                     |
| <b>EXPENDITURE OTHER ITEMS</b>   |          |                 |                 |                 |                      |                 |                    |   |                     |                     |
| <u>Depreciation</u>  | 7        | 365,699         | 337,452         | 359,060         | 362,179              | 362,179         | 362,179            | 390,260   | 386,743             | 282,527             |
| <u>Repairs and Maintenance by Asset Class</u>                            | 3        | -               | -               | -               | <b>624,360</b>       | <b>429,860</b>  | <b>429,860</b>     | <b>495,564</b>                                      | <b>545,944</b>      | <b>584,671</b>      |
| Roads Infrastructure   |          |                 |                 |                 | 155,467              | 82,867          | 82,867             | 44,921  | 60,213              | 65,348              |
| Storm water Infrastructure   |          |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Electrical Infrastructure  |          |                 |                 |                 | 27,650               | 23,400          | 23,400             | 20,665  | 27,154              | 29,598              |
| Water Supply Infrastructure  |          |                 |                 |                 | 25,675               | 23,725          | 23,725             | 38,080  | 41,888              | 46,077              |
| Sanitation Infrastructure  |          |                 |                 |                 | 311,176              | 209,476         | 209,476            | 311,582   | 330,917             | 351,476             |
| Solid Waste Infrastructure   |          |                 |                 |                 | 255                  | 255             | 255                | 3,470   | 3,633               | 3,800               |
| Rail Infrastructure  |          |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Coastal Infrastructure   |          |                 |                 |                 |                      | 1,350           | 1,350              | 663   | 871                 | 950                 |
| Information and Communication Infrastructure                             |          |                 |                 |                 |                      |                 |                    |   |                     |                     |
| <b>Infrastructure</b>  |          | -               | -               | -               | <b>520,223</b>       | <b>341,073</b>  | <b>341,073</b>     | <b>419,381</b>                                      | <b>464,676</b>      | <b>497,249</b>      |
| Community Facilities   |          |                 |                 |                 | 29,292               | 22,613          | 22,613             | 9,244   | 9,696               | 10,162              |
| Sport and Recreation Facilities  |          |                 |                 |                 | 1,258                | 1,207           | 1,207              | 1,426   | 1,493               | 1,562               |
| <b>Community Assets</b>  |          | -               | -               | -               | <b>30,550</b>        | <b>23,820</b>   | <b>23,820</b>      | <b>10,670</b>                                       | <b>11,189</b>       | <b>11,724</b>       |
| <b>Heritage Assets</b>   |          |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Revenue Generating   |          |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Non-revenue Generating   |          |                 |                 |                 |                      |                 |                    |   |                     |                     |
| <b>Investment properties</b>   |          | -               | -               | -               | -                    | -               | -                  | -   | -                   | -                   |
| Operational Buildings  |          |                 |                 |                 | 33,773               | 12,686          | 12,686             | 17,950  | 18,287              | 19,599              |
| Housing  |          |                 |                 |                 | 4,036                | 23,354          | 23,354             | 450   | 477                 | 506                 |
| <b>Other Assets</b>  |          | -               | -               | -               | <b>37,809</b>        | <b>36,040</b>   | <b>36,040</b>      | <b>18,400</b>                                       | <b>18,764</b>       | <b>20,105</b>       |
| <b>Biological or Cultivated Assets</b>                                   |          |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Servitudes   |          |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Licences and Rights  |          |                 |                 |                 |                      | 140             | 140                | 148   | 157                 | 167                 |
| <b>Intangible Assets</b>   |          | -               | -               | -               | -                    | <b>140</b>      | <b>140</b>         | <b>148</b>  | <b>157</b>          | <b>167</b>          |
| Computer Equipment   |          |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Furniture and Office Equipment   |          |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Machinery and Equipment  |          |                 |                 |                 | 14,367               | 10,380          | 10,380             | 14,540  | 16,231              | 17,418              |
| Transport Assets   |          |                 |                 |                 | 21,411               | 18,408          | 18,408             | 32,426  | 34,926              | 38,009              |
| Land   |          |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Zoo's, Marine and Non-biological Animals                                 |          |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Mature   |          |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Immature   |          |                 |                 |                 |                      |                 |                    |   |                     |                     |
| <b>Living Resources</b>  |          | -               | -               | -               | -                    | -               | -                  | -   | -                   | -                   |
| <b>TOTAL EXPENDITURE OTHER ITEMS</b>                                     |          | <b>365,699</b>  | <b>337,452</b>  | <b>359,060</b>  | <b>986,539</b>       | <b>792,039</b>  | <b>792,039</b>     | <b>885,824</b>                                      | <b>932,686</b>      | <b>867,198</b>      |
| <i>Renewal and upgrading of Existing Assets as % of total capex</i>      |          | 0.0%            | 0.0%            | 1.4%            | 13.1%                | 30.5%           | 30.5%              | 41.3%   | 56.0%               | 40.8%               |
| <i>Renewal and upgrading of Existing Assets as % of deprecn</i>          |          | 0.0%            | 0.0%            | 3.3%            | 29.9%                | 67.0%           | 67.0%              | 66.4%   | 75.2%               | 80.2%               |
| <i>R&amp;M as a % of PPE &amp; Investment Property</i>                   |          | 0.0%            | 0.0%            | 0.0%            | 6.9%                 | 4.8%            | 4.8%               | 6.7%  | 7.1%                | 7.2%                |
| <i>Renewal and upgrading and R&amp;M as a % of PPE and Investment Pr</i> |          | 0.0%            | 0.0%            | 0.2%            | 8.1%                 | 7.5%            | 7.5%               | 10.2%   | 10.9%               | 10.0%               |

### Explanatory notes to Table A9 - Asset Management

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

be attributed to fiscal constraints. Repairs and Maintenance alone as a percentage of PPE has amounts to 6.7 % in 2025/26. The primary target is to increase this provision in order to be in line with stated requirements.

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



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

| Description  |  | Ref | 2021/22         | 2022/23         | 2023/24         | Current year 2024/25 |                 |                    | 2025/26 Medium Term Revenue & Expenditure Framework |                     |                     |
|--|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|---------------------|---------------------|
| R thousands  |  |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2025/26                                 | Budget Year 2026/27 | Budget Year 2027/28 |
| <b><u>Household service targets</u></b>  |  | 1   |                 |                 |                 |                      |                 |                    |   |                     |                     |
| <b><u>Water:</u></b>   |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Piped water inside dwelling  |  |     | 81,977          | 81,977          | 81,977          | 85,289               | 85,289          | 85,289             | 90,406  | 94,475              | 98,726              |
| Piped water inside yard (but not in dwelling)                                    |  |     | 63,907          | 63,907          | 63,907          | 66,489               | 66,489          | 66,489             | 70,478  | 73,650              | 76,964              |
| Using public tap (at least min.service level)                                    |  | 2   | 6,663           | 6,663           | 6,663           | 6,932                | 6,932           | 6,932              | 7,348   | 7,679               | 8,024               |
| Other water supply (at least min.service level)                                  |  | 4   |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Minimum Service Level and Above sub-total  |  |     | 152,547         | 152,547         | 152,547         | 158,710              | 158,710         | 158,710            | 168,232   | 175,804             | 183,714             |
| Using public tap (< min.service level)   |  | 3   | 6,396           | 6,396           | 6,396           | 6,654                | 6,654           | 6,654              | 7,053   | 7,371               | 7,702               |
| Other water supply (< min.service level)   |  | 4   |                 |                 |                 |                      |                 |                    |   |                     |                     |
| No water supply  |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Below Minimum Service Level sub-total  |  |     | 6,396           | 6,396           | 6,396           | 6,654                | 6,654           | 6,654              | 7,053   | 7,371               | 7,702               |
| <b>Total number of households</b>  |  | 5   | <b>158,943</b>  | <b>158,943</b>  | <b>158,943</b>  | <b>165,364</b>       | <b>165,364</b>  | <b>165,364</b>     | <b>175,285</b>                                      | <b>183,175</b>      | <b>191,416</b>      |
| <b><u>Sanitation/sewerage:</u></b>   |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Flush toilet (connected to sewerage)   |  |     | 82,970          | 82,970          | 82,970          | 86,322               | 86,322          | 86,322             | 91,501  | 95,619              | 99,922              |
| Flush toilet (with septic tank)  |  |     | 3,160           | 3,160           | 3,160           | 3,288                | 3,288           | 3,288              | 3,485   | 3,642               | 3,806               |
| Chemical toilet  |  |     | 96              | 96              | 96              | 100                  | 100             | 100                | 106   | 111                 | 116                 |
| Pit toilet (ventilated)  |  |     | 6,240           | 6,240           | 6,240           | 6,492                | 6,492           | 6,492              | 6,882   | 7,191               | 7,515               |
| Other toilet provisions (> min.service level)                                    |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Minimum Service Level and Above sub-total  |  |     | 92,466          | 92,466          | 92,466          | 96,202               | 96,202          | 96,202             | 101,974   | 106,563             | 111,359             |
| Bucket toilet  |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Other toilet provisions (< min.service level)                                    |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| No toilet provisions   |  |     | 71,527          | 71,527          | 71,527          | 74,417               | 74,417          | 74,417             | 78,882  | 82,432              | 86,141              |
| Below Minimum Service Level sub-total  |  |     | 71,527          | 71,527          | 71,527          | 74,417               | 74,417          | 74,417             | 78,882  | 82,432              | 86,141              |
| <b>Total number of households</b>  |  | 5   | <b>163,993</b>  | <b>163,993</b>  | <b>163,993</b>  | <b>170,619</b>       | <b>170,619</b>  | <b>170,619</b>     | <b>180,856</b>                                      | <b>188,995</b>      | <b>197,500</b>      |
| <b><u>Energy:</u></b>  |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Electricity (at least min.service level)   |  |     | 135,271         | 135,271         | 135,271         | 140,682              | 140,682         | 140,682            | 149,123   | 155,833             | 162,846             |
| Electricity - prepaid (min.service level)  |  |     | 27,347          | 27,347          | 27,347          | 28,441               | 28,441          | 28,441             | 30,147  | 31,504              | 32,922              |
| Minimum Service Level and Above sub-total  |  |     | 162,618         | 162,618         | 162,618         | 169,123              | 169,123         | 169,123            | 179,270   | 187,337             | 195,768             |
| Electricity (< min.service level)  |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Electricity - prepaid (< min. service level)                                     |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Other energy sources   |  |     | 8,000           | 8,000           | 8,000           | 8,320                | 8,320           | 8,320              | 8,819   | 9,216               | 9,631               |
| Below Minimum Service Level sub-total  |  |     | 8,000           | 8,000           | 8,000           | 8,320                | 8,320           | 8,320              | 8,819   | 9,216               | 9,631               |
| <b>Total number of households</b>  |  | 5   | <b>170,618</b>  | <b>170,618</b>  | <b>170,618</b>  | <b>177,443</b>       | <b>177,443</b>  | <b>177,443</b>     | <b>188,089</b>                                      | <b>196,553</b>      | <b>205,399</b>      |
| <b><u>Refuse:</u></b>  |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Removed at least once a week   |  |     | 129,848         | 129,848         | 129,848         | 135,042              | 135,042         | 135,042            | 143,145   | 149,586             | 156,317             |
| Minimum Service Level and Above sub-total  |  |     | 129,848         | 129,848         | 129,848         | 135,042              | 135,042         | 135,042            | 143,145   | 149,586             | 156,317             |
| Removed less frequently than once a week   |  |     | 40,770          | 40,770          | 40,770          | 42,401               | 42,401          | 42,401             | 44,945  | 46,968              | 49,081              |
| Using communal refuse dump   |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Using own refuse dump  |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Other rubbish disposal   |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| No rubbish disposal  |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Below Minimum Service Level sub-total  |  |     | 40,770          | 40,770          | 40,770          | 42,401               | 42,401          | 42,401             | 44,945  | 46,968              | 49,081              |
| <b>Total number of households</b>  |  | 5   | <b>170,618</b>  | <b>170,618</b>  | <b>170,618</b>  | <b>177,443</b>       | <b>177,443</b>  | <b>177,443</b>     | <b>188,090</b>                                      | <b>196,554</b>      | <b>205,398</b>      |
| <b><u>Households receiving Free Basic Service</u></b>                            |  | 7   |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Water (6 kilolitres per household per month)                                     |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Sanitation (free minimum level service)  |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Electricity/other energy (50kwh per household per month)                         |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Refuse (removed at least once a week)  |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Informal Settlements   |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| <b><u>Cost of Free Basic Services provided - Formal Settlements</u></b>          |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Water (6 kilolitres per indigent household per month)                            |  |     |                 |                 |                 | 249,303              | 249,303         | 3,551              | 286,699   | 300,747             | 315,483             |
| Sanitation (free sanitation service to indigent households)                      |  |     |                 |                 |                 | 18,772               |                 | 12,835             |   |                     |                     |
| Electricity/other energy (50kwh per indigent household per month)                |  |     |                 |                 |                 | 5,465                | 5,465           | 2,507              | 6,084   | 6,382               | 6,695               |
| Refuse (removed once a week for indigent households)                             |  |     |                 |                 |                 | 8,847                |                 | 573                | 9,466   | 9,930               | 10,417              |
| <b><u>Cost of Free Basic Services provided - Informal Formal Settlements</u></b> |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| <b>Total cost of FBS provided</b>  |  | 8   | -               | -               | -               | <b>282,387</b>       | <b>254,768</b>  | <b>19,466</b>      | <b>302,249</b>                                      | <b>317,059</b>      | <b>332,595</b>      |
| <b><u>Highest level of free service provided per household</u></b>               |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Property rates (R value threshold)   |  |     | 78,039,000      | 93,094,880      | 93,094,880      | 222,592,035          | 222,592,035     | 222,592,035        | 235,947,557   | 246,565,197         | 257,660,631         |
| Water (kilolitres per household per month)                                       |  |     | 6               | 6               | 6               | 6                    | 6               | 6                  | 6   | 6                   | 6                   |
| Sanitation (kilolitres per household per month)                                  |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Sanitation (Rand per household per month)  |  |     |                 |                 |                 | 4,671,015            | 4,671,015       | 4,671,015          | 4,951,276   | 5,174,083           | 5,406,917           |
| Electricity (kwh per household per month)  |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Refuse (average litres per week)   |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| <b><u>Revenue cost of subsidised services provided</u></b>                       |  | 9   |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Property rates (tariff adjustment) (impermissible values per sector)             |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Prop. rates exempt., reduct., rebates and imperm. values in excess               |  |     |                 |                 |                 | 120,844              | 120,844         | 31                 | 258,775   | 270,420             | 277,180             |
| Water (in excess of 6 kilolitres per indigent household per month)               |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Sanitation (in excess of free sanitation service to indigent households)         |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Electricity/other energy (in excess of 50 kwh per indigent household)            |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Refuse (in excess of one removal a week for indigent households)                 |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Municipal Housing - rental rebates   |  |     |                 |                 |                 |                      |                 | 23                 |   |                     |                     |
| Housing - top structure subsidies  |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Other  |  | 6   |                 |                 |                 |                      |                 |                    |   |                     |                     |
| <b>Total revenue cost of subsidised services provided</b>                        |  |     | -               | -               | -               | <b>120,844</b>       | <b>120,844</b>  | <b>53</b>          | <b>258,775</b>                                      | <b>270,420</b>      | <b>277,180</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 2025/26 to 2027/28. These households are largely found in reception areas and will need to be moved to formal areas so that they can receive services.
  - b) Sanitation services – backlog will be reduced by over 2000 households over the MTREF. The number of households with no toilet provision projects a decline as from 2012/13 up to 2020/21.
    - a. Sanitation services – backlog will be reduced by over 2000 households over the MTREF. The number of households with no toilet provision projects a decline as from 2012/13 up to 2027/28.
    - b. Electricity services – backlog reduction of households without the supply. As indicated elsewhere, the emphasis in the electricity sector is on addressing urgent network upgrades. Once the most pressing network issues have been addressed, the electrification programme will be prioritised
    - c. Refuse services – backlog projects a downward trend of households without a service as from 2013/14 up to 2027/28..

## Consolidated Budget Tables

Consolidated Msunduzi (KZN225) - Table A1 Budget Summary

| Description  | 2021/22            | 2022/23          | 2023/24            | Current year 2024/25 |                  |                    |                    | 2025/26 Medium Term Revenue & Expenditure Framework |                     |                     |
|--|--------------------|------------------|--------------------|----------------------|------------------|--------------------|--------------------|---|---------------------|---------------------|
|  | Audited Outcome    | Audited Outcome  | Audited Outcome    | Original Budget      | Adjusted Budget  | Full Year Forecast | Pre-audit Outcome  | Budget Year 2025/26                                 | Budget Year 2026/27 | Budget Year 2027/28 |
| <b>R thousands</b>   |                    |                  |                    |                      |                  |                    |                    |   |                     |                     |
| <b>Financial Performance</b>   |                    |                  |                    |                      |                  |                    |                    |   |                     |                     |
| Property rates   | 1,212,773          | 1,370,173        | 1,359,087          | 1,649,353            | 1,649,352        | 1,649,352          | 1,197,657          | 1,721,665   | 1,799,140           | 1,844,118           |
| Service charges  | 3,846,305          | 3,870,497        | 4,086,762          | 5,683,701            | 5,610,234        | 5,610,234          | 3,292,715          | 6,280,570   | 6,588,318           | 6,911,146           |
| Investment revenue   | 10,445             | 16,957           | 44,118             | 19,135               | 19,135           | 19,135             | 17,027             | 19,996  | 20,976              | 22,004              |
| Transfer and subsidies - Operational                                 | 681,678            | 801,751          | 824,545            | 946,343              | 1,026,395        | 1,026,395          | 1,277,833          | 993,197   | 1,066,101           | 1,113,040           |
| Other own revenue  | 365,182            | 367,682          | 613,025            | 665,372              | 665,372          | 665,372            | 399,816            | 517,452   | 542,807             | 569,404             |
| <b>Total Revenue (excluding capital transfers and contributions)</b> | <b>6,116,383</b>   | <b>6,427,061</b> | <b>6,927,537</b>   | <b>8,963,903</b>     | <b>8,970,488</b> | <b>8,970,488</b>   | <b>6,185,049</b>   | <b>9,532,880</b>                                    | <b>10,017,341</b>   | <b>10,459,712</b>   |
| Employee costs   | 1,468,961          | 1,466,856        | 1,612,918          | 1,847,017            | 1,772,841        | 1,772,841          | 1,077,584          | 1,922,439   | 2,059,216           | 2,204,702           |
| Remuneration of councillors  | 49,439             | 51,818           | 63,542             | 66,462               | 66,462           | 66,462             | 38,162             | 70,450  | 73,902              | 77,523              |
| Depreciation and amortisation  | 372,611            | 350,684          | 361,848            | 362,179              | 362,179          | 362,179            | 263,172            | 390,260   | 386,743             | 282,527             |
| Finance charges  | 33,596             | 150,814          | 86,051             | 42,825               | 37,825           | 37,825             | 13,115             | 56,180  | 58,708              | 62,231              |
| Inventory consumed and bulk purchases                                | 3,034,515          | 3,089,737        | 3,592,059          | 4,138,528            | 3,900,504        | 3,900,504          | 2,884,950          | 4,536,139   | 4,763,739           | 4,999,951           |
| Transfers and subsidies  | 32,413             | 29,562           | 25,240             | 69,670               | 69,670           | 69,670             | 40,290             | 72,457  | 76,007              | 79,732              |
| Other expenditure  | 1,730,834          | 1,086,231        | 2,292,457          | 1,853,590            | 1,660,959        | 1,660,959          | 682,945            | 1,513,871   | 1,652,242           | 1,777,017           |
| <b>Total Expenditure</b>   | <b>6,722,368</b>   | <b>6,225,702</b> | <b>8,034,116</b>   | <b>8,380,271</b>     | <b>7,870,440</b> | <b>7,870,440</b>   | <b>5,000,218</b>   | <b>8,561,797</b>                                    | <b>9,070,557</b>    | <b>9,483,682</b>    |
| <b>Surplus/(Deficit)</b>   | <b>(605,986)</b>   | <b>201,359</b>   | <b>(1,106,579)</b> | <b>583,632</b>       | <b>1,100,048</b> | <b>1,100,048</b>   | <b>1,184,831</b>   | <b>971,084</b>                                      | <b>946,785</b>      | <b>976,030</b>      |
| Transfers and subsidies - capital (monetary allocations)             | 368,725            | 324,319          | 427,923            | 456,975              | 488,696          | 488,696            | 250,947            | 376,127   | 429,887             | 457,347             |
| Transfers and subsidies - capital (in-kind)                          | 60                 | 2                | 199                | -                    | -                | -                  | (1,528,149)        | -   | -                   | -                   |
| <b>Surplus/(Deficit) after capital transfers &amp; contributions</b> | <b>(237,201)</b>   | <b>525,680</b>   | <b>(678,457)</b>   | <b>1,040,607</b>     | <b>1,588,744</b> | <b>1,588,744</b>   | <b>(92,371)</b>    | <b>1,347,210</b>                                    | <b>1,376,672</b>    | <b>1,433,377</b>    |
| Share of Surplus/Deficit attributable to Associate                   | -                  | -                | -                  | -                    | -                | -                  | -                  | -   | -                   | -                   |
| <b>Surplus/(Deficit) for the year</b>                                | <b>(237,201)</b>   | <b>525,680</b>   | <b>(678,457)</b>   | <b>1,040,607</b>     | <b>1,588,744</b> | <b>1,588,744</b>   | <b>(92,371)</b>    | <b>1,347,210</b>                                    | <b>1,376,672</b>    | <b>1,433,377</b>    |
| <b>Capital expenditure &amp; funds sources</b>                       |                    |                  |                    |                      |                  |                    |                    |   |                     |                     |
| <b>Capital expenditure</b>   | <b>12,565,964</b>  | <b>552,514</b>   | <b>882,088</b>     | <b>823,982</b>       | <b>797,049</b>   | <b>797,049</b>     | <b>425,859</b>     | <b>627,651</b>                                      | <b>519,757</b>      | <b>555,912</b>      |
| Transfers recognised - capital                                       | -                  | 323,914          | -                  | 456,975              | 477,926          | 477,926            | -                  | 376,127   | 429,887             | 455,998             |
| Borrowing  | -                  | -                | -                  | 234,316              | 206,616          | 206,616            | -                  | 161,524   | -                   | 5,460               |
| Internally generated funds   | -                  | 228,600          | 819,701            | 132,691              | 112,507          | 112,507            | -                  | 90,000  | 89,870              | 94,454              |
| <b>Total sources of capital funds</b>                                | <b>-</b>           | <b>552,514</b>   | <b>819,701</b>     | <b>823,982</b>       | <b>797,049</b>   | <b>797,049</b>     | <b>-</b>           | <b>627,651</b>                                      | <b>519,757</b>      | <b>555,912</b>      |
| <b>Financial position</b>  |                    |                  |                    |                      |                  |                    |                    |   |                     |                     |
| Total current assets   | 3,301,660          | 4,168,889        | 2,297,435          | 4,114,508            | 4,345,836        | 4,345,836          | 334,943            | 3,039,062   | 3,162,498           | 3,295,732           |
| Total non current assets   | 8,206,003          | 8,924,750        | 8,604,430          | 10,127,020           | 10,127,787       | 10,127,787         | 185,909            | 9,232,081   | 9,511,387           | 9,952,165           |
| Total current liabilities  | 2,718,511          | 3,885,790        | 4,104,188          | 2,372,667            | 1,885,420        | 1,885,420          | 699,149            | 2,157,958   | 2,131,999           | 2,157,120           |
| Total non current liabilities  | 775,015            | 658,474          | 733,130            | 1,223,486            | 1,223,486        | 1,223,486          | -                  | 3,413,769   | 3,567,389           | 3,727,921           |
| Community wealth/Equity  | 8,251,338          | 8,023,695        | 6,743,004          | 10,645,376           | 11,294,430       | 11,294,430         | (53,359)           | 6,699,416   | 6,974,497           | 7,362,856           |
| <b>Cash flows</b>  |                    |                  |                    |                      |                  |                    |                    |   |                     |                     |
| Net cash from (used) operating                                       | -                  | 790,678          | -                  | 568,083              | 776,440          | 776,440            | (5,140,593)        | 585,213   | 621,431             | 648,490             |
| Net cash from (used) investing                                       | -                  | (498,681)        | -                  | (824,011)            | (824,011)        | (824,011)          | 1,090              | (627,651)   | (519,887)           | (557,347)           |
| Net cash from (used) financing                                       | -                  | (79,163)         | -                  | 144,316              | 184,316          | 184,316            | -                  | 71,524  | (90,000)            | (90,000)            |
| <b>Cash/cash equivalents at the year end</b>                         | <b>56,302</b>      | <b>695,267</b>   | <b>366,360</b>     | <b>190,172</b>       | <b>632,738</b>   | <b>632,738</b>     | <b>(5,139,503)</b> | <b>395,446</b>                                      | <b>394,390</b>      | <b>401,219</b>      |
| <b>Cash backing/surplus reconciliation</b>                           |                    |                  |                    |                      |                  |                    |                    |   |                     |                     |
| Cash and investments available                                       | 321,845            | 482,433          | 456,935            | 211,783              | 372,824          | 372,824            | (666,355)          | 395,446   | 394,390             | 401,219             |
| Application of cash and investments                                  | 2,452,587          | 821,005          | 3,723,444          | (941,591)            | (1,499,851)      | (1,499,851)        | 424,619            | 100,757   | (26,473)            | (103,676)           |
| <b>Balance - surplus (shortfall)</b>                                 | <b>(2,130,742)</b> | <b>(338,572)</b> | <b>(3,266,508)</b> | <b>1,153,374</b>     | <b>1,872,675</b> | <b>1,872,675</b>   | <b>(1,090,974)</b> | <b>294,690</b>                                      | <b>420,863</b>      | <b>504,894</b>      |
| <b>Asset management</b>  |                    |                  |                    |                      |                  |                    |                    |   |                     |                     |
| Asset register summary (WDV)   | 6,763,544          | 7,128,088        | 7,784,729          | 9,389,757            | 9,412,891        | 9,412,891          | (178,043)          | 7,807,004   | 8,151,004           | 8,545,100           |
| Depreciation   | 365,699            | 337,452          | 359,060            | 362,179              | 362,179          | 362,179            | 263,172            | 390,260   | 386,743             | 282,527             |
| Renewal and Upgrading of Existing Assets                             | -                  | -                | 11,937             | 108,308              | 242,727          | 242,727            | 129,890            | 258,987   | 290,851             | 226,565             |
| Repairs and Maintenance  | -                  | -                | -                  | 624,360              | 429,860          | 429,860            | 358,121            | 495,564   | 545,944             | 584,671             |
| <b>Free services</b>   |                    |                  |                    |                      |                  |                    |                    |   |                     |                     |
| Cost of Free Basic Services provided                                 | -                  | -                | -                  | 282,387              | 254,768          | 254,768            | 19,466             | 302,249   | 317,059             | 332,595             |
| Revenue cost of free services provided                               | -                  | -                | -                  | 120,844              | 120,844          | 120,844            | 53                 | 258,775   | 270,420             | 277,180             |
| <b>Households below minimum service level</b>                        |                    |                  |                    |                      |                  |                    |                    |   |                     |                     |
| Water:   | 6,396              | 6,396            | 6,396              | 6,654                | 6,654            | 6,654              | 6,654              | -   | -                   | -                   |
| Sanitation/sewerage:   | 71,527             | 71,527           | 71,527             | 74,417               | 74,417           | 74,417             | 74,417             | -   | -                   | -                   |
| Energy:  | 8,000              | 8,000            | 8,000              | 8,320                | 8,320            | 8,320              | 8,320              | -   | -                   | -                   |
| Refuse:  | 40,770             | 40,770           | 40,770             | 42,401               | 42,401           | 42,401             | 42,401             | -   | -                   | -                   |

Msunduzi (KZN225) - Consolidated Table A2 Budgeted Financial Performance by Functional Classification

| Description                                    | Ref | 2021/22         | 2022/23         | 2023/24         | Current year 2024/25 |                 |                    | 2025/26 Medium Term Revenue & Expenditure Framework |                     |                     |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|---------------------|---------------------|
|  |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2025/26                                 | Budget Year 2026/27 | Budget Year 2027/28 |
| R thousands                                    | 1   |                 |                 |                 |                      |                 |                    |   |                     |                     |
| <b>Revenue - Functional</b>                    |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| <i>Municipal governance and administration</i> |     | 6,485,167       | 6,751,382       | 7,355,659       | 2,688,151            | 2,687,713       | 2,687,713          | 2,802,817   | 2,939,444           | 3,036,382           |
| Executive and council                          |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Finance and administration                     |     | 6,485,167       | 6,751,382       | 7,355,659       | 2,688,151            | 2,687,713       | 2,687,713          | 2,802,817   | 2,939,444           | 3,036,382           |
| Internal audit                                 |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| <i>Community and public safety</i>             |     | -               | -               | -               | 525,429              | 322,789         | 322,789            | 63,190  | 62,953              | 66,181              |
| Community and social services                  |     |                 |                 |                 | 307,323              | 106,951         | 106,951            | 25,185  | 22,970              | 24,117              |
| Sport and recreation                           |     |                 |                 |                 | 23,527               | 30,479          | 30,479             | 1,224   | 1,284               | 1,347               |
| Public safety                                  |     |                 |                 |                 | 9,173                | 9,173           | 9,173              | 16,851  | 17,677              | 18,543              |
| Housing  |     |                 |                 |                 | 185,406              | 176,187         | 176,187            | 19,930  | 21,022              | 22,175              |
| Health   |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| <i>Economic and environmental services</i>     |     | -               | -               | -               | 86,692               | 150,008         | 150,008            | 146,237   | 200,033             | 214,617             |
| Planning and development                       |     |                 |                 |                 | 31,697               | 44,121          | 44,121             | 40,665  | 44,187              | 51,735              |
| Road transport                                 |     |                 |                 |                 | 50,000               | 100,893         | 100,893            | 100,000   | 150,000             | 156,750             |
| Environmental protection                       |     |                 |                 |                 | 4,994                | 4,994           | 4,994              | 5,573   | 5,846               | 6,132               |
| <i>Trading services</i>                        |     | -               | -               | -               | 5,997,734            | 6,174,882       | 6,174,882          | 6,840,723   | 7,186,014           | 7,538,212           |
| Energy sources                                 |     |                 |                 |                 | 4,347,604            | 4,286,092       | 4,286,092          | 4,740,506   | 4,982,861           | 5,226,798           |
| Water management                               |     |                 |                 |                 | 1,219,122            | 1,282,859       | 1,282,859          | 1,365,916   | 1,435,396           | 1,507,035           |
| Waste water management                         |     |                 |                 |                 | 262,027              | 436,950         | 436,950            | 552,950   | 577,520             | 604,819             |
| Waste management                               |     |                 |                 |                 | 168,980              | 168,980         | 168,980            | 181,351   | 190,238             | 199,559             |
| <i>Other</i>                                   | 4   |                 |                 |                 | 122,873              | 123,792         | 123,792            | 56,039  | 58,785              | 61,665              |
| <b>Total Revenue - Functional</b>              | 2   | 6,485,167       | 6,751,382       | 7,355,659       | 9,420,878            | 9,459,184       | 9,459,184          | 9,909,007   | 10,447,228          | 10,917,058          |
| <b>Expenditure - Functional</b>                |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| <i>Municipal governance and administration</i> |     | 3,772,161       | 3,246,201       | 4,600,265       | 1,698,538            | 2,921,933       | 2,921,933          | 2,319,911   | 2,479,163           | 2,616,800           |
| Executive and council                          |     | 49,439          | 51,818          | 63,542          | 170,182              | 770,175         | 770,175            | 871,977   | 1,003,250           | 1,058,342           |
| Finance and administration                     |     | 3,722,722       | 3,194,383       | 4,536,723       | 1,500,384            | 2,137,732       | 2,137,732          | 1,415,040   | 1,440,490           | 1,520,303           |
| Internal audit                                 |     |                 |                 |                 | 27,972               | 14,026          | 14,026             | 32,894  | 35,423              | 38,155              |
| <i>Community and public safety</i>             |     | -               | -               | -               | 643,153              | 544,341         | 544,341            | 547,653   | 572,186             | 594,667             |
| Community and social services                  |     |                 |                 |                 | 273,423              | 139,956         | 139,956            | 132,144   | 137,090             | 140,344             |
| Sport and recreation                           |     |                 |                 |                 | 109,113              | 111,321         | 111,321            | 116,559   | 121,529             | 125,810             |
| Public safety                                  |     |                 |                 |                 | 185,537              | 182,050         | 182,050            | 197,872   | 207,397             | 217,176             |
| Housing  |     |                 |                 |                 | 75,079               | 102,330         | 102,330            | 91,953  | 96,600              | 101,298             |
| Health   |     |                 |                 |                 |                      | 8,683           | 8,683              | 9,124   | 9,571               | 10,039              |
| <i>Economic and environmental services</i>     |     | -               | -               | -               | 661,832              | 504,260         | 504,260            | 456,968   | 509,996             | 502,934             |
| Planning and development                       |     |                 |                 |                 | 229,215              | 135,355         | 135,355            | 149,408   | 158,045             | 165,764             |
| Road transport                                 |     |                 |                 |                 | 400,547              | 337,085         | 337,085            | 273,693   | 316,399             | 299,867             |
| Environmental protection                       |     |                 |                 |                 | 32,070               | 31,820          | 31,820             | 33,867  | 35,552              | 37,303              |
| <i>Trading services</i>                        |     | 2,950,207       | 2,979,501       | 3,433,851       | 5,319,349            | 3,839,022       | 3,839,022          | 5,177,106   | 5,446,370           | 5,704,756           |
| Energy sources                                 |     | 2,212,725       | 2,350,401       | 2,714,396       | 3,775,631            | 3,151,352       | 3,151,352          | 3,529,419   | 3,702,057           | 3,883,155           |
| Water management                               |     | 737,483         | 629,100         | 719,454         | 1,042,193            | 238,395         | 238,395            | 1,107,383   | 1,165,500           | 1,211,259           |
| Waste water management                         |     |                 |                 |                 | 376,546              | 334,845         | 334,845            | 414,857   | 447,531             | 473,184             |
| Waste management                               |     |                 |                 |                 | 124,980              | 114,430         | 114,430            | 125,447   | 131,282             | 137,158             |
| <i>Other</i>                                   | 4   |                 |                 |                 | 57,398               | 60,884          | 60,884             | 60,158  | 62,841              | 64,525              |
| <b>Total Expenditure - Functional</b>          | 3   | 6,722,368       | 6,225,702       | 8,034,116       | 8,380,271            | 7,870,440       | 7,870,440          | 8,561,797   | 9,070,557           | 9,483,682           |
| <b>Surplus/(Deficit)</b>                       |     | (237,201)       | 525,680         | (678,457)       | 1,040,607            | 1,588,744       | 1,588,744          | 1,347,210   | 1,376,672           | 1,433,377           |

Msunduzi (KZN225) - Table A4 Budgeted Financial Performance

| Description  | Ref      | 2021/22          | 2022/23          | 2023/24            | Current year 2024/25 |                  |                    |                   | 2025/26 Medium Term Revenue & Expenditure Framework |                     |                     |
|--|----------|------------------|------------------|--------------------|----------------------|------------------|--------------------|-------------------|---|---------------------|---------------------|
|  |          | Audited Outcome  | Audited Outcome  | Audited Outcome    | Original Budget      | Adjusted Budget  | Full Year Forecast | Pre-audit Outcome | Budget Year 2025/26                                 | Budget Year 2026/27 | Budget Year 2027/28 |
| <b>R thousands</b>   | <b>1</b> |                  |                  |                    |                      |                  |                    |                   |   |                     |                     |
| <b>Revenue</b>   |          |                  |                  |                    |                      |                  |                    |                   |   |                     |                     |
| <b>Exchange Revenue</b>  |          |                  |                  |                    |                      |                  |                    |                   |   |                     |                     |
| Service charges - Electricity  | 2        | 2,676,489        | 2,724,540        | 2,858,084          | 4,297,825            | 4,224,358        | 4,224,358          | 2,296,947         | 4,702,555   | 4,932,981           | 5,174,697           |
| Service charges - Water  | 2        | 860,676          | 824,369          | 902,755            | 1,009,760            | 1,009,760        | 1,009,760          | 739,196           | 1,161,224   | 1,218,124           | 1,277,812           |
| Service charges - Waste Water Management                             | 2        | 193,119          | 197,960          | 198,617            | 220,725              | 220,725          | 220,725            | 159,960           | 250,523   | 262,798             | 275,675             |
| Service charges - Waste Management                                   | 2        | 116,022          | 123,629          | 127,307            | 155,391              | 155,391          | 155,391            | 96,611            | 166,268   | 174,415             | 182,962             |
| Sale of Goods and Rendering of Services                              |          | 11,477           | 10,982           | 14,955             | 42,043               | 42,043           | 42,043             | 10,791            | 23,403  | 24,550              | 25,753              |
| Agency services  |          | 2,139            | 2,599            | 2,667              | 765                  | 765              | 765                | 1,754             | 5,508   | 5,777               | 6,061               |
| Interest   |          | -                | -                | -                  | -                    | -                | -                  | -                 | -   | -                   | -                   |
| Interest earned from Receivables                                     |          | 167,310          | 158,697          | 325,984            | 230,682              | 230,682          | 230,682            | 233,994           | 256,057   | 268,604             | 281,765             |
| Interest earned from Current and Non Current Assets                  |          | 10,445           | 16,957           | 44,118             | 19,135               | 19,135           | 19,135             | 17,027            | 19,996  | 20,976              | 22,004              |
| Dividends  |          | -                | -                | -                  | -                    | -                | -                  | -                 | -   | -                   | -                   |
| Rent on Land   |          | -                | -                | -                  | -                    | -                | -                  | -                 | -   | -                   | -                   |
| Rental from Fixed Assets   |          | 26,117           | 20,071           | 33,590             | 113,962              | 113,962          | 113,962            | 21,145            | 44,672  | 46,861              | 49,157              |
| Licence and permits  |          | 984              | 2,415            | 2,021              | 2,547                | 2,547            | 2,547              | 1,387             | 3,097   | 3,248               | 3,408               |
| Special rating levies  |          | -                | -                | -                  | -                    | -                | -                  | -                 | -   | -                   | -                   |
| Operational Revenue  |          | 54,548           | 57,523           | 53,626             | 204,124              | 204,124          | 204,124            | 42,911            | 102,112   | 107,115             | 112,364             |
| <b>Non-Exchange Revenue</b>  |          |                  |                  |                    |                      |                  |                    |                   |   |                     |                     |
| Property rates   | 2        | 1,212,773        | 1,370,173        | 1,359,087          | 1,649,353            | 1,649,352        | 1,649,352          | 1,197,657         | 1,721,665   | 1,799,140           | 1,844,118           |
| Surcharges and Taxes   |          | -                | -                | -                  | -                    | -                | -                  | -                 | -   | -                   | -                   |
| Fines, penalties and forfeits  |          | 14,489           | 20,129           | 34,247             | 11,687               | 11,687           | 11,687             | 7,932             | 12,213  | 12,812              | 13,439              |
| Licences or permits  |          | -                | -                | -                  | -                    | -                | -                  | -                 | -   | -                   | -                   |
| Transfer and subsidies - Operational                                 |          | 681,678          | 801,751          | 824,545            | 946,343              | 1,026,395        | 1,026,395          | 1,277,833         | 993,197   | 1,066,101           | 1,113,040           |
| Interest   |          | 55,783           | 63,181           | 106,729            | 59,562               | 59,562           | 59,562             | 78,204            | 66,114  | 69,354              | 72,752              |
| Fuel Levy  |          | -                | -                | -                  | -                    | -                | -                  | -                 | -   | -                   | -                   |
| Operational Revenue  |          | -                | -                | -                  | -                    | -                | -                  | -                 | -   | -                   | -                   |
| Gains on disposal of Assets  |          | 5,195            | 2,660            | 465                | -                    | -                | -                  | 1,697             | 4,277   | 4,486               | 4,706               |
| Other Gains  |          | 27,140           | 29,425           | 38,741             | -                    | -                | -                  | -                 | -   | -                   | -                   |
| Discontinued Operations  |          | -                | -                | -                  | -                    | -                | -                  | -                 | -   | -                   | -                   |
| <b>Total Revenue (excluding capital transfers and contributions)</b> |          | <b>6,116,383</b> | <b>6,427,061</b> | <b>6,927,537</b>   | <b>8,963,903</b>     | <b>8,970,488</b> | <b>8,970,488</b>   | <b>6,185,049</b>  | <b>9,532,880</b>                                    | <b>10,017,341</b>   | <b>10,459,712</b>   |
| <b>Expenditure</b>   |          |                  |                  |                    |                      |                  |                    |                   |   |                     |                     |
| Employee related costs   | 2        | 1,468,961        | 1,466,856        | 1,612,918          | 1,847,017            | 1,772,841        | 1,772,841          | 1,077,584         | 1,922,439   | 2,059,216           | 2,204,702           |
| Remuneration of councillors  |          | 49,439           | 51,818           | 63,542             | 66,462               | 66,462           | 66,462             | 38,162            | 70,450  | 73,902              | 77,523              |
| Bulk purchases - electricity   | 2        | 2,212,725        | 2,350,401        | 2,714,396          | 3,145,119            | 3,145,119        | 3,145,119          | 2,088,947         | 3,522,533   | 3,695,137           | 3,876,199           |
| Inventory consumed   | 8        | 821,790          | 739,336          | 877,663            | 993,409              | 755,385          | 755,385            | 796,004           | 1,013,606   | 1,068,601           | 1,123,752           |
| Debt impairment  | 3        | 776,533          | 71,196           | 1,143,098          | 636,000              | 636,000          | 636,000            | -                 | 420,000   | 438,900             | 458,651             |
| Depreciation and amortisation  |          | 372,611          | 350,684          | 361,848            | 362,179              | 362,179          | 362,179            | 263,172           | 390,260   | 386,743             | 282,527             |
| Interest   |          | 33,596           | 150,814          | 86,051             | 42,825               | 37,825           | 37,825             | 13,115            | 56,180  | 58,708              | 62,231              |
| Contracted services  |          | 694,851          | 799,399          | 904,134            | 1,023,282            | 817,090          | 817,090            | 574,987           | 855,830   | 970,844             | 1,041,669           |
| Transfers and subsidies  |          | 32,413           | 29,562           | 25,240             | 69,670               | 69,670           | 69,670             | 40,290            | 72,457  | 76,007              | 79,732              |
| Irrecoverable debts written off                                      |          | 75,248           | 26,721           | 22,524             | -                    | -                | -                  | 6,141             | -   | -                   | -                   |
| Operational costs  |          | 153,847          | 178,599          | 208,326            | 194,308              | 207,870          | 207,870            | 102,617           | 238,041   | 242,498             | 276,698             |
| Losses on disposal of Assets   |          | 833              | 2,160            | 14,049             | -                    | -                | -                  | -                 | -   | -                   | -                   |
| Other Losses   |          | 29,522           | 8,157            | 327                | -                    | -                | -                  | (799)             | -   | -                   | -                   |
| <b>Total Expenditure</b>   |          | <b>6,722,368</b> | <b>6,225,702</b> | <b>8,034,116</b>   | <b>8,380,271</b>     | <b>7,870,440</b> | <b>7,870,440</b>   | <b>5,000,218</b>  | <b>8,561,797</b>                                    | <b>9,070,557</b>    | <b>9,483,682</b>    |
| <b>Surplus/(Deficit)</b>   |          | <b>(605,986)</b> | <b>201,359</b>   | <b>(1,106,579)</b> | <b>583,632</b>       | <b>1,100,048</b> | <b>1,100,048</b>   | <b>1,184,831</b>  | <b>971,084</b>                                      | <b>946,785</b>      | <b>976,030</b>      |
| Transfers and subsidies - capital (monetary allocations)             | 6        | 368,725          | 324,319          | 427,923            | 456,975              | 488,696          | 488,696            | 250,947           | 376,127   | 429,887             | 457,347             |
| Transfers and subsidies - capital (in-kind)                          | 6        | 60               | 2                | 199                | -                    | -                | -                  | (1,528,149)       | -   | -                   | -                   |
| <b>Surplus/(Deficit) after capital transfers and contributions</b>   |          | <b>(237,201)</b> | <b>525,680</b>   | <b>(678,457)</b>   | <b>1,040,607</b>     | <b>1,588,744</b> | <b>1,588,744</b>   | <b>(92,371)</b>   | <b>1,347,210</b>                                    | <b>1,376,672</b>    | <b>1,433,377</b>    |
| Income Tax   |          | -                | -                | -                  | -                    | -                | -                  | -                 | -   | -                   | -                   |
| <b>Surplus/(Deficit) after income tax</b>                            |          | <b>(237,201)</b> | <b>525,680</b>   | <b>(678,457)</b>   | <b>1,040,607</b>     | <b>1,588,744</b> | <b>1,588,744</b>   | <b>(92,371)</b>   | <b>1,347,210</b>                                    | <b>1,376,672</b>    | <b>1,433,377</b>    |
| Share of Surplus/Deficit attributable to Joint Venture               |          | -                | -                | -                  | -                    | -                | -                  | -                 | -   | -                   | -                   |
| Share of Surplus/Deficit attributable to Minorities                  |          | -                | -                | -                  | -                    | -                | -                  | -                 | -   | -                   | -                   |
| <b>Surplus/(Deficit) attributable to municipality</b>                |          | <b>(237,201)</b> | <b>525,680</b>   | <b>(678,457)</b>   | <b>1,040,607</b>     | <b>1,588,744</b> | <b>1,588,744</b>   | <b>(92,371)</b>   | <b>1,347,210</b>                                    | <b>1,376,672</b>    | <b>1,433,377</b>    |
| Share of Surplus/Deficit attributable to Associate                   | 7        | -                | -                | -                  | -                    | -                | -                  | -                 | -   | -                   | -                   |
| Intercompany/Parent subsidiary transactions                          |          | -                | -                | -                  | -                    | -                | -                  | -                 | -   | -                   | -                   |
| <b>Surplus/(Deficit) for the year</b>                                |          | <b>(237,201)</b> | <b>525,680</b>   | <b>(678,457)</b>   | <b>1,040,607</b>     | <b>1,588,744</b> | <b>1,588,744</b>   | <b>(92,371)</b>   | <b>1,347,210</b>                                    | <b>1,376,672</b>    | <b>1,433,377</b>    |

| Vote Description   | Ref      | 2021/22         | 2022/23         | 2023/24         | Current Year 2024/25 |                 |                    |                   | 2025/26 Medium Term Revenue & Expenditure Framework |                        |                        |
|--|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
|  |          | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2025/26                                 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| <b>R thousand</b>  | <b>1</b> |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Capital expenditure - Vote</b>  |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Multi-year expenditure to be appropriated</b>   | <b>2</b> |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Vote 1 - City Manager  |          | 1,614           | 27              | –               | 37,445               | 850             | 850                | –                 | –   | –                      | –                      |
| Vote 2 - City Finance  |          | 4,936           | 9,153           | 10,485          | 25,000               | 25,000          | 25,000             | –                 | 45,000  | 45,000                 | 50,000                 |
| Vote 3 - Corporate Services  |          | 2,273           | 938             | 5,072           | 6,585                | 6,835           | 6,835              | –                 | 10,000  | 10,000                 | 10,000                 |
| Vote 4 - Community Services and Social Equity  |          | 33,154          | 48,934          | 70,000          | 42,143               | 34,601          | 34,601             | –                 | 34,617  | 18,494                 | 18,423                 |
| Vote 5 - Infrastructure Services   |          | 308,960         | 268,923         | 291,474         | 284,464              | 349,088         | 349,088            | –                 | 346,701   | 386,147                | 404,940                |
| Vote 6 - Sustainable Development and City Enterprises  |          | 51,772          | 133,279         | 168,625         | 153,599              | 155,162         | 155,162            | –                 | –   | –                      | 8,000                  |
| Vote 7 - Electricity   |          | 98,800          | 71,071          | 116,839         | 237,331              | 198,158         | 198,158            | –                 | 181,333   | 30,247                 | 31,483                 |
| <b>Capital multi-year expenditure sub-total</b>  | <b>7</b> | <b>501,510</b>  | <b>532,326</b>  | <b>662,496</b>  | <b>786,566</b>       | <b>769,693</b>  | <b>769,693</b>     | <b>–</b>          | <b>617,651</b>                                      | <b>489,887</b>         | <b>522,847</b>         |
| <b>Single-year expenditure to be appropriated</b>  | <b>2</b> |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Vote 1 - City Manager  |          | 2,151           | 944             | 6,003           | 5,000                | 6,400           | 6,400              | –                 | –   | –                      | –                      |
| Vote 2 - City Finance  |          | 6,345           | 3,084           | 5,571           | –                    | 1,300           | 1,300              | –                 | –   | –                      | –                      |
| Vote 3 - Corporate Services  |          | 2,270           | 3,796           | 15,256          | 7,615                | 11,871          | 11,871             | –                 | –   | –                      | –                      |
| Vote 4 - Community Services and Social Equity  |          | 3,553           | 4,980           | 8,052           | 8,690                | 9,090           | 9,090              | –                 | 10,000  | 30,000                 | 30,000                 |
| Vote 5 - Infrastructure Services   |          | 3,549           | 793             | 15,179          | 10,000               | 10,092          | 10,092             | –                 | –   | –                      | –                      |
| Vote 6 - Sustainable Development and City Enterprises  |          | 2,059           | 1,035           | 843             | 2,140                | 2,502           | 2,502              | –                 | –   | –                      | –                      |
| Vote 7 - Electricity   |          | –               | 831             | 12,909          | 4,000                | 5,600           | 5,600              | –                 | –   | –                      | –                      |
| <b>Capital single-year expenditure sub-total</b>   |          | <b>19,927</b>   | <b>15,464</b>   | <b>63,814</b>   | <b>37,445</b>        | <b>46,856</b>   | <b>46,856</b>      | <b>–</b>          | <b>10,000</b>                                       | <b>30,000</b>          | <b>30,000</b>          |
| <b>Total Capital Expenditure - Vote</b>  |          | <b>521,437</b>  | <b>547,790</b>  | <b>726,310</b>  | <b>824,011</b>       | <b>816,549</b>  | <b>816,549</b>     | <b>–</b>          | <b>627,651</b>                                      | <b>519,887</b>         | <b>552,847</b>         |
| <b>Capital Expenditure - Functional</b>  |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Governance and administration</b>   |          | <b>19,336</b>   | <b>18,773</b>   | <b>43,055</b>   | <b>45,300</b>        | <b>37,948</b>   | <b>37,948</b>      | <b>–</b>          | <b>55,000</b>                                       | <b>57,475</b>          | <b>60,061</b>          |
| Executive and council  |          | 2,639           | 750             | 6,003           | 5,100                | 7,650           | 7,650              | –                 | –   | –                      | –                      |
| Finance and administration   |          | 16,697          | 18,024          | 37,052          | 40,200               | 30,298          | 30,298             | –                 | 55,000  | 57,475                 | 60,061                 |
| Internal audit   |          | –               | –               | –               | –                    | –               | –                  | –                 | –   | –                      | –                      |
| <b>Community and public safety</b>   |          | <b>36,891</b>   | <b>57,141</b>   | <b>117,916</b>  | <b>168,351</b>       | <b>149,294</b>  | <b>149,294</b>     | <b>–</b>          | <b>44,617</b>                                       | <b>48,494</b>          | <b>48,423</b>          |
| Community and social services  |          | 33,969          | 43,937          | 39,760          | 24,745               | 16,970          | 16,970             | –                 | 44,617  | 48,494                 | 48,423                 |
| Sport and recreation   |          | 1,041           | 922             | 5,256           | 11,933               | 12,166          | 12,166             | –                 | –   | –                      | –                      |
| Public safety  |          | 94              | 148             | 724             | 2,100                | 2,100           | 2,100              | –                 | –   | –                      | –                      |
| Housing  |          | 1,786           | 12,135          | 72,176          | 129,574              | 118,058         | 118,058            | –                 | –   | –                      | –                      |
| Health   |          | –               | –               | –               | –                    | –               | –                  | –                 | –   | –                      | –                      |
| <b>Economic and environmental services</b>   |          | <b>239,009</b>  | <b>277,382</b>  | <b>247,500</b>  | <b>139,974</b>       | <b>187,682</b>  | <b>187,682</b>     | <b>–</b>          | <b>125,584</b>                                      | <b>136,782</b>         | <b>157,770</b>         |
| Planning and development   |          | 37,474          | 118,612         | 92,996          | 23,150               | 36,591          | 36,591             | –                 | –   | –                      | 8,000                  |
| Road transport   |          | 201,377         | 158,749         | 154,504         | 116,824              | 151,091         | 151,091            | –                 | 125,584   | 136,782                | 149,770                |
| Environmental protection   |          | 158             | 22              | –               | –                    | –               | –                  | –                 | –   | –                      | –                      |
| <b>Trading services</b>  |          | <b>226,176</b>  | <b>191,140</b>  | <b>314,321</b>  | <b>467,535</b>       | <b>438,774</b>  | <b>438,774</b>     | <b>–</b>          | <b>402,450</b>                                      | <b>277,006</b>         | <b>291,006</b>         |
| Energy sources   |          | 98,800          | 64,942          | 129,749         | 260,054              | 243,758         | 243,758            | –                 | 181,333   | 30,809                 | 32,133                 |
| Water management   |          | 58,052          | 67,842          | 78,803          | 100,375              | 82,258          | 82,258             | –                 | 108,900   | 127,247                | 132,785                |
| Waste water management   |          | 54,322          | 48,192          | 78,088          | 97,047               | 102,698         | 102,698            | –                 | 112,217   | 118,950                | 126,088                |
| Waste management   |          | 15,002          | 10,165          | 27,681          | 10,060               | 10,060          | 10,060             | –                 | –   | –                      | –                      |
| <b>Other</b>   |          | <b>415</b>      | <b>3,353</b>    | <b>3,518</b>    | <b>2,850</b>         | <b>2,850</b>    | <b>2,850</b>       | <b>–</b>          | <b>–</b>  | <b>–</b>               | <b>–</b>               |
| <b>Total Capital Expenditure - Functional</b>  | <b>3</b> | <b>521,827</b>  | <b>547,790</b>  | <b>726,310</b>  | <b>824,011</b>       | <b>816,549</b>  | <b>816,549</b>     | <b>–</b>          | <b>627,651</b>                                      | <b>519,757</b>         | <b>557,261</b>         |
| <b>Funded by:</b>  |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| National Government  |          | 291,413         | 251,840         | 302,791         | 325,817              | 345,980         | 345,980            | –                 | 346,127   | 396,887                | 425,347                |
| Provincial Government  |          | 21,308          | 111,490         | 92,791          | 131,158              | 131,946         | 131,946            | –                 | 30,000  | 33,000                 | 32,000                 |
| District Municipality  |          | –               | –               | –               | –                    | –               | –                  | –                 | –   | –                      | –                      |
| Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions) |          | –               | –               | –               | –                    | –               | –                  | –                 | –   | –                      | –                      |
| <b>Transfers recognised - capital</b>  | <b>4</b> | <b>312,721</b>  | <b>363,330</b>  | <b>395,582</b>  | <b>456,975</b>       | <b>477,926</b>  | <b>477,926</b>     | <b>–</b>          | <b>376,127</b>                                      | <b>429,887</b>         | <b>457,347</b>         |
| <b>Borrowing</b>   | <b>6</b> | <b>49,401</b>   | <b>–</b>        | <b>72,310</b>   | <b>234,316</b>       | <b>206,616</b>  | <b>206,616</b>     | <b>–</b>          | <b>161,524</b>                                      | <b>–</b>               | <b>–</b>               |
| <b>Internally generated funds</b>  |          | <b>159,705</b>  | <b>184,460</b>  | <b>258,418</b>  | <b>132,720</b>       | <b>132,007</b>  | <b>132,007</b>     | <b>–</b>          | <b>90,000</b>                                       | <b>90,000</b>          | <b>100,000</b>         |
| <b>Total Capital Funding</b>   | <b>7</b> | <b>521,827</b>  | <b>547,790</b>  | <b>726,310</b>  | <b>824,011</b>       | <b>816,549</b>  | <b>816,549</b>     | <b>–</b>          | <b>627,651</b>                                      | <b>519,887</b>         | <b>557,347</b>         |

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

| msunduzi (KEN223) - Table A0 Budgeted Financial Position (All) |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|---------------------|---------------------|
| Description  | Ref | 2021/22         | 2022/23         | 2023/24         | Current year 2024/25 |                 |                    |                   | 2025/26 Medium Term Revenue & Expenditure Framework |                     |                     |
| R thousands  | 1   | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit Outcome | Budget Year 2025/26                                 | Budget Year 2026/27 | Budget Year 2027/28 |
| ASSETS   |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Current assets   |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Cash and cash equivalents                                      |     | 321,845         | 482,433         | 456,935         | 211,783              | 372,824         | 372,824            | (666,355)         | 395,446   | 394,390             | 401,219             |
| Trade and other receivables from exchange transactions         | 1   | 1,792,394       | 2,233,301       | 737,164         | 2,649,262            | 2,649,262       | 2,649,262          | 588,056           | 1,677,177   | 1,758,178           | 1,843,096           |
| Receivables from non-exchange transactions                     | 1   | 624,384         | 765,104         | 277,660         | 811,010              | 811,010         | 811,010            | 235,087           | 467,188   | 488,211             | 506,223             |
| Current portion of non-current receivables                     |     | 90              | 93              | 29              | -                    | -               | -                  | (13)              | 29  | 30                  | 31                  |
| Inventory  | 2   | 368,555         | 420,123         | 498,281         | 442,453              | 512,740         | 512,740            | 2,088             | 498,281   | 520,703             | 544,135             |
| VAT  |     | 193,752         | 246,824         | 326,424         | -                    | -               | -                  | 175,104           | -   | -                   | -                   |
| Other current assets   |     | 639             | 21,011          | 942             | -                    | -               | -                  | 976               | 942   | 985                 | 1,029               |
| Total current assets   |     | 3,301,660       | 4,168,889       | 2,297,435       | 4,114,508            | 4,345,836       | 4,345,836          | 334,943           | 3,039,062   | 3,162,498           | 3,295,732           |
| Non current assets   |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Investments  |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Investment property  | 3   | 891,299         | 924,805         | 922,392         | 974,256              | 974,256         | 974,256            | -                 | 922,392   | 963,899             | 1,007,275           |
| Property, plant and equipment                                  |     | 6,942,287       | 7,624,937       | 7,250,806       | 8,754,770            | 8,754,737       | 8,754,737          | 191,398           | 7,878,182   | 8,096,562           | 8,473,674           |
| Biological assets  |     | 80,896          | 76,376          | 83,234          | 80,958               | 80,958          | 80,958             | (33)              | 83,234  | 86,980              | 90,894              |
| Living and non-living resources                                |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Heritage assets  |     | 273,094         | 274,718         | 323,520         | 291,270              | 291,270         | 291,270            | -                 | 323,520   | 338,078             | 353,292             |
| Intangible assets  |     | 18,426          | 23,913          | 24,478          | 25,766               | 26,566          | 26,566             | (4,365)           | 24,753  | 25,867              | 27,031              |
| Trade and other receivables from exchange transactions         |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Non-current receivables from non-exchange transactions         |     | -               | -               | -               | -                    | -               | -                  | (1,090)           | -   | -                   | -                   |
| Other non-current assets                                       |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Total non current assets                                       |     | 8,206,003       | 8,924,750       | 8,604,430       | 10,127,020           | 10,127,787      | 10,127,787         | 185,909           | 9,232,081   | 9,511,387           | 9,952,165           |
| TOTAL ASSETS   |     | 11,507,663      | 13,093,639      | 10,901,865      | 14,241,528           | 14,473,622      | 14,473,622         | 520,852           | 12,271,143  | 12,673,885          | 13,247,897          |
| LIABILITIES  |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Current liabilities  |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Bank overdraft   | -   | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Financial liabilities  |     | 79,163          | 74,271          | 50,311          | (11,273)             | 28,727          | 28,727             | (82,960)          | 76,586  | 84,083              | 91,916              |
| Consumer deposits  |     | 133,072         | 142,188         | 152,357         | 150,719              | 150,719         | 150,719            | 9,040             | 152,357   | 159,214             | 166,378             |
| Trade and other payables from exchange transactions            | 4   | 1,949,231       | 3,003,317       | 3,158,414       | 1,713,734            | 1,644,234       | 1,644,234          | 684,823           | 1,713,734   | 1,663,734           | 1,663,734           |
| Trade and other payables from non-exchange transactions        | 5   | 136,088         | 175,933         | 189,532         | -                    | -               | -                  | (19,419)          | -   | -                   | -                   |
| Provision  |     | 49,118          | 58,245          | 53,143          | 61,739               | 61,739          | 61,739             | (60)              | 53,143  | 55,535              | 58,034              |
| VAT  |     | 371,840         | 431,837         | 500,430         | 457,747              | -               | -                  | 107,725           | 162,137   | 169,434             | 177,058             |
| Other current liabilities                                      |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Total current liabilities                                      |     | 2,718,511       | 3,885,790       | 4,104,188       | 2,372,667            | 1,885,420       | 1,885,420          | 699,149           | 2,157,958   | 2,131,999           | 2,157,120           |
| Non current liabilities  |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Financial liabilities  | 6   | 124,582         | 50,311          | 116,275         | 559,919              | 559,919         | 559,919            | -                 | -   | -                   | -                   |
| Provision  | 7   | 133,244         | 130,248         | 117,456         | 80,111               | 80,111          | 80,111             | -                 | 117,456   | 122,742             | 128,265             |
| Long term portion of trade payables                            |     | -               | -               | -               | -                    | -               | -                  | -                 | 2,796,914   | 2,922,775           | 3,054,300           |
| Other non-current liabilities                                  |     | 517,190         | 477,915         | 499,399         | 583,456              | 583,456         | 583,456            | -                 | 499,399   | 521,872             | 545,356             |
| Total non current liabilities                                  |     | 775,015         | 658,474         | 733,130         | 1,223,486            | 1,223,486       | 1,223,486          | -                 | 3,413,769   | 3,567,389           | 3,727,921           |
| TOTAL LIABILITIES  |     | 3,493,527       | 4,544,264       | 4,837,318       | 3,596,153            | 3,108,906       | 3,108,906          | 699,149           | 5,571,727   | 5,699,387           | 5,885,042           |
| NET ASSETS   | 10  | 8,014,136       | 8,549,376       | 6,064,547       | 10,645,376           | 11,364,717      | 11,364,717         | (178,298)         | 6,699,416   | 6,974,497           | 7,362,856           |
| COMMUNITY WEALTH/EQUITY  |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Accumulated surplus/(deficit)                                  | 8   | 8,015,925       | 7,773,527       | 6,490,080       | 10,645,376           | 11,294,430      | 11,294,430         | (51,891)          | 6,699,416   | 6,974,497           | 7,362,856           |
| Reserves and funds   | 9   | 235,413         | 250,168         | 252,924         | -                    | -               | -                  | (1,469)           | -   | -                   | -                   |
| Other  |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| TOTAL COMMUNITY WEALTH/EQUITY                                  | 10  | 8,251,338       | 8,023,695       | 6,743,004       | 10,645,376           | 11,294,430      | 11,294,430         | (53,359)          | 6,699,416   | 6,974,497           | 7,362,856           |

Msunduzi (KZN225) - Table A7 Budgeted Cash Flows

| MSUNDUZI (KZN23) - Table A/ Budgeted Cash Flows |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|---------------------|---------------------|
| Description                                     | Ref | 2021/22         | 2022/23         | 2023/24         | Current year 2024/25 |                 |                    |                   | 2025/26 Medium Term Revenue & Expenditure Framework |                     |                     |
|   |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit Outcome | Budget Year 2025/26                                 | Budget Year 2026/27 | Budget Year 2027/28 |
| R thousands                                     |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| CASH FLOW FROM OPERATING ACTIVITIES             |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Receipts  |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Property rates                                  |     | -               | 1,337,835       | -               | 1,484,417            | 1,484,417       | 1,484,417          | 107,996           | 1,532,282   | 1,601,234           | 1,641,265           |
| Service charges                                 |     | -               | 3,549,237       | -               | 4,717,472            | 4,717,472       | 4,717,472          | 10,126            | 5,220,730   | 5,476,546           | 5,744,897           |
| Other revenue                                   |     | -               | -               | -               | 765,832              | 765,832         | 765,832            | 834,294           | 194,260   | 203,779             | 213,764             |
| Transfers and Subsidies - Operational           | 1   | -               | 814,489         | -               | 946,343              | 1,008,752       | 1,008,752          | 14,123            | 992,232   | 1,065,081           | 1,111,920           |
| Transfers and Subsidies - Capital               | 1   | -               | 351,427         | -               | 456,975              | 477,926         | 477,926            | 35,665            | 376,127   | 429,887             | 457,347             |
| Interest  |     | -               | 16,708          | -               | 19,135               | 19,135          | 19,135             | (6,143,760)       | 19,996  | 20,976              | 22,004              |
| Dividends                                       |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Payments  |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Suppliers and employees                         |     | -               | (5,260,181)     | -               | (7,709,596)          | (7,584,599)     | (7,584,599)        | 964               | (7,621,777)   | (8,041,356)         | (8,400,743)         |
| Finance charges                                 |     | -               | (18,837)        | -               | (42,825)             | (42,825)        | (42,825)           | -                 | (56,180)  | (58,708)            | (62,231)            |
| Transfers and Subsidies                         | 1   | -               | -               | -               | (69,670)             | (69,670)        | (69,670)           | -                 | (72,457)  | (76,007)            | (79,732)            |
| NET CASH FROM/(USED) OPERATING ACTIVITIES       |     | -               | 790,678         | -               | 568,083              | 776,440         | 776,440            | (5,140,593)       | 585,213   | 621,431             | 648,490             |
| CASH FLOWS FROM INVESTING ACTIVITIES            |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Receipts  |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Proceeds on disposal of PPE                     |     | -               | 3,343           | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Decrease (increase) in non-current receivables  |     | -               | -               | -               | -                    | -               | -                  | 1,090             | -   | -                   | -                   |
| Decrease (increase) in non-current investments  |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Payments  |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Capital assets                                  |     | -               | (502,024)       | -               | (824,011)            | (824,011)       | (824,011)          | -                 | (627,651)   | (519,887)           | (557,347)           |
| NET CASH FROM/(USED) INVESTING ACTIVITIES       |     | -               | (498,681)       | -               | (824,011)            | (824,011)       | (824,011)          | 1,090             | (627,651)   | (519,887)           | (557,347)           |
| CASH FLOWS FROM FINANCING ACTIVITIES            |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Receipts  |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Short term loans                                |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Borrowing long term/refinancing                 |     | -               | -               | -               | 234,316              | 234,316         | 234,316            | -                 | 161,524   | -                   | -                   |
| Increase (decrease) in consumer deposits        |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Payments  |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Repayment of borrowing                          |     | -               | (79,163)        | -               | (90,000)             | (50,000)        | (50,000)           | -                 | (90,000)  | (90,000)            | (90,000)            |
| NET CASH FROM/(USED) FINANCING ACTIVITIES       |     | -               | (79,163)        | -               | 144,316              | 184,316         | 184,316            | -                 | 71,524  | (90,000)            | (90,000)            |
| NET INCREASE/ (DECREASE) IN CASH HELD           |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
|   | 2   | -               | 212,834         | -               | (111,612)            | 136,745         | 136,745            | (5,139,503)       | 29,086  | 11,544              | 1,144               |
| Cash/cash equivalents at the year begin:        | 2   | 56,302          | 482,433         | 366,360         | 301,783              | 495,993         | 495,993            | -                 | 366,360   | 382,846             | 400,075             |
| Cash/cash equivalents at the year end:          | 2   | 56,302          | 695,267         | 366,360         | 190,172              | 632,738         | 632,738            | (5,139,503)       | 395,446   | 394,390             | 401,219             |

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

| WISURUDZI (R21223) - Table A0 Cash backed reserves/accumulated surplus reconciliation |     |                    |                  |                    |                      |                    |                    |                    |   |                     |                     |
|---|-----|--------------------|------------------|--------------------|----------------------|--------------------|--------------------|--------------------|---|---------------------|---------------------|
| Description   | Ref | 2021/22            | 2022/23          | 2023/24            | Current year 2024/25 |                    |                    |                    | 2025/26 Medium Term Revenue & Expenditure Framework |                     |                     |
|   |     | Audited Outcome    | Audited Outcome  | Audited Outcome    | Original Budget      | Adjusted Budget    | Full Year Forecast | Pre-audit Outcome  | Budget Year 2025/26                                 | Budget Year 2026/27 | Budget Year 2027/28 |
| R thousands   |     |                    |                  |                    |                      |                    |                    |                    |   |                     |                     |
| <b>Cash and investments available</b>   |     |                    |                  |                    |                      |                    |                    |                    |   |                     |                     |
| Cash/cash equivalents at the year end   | 1   | 56,302             | 695,267          | 366,360            | 190,172              | 632,738            | 632,738            | (5,139,503)        | 395,446   | 394,390             | 401,219             |
| Other current investments > 90 days   |     | 265,544            | (212,834)        | 90,575             | 21,612               | (259,914)          | (259,914)          | 4,473,147          | -   | -                   | -                   |
| Non current assets - Investments  | 1   | -                  | -                | -                  | -                    | -                  | -                  | -                  | -   | -                   | -                   |
| <b>Cash and investments available:</b>  |     | <b>321,845</b>     | <b>482,433</b>   | <b>456,935</b>     | <b>211,783</b>       | <b>372,824</b>     | <b>372,824</b>     | <b>(666,355)</b>   | <b>395,446</b>                                      | <b>394,390</b>      | <b>401,219</b>      |
| <b>Application of cash and investments</b>  |     |                    |                  |                    |                      |                    |                    |                    |   |                     |                     |
| Unspent conditional transfers   |     | 136,088            | 175,933          | 189,531            | -                    | -                  | -                  | (19,419)           | -   | -                   | -                   |
| Unspent borrowing   |     | -                  | -                | -                  | -                    | -                  | -                  | -                  | -   | -                   | -                   |
| Statutory requirements  | 2   | 178,089            | 185,013          | 174,006            | 457,747              | -                  | -                  | (67,379)           | 162,137   | 169,434             | 177,058             |
| Other working capital requirements  | 3   | 1,949,231          | 256,223          | 3,158,414          | (1,461,077)          | (1,561,591)        | (1,561,591)        | 512,946            | (114,524)   | (251,441)           | (338,768)           |
| Other provisions  |     | 49,118             | 58,245           | 53,143             | 61,739               | 61,739             | 61,739             | (60)               | 53,143  | 55,535              | 58,034              |
| Long term investments committed   | 4   | -                  | -                | -                  | -                    | -                  | -                  | -                  | -   | -                   | -                   |
| Reserves to be backed by cash/investments   | 5   | 140,062            | 145,592          | 148,348            | -                    | -                  | -                  | (1,469)            | -   | -                   | -                   |
| <b>Total Application of cash and investments:</b>                                     |     | <b>2,452,587</b>   | <b>821,005</b>   | <b>3,723,444</b>   | <b>(941,591)</b>     | <b>(1,499,851)</b> | <b>(1,499,851)</b> | <b>424,619</b>     | <b>100,757</b>                                      | <b>(26,473)</b>     | <b>(103,676)</b>    |
| <b>Surplus(shortfall) - Excl Non-Current Creditors Trf to Debt Relief</b>             |     | <b>(2,130,742)</b> | <b>(338,572)</b> | <b>(3,266,508)</b> | <b>1,153,374</b>     | <b>1,872,675</b>   | <b>1,872,675</b>   | <b>(1,090,974)</b> | <b>294,690</b>                                      | <b>420,863</b>      | <b>504,894</b>      |
| Creditors transferred to Debt Relief - Non-Current portion                            |     | -                  | -                | -                  | -                    | -                  | -                  | -                  | -   | -                   | -                   |
| <b>Surplus(shortfall) -Incl Non-Current Creditors Trf to Debt Relief</b>              |     | <b>(2,130,742)</b> | <b>(338,572)</b> | <b>(3,266,508)</b> | <b>1,153,374</b>     | <b>1,872,675</b>   | <b>1,872,675</b>   | <b>(1,090,974)</b> | <b>294,690</b>                                      | <b>420,863</b>      | <b>504,894</b>      |





## **Part 2 – Supporting Documentation**

### **4.1 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.

#### **4.1.1 Budget Process Overview**

In terms of section 21 of the MFMA, the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2018) a time schedule that sets out the process to revise the IDP and prepare the budget.

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

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

#### **4.1.2 IDP and Service Delivery and Budget Implementation Plan**

The City's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2025/26 MTREF, based on the approved 2024/25 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

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

#### **4.1.3 Financial Modelling and Key Planning Drivers**

As part of the compilation of the 2025/26 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2025/26 MTREF:

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

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

#### **4.1.4 Community Consultation**

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

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects were addressed, and where relevant considered as part of the submission to EXCO for finalisation of the 2025/26 MTREF. Feedback and responses to the 1submissions received are available on request. The following are some of the issues and concerns raised as well as comments received during the consultation process:

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

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

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

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

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

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

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

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

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

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

### **IDP Strategic Goals**

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

In order to ensure integrated and focused service delivery between all spheres of government it was important for the City to align its budget priorities with that of national and provincial government. All

spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

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

1. Basic Service Delivery:

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

2. Local Economic Development:

- Ensuring there is a clear structural plan for the City;
- Ensuring planning processes function in accordance with set timeframes;
- Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.

3. Cross cutting issues:

- Effective implementation of the Indigent Policy;
- Working with the provincial department of health to provide primary health care services;
- Extending waste removal services and ensuring effective city cleansing;
- Ensuring all waste water treatment works are operating optimally;
- Working with strategic partners such as SAPS to address crime;
- Ensuring safe working environments by effective enforcement of building and health regulations;
- Promote viable, sustainable communities through proper zoning; and

- Promote environmental sustainability by protecting wetlands and key open spaces.
4. Good Governance and Public Participation:
- Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme
  - Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:
  - Optimising effective community participation in the ward committee system; and
  - Implementing Batho Pele in the revenue management strategy.
4. Financial Viability and Financial Management:
- Publishing the outcomes of all tender processes on the municipal website
  - Ensure financial sustainability through:
  - Reviewing the use of contracted services
  - Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan
5. Municipal Transformation and Organisational Development:
- Review of the organizational structure to optimize the use of personnel;

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

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

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



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

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

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

The 2025/26 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

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

| Strategic Objective                                    | Goal   | Goal Code | Ref | 2021/22         | 2022/23         | 2023/24         | Current Year 2024/25 |                 |                    | 2025/26 Medium Term Revenue & Expenditure Framework |                        |                        |
|--|--|-----------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
|  |  |           |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2025/26                                 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| R thousand   |  |           |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Financial Viability and Management                     | Financially viable and well governed City  |           |     | 1,733,327       | 1,917,566       | 2,013,445       | 2,114,117            | 2,219,823       | 2,330,814          | 2,447,355   | 2,569,722              | 2,698,209              |
| Basic Service Delivery                                 | Improved the state of municipal infrastructure   |           |     | 4,278,004       | 4,509,055       | 4,734,508       | 4,971,233            | 5,219,795       | 5,480,784          | 5,754,824   | 6,042,565              | 6,344,693              |
| Local Economic Development                             | An economically prosperous city  |           |     | 28,276          | 31,613          | 33,194          | 34,853               | 36,596          | 38,426             | 40,347  | 42,364                 | 44,483                 |
| Good governance and Public Participation               | To develop strong welcoming, caring & diverse communities living in a variety of friendly. |           |     | 360,441         | 402,972         | 423,121         | 444,277              | 466,490         | 489,815            | 514,306   | 540,021                | 567,022                |
| Gross Cutting Issues                                   | Reduce housing backlogs and eliminate spatial separation by racial categories.             |           |     | (484,957)       | 592,273         | 621,887         | 652,981              | 685,630         | 719,911            | 755,907   | 793,702                | 833,388                |
| Municipal Transformation and Institutional Development | Improved customer experience & public participation  |           |     | 93,028          | 104,005         | 109,206         | 114,666              | 120,399         | 126,419            | 132,740   | 139,377                | 146,346                |
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**Table 21 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure**

| Strategic Objective                                    | Goal   | Goal Code | Ref | 2021/22         | 2022/23         | 2023/24         | Current Year 2024/25 |                 |                    | 2025/26 Medium Term Revenue & Expenditure Framework |                        |                        |           |
|--|--|-----------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|-----------|
|  |  |           |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2025/26                                 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |           |
| R thousand   |  |           |     |                 |                 |                 |                      |                 |                    |   |                        |                        |           |
| Financial Viability and Management                     | Financially viable and well governed City  |           |     | 526,628         | 601,730         | 651,385         | 680,698              | 711,329         | 743,339            | 776,789   | 811,745                | 848,273                |           |
| Basic Service Delivery                                 | Improved the state of municipal infrastructure   |           |     | 1,242,699       | 1,419,918       | 1,537,091       | 1,606,260            | 1,678,542       | 1,754,076          | 1,833,010   | 1,915,495              | 2,001,692              |           |
| Local Economic Development                             | An economically prosperous city  |           |     | 492,897         | 563,189         | 609,664         | 637,099              | 665,768         | 695,728            | 727,035   | 759,752                | 793,941                |           |
| Good governance and Public Participation               | To develop strong welcoming, caring & diverse communities living in a variety of friendly. |           |     | 152,527         | 174,279         | 188,660         | 197,150              | 206,022         | 215,293            | 224,981   | 235,105                | 245,685                |           |
| Gross Cutting Issues                                   | Reduce housing backlogs and eliminate spatial separation by racial categories.             |           |     | 3,299,254       | 3,629,446       | 3,974,249       | 4,153,090            | 4,339,979       | 4,535,278          | 4,739,366   | 4,952,637              | 5,175,506              |           |
| Municipal Transformation and Institutional Development | Improved customer experience & public participation  |           |     | 12,753          | 14,572          | 15,775          | 16,484               | 17,226          | 18,001             | 18,811  | 19,658                 | 20,543                 |           |
| Total Expenditure                                      |  |           |     | 1               | 5,726,758       | 6,403,133       | 6,976,824            | 7,290,781       | 7,618,866          | 7,961,715   | 8,319,992              | 8,694,392              | 9,085,640 |

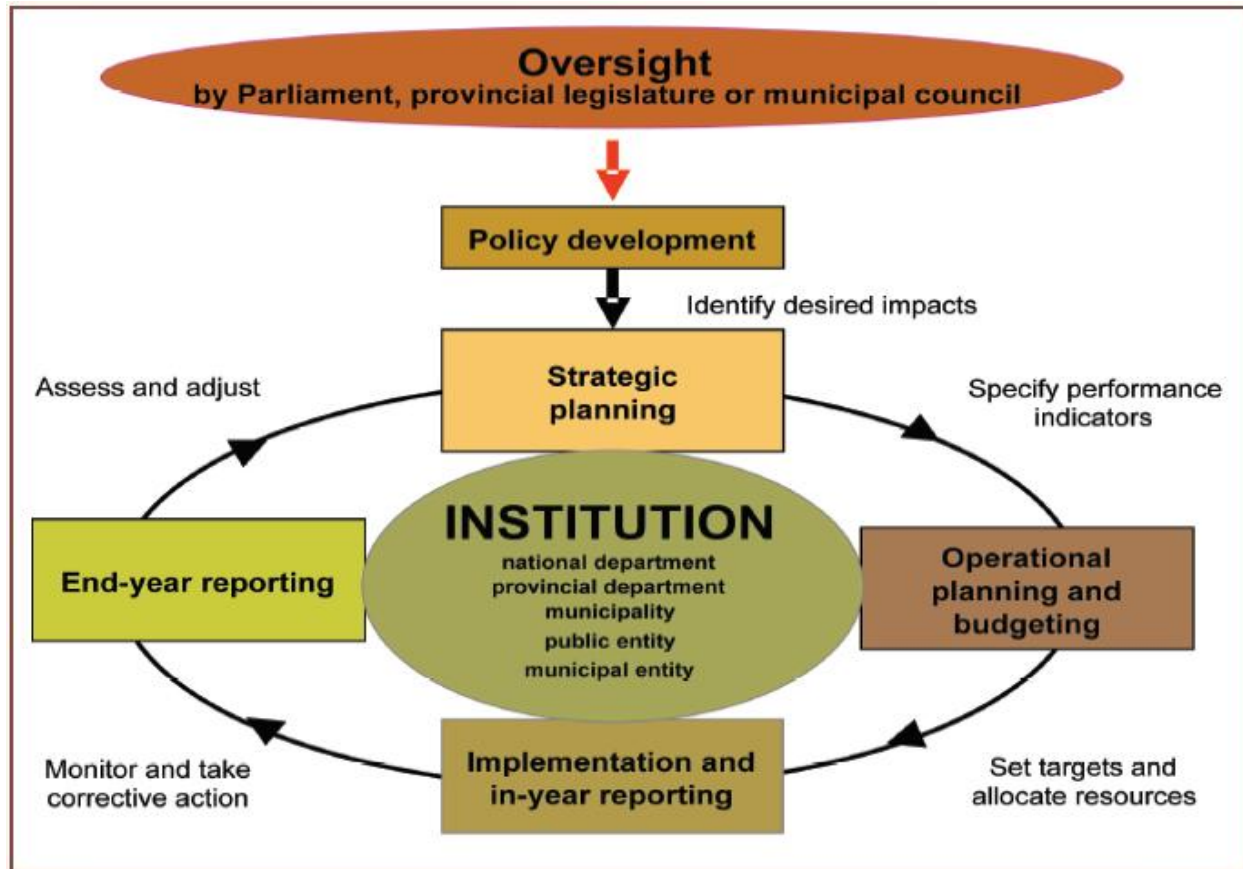
**Table 22 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure**

| Strategic Objective                                    | Goal   | Goal Code | Ref | 2021/22         | 2022/23         | 2023/24         | Current Year 2024/25 |                 |                    | 2025/26 Medium Term Revenue & Expenditure Framework |                        |                        |
|--|--|-----------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
|  |  |           |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2025/26                                 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| R thousand   |  |           |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Financial Viability and Management                     | Financially viable and well governed City  | A         |     |                 |                 | 122,778         | 128,917              | 135,363         | 142,131            | 149,237   | 156,699                | 164,534                |
| Basic Service Delivery                                 | Improved the state of municipal infrastructure   | B         |     | 1,568,361       | 1,765,096       | 2,518,315       | 2,644,231            | 2,776,443       | 2,915,265          | 3,061,028   | 3,214,080              | 3,374,784              |
| Local Economic Development                             | An economically prosperous city  | C         |     | (1,611,111)     | (1,563,710)     | (2,280,664)     | (2,394,697)          | (2,514,432)     | (2,640,153)        | (2,772,161)   | (2,910,769)            | (3,056,307)            |
| Good governance and Public Participation               | To develop strong welcoming, caring & diverse communities living in a variety of friendly. | D         |     | 25,585          | 28,276          | 31,613          | 33,194               | 34,853          | 36,596             | 38,426  | 40,347                 | 42,364                 |
| Gross Cutting Issues                                   | Reduce housing backlogs and eliminate spatial separation by racial categories.             | E         |     | 326,137         | 360,441         | 402,972         | 423,121              | 444,277         | 466,490            | 489,815   | 514,306                | 540,021                |
| Municipal Transformation and Institutional Development | Improved customer experience & public participation  | F         |     | 86,708          | 95,828          | 102,635         | 107,767              | 113,155         | 118,813            | 124,754   | 130,992                | 137,541                |
| Allocations to other priorities                        |  |           | 3   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Total Capital Expenditure                              |  |           | 1   | 395,681         | 685,931         | 897,650         | 942,533              | 989,659         | 1,039,142          | 1,091,099   | 1,145,654              | 1,202,937              |

### 4.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the City has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assess and reviews organisational performance, which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

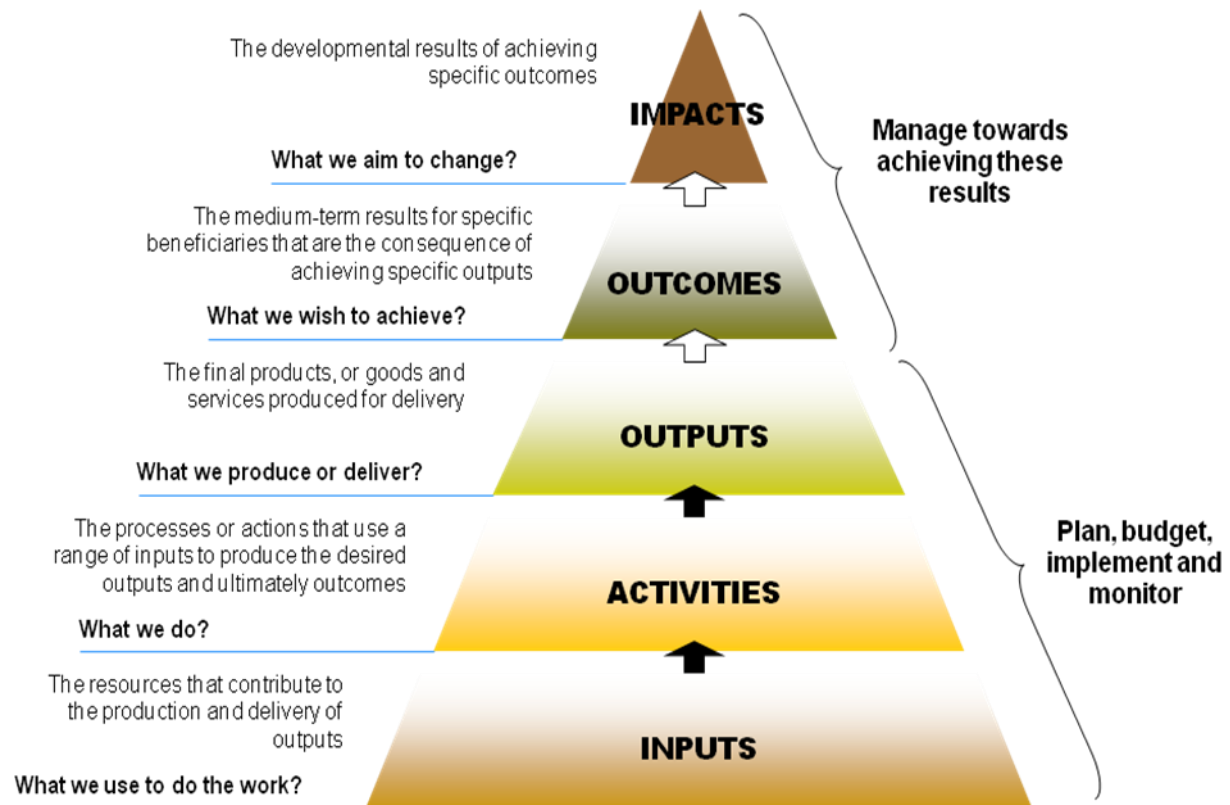


**Figure 1 Planning, budgeting and reporting cycle**

The performance of the City relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The City therefore has adopted one integrated performance management system, which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

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



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

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

| Description of financial indicator   | Basis of calculation  | 2021/22         | 2022/23         | 2023/24         | Current Year 2024/25 |                 |                    |                   | 2025/26 Medium Term Revenue & Expenditure Framework |                        |                        |
|--|---|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
|  |   | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2025/26                                 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| <b>Borrowing Management</b>  |   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Credit Rating  | Interest & Principal Paid /Operating Expenditure  | 3.8%            | 4.1%            | 2.2%            | 0.8%                 | 1.2%            | 1.3%               | 0.0%              | 1.5%  | 1.5%                   | 1.6%                   |
| Capital Charges to Operating Expenditure                                       | Finance charges & Repayment of borrowing /Own Revenue   | 3.7%            | 3.5%            | 2.2%            | 0.7%                 | 1.0%            | 1.0%               | 0.0%              | 1.5%  | 1.5%                   | 1.5%                   |
| Borrowed funding of 'own' capital expenditure                                  | Borrowing/Capital expenditure excl. transfers and grants and contributions                    | 0.0%            | 0.0%            | 45.0%           | 150.7%               | 177.5%          | 177.5%             | 0.0%              | 0.0%  | 0.0%                   | 0.0%                   |
| <b>Safety of Capital</b>   |   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Gearing  | Long Term Borrowing/ Funds & Reserves   | 0.0%            | 0.0%            | 365.9%          | 0.0%                 | 0.0%            | 0.0%               | 0.0%              | 0.0%  | 0.0%                   | 0.0%                   |
| <b>Liquidity</b>   |   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Current Ratio  | Current assets/current liabilities  | 1.6             | 1.7             | 1.1             | 1.6                  | 2.0             | 2.2                | (9.6)             | 1.1   | 1.1                    | 1.6                    |
| Current Ratio adjusted for aged debtors  | Current assets less debtors > 90 days/current liabilities                                     | 1.6             | 1.7             | 1.1             | 1.6                  | 2.0             | 2.2                | (9.6)             | 1.1   | 1.1                    | 1.6                    |
| Liquidity Ratio  | Monetary Assets/Current Liabilities   | 0.8             | 0.9             | 0.4             | 1.2                  | 1.3             | 1.3                | (7.1)             | 1.0   | 1.0                    | 1.0                    |
| <b>Revenue Management</b>  |   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Annual Debtors Collection Rate (Payment Level %)                               | Last 12 Mths Receipts/Last 12 Mths Billing  | 0.0%            | 111.9%          | 125.4%          | 122.6%               | 103.1%          | 109.7%             | 109.7%            | 0.0%  | 107.0%                 | 106.9%                 |
| Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue) |   | 111.9%          | 125.7%          | 122.7%          | 103.1%               | 109.7%          | 109.7%             | 0.0%              | 107.0%  | 106.9%                 | 106.4%                 |
| Outstanding Debtors to Revenue   | Total Outstanding Debtors to Annual Revenue   | 36.9%           | 44.0%           | 36.2%           | 22.0%                | 30.2%           | 37.4%              | 4.7%              | 13.3%   | 12.3%                  | 20.7%                  |
| Longstanding Debtors Recovered   | Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old                                     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <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%            | 0.0%                 | 0.0%            | 0.0%               | 0.0%              | 0.0%  | 0.0%                   | 0.0%                   |
| <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)  | 24.2%           | 22.8%           | 23.2%           | 20.6%                | 19.8%           | 19.8%              | 24.0%             | 20.2%   | 20.6%                  | 21.1%                  |
| Remuneration   | Total remuneration/(Total Revenue - capital revenue)  | 22.6%           | 22.5%           | 21.7%           | 17.2%                | 17.9%           | 17.0%              | 36.0%             | 17.0%   | 16.9%                  | 16.9%                  |
| Repairs & Maintenance  | R&M/(Total Revenue excluding capital revenue)   | 3.9%            | 3.9%            | 6.1%            | 7.1%                 | 4.9%            | 4.9%               | 11.5%             | 5.4%  | 5.7%                   | 5.8%                   |
| Finance charges & Depreciation   | FC&D/(Total Revenue - capital revenue)  | 8.5%            | 7.7%            | 6.3%            | 4.5%                 | 4.5%            | 4.5%               | 5.9%              | 4.7%  | 4.4%                   | 3.3%                   |
| <b>IDP regulation financial viability indicators</b>                           |   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| i. Debt coverage   | (Total Operating Revenue - Operating Grants)/Debt service payments due within financial year) | 49.7            | 46.4            | 169.5           | 129.7                | 129.8           | —                  | 28.8              | 59.8  | 61.5                   | 64.2                   |
| ii. O/S Service Debtors to Revenue   | Total outstanding service debtors/annual revenue received for services                        | 34.2%           | 48.4%           | 38.8%           | 17.4%                | 30.7%           | 42.1%              | 6.4%              | 5.4%  | 4.1%                   | 16.7%                  |
| iii. Cost coverage   | (Available cash + Investments)/monthly fixed operational expenditure                          | 0.6             | 1.3             | 0.9             | 1.1                  | 1.1             | 1.2                | —                 | (0.6)   | (2.0)                  | (2.2)                  |

#### 4.3.1 Performance indicators and benchmarks

##### 4.3.1.1 Borrowing Management

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

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

##### 4.3.1.2 Safety of Capital

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

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

#### 4.3.1.3 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.

#### 4.3.1.4 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.

#### 4.3.1.5 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.

#### **4.3.2 Free Basic Services: basic social services package for indigent households**

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

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

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

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

#### **4.3.3 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.

### **4.4 Overview of budget related-policies**

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

#### **4.4.1 Review of credit control and debt collection procedures/policies**

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

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

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

#### **4.4.2 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).

#### **4.4.3 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.

#### **4.4.4**

#### **4.4.5 Supply Chain Management Policy**

The above policy incorporates the recent changes regarding procurement procedures

#### **4.4.6 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.

#### **4.4.7 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.

**4.4.8 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.

**4.4.9 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.

**4.4.10 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.

**4.4.11 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.

**4.4.12 Insurance policy**

Mainly addresses issues to be considered when handling municipal insurance

#### **4.4.13 Grants policy**

Mainly treatment and disclosure of grant funding on municipal books

#### **4.4.14 Borrowing policy**

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

### **4.5 Overview of budget assumptions**

#### **4.5.1 External factors**

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

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

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

#### 4.5.2 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 : A3  
Defined as high-grade. “Aa” rated are judged to be of high quality and are subject to very low credit risk.

#### 4.5.3 Interest rates for borrowing and investment of funds

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

#### **4.5.4 Collection rate for revenue services**

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

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

#### **4.5.5 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.

#### **4.5.6 Salary increases**

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



#### **4.5.7 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.

#### **4.5.8 Ability of the municipality to spend and deliver on the programmes**

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

## 4.6 Overview of budget funding

### 4.6.1 Medium-term outlook: operating revenue

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

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

**Msunduzi (KZN225) - Table A1 Budget Summary**

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

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

| Description  | Ref      | 2025/26 Medium Term Revenue & Expenditure Framework |     |                        |     |                        |     |
|--|----------|---|-----|------------------------|-----|------------------------|-----|
|  |          | Budget Year<br>2025/26                              |     | Budget Year<br>2026/27 |     | Budget Year<br>2027/28 |     |
| <b>R thousands</b>   | <b>1</b> |   |     |                        |     |                        |     |
| <b>Revenue</b>   |          |   |     |                        |     |                        |     |
| <b>Exchange Revenue</b>  |          |   |     |                        |     |                        |     |
| Service charges - Electricity  | 2        | 4,702,555   | 49% | 4,932,981              | 49% | 5,174,697              | 49% |
| Service charges - Water  | 2        | 1,161,224   | 12% | 1,218,124              | 12% | 1,277,812              | 12% |
| Service charges - Waste Water Management                             | 2        | 250,523   | 3%  | 262,798                | 3%  | 275,675                | 3%  |
| Service charges - Waste Management                                   | 2        | 166,268   | 2%  | 174,415                | 2%  | 182,962                | 2%  |
| Sale of Goods and Rendering of Services                              |          | 23,403  | 0%  | 24,550                 | 0%  | 25,753                 | 0%  |
| Agency services  |          | 5,508   | 0%  | 5,777                  | 0%  | 6,061                  | 0%  |
| Interest earned from Receivables                                     |          | 256,057   | 3%  | 268,604                | 3%  | 281,765                | 3%  |
| Interest earned from Current and Non Current Assets                  |          | 19,996  | 0%  | 20,976                 | 0%  | 22,004                 | 0%  |
| Rental from Fixed Assets   |          | 44,672  | 0%  | 46,861                 | 0%  | 49,157                 | 0%  |
| Licence and permits  |          | 3,097   | 0%  | 3,248                  | 0%  | 3,408                  | 0%  |
| Operational Revenue  |          | 102,112   | 1%  | 107,115                | 1%  | 112,364                | 1%  |
| <b>Non-Exchange Revenue</b>  |          |   | 0%  |                        |     |                        |     |
| Property rates   | 2        | 1,721,665   | 18% | 1,799,140              | 18% | 1,844,118              | 18% |
| Fines, penalties and forfeits  |          | 12,213  | 0%  | 12,812                 | 0%  | 13,439                 | 0%  |
| Transfer and subsidies - Operational                                 |          | 993,197   | 10% | 1,066,101              | 11% | 1,113,040              | 11% |
| Interest   |          | 66,114  | 7%  | 69,354                 | 1%  | 72,752                 | 1%  |
| Gains on disposal of Assets  |          | 4,277   |     | 4,486                  | 0%  | 4,706                  | 0%  |
| <b>Total Revenue (excluding capital transfers and contributions)</b> |          | <b>9,532,880</b>                                    |     | <b>10,017,341</b>      |     | <b>10,459,712</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 2025/26 budget year, revenue from rates and services charges totalled to R8.002 billion or 84 per cent. This increased to R8.2 billion and R8.3 billion for 2026/27 and 2027/28 respectively. A notable trend is the increase in the total percentage revenue generated from rates and services charges. This growth can be mainly attributed to the increased sale of electricity, which contributes to the total revenue mix, which in turn is due to an increase in the Eskom and

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

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

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

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

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

Table 26 MBRR SA15 – Detail Investment Information

| Investment type                            | Ref | 2021/22         | 2022/23         | 2023/24         | Current Year 2024/25 |                 |                    | 2025/26 Medium Term Revenue & Expenditure Framework |                        |                        |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
|  |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2025/26                                 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| <b>R thousand</b>                          |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Parent municipality</b>                 |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Securities - National Government           |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Listed Corporate Bonds                     |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Deposits - Bank                            |     |                 |                 |                 |                      |                 |                    | 100,000   | 150,000                | 200,000                |
| Deposits - Public Investment Commissioners |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Deposits - Corporation for Public Deposits |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Bankers Acceptance Certificates            |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Negotiable Certificates of Deposit - Banks |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Guaranteed Endowment Policies (sinking)    |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Repurchase Agreements - Banks              |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Municipal Bonds                            |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Municipality sub-total</b>              | 1   | -               | -               | -               | -                    | -               | -                  | 100,000   | 150,000                | 200,000                |
| <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>                 |     | -               | -               | -               | -                    | -               | -                  | 100,000   | 150,000                | 200,000                |

#### 4.6.2 Medium-term outlook: capital revenue

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

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

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

| Description  | Ref      | 2021/22         | 2022/23         | 2023/24         | Current year 2024/25 |                 |                    |                   | 2025/26 Medium Term Revenue & Expenditure Framework |                     |                     |
|--|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|---------------------|---------------------|
|  |          | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit Outcome | Budget Year 2025/26                                 | Budget Year 2026/27 | Budget Year 2027/28 |
| <b>R thousands</b>   | <b>1</b> |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| <b>Funded by</b>   | -        |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| National Government  |          |                 | 287,092         |                 | 325,817              | 345,980         | 345,980            | 135,681           | 376,127   | 429,887             | 455,998             |
| Provincial Government  |          |                 | 36,822          |                 | 131,158              | 131,946         | 131,946            | 54,915            |   |                     |                     |
| District Municipality  |          |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Transfers and subsidies - capital (monetary allocations) (Nat/ |          |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Transfers recognised - capital                                 | 4        | -               | 323,914         | -               | 456,975              | 477,926         | 477,926            | 190,596           | 376,127   | 429,887             | 455,998             |
| Borrowing  | 6        |                 |                 |                 | 234,316              | 206,616         | 206,616            | 20,730            | 161,524   |                     | 5,460               |
| Internally generated funds                                     |          |                 | 228,600         | 819,701         | 132,691              | 112,507         | 112,507            | 3,797             | 90,000  | 89,870              | 94,454              |
| <b>Total Capital Funding</b>                                   | 7        | -               | 552,514         | 819,701         | 823,982              | 797,049         | 797,049            | 215,123           | 627,651   | 519,757             | 555,912             |

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

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

#### Details of borrowings

**Table 6 MBRR Table SA 17 - Detail of borrowings**

| Borrowing - Categorised by type<br>R thousand | Ref | 2021/22         | 2022/23         | 2023/24         | Current Year 2024/25 |                 |                    | 2025/26 Medium Term Revenue & Expenditure Framework |                        |                        |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
|   |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2025/26                                 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| <b><u>Parent municipality</u></b>             |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Annuity and Bullet Loans                      |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Long-Term Loans (non-annuity)                 |     |                 |                 |                 |                      |                 |                    | 161,524   |                        |                        |
| Local registered stock                        |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Instalment Credit                             |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Financial Leases                              |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| PPP liabilities                               |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Finance Granted By Cap Equipment Supplier     |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Marketable Bonds                              |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Non-Marketable Bonds                          |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Bankers Acceptances                           |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Financial derivatives                         |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other Securities                              |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Municipality sub-total</b>                 | 1   | -               | -               | -               | -                    | -               | -                  | 161,524   | -                      | -                      |
| <b><u>Entities</u></b>                        |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Entities sub-total</b>                     | 1   | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Total Borrowing</b>                        | 1   | -               | -               | -               | -                    | -               | -                  | 161,524   | -                      | -                      |



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

| Description  | Ref  | 2021/22         | 2022/23         | 2023/24         | Current Year 2024/25 |                 |                    | 2025/26 Medium Term Revenue & Expenditure Framework |                        |                        |
|--|------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
|  |      | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2025/26                                 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| <b>R thousand</b>  |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>RECEIPTS:</b>   | 1, 2 |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Operating Transfers and Grants</b>                      |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>National Government:</b>                                |      | 647,795         | 765,767         | 795,277         | 895,184              | 953,644         | 953,644            | 966,680   | 1,038,866              | 1,084,327              |
| Equitable Share  |      | 616,262         | 696,056         | 767,222         | 822,072              | 822,072         | 822,072            | 877,312   | 926,722                | 968,645                |
| Energy Efficiency and Demand Side Management               |      |                 |                 |                 |                      | 700             | 700                |   | 70                     | 70                     |
| Expanded Public Works Programme Integrated Gra             |      | 3,474           | 5,228           | 4,634           | 2,092                | 2,092           | 2,092              | 2,624   |                        |                        |
| Local Government Financial Management Grant                |      | 1,900           | 1,950           | 1,950           | 1,900                | 1,900           | 1,900              | 2,000   | 2,200                  | 2,300                  |
| Municipal Infrastructure Grant                             |      | 6,108           | 6,977           | 7,456           | 9,120                | 8,077           | 8,077              | 9,744   | 9,874                  | 9,937                  |
| Municipal Systems Improvement Grant                        |      | 42              |                 | 67              |                      |                 |                    |   |                        |                        |
| Municipal Water Infrastructure Grant [Schedule 5B]         |      | 19,986          | 55,555          | 13,948          | 30,000               | 60,000          | 60,000             | 25,000  | 25,000                 | 25,000                 |
| Public Transport Network Grant                             |      | 23              |                 |                 | 30,000               | 30,000          | 30,000             | 50,000  | 75,000                 | 78,375                 |
| Regional Bulk Infrastructure Grant                         |      |                 |                 |                 |                      | 28,802          | 28,802             |   |                        |                        |
| <b>Provincial Government:</b>                              |      | 33,882          | 35,985          | 26,321          | 51,159               | 72,751          | 72,751             | 26,517  | 27,235                 | 28,713                 |
| Infrastructure   |      | 33,882          | 35,817          | 24,658          | 51,159               | 70,551          | 70,551             | 26,517  | 27,235                 | 28,713                 |
| Capacity Building and Other                                |      |                 | 168             | 1,663           |                      | 2,200           | 2,200              |   |                        |                        |
| <b>District Municipality:</b>                              |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Capacity Building and Other                                |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Other grant providers:</b>                              |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| [insert description]                                       |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Total Operating Transfers and Grants</b>                | 5    | 681,678         | 801,751         | 821,598         | 946,343              | 1,026,395       | 1,026,395          | 993,197   | 1,066,101              | 1,113,040              |
| <b>Capital Transfers and Grants</b>                        |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>National Government:</b>                                |      | 331,771         | 286,531         | 260,810         | 325,817              | 373,708         | 373,708            | 376,127   | 429,887                | 457,347                |
| Energy Efficiency and Demand Side Management Grant         |      |                 |                 | 5,000           | 4,950                | 5,600           | 5,600              |   | 4,000                  | 4,000                  |
| Integrated National Electrification Programme (Municipal G |      | 11,230          | 27,380          | 12,219          | 4,971                | 4,971           | 4,971              |   | 6,000                  | 6,271                  |
| Municipal Disaster Recovery Grant                          |      |                 |                 |                 |                      | 73,020          | 73,020             | 13,214  |                        |                        |
| Municipal Disaster Relief Grant                            |      |                 |                 |                 | 13,214               |                 |                    |   |                        |                        |
| Municipal Infrastructure Grant                             |      | 203,223         | 220,208         | 205,413         | 222,682              | 225,609         | 225,609            | 232,913   | 256,887                | 269,701                |
| Neighbourhood Development Partnership Grant                |      | 35,000          | 34,499          | 12,973          | 20,000               | 20,000          | 20,000             | 30,000  | 33,000                 | 40,000                 |
| Public Transport Network Grant                             |      | 62,323          |                 |                 | 20,000               | 20,000          | 20,000             | 50,000  | 75,000                 | 78,375                 |
| Water Services Infrastructure Grant                        |      | 19,995          | 4,444           | 25,204          | 40,000               | 24,507          | 24,507             | 50,000  | 55,000                 | 59,000                 |
| <b>Provincial Government:</b>                              |      | 27,734          | 20,972          | 163,695         | 131,158              | 114,988         | 114,988            | -   | -                      | -                      |
| Infrastructure   |      | 27,734          | 20,972          | 163,695         | 131,158              | 114,988         | 114,988            |   |                        |                        |
| <b>District Municipality:</b>                              |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Infrastructure   |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Other grant providers:</b>                              |      | 9,219           | 16,816          | 3,418           | -                    | -               | -                  | -   | -                      | -                      |
| Traditional Affairs  |      | 9,219           | 16,816          | 3,418           |                      |                 |                    |   |                        |                        |
| <b>Total Capital Transfers and Grants</b>                  | 5    | 368,725         | 324,319         | 427,923         | 456,975              | 488,696         | 488,696            | 376,127   | 429,887                | 457,347                |
| <b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>            |      | 1,050,402       | 1,126,071       | 1,249,521       | 1,403,318            | 1,515,091       | 1,515,091          | 1,369,324   | 1,495,988              | 1,570,386              |

#### **4.6.3 Cash Flow Management**

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

Table 29 MBRR Table A7 - Budget cash flow statement

Msunduzi (KZN225) - Table A7 Budgeted Cash Flows

| Description                                    | Ref | 2021/22         | 2022/23         | 2023/24         | Current year 2024/25 |                 |                    |                   | 2025/26 Medium Term Revenue & Expenditure Framework |                     |                     |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|---------------------|---------------------|
|  |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit Outcome | Budget Year 2025/26                                 | Budget Year 2026/27 | Budget Year 2027/28 |
| R thousands                                    |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| CASH FLOW FROM OPERATING ACTIVITIES            |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Receipts                                       |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Property rates                                 |     | -               | 1,337,835       | -               | 1,484,417            | 1,484,417       | 1,484,417          | 107,996           | 1,532,282   | 1,601,234           | 1,641,265           |
| Service charges                                |     | -               | 3,549,237       | -               | 4,717,472            | 4,717,472       | 4,717,472          | 10,126            | 5,220,730   | 5,476,546           | 5,744,897           |
| Other revenue                                  |     | -               | -               | -               | 765,832              | 765,832         | 765,832            | 834,294           | 194,260   | 203,779             | 213,764             |
| Transfers and Subsidies - Operational          | 1   | -               | 814,489         | -               | 946,343              | 1,008,752       | 1,008,752          | 14,123            | 992,232   | 1,065,081           | 1,111,920           |
| Transfers and Subsidies - Capital              | 1   | -               | 351,427         | -               | 456,975              | 477,926         | 477,926            | 35,665            | 376,127   | 429,887             | 457,347             |
| Interest                                       |     | -               | 16,708          | -               | 19,135               | 19,135          | 19,135             | (6,143,760)       | 19,996  | 20,976              | 22,004              |
| Dividends                                      |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Payments                                       |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Suppliers and employees                        |     | -               | (5,260,181)     | -               | (7,709,596)          | (7,584,599)     | (7,584,599)        | 964               | (7,621,777)   | (8,041,356)         | (8,400,743)         |
| Finance charges                                |     | -               | (18,837)        | -               | (42,825)             | (42,825)        | (42,825)           | -                 | (56,180)  | (58,708)            | (62,231)            |
| Transfers and Subsidies                        | 1   | -               | -               | -               | (69,670)             | (69,670)        | (69,670)           | -                 | (72,457)  | (76,007)            | (79,732)            |
| NET CASH FROM/(USED) OPERATING ACTIVITIES      |     | -               | 790,678         | -               | 568,083              | 776,440         | 776,440            | (5,140,593)       | 585,213   | 621,431             | 648,490             |
| CASH FLOWS FROM INVESTING ACTIVITIES           |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Receipts                                       |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Proceeds on disposal of PPE                    |     | -               | 3,343           | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Decrease (increase) in non-current receivables |     | -               | -               | -               | -                    | -               | -                  | 1,090             | -   | -                   | -                   |
| Decrease (increase) in non-current investments |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Payments                                       |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Capital assets                                 |     | -               | (502,024)       | -               | (824,011)            | (824,011)       | (824,011)          | -                 | (627,651)   | (519,887)           | (557,347)           |
| NET CASH FROM/(USED) INVESTING ACTIVITIES      |     | -               | (498,681)       | -               | (824,011)            | (824,011)       | (824,011)          | 1,090             | (627,651)   | (519,887)           | (557,347)           |
| CASH FLOWS FROM FINANCING ACTIVITIES           |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Receipts                                       |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Short term loans                               |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Borrowing long term/refinancing                |     | -               | -               | -               | 234,316              | 234,316         | 234,316            | -                 | 161,524   | -                   | -                   |
| Increase (decrease) in consumer deposits       |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Payments                                       |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Repayment of borrowing                         |     | -               | (79,163)        | -               | (90,000)             | (50,000)        | (50,000)           | -                 | (90,000)  | (90,000)            | (90,000)            |
| NET CASH FROM/(USED) FINANCING ACTIVITIES      |     | -               | (79,163)        | -               | 144,316              | 184,316         | 184,316            | -                 | 71,524  | (90,000)            | (90,000)            |
| NET INCREASE/ (DECREASE) IN CASH HELD          |     |                 | 212,834         | -               | (111,612)            | 136,745         | 136,745            | (5,139,503)       | 29,086  | 11,544              | 1,144               |
| Cash/cash equivalents at the year begin:       | 2   | 56,302          | 482,433         | 366,360         | 301,783              | 495,993         | 495,993            | -                 | 366,360   | 382,846             | 400,075             |
| Cash/cash equivalents at the year end:         | 2   | 56,302          | 695,267         | 366,360         | 190,172              | 632,738         | 632,738            | (5,139,503)       | 395,446   | 394,390             | 401,219             |

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

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

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

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

**Table 30 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation****Msunduzi (KZN225) - Table A8 Cash backed reserves/accumulated surplus reconciliation**

| Description  | Ref | 2021/22         | 2022/23         | 2023/24         | Current year 2024/25 |                 |                    |                   | 2025/26 Medium Term Revenue & Expenditure Framework |                     |                     |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|---------------------|---------------------|
|  |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit Outcome | Budget Year 2025/26                                 | Budget Year 2026/27 | Budget Year 2027/28 |
| R thousands  |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Cash and investments available                                     |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Cash/cash equivalents at the year end                              | 1   | 56,302          | 695,267         | 366,360         | 190,172              | 632,738         | 632,738            | (5,139,503)       | 395,446   | 394,390             | 401,219             |
| Other current investments > 90 days                                |     | 265,544         | (212,834)       | 90,575          | 21,612               | (259,914)       | (259,914)          | 4,473,147         | -   | -                   | -                   |
| Non current assets - Investments                                   | 1   | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Cash and investments available:                                    |     | 321,845         | 482,433         | 456,935         | 211,783              | 372,824         | 372,824            | (666,355)         | 395,446   | 394,390             | 401,219             |
| Application of cash and investments                                |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Unspent conditional transfers                                      |     | 136,088         | 175,933         | 189,531         | -                    | -               | -                  | (19,419)          | -   | -                   | -                   |
| Unspent borrowing  |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Statutory requirements   | 2   | 178,089         | 185,013         | 174,006         | 457,747              | -               | -                  | (67,379)          | 162,137   | 169,434             | 177,058             |
| Other working capital requirements                                 | 3   | 1,949,231       | 256,223         | 3,158,414       | (1,461,077)          | (1,561,591)     | (1,561,591)        | 512,946           | (114,524)   | (251,441)           | (338,768)           |
| Other provisions   |     | 49,118          | 58,245          | 53,143          | 61,739               | 61,739          | 61,739             | (60)              | 53,143  | 55,535              | 58,034              |
| Long term investments committed                                    | 4   | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Reserves to be backed by cash/investments                          | 5   | 140,062         | 145,592         | 148,348         | -                    | -               | -                  | (1,469)           | -   | -                   | -                   |
| Total Application of cash and investments:                         |     | 2,452,587       | 821,005         | 3,723,444       | (941,591)            | (1,499,851)     | (1,499,851)        | 424,619           | 100,757   | (26,473)            | (103,676)           |
| Surplus(shortfall) - Excl Non-Current Creditors Trf to Debt Relief |     | (2,130,742)     | (338,572)       | (3,266,508)     | 1,153,374            | 1,872,675       | 1,872,675          | (1,090,974)       | 294,690   | 420,863             | 504,894             |
| Creditors transferred to Debt Relief - Non-Current portion         |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Surplus(shortfall) -Incl Non-Current Creditors Trf to Debt Relief  |     | (2,130,742)     | (338,572)       | (3,266,508)     | 1,153,374            | 1,872,675       | 1,872,675          | (1,090,974)       | 294,690   | 420,863             | 504,894             |

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

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

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

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

#### 4.6.4 Funding compliance measurement

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

**Table 31 MBRR SA10 – Funding compliance measurement**

| Description   | MFMA section | Ref | 2021/22         | 2022/23         | 2023/24         | Current Year 2024/25 |                 |                    |                   | 2025/26 Medium Term Revenue & Expenditure Framework |                        |                        |
|---|--------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
|   |              |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2025/26                                 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| <b>Funding measures</b>                                       |              |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Cash/cash equivalents at the year end - R'000                 | 18(1)b       | 1   | 288,153         | 511,402         | 490,955         | 644,030              | 632,738         | 632,738            | –                 | 395,446   | 406,990                | 406,786                |
| Cash + investments at the yr end less applications - R'000    | 18(1)b       | 2   | 1,301,348       | 1,620,920       | 830,685         | 1,644,348            | 1,802,907       | 1,802,907          | 19,419            | 347,833   | 488,998                | 568,496                |
| Cash year end/monthly employee/supplier payments              | 18(1)b       | 3   | 0.6             | 1.3             | 0.9             | 1.1                  | 1.1             | 1.2                | –                 | 0.6   | 0.6                    | 0.6                    |
| Surplus/(Deficit) excluding depreciation offsets: R'000       | 18(1)        | 4   | 554,077         | 1,315,580       | 411,166         | 1,391,652            | 1,696,766       | 2,339,130          | (536,891)         | 1,343,660   | 1,372,948              | 1,433,377              |
| Service charge rev % change - macro CPIX target exclusive     | 18(1)a,(2)   | 5   | N.A.            | (2.4%)          | (2.1%)          | 28.7%                | (7.0%)          | (6.0%)             | (44.1%)           | 4.2%  | (1.2%)                 | (1.6%)                 |
| Cash receipts % of Ratepayer & Other revenue                  | 18(1)a,(2)   | 6   | 38.0%           | 38.5%           | 40.9%           | 41.4%                | 41.3%           | 41.3%              | 0.0%              | 85.3%   | 85.3%                  | 85.2%                  |
| Debt impairment expense as a % of total billable revenue      | 18(1)a,(2)   | 7   | 19.8%           | 1.4%            | 18.8%           | 8.7%                 | 8.8%            | 8.8%               | 0.0%              | 5.2%  | 5.2%                   | 5.2%                   |
| Capital payments % of capital expenditure                     | 18(1)c,19    | 8   | 101.6%          | 82.5%           | 92.0%           | 93.3%                | 100.9%          | 100.9%             | 0.0%              | 100.0%  | 100.0%                 | 100.3%                 |
| Borrowing receipts % of capital expenditure (excl. transfers) | 18(1)c       | 9   | 0.0%            | 0.0%            | 0.0%            | 54.5%                | 69.2%           | 69.2%              | 0.0%              | 64.2%   | 0.0%                   | 0.0%                   |
| Grants % of Govt. legislated/gazetted allocations             | 18(1)a       | 10  |                 |                 |                 |                      |                 |                    |                   | 0.0%  | 0.0%                   | 0.0%                   |
| Current consumer debtors % change - incr(decr)                | 18(1)a       | 11  | N.A.            | 10.5%           | (61.3%)         | 167.7%               | 0.0%            | 0.0%               | (76.2%)           | 160.5%  | 4.8%                   | 4.6%                   |
| Long term receivables % change - incr(decr)                   | 18(1)a       | 12  | N.A.            | 0.0%            | 0.0%            | 0.0%                 | 0.0%            | 0.0%               | 0.0%              | 0.0%  | 0.0%                   | 0.0%                   |
| R&M % of Property Plant & Equipment                           | 20(1)(vi)    | 13  | 3.7%            | 3.7%            | 5.8%            | 5.1%                 | 4.9%            | 4.9%               | 0.0%              | 0.0%  | 0.0%                   | 0.0%                   |
| Asset renewal % of capital budget                             | 20(1)(vi)    | 14  | 39.9%           | 21.1%           | 16.4%           | 10.9%                | 17.2%           | 18.6%              | 0.0%              | 23.4%   | 38.4%                  | 18.2%                  |

#### *4.6.4.1 Cash/cash equivalent position*

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

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

#### *4.6.4.2 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.

#### *4.6.4.3 Monthly average payments covered by cash or cash equivalents*

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



#### *4.6.4.4 Surplus/deficit excluding depreciation offsets*

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

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

#### *4.6.4.5 Property Rates/service charge revenue as a percentage increase less macro inflation target*

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

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

#### *4.6.4.6 Cash receipts as a percentage of ratepayer and other revenue*

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

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

#### *4.6.4.7 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.

#### *4.6.4.8 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.

#### *4.6.4.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)*

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

#### *4.6.4.10 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.

#### *4.6.4.11 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.

#### *4.6.4.12 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.

#### *4.6.4.13 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.

#### 4.7 Table 32 MBRR SA19 - Expenditure on transfers and grant programmes

| Description   | Ref | 2021/22         | 2022/23         | 2023/24         | Current Year 2024/25 |                 |                    | 2025/26 Medium Term Revenue & Expenditure Framework |                        |                        |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
|   |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2025/26                                 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| R thousand  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>EXPENDITURE:</b>   | 1   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Operating expenditure of Transfers and Grants</b>                          |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>National Government:</b>   |     | 621,678         | 758,789         | 787,679         | 72,212               | 94,692          | 94,692             | 78,659  | 101,880                | 105,255                |
| Equitable Share   |     | 616,262         | 696,056         | 767,222         |                      | 700             | 700                |   | 700                    | 700                    |
| Energy Efficiency and Demand Side Management                                  |     | 1,900           | 1,950           | 1,807           | 2,092                | 2,092           | 2,092              | 2,624   |                        |                        |
| Expanded Public Works Programme Integrated Grant                              |     |                 |                 | -               | 1,900                | 1,900           | 1,900              | 1,035   | 1,180                  | 1,180                  |
| Local Government Financial Management Grant                                   |     | 3,516           | 5,228           | 4,701           | 8,220                |                 |                    |   |                        |                        |
| Municipal Infrastructure Grant  |     |                 | 55,555          | 13,948          | 30,000               | 60,000          | 60,000             | 25,000  | 25,000                 | 25,000                 |
| Municipal Water Infrastructure Grant  |     |                 |                 | -               | 30,000               | 30,000          | 30,000             | 50,000  | 75,000                 | 78,375                 |
| Public Transport Network Grant  |     |                 |                 | -               |                      |                 |                    |   |                        |                        |
| <b>Provincial Government:</b>   |     | -               | -               | -               | 56,659               | 65,336          | 65,336             | 47,440  | 49,393                 | 52,179                 |
| Infrastructure  |     |                 |                 |                 | 56,659               | 65,336          | 65,336             | 47,440  | 49,393                 | 52,179                 |
| Capacity Building and Other   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>District Municipality:</b>   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
|   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Other grant providers:</b>   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <i>[insert description]</i>   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Total operating expenditure of Transfers and Grants:</b>                   |     | 621,678         | 758,789         | 787,679         | 128,871              | 160,028         | 160,028            | 126,099   | 151,273                | 157,434                |
| <b>Capital expenditure of Transfers and Grants</b>                            |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>National Government:</b>   |     | -               | 287,092         | -               | 325,817              | 345,980         | 345,980            | 376,127   | 429,887                | 455,998                |
| Energy Efficiency and Demand Side Management Grant                            |     |                 |                 |                 | 4,950                | 4,300           | 4,300              |   | 4,000                  | 3,271                  |
| Integrated National Electrification Programme (Municipal Grant) [Schedule 5B] |     |                 |                 |                 | 4,971                | 4,971           | 4,971              |   | 6,000                  | 8,212                  |
| Municipal Disaster Recovery Grant   |     |                 |                 |                 | 13,214               | 46,592          | 46,592             | 13,214  |                        | 78,375                 |
| Municipal Infrastructure Grant  |     |                 | 287,092         |                 | 222,682              | 225,609         | 225,609            | 232,913   | 256,887                | 265,702                |
| Neighbourhood Development Partnership Grant                                   |     |                 |                 |                 | 20,000               | 20,000          | 20,000             | 30,000  | 33,000                 | 40,000                 |
| Public Transport Network Grant  |     |                 |                 |                 | 20,000               | 20,000          | 20,000             | 50,000  | 75,000                 | 49,438                 |
| Water Services Infrastructure Grant   |     |                 |                 |                 | 40,000               | 24,507          | 24,507             | 50,000  | 55,000                 | 11,000                 |
| <b>Provincial Government:</b>   |     | -               | 36,822          | -               | 131,158              | 130,883         | 130,883            | -   | -                      | -                      |
| Infrastructure  |     |                 | 36,822          |                 | 131,158              | 130,883         | 130,883            |   |                        |                        |
| Capacity Building and Other   |     |                 |                 |                 |                      | 1,062           | 1,062              |   |                        |                        |
|   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
|   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
|   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <i>Other capital transfers/grants [insert description]</i>                    |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Total capital expenditure of Transfers and Grants</b>                      |     | -               | 323,914         | -               | 456,975              | 476,864         | 476,864            | 376,127   | 429,887                | 455,998                |
| <b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>                              |     | 621,678         | 1,082,703       | 787,679         | 585,846              | 636,891         | 636,891            | 502,226   | 581,160                | 613,432                |

## 4.8 Councillor and employee benefits

Table 33 MBRR SA22 - Summary of councillor and staff benefits

| Summary of Employee and Councillor remuneration          | Ref | 2021/22          | 2022/23          | 2023/24          | Current Year 2024/25 |                  |                    | 2025/26 Medium Term Revenue & Expenditure Framework |                        |                        |
|--|-----|------------------|------------------|------------------|----------------------|------------------|--------------------|---|------------------------|------------------------|
|  |     | Audited Outcome  | Audited Outcome  | Audited Outcome  | Original Budget      | Adjusted Budget  | Full Year Forecast | Budget Year 2025/26                                 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| R thousand   |     | A                | B                | C                | D                    | E                | F                  | G   | H                      | I                      |
| <b>Councillors (Political Office Bearers plus Other)</b> | 1   |                  |                  |                  |                      |                  |                    |   |                        |                        |
| Basic Salaries and Wages                                 |     | 12,778           | 13,174           |                  | 12,983               | 12,983           | 12,983             | 16,343  | 15,016                 | 15,917                 |
| Pension and UIF Contributions                            |     |                  |                  |                  |                      |                  |                    |   |                        |                        |
| Medical Aid Contributions                                |     |                  |                  |                  |                      |                  |                    |   |                        |                        |
| Motor Vehicle Allowance                                  |     |                  |                  |                  | 281                  | 281              | 281                | 292   | 295                    | 313                    |
| Cellphone Allowance                                      |     | 1,867            | 2,069            |                  | 1,475                | 1,475            | 1,475              | 1,639   | 1,209                  | 1,281                  |
| Housing Allowances                                       |     |                  |                  |                  | 184                  | 184              | 184                | 260   | 270                    | 282                    |
| Other benefits and allowances                            |     |                  |                  |                  | 19                   | 19               | 19                 | 174   |                        |                        |
| <b>Sub Total - Councillors</b>                           |     | <b>14,645</b>    | <b>15,242</b>    | <b>—</b>         | <b>14,942</b>        | <b>14,942</b>    | <b>14,942</b>      | <b>18,708</b>                                       | <b>16,790</b>          | <b>17,793</b>          |
| % increase   | 4   |                  | 4.1%             | (100.0%)         | —                    | —                | —                  | 25.2%   | (10.3%)                | 6.0%                   |
| <b>Senior Managers of the Municipality</b>               | 2   |                  |                  |                  |                      |                  |                    |   |                        |                        |
| Basic Salaries and Wages                                 |     | 9,448            | 10,218           |                  | 9,508                | 9,508            | 9,508              | 9,564   | 9,741                  | 9,741                  |
| Pension and UIF Contributions                            |     | 834              | 1,026            |                  | 828                  | 828              | 828                |   |                        |                        |
| Medical Aid Contributions                                |     |                  |                  |                  | 62                   | 62               | 62                 |   | 54                     | 54                     |
| Overtime   |     |                  |                  |                  |                      |                  |                    |   |                        |                        |
| Performance Bonus  |     |                  |                  |                  |                      |                  |                    |   |                        |                        |
| Motor Vehicle Allowance                                  | 3   | 1,196            | 1,400            |                  | 1,209                | 1,209            | 1,209              | 1,322   | 1,221                  | 1,221                  |
| Cellphone Allowance                                      | 3   | 118              | 104              |                  | 20                   | 20               | 20                 | 13  | 21                     | 21                     |
| Housing Allowances                                       | 3   | 439              | 1,637            |                  | 1,649                | 1,649            | 1,649              | 1,674   | 1,665                  | 1,665                  |
| Other benefits and allowances                            | 3   | 20               | 171              |                  | 28                   | 28               | 28                 | 29  | 57                     | 57                     |
| Payments in lieu of leave                                |     |                  | 225              |                  |                      |                  |                    |   |                        |                        |
| Long service awards                                      |     |                  |                  |                  | 636                  | 636              | 636                | 646   | 836                    | 836                    |
| Post-retirement benefit obligations                      | 6   |                  |                  |                  |                      |                  |                    | 15,030  | 21,983                 | 21,984                 |
| Entertainment  |     |                  |                  |                  |                      |                  |                    |   |                        |                        |
| Scarcity   |     |                  |                  |                  |                      |                  |                    |   |                        |                        |
| Acting and post related allowance                        |     |                  |                  |                  |                      |                  |                    |   |                        |                        |
| In kind benefits   |     |                  |                  |                  |                      |                  |                    |   |                        |                        |
| <b>Sub Total - Senior Managers of Municipality</b>       |     | <b>12,055</b>    | <b>14,782</b>    | <b>—</b>         | <b>13,941</b>        | <b>13,941</b>    | <b>13,941</b>      | <b>28,279</b>                                       | <b>35,579</b>          | <b>35,579</b>          |
| % increase   | 4   |                  | 22.6%            | (100.0%)         | —                    | —                | —                  | 102.8%  | 25.8%                  | 0.0%                   |
| <b>Other Municipal Staff</b>                             |     |                  |                  |                  |                      |                  |                    |   |                        |                        |
| Basic Salaries and Wages                                 |     | 740,833          | 834,266          | 834,687          | 919,050              | 898,822          | 898,822            | 952,751   | 995,625                | 1,040,428              |
| Pension and UIF Contributions                            |     | 160,019          | 165,853          | 168,035          | 193,655              | 273,709          | 273,709            | 290,132   | 303,188                | 316,831                |
| Medical Aid Contributions                                |     | 59,601           | 63,734           | 65,721           | 97,380               | 114,989          | 114,989            | 121,888   | 127,373                | 133,105                |
| Overtime   |     | 109,898          | 97,740           | 110,789          | 104,445              | 95,136           | 95,136             | 100,844   | 105,382                | 110,124                |
| Performance Bonus  |     | 60,827           | 64,175           | 67,214           | 81,379               | 83,370           |                    |   |                        |                        |
| Motor Vehicle Allowance                                  | 3   | 26,856           | 28,743           | 28,706           | 35,361               | 34,331           | 34,331             | 36,391  | 38,029                 | 39,740                 |
| Cellphone Allowance                                      | 3   | 7,568            | 4,244            | (79)             | 4,917                | 4,867            | 4,867              | 5,159   | 5,391                  | 5,634                  |
| Housing Allowances                                       | 3   | 4,128            | 4,326            | 4,245            | 4,628                | 4,708            | 4,708              | 4,991   | 5,215                  | 5,450                  |
| Other benefits and allowances                            | 3   | 59,512           | 141,401          | 82,853           | 37,582               | 37,687           | 37,687             | 39,948  | 41,746                 | 43,624                 |
| Payments in lieu of leave                                |     | 18,611           |                  | 19,775           |                      |                  |                    |   |                        |                        |
| Long service awards                                      |     | 27,903           | 13,952           | 27,795           | 18,382               | 17,411           | 17,411             | 18,456  | 19,286                 | 20,154                 |
| Post-retirement benefit obligations                      | 6   | 60,781           |                  | 62,450           |                      |                  |                    |   |                        |                        |
| Entertainment  |     |                  |                  |                  |                      |                  |                    |   |                        |                        |
| Scarcity   |     |                  |                  | 7,385            |                      |                  |                    |   |                        |                        |
| Acting and post related allowance                        |     |                  |                  | 17,962           |                      |                  |                    |   |                        |                        |
| In kind benefits   |     |                  |                  |                  |                      |                  |                    |   |                        |                        |
| <b>Sub Total - Other Municipal Staff</b>                 |     | <b>1,336,537</b> | <b>1,418,435</b> | <b>1,497,538</b> | <b>1,496,777</b>     | <b>1,565,031</b> | <b>1,481,661</b>   | <b>1,570,561</b>                                    | <b>1,641,236</b>       | <b>1,715,092</b>       |
| % increase   | 4   |                  | 6.1%             | 5.6%             | (0.1%)               | 4.6%             | (5.3%)             | 6.0%  | 4.5%                   | 4.5%                   |
| <b>Total Parent Municipality</b>                         |     | <b>1,363,237</b> | <b>1,448,459</b> | <b>1,497,538</b> | <b>1,525,660</b>     | <b>1,593,914</b> | <b>1,510,544</b>   | <b>1,617,547</b>                                    | <b>1,693,605</b>       | <b>1,768,464</b>       |
|  |     |                  | 6.3%             | 3.4%             | 1.9%                 | 4.5%             | (5.2%)             | 7.1%  | 4.7%                   | 4.4%                   |

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

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



Table 35 MBRR SA24 – Summary of personnel numbers

| Summary of Personnel Numbers                                  | Ref   | 2023/24      |                     |                    | Current Year 2024/25 |                     |                    | Budget Year 2025/26 |                     |                    |
|---|-------|--------------|---------------------|--------------------|----------------------|---------------------|--------------------|---------------------|---------------------|--------------------|
| Number  | 1,2   | Positions    | Permanent employees | Contract employees | Positions            | Permanent employees | Contract employees | Positions           | Permanent employees | Contract employees |
| <b>Municipal Council and Boards of Municipal Entities</b>     |       |              |                     |                    |                      |                     |                    |                     |                     |                    |
| Councillors (Political Office Bearers plus Other Councillors) |       | 81           |                     | 81                 | 81                   |                     | 81                 | 81                  | 81                  | 81                 |
| Board Members of municipal entities                           | 4     |              |                     |                    |                      |                     |                    |                     |                     |                    |
| <b>Municipal employees</b>                                    | 5     |              |                     |                    |                      |                     |                    |                     |                     |                    |
| Municipal Manager and Senior Managers                         | 3     | 6            | 2                   | 4                  | 6                    | 2                   | 4                  | 6                   | 2                   | 4                  |
| Other Managers  | 7     | 25           | 23                  | 1                  | 25                   | 23                  | 1                  | 25                  | 23                  | 1                  |
| Professionals   |       | 411          | 208                 | 1                  | 411                  | 208                 | 1                  | 1,335               | 1,214               | 123                |
| <i>Finance</i>  |       | 31           | 16                  | 1                  | 31                   | 16                  | 1                  | 277                 | 228                 | 50                 |
| <i>Spatial/town planning</i>                                  |       | 11           | 9                   |                    | 11                   | 9                   |                    | 21                  | 20                  | 1                  |
| <i>Information Technology</i>                                 |       | 4            | 3                   |                    | 4                    | 3                   |                    | 29                  | 17                  | 12                 |
| <i>Roads</i>  |       | 107          | 41                  |                    | 107                  | 41                  |                    | 278                 | 274                 | 4                  |
| <i>Electricity</i>  |       | 26           | 6                   |                    | 26                   | 6                   |                    | 134                 | 114                 | 21                 |
| <i>Water</i>  |       | 77           | 23                  |                    | 77                   | 23                  |                    | 2                   | 1                   | 1                  |
| <i>Sanitation</i>   |       | 1            | 2                   |                    | 1                    | 2                   |                    | 295                 | 265                 | 30                 |
| <i>Refuse</i>   |       | 4            | 3                   |                    | 4                    | 3                   |                    | 299                 | 295                 | 4                  |
| <i>Other</i>  |       | 150          | 105                 |                    | 150                  | 105                 |                    |                     |                     |                    |
| Technicians   |       | 1,377        | 820                 | 17                 | 1,377                | 820                 | 17                 | 961                 | 810                 | 152                |
| <i>Finance</i>  |       | 131          | 80                  | 6                  | 131                  | 80                  | 6                  | 205                 | 172                 | 33                 |
| <i>Spatial/town planning</i>                                  |       | 45           | 21                  |                    | 45                   | 21                  |                    | 284                 | 249                 | 35                 |
| <i>Information Technology</i>                                 |       | 21           | 15                  |                    | 21                   | 15                  |                    | 148                 | 134                 | 14                 |
| <i>Roads</i>  |       | 23           | 21                  |                    | 23                   | 21                  |                    | 89                  | 63                  | 26                 |
| <i>Electricity</i>  |       | 218          | 73                  |                    | 218                  | 73                  |                    | 134                 | 114                 | 21                 |
| <i>Water</i>  |       | 58           | 37                  |                    | 58                   | 37                  |                    | 1                   | 1                   |                    |
| <i>Sanitation</i>   |       | 32           | 5                   |                    | 32                   | 5                   |                    | 50                  | 30                  | 20                 |
| <i>Refuse</i>   |       | 19           | 9                   |                    | 19                   | 9                   |                    | 50                  | 47                  | 3                  |
| <i>Other</i>  |       | 830          | 559                 | 11                 | 830                  | 559                 | 11                 |                     |                     |                    |
| Clerks (Clerical and administrative)                          |       | 554          | 441                 | 87                 | 554                  | 441                 | 87                 | 135                 | 100                 | 35                 |
| Service and sales workers                                     |       | 383          | 149                 |                    | 383                  | 149                 |                    | 72                  | 37                  | 30                 |
| Skilled agricultural and fishery workers                      |       | 23           | 19                  |                    | 23                   | 19                  |                    | 62                  | 20                  | 52                 |
| Craft and related trades                                      |       | 167          | 63                  |                    | 167                  | 63                  |                    | 72                  | 37                  | 30                 |
| Plant and Machine Operators                                   |       | 365          | 121                 |                    | 365                  | 121                 |                    | 330                 | 306                 | 24                 |
| Elementary Occupations  |       | 2,571        | 1,276               |                    | 2,571                | 1,276               |                    | 1,000               | 983                 | 17                 |
| <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>4,079</b>        | <b>3,613</b>        | <b>549</b>         |
| <b>% increase</b>   |       |              |                     |                    | -                    | -                   | -                  | (31.6%)             | 15.7%               | 187.4%             |
| <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>           |



**4.9 Monthly targets for revenue, expenditure and cash flow**

**2.9.1 Table 36 MBRR SA25 - Budgeted monthly revenue and expenditure**

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

| Description  | Ref      | 2025/26        |                |                |                |                |                |                |                |                |                |                |                | 2025/26 Medium Term Revenue & Expenditure Framework |                     |                     |
|--|----------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---|---------------------|---------------------|
|  |          | M01 July       | M02 Aug        | M03 Sept       | M04 Oct        | M05 Nov        | M06 Dec        | M07 Jan        | M08 Feb        | M09 Mar        | M10 Apr        | M11 May        | M12 June       | Budget Year 2025/26                                 | Budget Year 2026/27 | Budget Year 2027/28 |
| <b>R thousands</b>   | <b>1</b> |                |                |                |                |                |                |                |                |                |                |                |                |   |                     |                     |
| <b>Revenue</b>   |          |                |                |                |                |                |                |                |                |                |                |                |                |   |                     |                     |
| <b>Exchange Revenue</b>  |          |                |                |                |                |                |                |                |                |                |                |                |                |   |                     |                     |
| Service charges - Electricity                                      |          | 391,880        | 391,880        | 391,880        | 391,880        | 391,880        | 391,880        | 391,880        | 391,880        | 391,880        | 391,880        | 391,880        | 391,880        | 4,702,555   | 4,932,981           | 5,174,697           |
| Service charges - Water  |          | 96,769         | 96,769         | 96,769         | 96,769         | 96,769         | 96,769         | 96,769         | 96,769         | 96,769         | 96,769         | 96,769         | 96,769         | 1,161,224   | 1,218,124           | 1,277,812           |
| Service charges - Waste Water Management                           |          | 20,877         | 20,877         | 20,877         | 20,877         | 20,877         | 20,877         | 20,877         | 20,877         | 20,877         | 20,877         | 20,877         | 20,877         | 250,523   | 262,798             | 275,675             |
| Service charges - Waste Management                                 |          | 13,856         | 13,856         | 13,856         | 13,856         | 13,856         | 13,856         | 13,856         | 13,856         | 13,856         | 13,856         | 13,856         | 13,856         | 166,268   | 174,415             | 182,962             |
| Sale of Goods and Rendering of Services                            |          | 1,950          | 1,950          | 1,950          | 1,950          | 1,950          | 1,950          | 1,950          | 1,950          | 1,950          | 1,950          | 1,950          | 1,950          | 23,403  | 24,550              | 25,753              |
| Agency services  |          | 459            | 459            | 459            | 459            | 459            | 459            | 459            | 459            | 459            | 459            | 459            | 459            | 5,508   | 5,777               | 6,061               |
| Interest   |          | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -   | -                   | -                   |
| Interest earned from Receivables                                   |          | 21,338         | 21,338         | 21,338         | 21,338         | 21,338         | 21,338         | 21,338         | 21,338         | 21,338         | 21,338         | 21,338         | 21,338         | 256,057   | 268,604             | 281,765             |
| Interest earned from Current and Non Current A                     |          | 1,666          | 1,666          | 1,666          | 1,666          | 1,666          | 1,666          | 1,666          | 1,666          | 1,666          | 1,666          | 1,666          | 1,666          | 19,996  | 20,976              | 22,004              |
| Dividends  |          | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -   | -                   | -                   |
| Rent on Land   |          | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -   | -                   | -                   |
| Rental from Fixed Assets   |          | 3,723          | 3,723          | 3,723          | 3,723          | 3,723          | 3,723          | 3,723          | 3,723          | 3,723          | 3,723          | 3,723          | 3,723          | 44,672  | 46,861              | 49,157              |
| Licence and permits  |          | 258            | 258            | 258            | 258            | 258            | 258            | 258            | 258            | 258            | 258            | 258            | 258            | 3,097   | 3,248               | 3,408               |
| Special rating levies  |          | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -   | -                   | -                   |
| Operational Revenue  |          | 8,509          | 8,509          | 8,509          | 8,509          | 8,509          | 8,509          | 8,509          | 8,509          | 8,509          | 8,509          | 8,509          | 8,509          | 102,112   | 107,115             | 112,364             |
| <b>Non-Exchange Revenue</b>  |          |                |                |                |                |                |                |                |                |                |                |                |                |   |                     |                     |
| Property rates   |          | 143,472        | 143,472        | 143,472        | 143,472        | 143,472        | 143,472        | 143,472        | 143,472        | 143,472        | 143,472        | 143,472        | 143,472        | 1,721,665   | 1,799,140           | 1,844,118           |
| Surcharges and Taxes   |          | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -   | -                   | -                   |
| Fines, penalties and forfeits                                      |          | 1,018          | 1,018          | 1,018          | 1,018          | 1,018          | 1,018          | 1,018          | 1,018          | 1,018          | 1,018          | 1,018          | 1,018          | 12,213  | 12,812              | 13,439              |
| Licences or permits  |          | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -   | -                   | -                   |
| Transfer and subsidies - Operational                               |          | 82,766         | 82,766         | 82,766         | 82,766         | 82,766         | 82,766         | 82,766         | 82,766         | 82,766         | 82,766         | 82,766         | 82,766         | 993,197   | 1,066,101           | 1,113,040           |
| Interest   |          | 5,510          | 5,510          | 5,510          | 5,510          | 5,510          | 5,510          | 5,510          | 5,510          | 5,510          | 5,510          | 5,510          | 5,510          | 66,114  | 69,354              | 72,752              |
| Fuel Levy  |          | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -   | -                   | -                   |
| Operational Revenue  |          | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -   | -                   | -                   |
| Gains on disposal of Assets  |          | 356            | 356            | 356            | 356            | 356            | 356            | 356            | 356            | 356            | 356            | 356            | 356            | 4,277   | 4,486               | 4,706               |
| Other Gains  |          | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -   | -                   | -                   |
| Discontinued Operations  |          | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -   | -                   | -                   |
| <b>Total Revenue (excluding capital transfers and</b>              |          | <b>794,407</b> | <b>794,407</b> | <b>794,407</b> | <b>794,407</b> | <b>794,407</b> | <b>794,407</b> | <b>794,407</b> | <b>794,407</b> | <b>794,407</b> | <b>794,407</b> | <b>794,407</b> | <b>794,407</b> | <b>9,532,880</b>                                    | <b>10,017,341</b>   | <b>10,459,712</b>   |
| <b>Expenditure</b>   |          |                |                |                |                |                |                |                |                |                |                |                |                |   |                     |                     |
| Employee related costs   |          | 160,203        | 160,203        | 160,203        | 160,203        | 160,203        | 160,203        | 160,203        | 160,203        | 160,203        | 160,203        | 160,203        | 160,203        | 1,922,439   | 2,059,216           | 2,204,702           |
| Remuneration of councillors  |          | 5,871          | 5,871          | 5,871          | 5,871          | 5,871          | 5,871          | 5,871          | 5,871          | 5,871          | 5,871          | 5,871          | 5,871          | 70,450  | 73,902              | 77,523              |
| Bulk purchases - electricity                                       |          | 293,544        | 293,544        | 293,544        | 293,544        | 293,544        | 293,544        | 293,544        | 293,544        | 293,544        | 293,544        | 293,544        | 293,544        | 3,522,533   | 3,695,137           | 3,876,199           |
| Inventory consumed   |          | 84,467         | 84,467         | 84,467         | 84,467         | 84,467         | 84,467         | 84,467         | 84,467         | 84,467         | 84,467         | 84,467         | 84,467         | 1,013,606   | 1,068,601           | 1,123,752           |
| Debt impairment  |          | 35,000         | 35,000         | 35,000         | 35,000         | 35,000         | 35,000         | 35,000         | 35,000         | 35,000         | 35,000         | 35,000         | 35,000         | 420,000   | 438,900             | 458,651             |
| Depreciation and amortisation                                      |          | 32,522         | 32,522         | 32,522         | 32,522         | 32,522         | 32,522         | 32,522         | 32,522         | 32,522         | 32,522         | 32,522         | 32,522         | 390,260   | 386,743             | 282,527             |
| Interest   |          | 4,682          | 4,682          | 4,682          | 4,682          | 4,682          | 4,682          | 4,682          | 4,682          | 4,682          | 4,682          | 4,682          | 4,682          | 56,180  | 58,708              | 62,231              |
| Contracted services  |          | 71,319         | 71,319         | 71,319         | 71,319         | 71,319         | 71,319         | 71,319         | 71,319         | 71,319         | 71,319         | 71,319         | 71,319         | 855,830   | 970,844             | 1,041,669           |
| Transfers and subsidies  |          | 6,038          | 6,038          | 6,038          | 6,038          | 6,038          | 6,038          | 6,038          | 6,038          | 6,038          | 6,038          | 6,038          | 6,038          | 72,457  | 76,007              | 79,732              |
| Irrecoverable debts written off                                    |          | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -   | -                   | -                   |
| Operational costs  |          | 19,837         | 19,837         | 19,837         | 19,837         | 19,837         | 19,837         | 19,837         | 19,837         | 19,837         | 19,837         | 19,837         | 19,837         | 238,041   | 242,498             | 276,698             |
| Losses on disposal of Assets                                       |          | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -   | -                   | -                   |
| Other Losses   |          | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -   | -                   | -                   |
| <b>Total Expenditure</b>   |          | <b>713,483</b> | <b>713,483</b> | <b>713,483</b> | <b>713,483</b> | <b>713,483</b> | <b>713,483</b> | <b>713,483</b> | <b>713,483</b> | <b>713,483</b> | <b>713,483</b> | <b>713,483</b> | <b>713,483</b> | <b>8,561,797</b>                                    | <b>9,070,557</b>    | <b>9,483,682</b>    |
| <b>Surplus/(Deficit)</b>   | <b>1</b> | <b>80,924</b>  | <b>80,924</b>  | <b>80,924</b>  | <b>80,924</b>  | <b>80,924</b>  | <b>80,924</b>  | <b>80,924</b>  | <b>80,924</b>  | <b>80,924</b>  | <b>80,924</b>  | <b>80,924</b>  | <b>80,924</b>  | <b>971,084</b>                                      | <b>946,785</b>      | <b>976,030</b>      |
| Transfers and subsidies - capital (monetary allocations)           |          | 31,344         | 31,344         | 31,344         | 31,344         | 31,344         | 31,344         | 31,344         | 31,344         | 31,344         | 31,344         | 31,344         | 31,344         | 376,127   | 429,887             | 457,347             |
| Transfers and subsidies - capital (in-kind)                        |          | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -   | -                   | -                   |
| <b>Surplus/(Deficit) after capital transfers and contributions</b> |          | <b>112,267</b> | <b>112,267</b> | <b>112,267</b> | <b>112,267</b> | <b>112,267</b> | <b>112,267</b> | <b>112,267</b> | <b>112,267</b> | <b>112,267</b> | <b>112,267</b> | <b>112,267</b> | <b>112,267</b> | <b>1,347,210</b>                                    | <b>1,376,672</b>    | <b>1,433,377</b>    |
| Income Tax   |          | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -   | -                   | -                   |
| <b>Surplus/(Deficit) after income tax</b>                          |          | <b>112,267</b> | <b>112,267</b> | <b>112,267</b> | <b>112,267</b> | <b>112,267</b> | <b>112,267</b> | <b>112,267</b> | <b>112,267</b> | <b>112,267</b> | <b>112,267</b> | <b>112,267</b> | <b>112,267</b> | <b>1,347,210</b>                                    | <b>1,376,672</b>    | <b>1,433,377</b>    |
| Share of Surplus/Deficit attributable to Joint Vent                |          | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -   | -                   | -                   |
| Share of Surplus/Deficit attributable to Minorities                |          | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -   | -                   | -                   |
| <b>Surplus/(Deficit) attributable to municipality</b>              |          | <b>112,267</b> | <b>112,267</b> | <b>112,267</b> | <b>112,267</b> | <b>112,267</b> | <b>112,267</b> | <b>112,267</b> | <b>112,267</b> | <b>112,267</b> | <b>112,267</b> | <b>112,267</b> | <b>112,267</b> | <b>1,347,210</b>                                    | <b>1,376,672</b>    | <b>1,433,377</b>    |
| Share of Surplus/Deficit attributable to Associate                 |          | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -   | -                   | -                   |
| Intercompany/Parent subsidiary transactions                        |          | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -   | -                   | -                   |
| <b>Surplus/(Deficit) for the year</b>                              |          | <b>112,267</b> | <b>112,267</b> | <b>112,267</b> | <b>112,267</b> | <b>112,267</b> | <b>112,267</b> | <b>112,267</b> | <b>112,267</b> | <b>112,267</b> | <b>112,267</b> | <b>112,267</b> | <b>112,267</b> | <b>1,347,210</b>                                    | <b>1,376,672</b>    | <b>1,433,377</b>    |

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

| Description   | Ref      | Budget Year 2025/26 |                |                |                |                |                |                |                |                |                |                |                | Medium Term Revenue and Expenditure Framework |                        |                        |
|---|----------|---------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---|------------------------|------------------------|
|   |          | July                | August         | Sept.          | October        | November       | December       | January        | February       | March          | April          | May            | June           | Budget Year 2025/26                           | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| <b>R thousand</b>                                     |          |                     |                |                |                |                |                |                |                |                |                |                |                |   |                        |                        |
| <b>Revenue by Vote</b>                                |          |                     |                |                |                |                |                |                |                |                |                |                |                |   |                        |                        |
| Vote 1 - City Manager                                 |          |                     |                |                |                |                |                |                |                |                |                |                | -              | -   | -                      | -                      |
| Vote 2 - City Finance                                 |          | 232,421             | 232,421        | 232,421        | 232,421        | 232,421        | 232,421        | 232,421        | 232,421        | 232,421        | 232,421        | 232,421        | 232,421        | 2,789,050                                     | 2,925,325              | 3,021,943              |
| Vote 3 - Corporate Services                           |          | 159                 | 159            | 159            | 159            | 159            | 159            | 159            | 159            | 159            | 159            | 159            | 159            | 1,906   | 2,000                  | 2,098                  |
| Vote 4 - Community Services and Social Equity         |          | 22,112              | 22,112         | 22,112         | 22,112         | 22,112         | 22,112         | 22,112         | 22,112         | 22,112         | 22,112         | 22,112         | 22,112         | 265,344                                       | 289,823                | 271,592                |
| Vote 5 - Infrastructure Services                      |          | 167,253             | 167,253        | 167,253        | 167,253        | 167,253        | 167,253        | 167,253        | 167,253        | 167,253        | 167,253        | 167,253        | 167,253        | 2,007,035                                     | 2,149,916              | 2,254,291              |
| Vote 6 - Sustainable Development and City Enterprises |          | 8,101               | 8,101          | 8,101          | 8,101          | 8,101          | 8,101          | 8,101          | 8,101          | 8,101          | 8,101          | 8,101          | 8,101          | 97,217  | 102,103                | 115,236                |
| Vote 7 - Electricity                                  |          | 396,942             | 396,942        | 396,942        | 396,942        | 396,942        | 396,942        | 396,942        | 396,942        | 396,942        | 396,942        | 396,942        | 382,089        | 4,748,454                                     | 4,978,061              | 5,251,898              |
| <b>Total Revenue by Vote</b>                          |          | <b>826,988</b>      | <b>826,988</b> | <b>826,988</b> | <b>826,988</b> | <b>826,988</b> | <b>826,988</b> | <b>826,988</b> | <b>826,988</b> | <b>826,988</b> | <b>826,988</b> | <b>826,988</b> | <b>812,135</b> | <b>9,909,007</b>                              | <b>10,447,228</b>      | <b>10,917,058</b>      |
| <b>Expenditure by Vote to be appropriated</b>         |          |                     |                |                |                |                |                |                |                |                |                |                |                |   |                        |                        |
| Vote 1 - City Manager                                 |          | 19,049              | 19,049         | 19,049         | 19,049         | 19,049         | 19,049         | 19,049         | 19,049         | 19,049         | 19,049         | 19,049         | 19,049         | 228,590                                       | 241,141                | 254,016                |
| Vote 2 - City Finance                                 |          | 99,928              | 99,928         | 99,928         | 99,928         | 99,928         | 99,928         | 99,928         | 99,928         | 99,928         | 99,928         | 99,928         | 99,928         | 1,199,140                                     | 1,234,176              | 1,290,052              |
| Vote 3 - Corporate Services                           |          | 17,271              | 17,271         | 17,271         | 17,271         | 17,271         | 17,271         | 17,271         | 17,271         | 17,271         | 17,271         | 17,271         | 17,271         | 207,252                                       | 198,151                | 229,549                |
| Vote 4 - Community Services and Social Equity         |          | 70,430              | 70,430         | 70,430         | 70,430         | 70,430         | 70,430         | 70,430         | 70,430         | 70,430         | 70,430         | 70,430         | 70,430         | 845,155                                       | 872,797                | 934,892                |
| Vote 5 - Infrastructure Services                      |          | 156,745             | 156,745        | 156,745        | 156,745        | 156,745        | 156,745        | 156,745        | 156,745        | 156,745        | 156,745        | 156,745        | 156,745        | 1,880,935                                     | 2,019,303              | 2,078,905              |
| Vote 6 - Sustainable Development and City Enterprises |          | 28,330              | 28,330         | 28,330         | 28,330         | 28,330         | 28,330         | 28,330         | 28,330         | 28,330         | 28,330         | 28,330         | 28,330         | 339,956                                       | 357,731                | 373,729                |
| Vote 7 - Electricity                                  |          | 343,650             | 343,650        | 343,650        | 343,650        | 343,650        | 343,650        | 343,650        | 343,650        | 343,650        | 343,650        | 343,650        | 80,615         | 3,860,768                                     | 4,147,257              | 4,322,539              |
| <b>Total Expenditure by Vote</b>                      |          | <b>735,403</b>      | <b>735,403</b> | <b>735,403</b> | <b>735,403</b> | <b>735,403</b> | <b>735,403</b> | <b>735,403</b> | <b>735,403</b> | <b>735,403</b> | <b>735,403</b> | <b>735,403</b> | <b>472,368</b> | <b>8,561,797</b>                              | <b>9,070,557</b>       | <b>9,483,682</b>       |
| <b>Surplus/(Deficit) before assoc.</b>                |          | <b>91,586</b>       | <b>91,586</b>  | <b>91,586</b>  | <b>91,586</b>  | <b>91,586</b>  | <b>91,586</b>  | <b>91,586</b>  | <b>91,586</b>  | <b>91,586</b>  | <b>91,586</b>  | <b>91,586</b>  | <b>339,767</b> | <b>1,347,210</b>                              | <b>1,376,672</b>       | <b>1,433,377</b>       |
| Income Tax  |          |                     |                |                |                |                |                |                |                |                |                |                | -              | -   | -                      | -                      |
| Share of Surplus/Deficit attributable to Minorities   |          |                     |                |                |                |                |                |                |                |                |                |                | -              | -   | -                      | -                      |
| Intercompany/Parent subsidiary transactions           |          |                     |                |                |                |                |                |                |                |                |                |                | -              | -   | -                      | -                      |
| <b>Surplus/(Deficit)</b>                              | <b>1</b> | <b>91,586</b>       | <b>91,586</b>  | <b>91,586</b>  | <b>91,586</b>  | <b>91,586</b>  | <b>91,586</b>  | <b>91,586</b>  | <b>91,586</b>  | <b>91,586</b>  | <b>91,586</b>  | <b>91,586</b>  | <b>339,767</b> | <b>1,347,210</b>                              | <b>1,376,672</b>       | <b>1,433,377</b>       |

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

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

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

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

| Description   | Ref | Budget Year 2025/26 |        |        |         |        |        |         |        |        |        |        |        | Medium Term Revenue and Expenditure Framework |                        |                        |
|---|-----|---------------------|--------|--------|---------|--------|--------|---------|--------|--------|--------|--------|--------|---|------------------------|------------------------|
|   |     | July                | August | Sept.  | October | Nov.   | Dec.   | January | Feb.   | March  | April  | May    | June   | Budget Year 2025/26                           | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| <b>R thousand</b>                                     |     |                     |        |        |         |        |        |         |        |        |        |        |        |   |                        |                        |
| <b>Multi-year expenditure to be appropriated</b>      | 1   |                     |        |        |         |        |        |         |        |        |        |        |        |   |                        |                        |
| Vote 1 - City Manager                                 |     |                     |        |        |         |        |        |         |        |        |        |        |        |   |                        |                        |
| Vote 2 - City Finance                                 |     | 3,750               | 3,750  | 3,750  | 3,750   | 3,750  | 3,750  | 3,750   | 3,750  | 3,750  | 3,750  | 3,750  | 3,750  | 45,000  | 45,000                 | 50,000                 |
| Vote 3 - Corporate Services                           |     | 833                 | 833    | 833    | 833     | 833    | 833    | 833     | 833    | 833    | 833    | 833    | 833    | 10,000  | 10,000                 | 10,000                 |
| Vote 4 - Community Services and Social Equity         |     | 2,885               | 2,885  | 2,885  | 2,885   | 2,885  | 2,885  | 2,885   | 2,885  | 2,885  | 2,885  | 2,885  | 2,885  | 34,617  | 18,494                 | 18,423                 |
| Vote 5 - Infrastructure Services                      |     | 28,892              | 28,892 | 28,892 | 28,892  | 28,892 | 28,892 | 28,892  | 28,892 | 28,892 | 28,892 | 28,892 | 28,892 | 346,701                                       | 386,017                | 408,006                |
| Vote 6 - Sustainable Development and City Enterprises |     | —                   | —      | —      | —       | —      | —      | —       | —      | —      | —      | —      | —      | —   | —                      | 8,000                  |
| Vote 7 - Electricity                                  |     | 15,111              | 15,111 | 15,111 | 15,111  | 15,111 | 15,111 | 15,111  | 15,111 | 15,111 | 15,111 | 15,111 | 15,111 | 181,333                                       | 30,247                 | 31,483                 |
| <b>Capital multi-year expenditure sub-total</b>       | 2   | 51,471              | 51,471 | 51,471 | 51,471  | 51,471 | 51,471 | 51,471  | 51,471 | 51,471 | 51,471 | 51,471 | 51,471 | 617,651                                       | 489,757                | 525,912                |
| <b>Single-year expenditure to be appropriated</b>     |     |                     |        |        |         |        |        |         |        |        |        |        |        |   |                        |                        |
| Vote 1 - City Manager                                 |     |                     |        |        |         |        |        |         |        |        |        |        |        | —   | —                      | —                      |
| Vote 2 - City Finance                                 |     |                     |        |        |         |        |        |         |        |        |        |        |        | —   | —                      | —                      |
| Vote 3 - Corporate Services                           |     |                     |        |        |         |        |        |         |        |        |        |        |        | —   | —                      | —                      |
| Vote 4 - Community Services and Social Equity         |     | 833                 | 833    | 833    | 833     | 833    | 833    | 833     | 833    | 833    | 833    | 833    | 833    | 10,000  | 30,000                 | 30,000                 |
| Vote 5 - Infrastructure Services                      |     |                     |        |        |         |        |        |         |        |        |        |        |        | —   | —                      | —                      |
| Vote 6 - Sustainable Development and City Enterprises |     |                     |        |        |         |        |        |         |        |        |        |        |        | —   | —                      | —                      |
| Vote 7 - Electricity                                  |     |                     |        |        |         |        |        |         |        |        |        |        |        | —   | —                      | —                      |
| <b>Capital single-year expenditure sub-total</b>      | 2   | 833                 | 833    | 833    | 833     | 833    | 833    | 833     | 833    | 833    | 833    | 833    | 833    | 10,000  | 30,000                 | 30,000                 |
| <b>Total Capital Expenditure</b>                      | 2   | 52,304              | 52,304 | 52,304 | 52,304  | 52,304 | 52,304 | 52,304  | 52,304 | 52,304 | 52,304 | 52,304 | 52,304 | 627,651                                       | 519,757                | 555,912                |

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

| Description   | Ref | Budget Year 2025/26 |        |        |         |        |        |         |        |        |        |        |        | Medium Term Revenue and Expenditure Framework |                        |                        |
|---|-----|---------------------|--------|--------|---------|--------|--------|---------|--------|--------|--------|--------|--------|---|------------------------|------------------------|
|   |     | July                | August | Sept.  | October | Nov.   | Dec.   | January | Feb.   | March  | April  | May    | June   | Budget Year 2025/26                           | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| <b>R thousand</b>   |     |                     |        |        |         |        |        |         |        |        |        |        |        |   |                        |                        |
| <b>Capital Expenditure - Functional</b>   | 1   |                     |        |        |         |        |        |         |        |        |        |        |        |   |                        |                        |
| <i>Governance and administration</i>  |     | 4,583               | 4,583  | 4,583  | 4,583   | 4,583  | 4,583  | 4,583   | 4,583  | 4,583  | 4,583  | 4,583  | 4,583  | 55,000  | 57,475                 | 49,681                 |
| Executive and council   |     |                     |        |        |         |        |        |         |        |        |        |        |        | -   | -                      | -                      |
| Finance and administration  |     | 4,583               | 4,583  | 4,583  | 4,583   | 4,583  | 4,583  | 4,583   | 4,583  | 4,583  | 4,583  | 4,583  | 4,583  | 55,000  | 57,475                 | 49,681                 |
| Internal audit  |     |                     |        |        |         |        |        |         |        |        |        |        |        | -   | -                      | -                      |
| <i>Community and public safety</i>  |     | 1,218               | 1,218  | 1,218  | 1,218   | 1,218  | 1,218  | 1,218   | 1,218  | 1,218  | 1,218  | 1,218  | 1,218  | 14,617  | 15,494                 | 48,221                 |
| Community and social services   |     | 1,218               | 1,218  | 1,218  | 1,218   | 1,218  | 1,218  | 1,218   | 1,218  | 1,218  | 1,218  | 1,218  | 1,218  | 14,617  | 15,494                 | 48,221                 |
| Sport and recreation  |     |                     |        |        |         |        |        |         |        |        |        |        |        | -   | -                      | -                      |
| Public safety   |     |                     |        |        |         |        |        |         |        |        |        |        |        | -   | -                      | -                      |
| Housing   |     |                     |        |        |         |        |        |         |        |        |        |        |        | -   | -                      | -                      |
| Health  |     |                     |        |        |         |        |        |         |        |        |        |        |        | -   | -                      | -                      |
| <i>Economic and environmental services</i>  |     | 12,965              | 12,965 | 12,965 | 12,965  | 12,965 | 12,965 | 12,965  | 12,965 | 12,965 | 12,965 | 12,965 | 12,965 | 155,584                                       | 169,782                | 213,713                |
| Planning and development  |     | 2,500               | 2,500  | 2,500  | 2,500   | 2,500  | 2,500  | 2,500   | 2,500  | 2,500  | 2,500  | 2,500  | 2,500  | 30,000  | 33,000                 | 40,000                 |
| Road transport  |     | 10,465              | 10,465 | 10,465 | 10,465  | 10,465 | 10,465 | 10,465  | 10,465 | 10,465 | 10,465 | 10,465 | 10,465 | 125,584                                       | 136,782                | 173,713                |
| Environmental protection  |     |                     |        |        |         |        |        |         |        |        |        |        |        | -   | -                      | -                      |
| <i>Trading services</i>   |     | 33,538              | 33,538 | 33,538 | 33,538  | 33,538 | 33,538 | 33,538  | 33,538 | 33,538 | 33,538 | 33,538 | 33,538 | 402,450                                       | 277,006                | 244,298                |
| Energy sources  |     | 15,111              | 15,111 | 15,111 | 15,111  | 15,111 | 15,111 | 15,111  | 15,111 | 15,111 | 15,111 | 15,111 | 15,111 | 181,333                                       | 30,809                 | 31,863                 |
| Water management  |     | 9,075               | 9,075  | 9,075  | 9,075   | 9,075  | 9,075  | 9,075   | 9,075  | 9,075  | 9,075  | 9,075  | 9,075  | 108,900                                       | 127,247                | 83,650                 |
| Waste water management  |     | 9,351               | 9,351  | 9,351  | 9,351   | 9,351  | 9,351  | 9,351   | 9,351  | 9,351  | 9,351  | 9,351  | 9,351  | 112,217                                       | 118,950                | 128,784                |
| Waste management  |     |                     |        |        |         |        |        |         |        |        |        |        |        | -   | -                      | -                      |
| <i>Other</i>  |     |                     |        |        |         |        |        |         |        |        |        |        |        | -   | -                      | -                      |
| <b>Total Capital Expenditure - Functional</b>   | 2   | 52,304              | 52,304 | 52,304 | 52,304  | 52,304 | 52,304 | 52,304  | 52,304 | 52,304 | 52,304 | 52,304 | 52,304 | 627,651                                       | 519,757                | 555,912                |
| <b>Funded by:</b>   |     |                     |        |        |         |        |        |         |        |        |        |        |        |   |                        |                        |
| National Government   |     | 31,344              | 31,344 | 31,344 | 31,344  | 31,344 | 31,344 | 31,344  | 31,344 | 31,344 | 31,344 | 31,344 | 31,344 | 376,127                                       | 429,887                | 455,998                |
| Provincial Government   |     |                     |        |        |         |        |        |         |        |        |        |        |        | -   | -                      | -                      |
| District Municipality   |     |                     |        |        |         |        |        |         |        |        |        |        |        | -   | -                      | -                      |
| Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions) |     |                     |        |        |         |        |        |         |        |        |        |        |        | -   | -                      | -                      |
| <b>Transfers recognised - capital</b>   |     | 31,344              | 31,344 | 31,344 | 31,344  | 31,344 | 31,344 | 31,344  | 31,344 | 31,344 | 31,344 | 31,344 | 31,344 | 376,127                                       | 429,887                | 455,998                |
| <b>Borrowing</b>  |     | 13,460              | 13,460 | 13,460 | 13,460  | 13,460 | 13,460 | 13,460  | 13,460 | 13,460 | 13,460 | 13,460 | 13,460 | 161,524                                       | -                      | 5,460                  |
| <b>Internally generated funds</b>   |     | 7,500               | 7,500  | 7,500  | 7,500   | 7,500  | 7,500  | 7,500   | 7,500  | 7,500  | 7,500  | 7,500  | 7,500  | 90,000  | 89,870                 | 94,454                 |
| <b>Total Capital Funding</b>  |     | 52,304              | 52,304 | 52,304 | 52,304  | 52,304 | 52,304 | 52,304  | 52,304 | 52,304 | 52,304 | 52,304 | 52,304 | 627,651                                       | 519,757                | 555,912                |

2.9.6 Table 41 MBRR SA30 - Budgeted monthly cash flow

| MONTHLY CASH FLOWS  | Budget Year 2025/26 |                |                |                |                |                |                |                |                |                |                |                | Medium Term Revenue and Expenditure Framework |                        |                        |
|---|---------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---|------------------------|------------------------|
|   | July                | August         | Sept.          | October        | November       | December       | January        | February       | March          | April          | May            | June           | Budget Year 2025/26                           | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| <b>Cash Receipts By Source</b>  |                     |                |                |                |                |                |                |                |                |                |                |                |   |                        |                        |
| Property rates  | 127,690             | 127,690        | 127,690        | 127,690        | 127,690        | 127,690        | 127,690        | 127,690        | 127,690        | 127,690        | 127,690        | 127,690        | 1,532,282                                     | 1,601,234              | 1,641,265              |
| Service charges - electricity revenue   | 325,260             | 325,260        | 325,260        | 325,260        | 325,260        | 325,260        | 325,260        | 325,260        | 325,260        | 325,260        | 325,260        | 325,260        | 3,903,121                                     | 4,094,374              | 4,294,998              |
| Service charges - water revenue   | 80,318              | 80,318         | 80,318         | 80,318         | 80,318         | 80,318         | 80,318         | 80,318         | 80,318         | 80,318         | 80,318         | 80,318         | 963,816                                       | 1,011,043              | 1,060,584              |
| Service charges - sanitation revenue  | 17,328              | 17,328         | 17,328         | 17,328         | 17,328         | 17,328         | 17,328         | 17,328         | 17,328         | 17,328         | 17,328         | 17,328         | 207,934                                       | 218,123                | 228,811                |
| Service charges - refuse revenue  | 12,155              | 12,155         | 12,155         | 12,155         | 12,155         | 12,155         | 12,155         | 12,155         | 12,155         | 12,155         | 12,155         | 12,155         | 145,860                                       | 153,007                | 160,504                |
| Rental of facilities and equipment  | 3,714               | 3,714          | 3,714          | 3,714          | 3,714          | 3,714          | 3,714          | 3,714          | 3,714          | 3,714          | 3,714          | 3,714          | 44,566  | 46,750                 | 49,041                 |
| Interest earned - external investments  | 1,666               | 1,666          | 1,666          | 1,666          | 1,666          | 1,666          | 1,666          | 1,666          | 1,666          | 1,666          | 1,666          | 1,666          | 19,996  | 20,976                 | 22,004                 |
| Interest earned - outstanding debtors   | -                   | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -   | -                      | -                      |
| Dividends received  | -                   | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -   | -                      | -                      |
| Fines, penalties and forfeits   | 1,018               | 1,018          | 1,018          | 1,018          | 1,018          | 1,018          | 1,018          | 1,018          | 1,018          | 1,018          | 1,018          | 1,018          | 12,213  | 12,812                 | 13,439                 |
| Licences and permits  | 258                 | 258            | 258            | 258            | 258            | 258            | 258            | 258            | 258            | 258            | 258            | 258            | 3,097   | 3,248                  | 3,408                  |
| Agency services   | 459                 | 459            | 459            | 459            | 459            | 459            | 459            | 459            | 459            | 459            | 459            | 459            | 5,508   | 5,777                  | 6,061                  |
| Transfers and Subsidies - Operational   | 85,091              | 85,091         | 85,091         | 85,091         | 85,091         | 85,091         | 85,091         | 85,091         | 85,091         | 85,091         | 85,091         | 85,091         | 992,232                                       | 1,065,081              | 1,111,920              |
| Other revenue   | 10,740              | 10,740         | 10,740         | 10,740         | 10,740         | 10,740         | 10,740         | 10,740         | 10,740         | 10,740         | 10,740         | 10,740         | 128,876                                       | 135,191                | 141,816                |
| <b>Cash Receipts by Source</b>  | <b>665,697</b>      | <b>665,697</b> | <b>665,697</b> | <b>665,697</b> | <b>665,697</b> | <b>665,697</b> | <b>665,697</b> | <b>665,697</b> | <b>665,697</b> | <b>665,697</b> | <b>665,697</b> | <b>636,833</b> | <b>7,959,500</b>                              | <b>8,367,616</b>       | <b>8,733,849</b>       |
| <b>Other Cash Flows by Source</b>   |                     |                |                |                |                |                |                |                |                |                |                |                |   |                        |                        |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | 31,344              | 31,344         | 31,344         | 31,344         | 31,344         | 31,344         | 31,344         | 31,344         | 31,344         | 31,344         | 31,344         | 31,344         | 376,127                                       | 429,887                | 457,347                |
| Transfers and subsidies - capital (monetary allocations) (Nat / Prov                          |                     |                |                |                |                |                |                |                |                |                |                |                | -   | -                      | -                      |
| Departm Agencies, Households, Non-profit Institutions, Private Enterprises,                   |                     |                |                |                |                |                |                |                |                |                |                |                | -   | -                      | -                      |
| Public Corporations, Higher Educ Institutions)  |                     |                |                |                |                |                |                |                |                |                |                |                | -   | -                      | -                      |
| Proceeds on Disposal of Fixed and Intangible Assets   |                     |                |                |                |                |                |                |                |                |                |                |                | -   | -                      | -                      |
| Short term loans  |                     |                |                |                |                |                |                |                |                |                |                |                | -   | -                      | -                      |
| Borrowing long term/refinancing   |                     |                |                |                |                |                |                |                |                |                |                | 161,524        | 161,524                                       | -                      | -                      |
| Increase (decrease) in consumer deposits  |                     |                |                |                |                |                |                |                |                |                |                |                | -   | -                      | -                      |
| VAT Control (receipts)  |                     |                |                |                |                |                |                |                |                |                |                |                | -   | -                      | -                      |
| Decrease (increase) in non-current receivables  |                     |                |                |                |                |                |                |                |                |                |                |                | -   | -                      | -                      |
| Decrease (increase) in non-current investments  |                     |                |                |                |                |                |                |                |                |                |                |                | -   | -                      | -                      |
| <b>Total Cash Receipts by Source</b>  | <b>697,041</b>      | <b>697,041</b> | <b>697,041</b> | <b>697,041</b> | <b>697,041</b> | <b>697,041</b> | <b>697,041</b> | <b>697,041</b> | <b>697,041</b> | <b>697,041</b> | <b>697,041</b> | <b>829,701</b> | <b>8,497,151</b>                              | <b>8,797,503</b>       | <b>9,191,196</b>       |
| <b>Cash Payments by Type</b>  |                     |                |                |                |                |                |                |                |                |                |                |                |   |                        |                        |
| Employee related costs  | 160,058             | 160,058        | 160,058        | 160,058        | 160,058        | 160,058        | 160,058        | 160,058        | 160,058        | 160,058        | 160,058        | 160,058        | 1,920,695                                     | 2,059,216              | 2,204,702              |
| Remuneration of councillors   | 5,871               | 5,871          | 5,871          | 5,871          | 5,871          | 5,871          | 5,871          | 5,871          | 5,871          | 5,871          | 5,871          | 5,871          | 70,450  | 73,902                 | 77,523                 |
| Interest  | 4,682               | 4,682          | 4,682          | 4,682          | 4,682          | 4,682          | 4,682          | 4,682          | 4,682          | 4,682          | 4,682          | 4,682          | 56,180  | 58,708                 | 62,231                 |
| Bulk purchases - electricity  | 293,544             | 293,544        | 293,544        | 293,544        | 293,544        | 293,544        | 293,544        | 293,544        | 293,544        | 293,544        | 293,544        | 293,544        | 3,522,533                                     | 3,695,137              | 3,776,199              |
| Acquisitions - water & other inventory  | 84,461              | 84,461         | 84,461         | 84,461         | 84,461         | 84,461         | 84,461         | 84,461         | 84,461         | 84,461         | 84,461         | 84,461         | 1,013,526                                     | 1,068,601              | 1,023,752              |
| Contracted services   | 71,319              | 71,319         | 71,319         | 71,319         | 71,319         | 71,319         | 71,319         | 71,319         | 71,319         | 71,319         | 71,319         | 71,319         | 855,830                                       | 970,844                | 1,041,669              |
| Transfers and subsidies - other municipalities  | 6,038               | 6,038          | 6,038          | 6,038          | 6,038          | 6,038          | 6,038          | 6,038          | 6,038          | 6,038          | 6,038          | 6,038          | 72,457  | 76,007                 | 79,732                 |
| Transfers and subsidies - other   | -                   | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -   | -                      | -                      |
| Other expenditure   | -                   | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -   | -                      | -                      |
| <b>Cash Payments by Type</b>  | <b>625,973</b>      | <b>625,973</b> | <b>625,973</b> | <b>625,973</b> | <b>625,973</b> | <b>625,973</b> | <b>625,973</b> | <b>625,973</b> | <b>625,973</b> | <b>625,973</b> | <b>625,973</b> | <b>625,973</b> | <b>7,511,671</b>                              | <b>8,002,416</b>       | <b>8,265,807</b>       |
| <b>Other Cash Flows/Payments by Type</b>  |                     |                |                |                |                |                |                |                |                |                |                |                |   |                        |                        |
| Capital assets  | 52,304              | 52,304         | 52,304         | 52,304         | 52,304         | 52,304         | 52,304         | 52,304         | 52,304         | 52,304         | 52,304         | 52,304         | 627,651                                       | 519,887                | 557,347                |
| Repayment of borrowing  | 7,500               | 7,500          | 7,500          | 7,500          | 7,500          | 7,500          | 7,500          | 7,500          | 7,500          | 7,500          | 7,500          | 7,500          | 90,000  | 90,000                 | 90,000                 |
| Other Cash Flows/Payments   | 19,895              | 19,895         | 19,895         | 19,895         | 19,895         | 19,895         | 19,895         | 19,895         | 19,895         | 19,895         | 19,895         | 19,895         | 238,743                                       | 173,656                | 276,899                |
| <b>Total Cash Payments by Type</b>  | <b>705,672</b>      | <b>705,672</b> | <b>705,672</b> | <b>705,672</b> | <b>705,672</b> | <b>705,672</b> | <b>705,672</b> | <b>705,672</b> | <b>705,672</b> | <b>705,672</b> | <b>705,672</b> | <b>705,672</b> | <b>8,468,065</b>                              | <b>8,785,959</b>       | <b>9,190,052</b>       |
| <b>NET INCREASE/(DECREASE) IN CASH HELD</b>   | <b>(8,631)</b>      | <b>(8,631)</b> | <b>(8,631)</b> | <b>(8,631)</b> | <b>(8,631)</b> | <b>(8,631)</b> | <b>(8,631)</b> | <b>(8,631)</b> | <b>(8,631)</b> | <b>(8,631)</b> | <b>(8,631)</b> | <b>124,029</b> | <b>29,086</b>                                 | <b>11,544</b>          | <b>1,144</b>           |
| Cash/cash equivalents at the month/year begin:  | 366,360             | 357,729        | 349,098        | 340,467        | 331,835        | 323,204        | 314,573        | 305,942        | 297,311        | 288,679        | 280,048        | 271,417        | 366,360                                       | 395,446                | 406,990                |
| Cash/cash equivalents at the month/year end:  | 357,729             | 349,098        | 340,467        | 331,835        | 323,204        | 314,573        | 305,942        | 297,311        | 288,679        | 280,048        | 271,417        | 395,446        | 395,446                                       | 406,990                | 408,134                |

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

These are discussed fully in the IDP and SDBIP documents

## **4.11 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.

## **4.12 Capital expenditure details**

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



Table 42 MBRR SA 34a - Capital expenditure on new assets by asset class

| Description  | Ref | 2021/22         | 2022/23         | 2023/24         | Current Year 2024/25 |                 |                    | 2025/26 Medium Term Revenue & Expenditure Framework |                        |                        |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
|  | 1   | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2025/26                                 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| R thousand   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Capital expenditure on new assets by Asset Class/Sub-class |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Infrastructure   |     | 12,565,964      | 552,514         | 819,701         | 448,520              | 378,932         | 378,932            | 300,264   | 157,227                | 237,119                |
| Roads Infrastructure                                       |     | -               | -               | -               | 41,070               | 44,271          | 44,271             | 13,214  | 1,045                  | 79,467                 |
| Roads  |     |                 |                 |                 | 5,550                | 43,471          | 43,471             | 13,214  | 1,045                  | 79,467                 |
| Road Structures  |     |                 |                 |                 | 35,420               |                 |                    |   |                        |                        |
| Road Furniture   |     |                 |                 |                 | 100                  | 800             | 800                |   |                        |                        |
| Electrical Infrastructure                                  |     | 12,565,964      | 552,514         | 819,701         | 222,418              | 226,691         | 226,691            | 181,333   | 30,809                 | 31,863                 |
| Power Plants   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| HV Substations   |     |                 |                 |                 | 40,007               | 172,316         | 172,316            | 126,524   |                        | 5,460                  |
| MV Networks  |     |                 |                 |                 |                      | 14,300          | 14,300             | 5,000   |                        |                        |
| LV Networks  |     |                 |                 |                 | 182,411              | 9,571           | 9,571              | 30,308  | 13,747                 | 12,212                 |
| Capital Spares   |     |                 |                 |                 |                      | 30,504          | 30,504             | 19,500  | 17,063                 | 14,191                 |
| Water Supply Infrastructure                                |     | -               | -               | -               | 87,986               | 37,499          | 37,499             | 37,500  | 53,063                 | 46,650                 |
| Dams and Weirs   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Boreholes  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Reservoirs   |     |                 |                 |                 | 18,805               | 9,320           | 9,320              | 12,500  | 13,063                 | 13,650                 |
| Pump Stations  |     |                 |                 |                 |                      | 2,727           | 2,727              |   |                        |                        |
| Water Treatment Works                                      |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Bulk Mains   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Distribution   |     |                 |                 |                 | 64,181               | 10,000          | 10,000             | 25,000  | 30,000                 | 3,000                  |
| Distribution Points  |     |                 |                 |                 |                      | 15,452          | 15,452             |   | 10,000                 | 30,000                 |
| PRV Stations   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Capital Spares   |     |                 |                 |                 | 5,000                |                 |                    |   |                        |                        |
| Sanitation Infrastructure                                  |     | -               | -               | -               | 97,047               | 70,470          | 70,470             | 68,217  | 72,310                 | 79,139                 |
| Pump Station   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Reticulation   |     |                 |                 |                 | 97,047               | 3,000           | 3,000              | 44,184  | 46,836                 | 27,003                 |
| Waste Water Treatment Works                                |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Outfall Sewers   |     |                 |                 |                 |                      | 67,470          | 67,470             | 24,033  | 25,475                 | 52,135                 |
| Toilet Facilities  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Capital Spares   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Community Assets   |     | -               | -               | -               | 31,233               | 29,871          | 29,871             | 13,400  | 14,204                 | 42,547                 |
| Community Facilities                                       |     | -               | -               | -               | 24,280               | 19,786          | 19,786             | 13,400  | 14,204                 | 42,547                 |
| Halls  |     |                 |                 |                 | 13,905               | 17,723          | 17,723             | 13,400  | 14,204                 | 42,547                 |
| Intangible Assets  |     | -               | -               | -               | 25,650               | 3,400           | 3,400              | 40,000  | 41,800                 | 6,000                  |
| Servitudes   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Licences and Rights  |     | -               | -               | -               | 25,650               | 3,400           | 3,400              | 40,000  | 41,800                 | 6,000                  |
| Computer Software and Applications                         |     |                 |                 |                 | 25,000               | 3,400           | 3,400              | 40,000  | 41,800                 | 6,000                  |
| Furniture and Office Equipment                             |     | -               | -               | -               | 5,205                | 4,698           | 4,698              | 5,000   | 5,225                  | 43,681                 |
| Furniture and Office Equipment                             |     |                 |                 |                 | 5,205                | 4,698           | 4,698              | 5,000   | 5,225                  | 43,681                 |
| Machinery and Equipment                                    |     | 41,032          | 7,760           | 46,679          | 53,273               | 13,574          | 13,574             | 10,000  | 10,450                 | -                      |
| Machinery and Equipment                                    |     | 41,032          | 7,760           | 46,679          | 53,273               | 13,574          | 13,574             | 10,000  | 10,450                 |                        |
| Transport Assets   |     | -               | -               | -               | 53,273               | 13,574          | 13,574             | 10,000  | 10,450                 | -                      |
| Transport Assets   |     |                 |                 |                 | 53,273               | 13,574          | 13,574             | 10,000  | 10,450                 |                        |
| Land   |     | -               | -               | -               | 18,800               | 21,400          | 21,400             | -   | -                      | -                      |
| Land   |     |                 |                 |                 | 18,800               | 21,400          | 21,400             |   |                        |                        |
| Total Capital Expenditure on new assets                    | 1   | 12,606,996      | 560,274         | 916,830         | 768,946              | 567,897         | 567,897            | 378,664   | 239,356                | 329,347                |

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

| Description   | Ref      | 2021/22         | 2022/23         | 2023/24         | Current Year 2024/25 |                 |                    | 2025/26 Medium Term Revenue & Expenditure Framework |                        |                        |
|---|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
|   |          | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2025/26                                 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| <b>R thousand</b>   | <b>1</b> |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b> |          |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Infrastructure</b>   |          | -               | -               | 11,937          | 38,472               | 83,723          | 112,015            | 96,640  | 124,646                | 50,530                 |
| Roads Infrastructure  |          | -               | -               | -               | 22,264               | 53,815          | 53,815             | 50,000  | 75,000                 | 50,530                 |
| Roads   |          |                 |                 |                 | 22,264               | 29,665          | 29,665             |   |                        |                        |
| Road Structures   |          |                 |                 |                 |                      | 24,150          | 24,150             | 50,000  | 75,000                 | 50,530                 |
| Road Furniture  |          |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Capital Spares  |          |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Storm water Infrastructure  |          | -               | -               | -               | -                    | 14,200          | 14,200             | -   | -                      | -                      |
| Drainage Collection   |          |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Storm water Conveyance  |          |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Attenuation   |          |                 |                 |                 |                      | 14,200          | 14,200             |   |                        |                        |
| Sanitation Infrastructure   |          | -               | -               | -               | 15,708               | 15,708          | 44,000             | 46,640  | 49,646                 | -                      |
| Pump Station  |          |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Reticulation  |          |                 |                 |                 | 15,708               | 15,708          | 44,000             | 46,640  | 49,646                 |                        |
| <b>Total Capital Expenditure on renewal of existing assets</b>                    | <b>1</b> | <b>-</b>        | <b>-</b>        | <b>11,937</b>   | <b>53,376</b>        | <b>86,483</b>   | <b>112,015</b>     | <b>96,640</b>                                       | <b>124,646</b>         | <b>50,530</b>          |
| <b>Renewal of Existing Assets as % of total capex</b>                             |          | 0.0%            | 0.0%            | 1.3%            | 6.0%                 | 10.7%           | 13.4%              | 15.1%   | 23.4%                  | 10.0%                  |
| <b>Renewal of Existing Assets as % of deprecn"</b>                                |          | 0.0%            | 0.0%            | 3.3%            | 14.7%                | 23.9%           | 30.9%              | 24.8%   | 32.2%                  | 17.9%                  |

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

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

| Description   |  | Ref | 2021/22         | 2022/23         | 2023/24         | Current year 2024/25 |                 |                    | 2025/26 Medium Term Revenue & Expenditure Framework |                     |                     |
|---|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|---------------------|---------------------|
| R thousands   |  |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2025/26                                 | Budget Year 2026/27 | Budget Year 2027/28 |
| <b>Repairs and Maintenance Expenditure by Asset Class/Sub-class</b> |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| <b>Infrastructure</b>   |  |     | -               | -               | -               | 520,223              | 341,073         | 341,073            | 419,381   | 464,676             | 497,249             |
| Roads Infrastructure  |  |     | -               | -               | -               | 155,467              | 82,867          | 82,867             | 44,921  | 60,213              | 65,348              |
| Roads   |  |     |                 |                 |                 | 148,240              | 77,579          | 77,579             | 41,794  | 56,773              | 61,565              |
| Road Structures   |  |     |                 |                 |                 | 3,401                | 2,401           | 2,401              | 1,401   | 1,541               | 1,695               |
| Road Furniture  |  |     |                 |                 |                 | 3,826                | 2,887           | 2,887              | 1,726   | 1,898               | 2,088               |
| Electrical Infrastructure   |  |     | -               | -               | -               | 27,650               | 23,400          | 23,400             | 20,665  | 27,154              | 29,598              |
| LV Networks   |  |     |                 |                 |                 | 300                  | 22,100          | 22,100             | 19,472  | 25,586              | 27,889              |
| Capital Spares  |  |     |                 |                 |                 |                      | 1,300           | 1,300              | 1,193   | 1,568               | 1,709               |
| Water Supply Infrastructure   |  |     | -               | -               | -               | 25,675               | 23,725          | 23,725             | 38,080  | 41,888              | 46,077              |
| Bulk Mains  |  |     |                 |                 |                 | 600                  | 100             | 100                | 1,000   | 1,100               | 1,210               |
| Distribution  |  |     |                 |                 |                 | 25,075               | 23,625          | 23,625             | 37,080  | 40,788              | 44,867              |
| Distribution Points   |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| PRV Stations  |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Capital Spares  |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Sanitation Infrastructure   |  |     | -               | -               | -               | 311,176              | 209,476         | 209,476            | 311,582   | 330,917             | 351,476             |
| Pump Station  |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Reticulation  |  |     |                 |                 |                 | 10,000               | 3,300           | 3,300              | 16,000  | 17,600              | 19,360              |
| Waste Water Treatment Works   |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Outfall Sewers  |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Toilet Facilities   |  |     |                 |                 |                 | 301,176              | 206,176         | 206,176            | 295,582   | 313,317             | 332,116             |
| Capital Spares  |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Solid Waste Infrastructure  |  |     | -               | -               | -               | 255                  | 255             | 255                | 3,470   | 3,633               | 3,800               |
| Landfill Sites  |  |     |                 |                 |                 | 255                  | 255             | 255                | 3,470   | 3,633               | 3,800               |
| Coastal Infrastructure  |  |     | -               | -               | -               | -                    | 1,350           | 1,350              | 663   | 871                 | 950                 |
| Capital Spares  |  |     |                 |                 |                 |                      | 1,350           | 1,350              | 663   | 871                 | 950                 |
| Information and Communication Infrastructure                        |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                   | -                   |
| <b>Community Assets</b>   |  |     | -               | -               | -               | 30,550               | 23,820          | 23,820             | 10,670  | 11,189              | 11,724              |
| Community Facilities  |  |     | -               | -               | -               | 29,292               | 22,613          | 22,613             | 9,244   | 9,696               | 10,162              |
| Halls   |  |     |                 |                 |                 | 23,032               | 15,953          | 15,953             | 8,505   | 8,909               | 9,325               |
| Public Ablution Facilities  |  |     |                 |                 |                 | 850                  | 850             | 850                | 500   | 524                 | 548                 |
| Taxi Ranks/Bus Terminals  |  |     |                 |                 |                 | 239                  | 639             | 639                | 239   | 263                 | 290                 |
| Capital Spares  |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Sport and Recreation Facilities                                     |  |     | -               | -               | -               | 1,258                | 1,207           | 1,207              | 1,426   | 1,493               | 1,562               |
| Indoor Facilities   |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Outdoor Facilities  |  |     |                 |                 |                 | 1,258                | 1,207           | 1,207              | 1,426   | 1,493               | 1,562               |
| <b>Other assets</b>   |  |     | -               | -               | -               | 37,809               | 36,040          | 36,040             | 18,400  | 18,764              | 20,105              |
| Operational Buildings   |  |     | -               | -               | -               | 33,773               | 12,686          | 12,686             | 17,950  | 18,287              | 19,599              |
| Municipal Offices   |  |     |                 |                 |                 | 32,688               | 12,001          | 12,001             | 16,860  | 16,937              | 18,166              |
| Pay/Enquiry Points  |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Building Plan Offices   |  |     |                 |                 |                 | 1,000                | 600             | 600                | 1,000   | 1,272               | 1,348               |
| Workshops   |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Yards   |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Stores  |  |     |                 |                 |                 | 85                   | 85              | 85                 | 90  | 78                  | 85                  |
| Housing   |  |     | -               | -               | -               | 4,036                | 23,354          | 23,354             | 450   | 477                 | 506                 |
| Staff Housing   |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Social Housing  |  |     |                 |                 |                 | 4,036                | 23,354          | 23,354             | 450   | 477                 | 506                 |
| Capital Spares  |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| <b>Biological or Cultivated Assets</b>                              |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                   | -                   |
| Biological or Cultivated Assets                                     |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| <b>Intangible Assets</b>  |  |     | -               | -               | -               | -                    | 140             | 140                | 148   | 157                 | 167                 |
| Servitudes  |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Licences and Rights   |  |     | -               | -               | -               | -                    | 140             | 140                | 148   | 157                 | 167                 |
| Unspecified   |  |     |                 |                 |                 |                      | 140             | 140                | 148   | 157                 | 167                 |
| <b>Computer Equipment</b>   |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                   | -                   |
| Computer Equipment  |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| <b>Furniture and Office Equipment</b>                               |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                   | -                   |
| Furniture and Office Equipment                                      |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| <b>Machinery and Equipment</b>                                      |  |     | -               | -               | -               | 14,367               | 10,380          | 10,380             | 14,540  | 16,231              | 17,418              |
| Machinery and Equipment   |  |     |                 |                 |                 | 14,367               | 10,380          | 10,380             | 14,540  | 16,231              | 17,418              |
| <b>Transport Assets</b>   |  |     | -               | -               | -               | 21,411               | 18,408          | 18,408             | 32,426  | 34,926              | 38,009              |
| Transport Assets  |  |     |                 |                 |                 | 21,411               | 18,408          | 18,408             | 32,426  | 34,926              | 38,009              |
| <b>Total Capital Expenditure on new assets</b>                      |  |     | -               | -               | -               | 624,360              | 429,860         | 429,860            | 495,564   | 545,944             | 584,671             |



Table 45 MBRR SA36 - Detailed capital budget per municipal vote

|   |  |                     |           |  |                      |  |                                 |                    |  |               |              | 2025/26 Medium Term Revenue & Expenditure Framework |   |                     |                        |                        |       |
|---|--|---------------------|-----------|--|----------------------|--|---------------------------------|--------------------|--|---------------|--------------|---|---|---------------------|------------------------|------------------------|-------|
| Function  | Project Description                    | Project Number      | Type      | MTSF Service Outcome                               | IUDF                 | Own Strategic Objectives                   | Asset Class                     | Asset Sub-Class    | Ward Location  | GPS Longitude | GPS Latitude | Audited Outcome 2023/24                             | Current Year 2024/25 Full Year Forecast | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |       |
| Parent municipality:<br>List all capital projects grouped by Function |  |                     |           |  |                      |  |                                 |                    |  |               |              |   |   |                     |                        |                        |       |
| Community Halls and Facilities  | STRUCTURE OF MULTI-PURPOSE SPORTS HALL | 020302020020020202  | Upgrading | competitive and responsive economic infrastructure | Inclusion and access | Improved state of Municipal Infrastructure | Sport and Recreation Facilities | Outdoor Facilities | Whole of the Municipality  | 17            | -21          |   |   |                     | 1,217                  | 1,290                  | 5,674 |
| Community Halls and Facilities  | MIG-Z1-WARD 8 COMMUNITY HALL           | 02030202001001_00   | New       | competitive and responsive economic infrastructure | Inclusion and access | Improved state of Municipal Infrastructure | Community Facilities            | Halls              | Ward 1,2,3,4,5,6,7,8,9,39,Zone 3: Imbali (Ward 1,2,3,4,5,6,7,8,9,39)   | -16.35        | 12.25        |   |   |                     |                        |                        |       |
| Community Halls and Facilities  | MIG-Z4-WARD 24 COMMUNITY HALL          | 02030202001001_04   | New       | competitive and responsive economic infrastructure | Inclusion and access | Improved state of Municipal Infrastructure | Community Facilities            | Halls              | Ward 10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36,37,38,39,40,41,42,43,44,45,46,47,48,49,50,51,52,53,54,55,56,57,58,59,60,61,62,63,64,65,66,67,68,69,70,71,72,73,74,75,76,77,78,79,80,81,82,83,84,85,86,87,88,89,90,91,92,93,94,95,96,97,98,99,100 | -17           | -21          | 9,201   | 1,200                                   | 1,272               | 2,247                  |                        |       |
| Community Halls and Facilities  | MIG-Z1-WARD 8 COMMUNITY HALL           | 02030202001001_04   | New       | competitive and responsive economic infrastructure | Inclusion and access | Improved state of Municipal Infrastructure | Community Facilities            | Halls              | Ward 10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36,37,38,39,40,41,42,43,44,45,46,47,48,49,50,51,52,53,54,55,56,57,58,59,60,61,62,63,64,65,66,67,68,69,70,71,72,73,74,75,76,77,78,79,80,81,82,83,84,85,86,87,88,89,90,91,92,93,94,95,96,97,98,99,100 | -17           | -21          | 708   | 2,000                                   | 2,120               | 5,783                  |                        |       |
| Community Halls and Facilities  | MIG-Z5-MADIBA COMMUNITY HALL           | 02030202001001_04   | New       | competitive and responsive economic infrastructure | Inclusion and access | Improved state of Municipal Infrastructure | Community Facilities            | Halls              | Ward 10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36,37,38,39,40,41,42,43,44,45,46,47,48,49,50,51,52,53,54,55,56,57,58,59,60,61,62,63,64,65,66,67,68,69,70,71,72,73,74,75,76,77,78,79,80,81,82,83,84,85,86,87,88,89,90,91,92,93,94,95,96,97,98,99,100 | -17           | -21          | 3,000   | 5,150                                   | 5,459               | 13,871                 |                        |       |
| Community Halls and Facilities  | Z1-WARD 8 COMMUNITY HALL LANDS         | 02030202001001_05   | New       | competitive and responsive economic infrastructure | Inclusion and access | Improved state of Municipal Infrastructure | Community Facilities            | Halls              | Ward 10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36,37,38,39,40,41,42,43,44,45,46,47,48,49,50,51,52,53,54,55,56,57,58,59,60,61,62,63,64,65,66,67,68,69,70,71,72,73,74,75,76,77,78,79,80,81,82,83,84,85,86,87,88,89,90,91,92,93,94,95,96,97,98,99,100 | -17           | -21          | 914   | 5,090                                   | 5,353               | 33,146                 |                        |       |
| Community Halls and Facilities  | MIG-Z1-COMMUNITY HALL WARD 5           | 02030202001001_05   | New       | competitive and responsive economic infrastructure | Inclusion and access | Improved state of Municipal Infrastructure | Community Facilities            | Halls              | Ward 10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36,37,38,39,40,41,42,43,44,45,46,47,48,49,50,51,52,53,54,55,56,57,58,59,60,61,62,63,64,65,66,67,68,69,70,71,72,73,74,75,76,77,78,79,80,81,82,83,84,85,86,87,88,89,90,91,92,93,94,95,96,97,98,99,100 | -17           | -21          | 81  |   |                     |                        |                        |       |
| Economic Development/Planning   | NDPG: OLD EDENDALE ROAD UPGRADE        | 01010202006002_04   | Upgrading | competitive and responsive economic infrastructure | Inclusion and access | Improved state of Municipal Infrastructure | Roads Infrastructure            | Road Structures    | Ward 10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36,37,38,39,40,41,42,43,44,45,46,47,48,49,50,51,52,53,54,55,56,57,58,59,60,61,62,63,64,65,66,67,68,69,70,71,72,73,74,75,76,77,78,79,80,81,82,83,84,85,86,87,88,89,90,91,92,93,94,95,96,97,98,99,100 | -17           | -21          | 20,000  | 20,000                                  |                     | 30,000                 |                        |       |
| Economic Development/Planning   | 1: DEVELOPMENT OF EMATSHENI PHASE 3    | 02020202002001014_1 | Upgrading | competitive and responsive economic infrastructure | Inclusion and access | Improved state of Municipal Infrastructure | Community Facilities            | Public Open Space  | Ward 10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36,37,38,39,40,41,42,43,44,45,46,47,48,49,50,51,52,53,54,55,56,57,58,59,60,61,62,63,64,65,66,67,68,69,70,71,72,73,74,75,76,77,78,79,80,81,82,83,84,85,86,87,88,89,90,91,92,93,94,95,96,97,98,99,100 | -17           | -21          |   | 5,000                                   | 7,000               | 2,000                  |                        |       |
| Economic Development/Planning   | 1PG:EDENDALE STREAM REHABILITATION     | 02020202002001014_1 | Upgrading | competitive and responsive economic infrastructure | Inclusion and access | Improved state of Municipal Infrastructure | Community Facilities            | Public Open Space  | Ward 10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36,37,38,39,40,41,42,43,44,45,46,47,48,49,50,51,52,53,54,55,56,57,58,59,60,61,62,63,64,65,66,67,68,69,70,71,72,73,74,75,76,77,78,79,80,81,82,83,84,85,86,87,88,89,90,91,92,93,94,95,96,97,98,99,100 | -17           | -21          |   |   | 3,000               | 8,000                  |                        |       |
| Economic Development/Planning   | 1PG: EDENDALE TOWN CENTRE: CIVIC ZONE  | 02020202002001014_1 | Upgrading | competitive and responsive economic infrastructure | Inclusion and access | Improved state of Municipal Infrastructure | Community Facilities            | Public Open Space  | Ward 10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36,37,38,39,40,41,42,43,44,45,46,47,48,49,50,51,52,53,54,55,56,57,58,59,60,61,62,63,64,65,66,67,68,69,70,71,72,73,74,75,76,77,78,79,80,81,82,83,84,85,86,87,88,89,90,91,92,93,94,95,96,97,98,99,100 | -17           | -21          |   |   |                     |                        |                        |       |
| Economic Development/Planning   | NDPG-CBD REGENERATION PHASE 1          | 02020202002001014_1 | Upgrading | competitive and responsive economic infrastructure | Inclusion and access | Improved state of Municipal Infrastructure | Community Facilities            | Public Open Space  | Ward 10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36,37,38,39,40,41,42,43,44,45,46,47,48,49,50,51,52,53,54,55,56,57,58,59,60,61,62,63,64,65,66,67,68,69,70,71,72,73,74,75,76,77,78,79,80,81,82,83,84,85,86,87,88,89,90,91,92,93,94,95,96,97,98,99,100 | -17           | -21          |   | 5,000                                   | 23,000              |                        |                        |       |
| Electricity   | S-Z1: HILTON INFRASTRUCTURE UPGRADE    | 0201020201002_051   | New       | competitive and responsive economic infrastructure | Inclusion and access | Improved state of Municipal Infrastructure | Electrical Infrastructure       | HV Substations     | Ward 10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36,37,38,39,40,41,42,43,44,45,46,47,48,49,50,51,52,53,54,55,56,57,58,59,60,61,62,63,64,65,66,67,68,69,70,71,72,73,74,75,76,77,78,79,80,81,82,83,84,85,86,87,88,89,90,91,92,93,94,95,96,97,98,99,100 | -17           | -21          | 10,000  | 11,031                                  |                     |                        |                        |       |
| Electricity   | LNS-Z1:Medium Voltage Network Upgrade  | 0201020201002_051   | New       | competitive and responsive economic infrastructure | Inclusion and access | Improved state of Municipal Infrastructure | Electrical Infrastructure       | HV Substations     | Ward 10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36,37,38,39,40,41,42,43,44,45,46,47,48,49,50,51,52,53,54,55,56,57,58,59,60,61,62,63,64,65,66,67,68,69,70,71,72,73,74,75,76,77,78,79,80,81,82,83,84,85,86,87,88,89,90,91,92,93,94,95,96,97,98,99,100 | -17           | -21          | 57,900  | 32,678                                  |                     |                        |                        |       |
| Electricity   | S-Z4:EWOOD PRIMARY 132KV INSTALLATION  | 0201020201002_051   | New       | competitive and responsive economic infrastructure | Inclusion and access | Improved state of Municipal Infrastructure | Electrical Infrastructure       | HV Substations     | Ward 10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36,37,38,39,40,41,42,43,44,45,46,47,48,49,50,51,52,53,54,55,56,57,58,59,60,61,62,63,64,65,66,67,68,69,70,71,72,73,74,75,76,77,78,79,80,81,82,83,84,85,86,87,88,89,90,91,92,93,94,95,96,97,98,99,100 | -17           | -21          | 40,000  | 21,336                                  |                     |                        |                        |       |
| Electricity   | S-Z4:MASON'S 132KV PRIMARY SUBSTATION  | 0201020201002_051   | New       | competitive and responsive economic infrastructure | Inclusion and access | Improved state of Municipal Infrastructure | Electrical Infrastructure       | HV Substations     | Ward 10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36,37,38,39,40,41,42,43,44,45,46,47,48,49,50,51,52,53,54,55,56,57,58,59,60,61,62,63,64,65,66,67,68,69,70,71,72,73,74,75,76,77,78,79,80,81,82,83,84,85,86,87,88,89,90,91,92,93,94,95,96,97,98,99,100 | -17           | -21          | 60,916  | 61,479                                  |                     |                        | 5,460                  |       |
| Electricity   | S-Z4:ALADASTER SWITCHGEAR REPLACEMENT  | 0201020201002_051   | New       | competitive and responsive economic infrastructure | Inclusion and access | Improved state of Municipal Infrastructure | Electrical Infrastructure       | HV Substations     | Ward 10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36,37,38,39,40,41,42,43,44,45,46,47,48,49,50,51,52,53,54,55,56,57,58,59,60,61,62,63,64,65,66,67,68,69,70,71,72,73,74,75,76,77,78,79,80,81,82,83,84,85,86,87,88,89,90,91,92,93,94,95,96,97,98,99,100 | -17           | -21          | 3,500   |   |                     |                        |                        |       |
| Electricity   | S-Z1:MID-BLOCK SERVICES RELAY          | 0201020201002_051   | New       | competitive and responsive economic infrastructure | Inclusion and access | Improved state of Municipal Infrastructure | Electrical Infrastructure       | HV Networks        | Ward 10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36,37,38,39,40,41,42,43,44,45,46,47,48,49,50,51,52,53,54,55,56,57,58,59,60,61,62,63,64,65,66,67,68,69,70,71,72,73,74,75,76,77,78,79,80,81,82,83,84,85,86,87,88,89,90,91,92,93,94,95,96,97,98,99,100 | -17           | -21          | 14,300  | 5,000                                   |                     |                        |                        |       |
| Electricity   | MSU110/70M262-003                      | 0201020201008_051   | New       | competitive and responsive economic infrastructure | Inclusion and access | Improved state of Municipal Infrastructure | Electrical Infrastructure       | LV Networks        | Ward 10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36,37,38,39,40,41,42,43,44,45,46,47,48,49,50,51,52,53,54,55,56,57,58,59,60,61,62,63,64,65,66,67,68,69,70,71,72,73,74,75,76,77,78,79,80,81,82,83,84,85,86,87,88,89,90,91,92,93,94,95,96,97,98,99,100 | -17           | -21          | 3,271   |   | 2,500               | 8,212                  |                        |       |
| Electricity   | Z1:HIGH MAST LIGHTS-VUL & GREAT        | 0201020201008_051   | New       | competitive and responsive economic infrastructure | Inclusion and access | Improved state of Municipal Infrastructure | Electrical Infrastructure       | LV Networks        | Ward 10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36,37,38,39,40,41,42,43,44,45,46,47,48,49,50,51,52,53,54,55,56,57,58,59,60,61,62,63,64,65,66,67,68,69,70,71,72,73,74,75,76,77,78,79,80,81,82,83,84,85,86,87,88,89,90,91,92,93,94,95,96,97,98,99,100 | -17           | -21          |   | 7,308                                   | 7,747               | 4,000                  |                        |       |
| Electricity   | Z4:HESEKTR PRIMARY NETWORK UPGRADE     | 0201020201008_051   | New       | competitive and responsive economic infrastructure | Inclusion and access | Improved state of Municipal Infrastructure | Electrical Infrastructure       | LV Networks        | Ward 10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36,37,38,39,40,41,42,43,44,45,46,47,48,49,50,51,52,53,54,55,56,57,58,59,60,61,62,63,64,65,66,67,68,69,70,71,72,73,74,75,76,77,78,79,80,81,82,83,84,85,86,87,88,89,90,91,92,93,94,95,96,97,98,99,100 | -17           | -21          | 3,000   | 23,000                                  |                     |                        |                        |       |
| Electricity   | Z4:ELECTR METER AUDIT & REPLACEMENT    | 0201020201008_053   | New       | competitive and responsive economic infrastructure | Inclusion and access | Improved state of Municipal Infrastructure | Electrical Infrastructure       | LV Networks        | Ward 10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36,37,38,39,40,41,42,43,44,45,46,47,48,49,50,51,52,53,54,55,56,57,58,59,60,61,62,63,64,65,66,67,68,69,70,71,72,73,74,75,76,77,78,79,80,81,82,83,84,85,86,87,88,89,90,91,92,93,94,95,96,97,98,99,100 | -16.35        | 12.25        | 1,600   |   |                     |                        |                        |       |
| Electricity   | INEP-Z1:PHATIPHINI INFILLS (TYPE 1)    | 0201020201008_053   | New       | competitive and responsive economic infrastructure | Inclusion and access | Improved state of Municipal Infrastructure | Electrical Infrastructure       | LV Networks        | Ward 10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36,37,38,39,40,41,42,43,44,45,46,47,48,49,50,51,52,53,54,55,56,57,58,59,60,61,62,63,64,65,66,67,68,69,70,71,72,73,74,75,76,77,78,79,80,81,82,83,84,85,86,87,88,89,90,91,92,93,94,95,96,97,98,99,100 | -17           | -21          | 1,700   |   | 3,500               |                        |                        |       |
| Electricity   | LNS-ZA:NEW MACHINERY & EQUIPMENT       | 0201020201009_051   | New       | competitive and responsive economic infrastructure | Inclusion and access | Improved state of Municipal Infrastructure | Electrical Infrastructure       | Capital Spares     | Ward 10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36,37,38,39,40,41,42,43,44,45,46,47,48,49,50,51,52,53,54,55,56,57,58,59,60,61,62,63,64,65,66,67,68,69,70,71,72,73,74,75,76,77,78,79,80,81,82,83,84,85,86,87,88,89,90,91,92,93,94,95,96,97,98,99,100 | -17           | -21          | 16,500  | 7,000                                   |                     |                        |                        |       |
| Electricity   | LNS-AH:NEW MACHINERY & EQUIPMENT       | 0201020201009_053   | New       | competitive and responsive economic infrastructure | Inclusion and access | Improved state of Municipal Infrastructure | Electrical Infrastructure       | Capital Spares     | Ward 10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36,37,38,39,40,41,42,43,44,45,46,47,48,49,50,51,52,53,54,55,56,57,58,59,60,61,62,63,64,65,66,67,68,69,70,71,72,73,74,75,76,77,78,79,80,8  |               |              |   |   |                     |                        |                        |       |

## Legislation compliance status

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

1. In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the City's website.

2. Internship programme

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

3. Budget and Treasury Office

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

4. Audit Committee

An Audit Committee is in place and is fully functional.

5. Service Delivery Budget and Implementation Plan

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

## 6. Annual Report

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

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

**Kwazulu-Natal: Msunduzi (KZN225) - Supporting Table SA3 Budgeted Financial Position**

| Description   | Ref | 2021/22            | 2022/23            | 2023/24            | Current year 2024/25 |                    |                    |                   | 2025/26 Medium Term Revenue & Expenditure Framework |                     |                     |
|---|-----|--------------------|--------------------|--------------------|----------------------|--------------------|--------------------|-------------------|---|---------------------|---------------------|
|   |     | Audited Outcome    | Audited Outcome    | Audited Outcome    | Original Budget      | Adjusted Budget    | Full Year Forecast | Pre-audit Outcome | Budget Year 2025/26                                 | Budget Year 2026/27 | Budget Year 2027/28 |
| <b>R thousands</b>  |     |                    |                    |                    |                      |                    |                    |                   |   |                     |                     |
| <b>ASSETS</b>   |     |                    |                    |                    |                      |                    |                    |                   |   |                     |                     |
| <b>Trade and other receivables from exchange transactions</b>           |     |                    |                    |                    |                      |                    |                    |                   |   |                     |                     |
| Electricity   |     | 856,324            | 875,490            | 993,689            | 1,130,409            | 1,130,409          | 1,130,409          | (463)             | 1,793,123   | 1,877,012           | 1,964,832           |
| Water   |     | 2,710,354          | 3,130,817          | 3,629,930          | 3,318,667            | 3,318,667          | 3,318,667          | 485,339           | 3,827,338   | 4,000,358           | 4,181,203           |
| Waste   |     | 238,123            | 258,155            | 293,655            | 273,644              | 273,644            | 273,644            | 34,024            | 314,058   | 328,272             | 343,130             |
| Waste Water   |     | 444,133            | 479,709            | 544,199            | 508,492              | 508,492            | 508,492            | 64,635            | 564,689   | 590,271             | 617,012             |
| Other trade receivables from exchange transactions                      |     | 360,606            | 422,435            | 355,441            | 527,355              | 527,355            | 527,355            | 4,522             | 677,718   | 709,504             | 742,784             |
| <b>Gross: Trade and other receivables from exchange transactions</b>    |     | <b>4,609,539</b>   | <b>5,166,607</b>   | <b>5,816,914</b>   | <b>5,758,566</b>     | <b>5,758,566</b>   | <b>5,758,566</b>   | <b>588,056</b>    | <b>7,176,926</b>                                    | <b>7,505,416</b>    | <b>7,848,960</b>    |
| <b>Less: Impairment for debt</b>  |     | <b>(2,817,144)</b> | <b>(2,933,306)</b> | <b>(5,079,750)</b> | <b>(3,109,304)</b>   | <b>(3,109,304)</b> | <b>(3,109,304)</b> | <b>-</b>          | <b>(5,499,750)</b>                                  | <b>(5,747,238)</b>  | <b>(6,005,864)</b>  |
| Impairment for Electricity  |     | (255,543)          | (259,045)          | (517,768)          | (274,588)            | (274,588)          | (274,588)          | -                 | (517,768)   | (541,068)           | (565,416)           |
| Impairment for Water  |     | (1,872,482)        | (2,034,857)        | (3,464,023)        | (2,156,949)          | (2,156,949)        | (2,156,949)        | -                 | (3,464,023)   | (3,619,904)         | (3,782,800)         |
| Impairment for Waste  |     | (159,099)          | (155,952)          | (270,417)          | (165,309)            | (165,309)          | (165,309)          | -                 | (270,417)   | (282,586)           | (295,302)           |
| Impairment for Waste Water  |     | (277,255)          | (274,605)          | (492,164)          | (291,081)            | (291,081)          | (291,081)          | -                 | (492,164)   | (514,311)           | (537,455)           |
| Impairment for other trade receivables from exchange transactions       |     | (252,764)          | (208,846)          | (335,378)          | (221,377)            | (221,377)          | (221,377)          | -                 | (755,378)   | (789,370)           | (824,892)           |
| <b>Total net Trade and other receivables from Exchange Transactions</b> |     | <b>1,792,394</b>   | <b>2,233,301</b>   | <b>737,164</b>     | <b>2,649,262</b>     | <b>2,649,262</b>   | <b>2,649,262</b>   | <b>588,056</b>    | <b>1,677,177</b>                                    | <b>1,758,178</b>    | <b>1,843,096</b>    |
| <b>Receivables from non-exchange transactions</b>                       |     |                    |                    |                    |                      |                    |                    |                   |   |                     |                     |
| Property rates  |     | 670,949            | 1,469,919          | 1,612,356          | 1,558,114            | 1,558,114          | 1,558,114          | 235,087           | 1,801,739   | 1,882,817           | 1,963,586           |
| Less: Impairment of Property rates                                      |     | (69,163)           | (706,279)          | (1,336,383)        | (748,656)            | (748,656)          | (748,656)          | -                 | (1,336,383)   | (1,396,521)         | (1,459,364)         |
| <b>Net Property rates</b>   |     | <b>601,786</b>     | <b>763,640</b>     | <b>275,972</b>     | <b>809,458</b>       | <b>809,458</b>     | <b>809,458</b>     | <b>235,087</b>    | <b>465,356</b>                                      | <b>486,297</b>      | <b>504,222</b>      |
| Other receivables from non-exchange transactions                        |     | 126,804            | 124,300            | 139,661            | 131,758              | 131,758            | 131,758            | -                 | 139,806   | 146,097             | 152,671             |
| Impairment for other receivables from non-exchange transactions         |     | (104,206)          | (122,836)          | (137,973)          | (130,206)            | (130,206)          | (130,206)          | -                 | (137,973)   | (144,182)           | (150,670)           |
| <b>Net other receivables from non-exchange transactions</b>             |     | <b>22,598</b>      | <b>1,464</b>       | <b>1,688</b>       | <b>1,552</b>         | <b>1,552</b>       | <b>1,552</b>       | <b>-</b>          | <b>1,832</b>  | <b>1,915</b>        | <b>2,001</b>        |
| <b>Total net Receivables from non-exchange transactions</b>             |     | <b>624,384</b>     | <b>765,104</b>     | <b>277,660</b>     | <b>811,010</b>       | <b>811,010</b>     | <b>811,010</b>     | <b>235,087</b>    | <b>467,188</b>                                      | <b>488,211</b>      | <b>506,223</b>      |
| <b>Inventory</b>  |     |                    |                    |                    |                      |                    |                    |                   |   |                     |                     |
| <b>Water</b>  |     |                    |                    |                    |                      |                    |                    |                   |   |                     |                     |
| Opening Balance   |     | 6,519              | 1,348              | 1,814              | -                    | -                  | -                  | -                 | 1,814   | 1,896               | 1,981               |
| System Input Volume   |     | (4,899)            | -                  | -                  | -                    | 712,651            | 712,651            | 799               | 847,500   | 885,638             | 925,491             |
| Water Treatment Works   |     | -                  | -                  | -                  | -                    | -                  | -                  | -                 | -   | -                   | -                   |
| Bulk Purchases  |     | (4,899)            | -                  | -                  | -                    | 712,651            | 712,651            | 799               | 847,500   | 885,638             | 925,491             |
| Natural Sources   |     | -                  | -                  | -                  | -                    | -                  | -                  | -                 | -   | -                   | -                   |



## Kwazulu-Natal: Msunduzi (KZN225) - Supporting Table SA3 Budgeted Financial Position

| Description   | Ref | 2021/22         | 2022/23         | 2023/24         | Current year 2024/25 |                 |                    |                   | 2025/26 Medium Term Revenue & Expenditure Framework |                     |                     |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|---------------------|---------------------|
|   |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit Outcome | Budget Year 2025/26                                 | Budget Year 2026/27 | Budget Year 2027/28 |
| <b>R thousands</b>  |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| <b>Authorised Consumption</b>   | 6   | -               | -               | -               | -                    | (642,364)       | (642,364)          | -                 | (847,500)   | (885,638)           | (925,491)           |
| <b>Billed Authorised Consumption</b>                                      |     | -               | -               | -               | -                    | (642,364)       | (642,364)          | -                 | (847,500)   | (885,638)           | (925,491)           |
| <b>Billed Metered Consumption</b>   |     | -               | -               | -               | -                    | (642,364)       | (642,364)          | -                 | (847,500)   | (885,638)           | (925,491)           |
| Revenue Water   |     | -               | -               | -               | -                    | (642,364)       | (642,364)          | -                 | (847,500)   | (885,638)           | (925,491)           |
| <b>Billed Unmetered Consumption</b>                                       |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| <b>Closing Balance Water</b>  |     | 1,620           | 1,348           | 1,814           | -                    | 70,287          | 70,287             | 799               | 1,814   | 1,896               | 1,981               |
| <b>Opening Balance</b>  |     | 33,620          | 54,897          | 54,950          | -                    | -               | -                  | -                 | 54,950  | 57,422              | 60,006              |
| <b>Closing balance - Consumables Standard Rated</b>                       |     | 33,620          | 54,897          | 54,950          | -                    | -               | -                  | 7,280             | 54,950  | 57,422              | 60,006              |
| <b>Zero Rated</b>   |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Opening Balance   |     | -               | 57,002          | 67,858          | -                    | -               | -                  | -                 | 67,858  | 70,912              | 74,103              |
| <b>Closing balance - Materials and Supplies</b>                           |     | 41,311          | 57,002          | 67,858          | -                    | -               | -                  | (7,842)           | 67,858  | 70,912              | 74,103              |
| <b>Opening Balance</b>  |     | -               | 306,876         | 373,658         | -                    | -               | -                  | -                 | 373,658   | 390,473             | 408,044             |
| <b>Closing Balance - Housing Stock</b>                                    |     | 292,004         | 306,876         | 373,658         | -                    | -               | -                  | 1,851             | 373,658   | 390,473             | 408,044             |
| <b>Closing Balance - Inventory and Consumables</b>                        |     | 368,555         | 420,123         | 498,281         | 442,453              | 512,740         | 512,740            | 2,088             | 498,281   | 520,703             | 544,135             |
| <b>Property, plant and equipment (PPE)</b>                                |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| PPE at cost/valuation (excl. finance leases)                              | -   | 12,093,558      | 13,077,137      | 13,045,944      | 8,754,770            | 8,754,737       | 8,754,737          | 450,171           | 13,673,320  | 14,152,481          | 14,802,109          |
| Leases recognised as PPE  | 3   | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Less: Accumulated depreciation  |     | (5,151,271)     | (5,452,199)     | (5,795,138)     | -                    | -               | -                  | (258,773)         | (5,795,138)   | (6,055,919)         | (6,328,435)         |
| <b>Total Property, plant and equipment (PPE)</b>                          | 2   | 6,942,287       | 7,624,937       | 7,250,806       | 8,754,770            | 8,754,737       | 8,754,737          | 191,398           | 7,878,182   | 8,096,562           | 8,473,674           |
| <b>LIABILITIES</b>  |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| <b>Current liabilities - Borrowing</b>                                    |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Short term loans (other than bank overdraft)                              |     | -               | -               | -               | (90,000)             | (50,000)        | (50,000)           | -                 | 26,275  | 31,507              | 36,975              |
| Current portion of long-term liabilities                                  |     | 79,163          | 74,271          | 50,311          | 78,727               | 78,727          | 78,727             | (82,960)          | 50,311  | 52,575              | 54,941              |
| <b>Total Current liabilities - Borrowing</b>                              |     | 79,163          | 74,271          | 50,311          | (11,273)             | 28,727          | 28,727             | (82,960)          | 76,586  | 84,083              | 91,916              |
| <b>Trade and other payables</b>   |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Trade and other payables from exchange transactions                       | 5   | 1,949,231       | 3,003,317       | 3,158,414       | 1,713,734            | 1,644,234       | 1,644,234          | 684,823           | 1,713,734   | 1,663,734           | 1,663,734           |
| Other trade payables from exchange transactions                           |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Trade payables from Non-exchange transactions: Unspent conditional Grants |     | 136,088         | 175,933         | 189,531         | -                    | -               | -                  | (19,419)          | -   | -                   | -                   |
| Trade payables from Non-exchange transactions: Other                      |     | -               | -               | 0               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| VAT   |     | 371,840         | 431,837         | 500,430         | 457,747              | -               | -                  | 107,725           | 162,137   | 169,434             | 177,058             |
| <b>Total Trade and other payables</b>                                     | 2   | 2,457,159       | 3,611,086       | 3,848,376       | 2,171,481            | 1,644,234       | 1,644,234          | 773,129           | 1,875,871   | 1,833,168           | 1,840,792           |
| <b>Non current liabilities - Financial liabilities</b>                    |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Borrowing   | 4   | 124,582         | 50,311          | 116,275         | 559,919              | 559,919         | 559,919            | -                 | -   | -                   | -                   |
| Other financial liabilities   |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| <b>Total Non current liabilities - Financial liabilities</b>              |     | 124,582         | 50,311          | 116,275         | 559,919              | 559,919         | 559,919            | -                 | -   | -                   | -                   |

## Kwazulu-Natal: Msunduzi (KZN225) - Supporting Table SA3 Budgeted Financial Position

| Description   | Ref | 2021/22          | 2022/23          | 2023/24          | Current year 2024/25 |                   |                    |                   | 2025/26 Medium Term Revenue & Expenditure Framework |                     |                     |
|---|-----|------------------|------------------|------------------|----------------------|-------------------|--------------------|-------------------|---|---------------------|---------------------|
|   |     | Audited Outcome  | Audited Outcome  | Audited Outcome  | Original Budget      | Adjusted Budget   | Full Year Forecast | Pre-audit Outcome | Budget Year 2025/26                                 | Budget Year 2026/27 | Budget Year 2027/28 |
| <b>R thousands</b>  |     |                  |                  |                  |                      |                   |                    |                   |   |                     |                     |
| <b><u>Non current liabilities - Long Term portion of trade payables</u></b> |     | -                | -                | -                | -                    | -                 | -                  | -                 | -   | -                   | -                   |
| Electricity Bulk Purchases  |     | -                | -                | -                | -                    | -                 | -                  | -                 | 166,379   | 173,866             | 181,690             |
| Payables and Accruals - General   |     | -                | -                | -                | -                    | -                 | -                  | -                 | -   | -                   | -                   |
| Water Bulk Purchases  |     | -                | -                | -                | -                    | -                 | -                  | -                 | 2,630,535   | 2,748,909           | 2,872,610           |
| Municipal Debt Relief   |     | -                | -                | -                | -                    | -                 | -                  | -                 | -   | -                   | -                   |
| <b>Total Non current liabilities - Long Term portion of trade payables</b>  |     | -                | -                | -                | -                    | -                 | -                  | -                 | <b>2,796,914</b>                                    | <b>2,922,775</b>    | <b>3,054,300</b>    |
| <b><u>Provisions - non-current</u></b>                                      |     |                  |                  |                  |                      |                   |                    |                   |   |                     |                     |
| Retirement benefits   |     | 517,190          | 477,915          | 499,399          | 583,456              | 583,456           | 583,456            | -                 | 499,399   | 521,872             | 545,356             |
| Refuse landfill site rehabilitation   |     | 61,114           | 62,175           | 44,650           | 80,111               | 80,111            | 80,111             | -                 | 44,650  | 46,659              | 48,759              |
| Other   |     | 72,130           | 68,073           | 72,806           | -                    | -                 | -                  | -                 | 72,806  | 76,082              | 79,506              |
| <b>Total Provisions - non-current</b>                                       |     | <b>650,434</b>   | <b>608,163</b>   | <b>616,855</b>   | <b>663,567</b>       | <b>663,567</b>    | <b>663,567</b>     | -                 | <b>616,855</b>                                      | <b>644,614</b>      | <b>673,621</b>      |
| <b>CHANGES IN NET ASSETS</b>  |     | -                | -                | -                | -                    | -                 | -                  | -                 | -   | -                   | -                   |
| <b><u>Accumulated Surplus/(Deficit)</u></b>                                 |     | -                | -                | -                | -                    | -                 | -                  | -                 | -   | -                   | -                   |
| Accumulated Surplus/(Deficit) - opening balance                             |     | 7,155,078        | 7,773,527        | 6,490,080        | 10,645,376           | 11,294,430        | 11,294,430         | -                 | 6,699,416   | 6,974,497           | 7,362,856           |
| GRAP adjustments  |     | -                | -                | -                | -                    | -                 | -                  | -                 | -   | -                   | -                   |
| Restated balance  |     | 7,155,078        | 7,773,527        | 6,490,080        | 10,645,376           | 11,294,430        | 11,294,430         | -                 | 6,699,416   | 6,974,497           | 7,362,856           |
| <b>Accumulated Surplus/(Deficit)</b>  |     | <b>8,015,925</b> | <b>7,773,527</b> | <b>6,490,080</b> | <b>10,645,376</b>    | <b>11,294,430</b> | <b>11,294,430</b>  | <b>(51,891)</b>   | <b>6,699,416</b>                                    | <b>6,974,497</b>    | <b>7,362,856</b>    |
| <b><u>Reserves</u></b>  |     | -                | -                | -                | -                    | -                 | -                  | -                 | -   | -                   | -                   |
| Housing Development Fund  |     | 105,694          | 110,558          | 108,869          | -                    | -                 | -                  | (1,469)           | -   | -                   | -                   |
| Capital replacement   |     | 786              | 4,605            | 4,629            | -                    | -                 | -                  | -                 | -   | -                   | -                   |
| Self-insurance  |     | 553              | 7,174            | 7,248            | -                    | -                 | -                  | -                 | -   | -                   | -                   |
| Other reserves  |     | 33,029           | 23,255           | 27,602           | -                    | -                 | -                  | -                 | -   | -                   | -                   |
| Revaluation   | 2   | 95,351           | 104,576          | 104,576          | -                    | -                 | -                  | -                 | -   | -                   | -                   |
| <b>Total Reserves</b>   | 2   | <b>235,413</b>   | <b>250,168</b>   | <b>252,924</b>   | -                    | -                 | -                  | <b>(1,469)</b>    | -   | -                   | -                   |
| <b>TOTAL COMMUNITY WEALTH/EQUITY</b>  |     | <b>8,251,338</b> | <b>8,023,695</b> | <b>6,743,004</b> | <b>10,645,376</b>    | <b>11,294,430</b> | <b>11,294,430</b>  | <b>(53,359)</b>   | <b>6,699,416</b>                                    | <b>6,974,497</b>    | <b>7,362,856</b>    |

**4.13 Overview of budget funding**

**4.13.1 Medium-term outlook: operating revenue**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

| Investment type                            | Ref | 2021/22         | 2022/23         | 2023/24         | Current Year 2024/25 |                 |                    | 2025/26 Medium Term Revenue & Expenditure Framework |                        |                        |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
|  |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2025/26                                 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| <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                            |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Municipality sub-total</b>              | 1   | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <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>                 |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |

#### 4.13.2 Medium-term outlook: capital revenue

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

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

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

| Description  | Ref      | 2021/22         | 2022/23         | 2023/24         | Current year 2024/25 |                 |                    |                   | 2025/26 Medium Term Revenue & Expenditure Framework |                     |                     |
|--|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|---------------------|---------------------|
|  |          | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit Outcome | Budget Year 2025/26                                 | Budget Year 2026/27 | Budget Year 2027/28 |
| <b>R thousands</b>   | <b>1</b> |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| <b>Funded by</b>   | -        |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| National Government  |          |                 | 287,092         |                 | 325,817              | 345,980         | 345,980            | 135,681           | 376,127   | 429,887             | 455,998             |
| Provincial Government  |          |                 | 36,822          |                 | 131,158              | 131,946         | 131,946            | 54,915            |   |                     |                     |
| District Municipality  |          |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Transfers and subsidies - capital (monetary allocations) (Nat/ |          |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| <b>Transfers recognised - capital</b>                          | <b>4</b> | -               | <b>323,914</b>  | -               | <b>456,975</b>       | <b>477,926</b>  | <b>477,926</b>     | <b>190,596</b>    | <b>376,127</b>                                      | <b>429,887</b>      | <b>455,998</b>      |
| <b>Borrowing</b>   | <b>6</b> |                 |                 |                 | 234,316              | 206,616         | 206,616            | 20,730            | 161,524   |                     | 5,460               |
| <b>Internally generated funds</b>                              |          |                 | 228,600         | 819,701         | 132,691              | 112,507         | 112,507            | 3,797             | 90,000  | 89,870              | 94,454              |
| <b>Total Capital Funding</b>                                   | <b>7</b> | -               | <b>552,514</b>  | <b>819,701</b>  | <b>823,982</b>       | <b>797,049</b>  | <b>797,049</b>     | <b>215,123</b>    | <b>627,651</b>                                      | <b>519,757</b>      | <b>555,912</b>      |



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

**Details of borrowings**

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

| Borrowing - Categorised by type           | Ref | 2021/22         | 2022/23         | 2023/24         | Current Year 2024/25 |                 |                    | 2025/26 Medium Term Revenue & Expenditure Framework |                        |                        |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| R thousand                                |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2025/26                                 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| <b>Parent municipality</b>                |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Annuity and Bullet Loans                  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Long-Term Loans (non-annuity)             |     |                 |                 |                 |                      |                 |                    | 161,524   |                        |                        |
| Local registered stock                    |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Instalment Credit                         |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Financial Leases                          |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| PPP liabilities                           |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Finance Granted By Cap Equipment Supplier |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Marketable Bonds                          |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Non-Marketable Bonds                      |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Bankers Acceptances                       |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Financial derivatives                     |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other Securities                          |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Municipality sub-total</b>             | 1   | -               | -               | -               | -                    | -               | -                  | 161,524   | -                      | -                      |
| <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   | -               | -               | -               | -                    | -               | -                  | 161,524   | -                      | -                      |

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

| Description  | Ref  | 2021/22         | 2022/23         | 2023/24         | Current Year 2024/25 |                 |                    | 2025/26 Medium Term Revenue & Expenditure Framework |                        |                        |
|--|------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
|  |      | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2025/26                                 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| <b>R thousand</b>  |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>RECEIPTS:</b>   | 1, 2 |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Operating Transfers and Grants</b>                      |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>National Government:</b>                                |      | 647,795         | 765,767         | 795,277         | 895,184              | 953,644         | 953,644            | 966,680   | 1,038,866              | 1,084,327              |
| Equitable Share  |      | 616,262         | 696,056         | 767,222         | 822,072              | 822,072         | 822,072            | 877,312   | 926,722                | 968,645                |
| Energy Efficiency and Demand Side Management               |      |                 |                 |                 |                      | 700             | 700                |   | 70                     | 70                     |
| Expanded Public Works Programme Integrated Grant           |      | 3,474           | 5,228           | 4,634           | 2,092                | 2,092           | 2,092              | 2,624   |                        |                        |
| Local Government Financial Management Grant                |      | 1,900           | 1,950           | 1,950           | 1,900                | 1,900           | 1,900              |   | 2,200                  | 2,300                  |
| Municipal Infrastructure Grant                             |      | 6,108           | 6,977           | 7,456           | 9,120                | 8,077           | 8,077              | 9,744   | 9,874                  | 9,937                  |
| Municipal Systems Improvement Grant                        |      | 42              |                 | 67              |                      |                 |                    |   |                        |                        |
| Municipal Water Infrastructure Grant [Schedule 5B]         |      | 19,986          | 55,555          | 13,948          | 30,000               | 60,000          | 60,000             | 25,000  | 25,000                 | 25,000                 |
| Public Transport Network Grant                             |      | 23              |                 |                 | 30,000               | 30,000          | 30,000             | 50,000  | 75,000                 | 78,375                 |
| Regional Bulk Infrastructure Grant                         |      |                 |                 |                 |                      | 28,802          | 28,802             |   |                        |                        |
| <b>Provincial Government:</b>                              |      | 33,882          | 35,985          | 26,321          | 51,159               | 72,751          | 72,751             | 26,517  | 27,235                 | 28,713                 |
| Infrastructure   |      | 33,882          | 35,817          | 24,658          | 51,159               | 70,551          | 70,551             | 26,517  | 27,235                 | 28,713                 |
| Capacity Building and Other                                |      |                 | 168             | 1,663           |                      | 2,200           | 2,200              |   |                        |                        |
| <b>District Municipality:</b>                              |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Capacity Building and Other                                |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Other grant providers:</b>                              |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| [insert description]                                       |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Total Operating Transfers and Grants</b>                | 5    | 681,678         | 801,751         | 821,598         | 946,343              | 1,026,395       | 1,026,395          | 993,197   | 1,066,101              | 1,113,040              |
| <b>Capital Transfers and Grants</b>                        |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>National Government:</b>                                |      | 331,771         | 286,531         | 260,810         | 325,817              | 373,708         | 373,708            | 376,127   | 429,887                | 457,347                |
| Energy Efficiency and Demand Side Management Grant         |      |                 |                 | 5,000           | 4,950                | 5,600           | 5,600              |   | 4,000                  | 4,000                  |
| Integrated National Electrification Programme (Municipal G |      | 11,230          | 27,380          | 12,219          | 4,971                | 4,971           | 4,971              |   | 6,000                  | 6,271                  |
| Municipal Disaster Recovery Grant                          |      |                 |                 |                 |                      | 73,020          | 73,020             | 13,214  |                        |                        |
| Municipal Disaster Relief Grant                            |      |                 |                 |                 | 13,214               |                 |                    |   |                        |                        |
| Municipal Infrastructure Grant                             |      | 203,223         | 220,208         | 205,413         | 222,682              | 225,609         | 225,609            | 232,913   | 256,887                | 269,701                |
| Neighbourhood Development Partnership Grant                |      | 35,000          | 34,499          | 12,973          | 20,000               | 20,000          | 20,000             | 30,000  | 33,000                 | 40,000                 |
| Public Transport Network Grant                             |      | 62,323          |                 |                 | 20,000               | 20,000          | 20,000             | 50,000  | 75,000                 | 78,375                 |
| Water Services Infrastructure Grant                        |      | 19,995          | 4,444           | 25,204          | 40,000               | 24,507          | 24,507             | 50,000  | 55,000                 | 59,000                 |
| <b>Provincial Government:</b>                              |      | 27,734          | 20,972          | 163,695         | 131,158              | 114,988         | 114,988            | -   | -                      | -                      |
| Infrastructure   |      | 27,734          | 20,972          | 163,695         | 131,158              | 114,988         | 114,988            |   |                        |                        |
| <b>District Municipality:</b>                              |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Infrastructure   |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Other grant providers:</b>                              |      | 9,219           | 16,816          | 3,418           | -                    | -               | -                  | -   | -                      | -                      |
| Traditional Affairs  |      | 9,219           | 16,816          | 3,418           |                      |                 |                    |   |                        |                        |
| <b>Total Capital Transfers and Grants</b>                  | 5    | 368,725         | 324,319         | 427,923         | 456,975              | 488,696         | 488,696            | 376,127   | 429,887                | 457,347                |
| <b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>            |      | 1,050,402       | 1,126,071       | 1,249,521       | 1,403,318            | 1,515,091       | 1,515,091          | 1,369,324   | 1,495,988              | 1,570,386              |

#### 4.13.3 Cash Flow Management

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

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

Table 51 MBRR Table A7 –Budget cash flow statement

Msunduzi (KZN225) - Table A7 Budgeted Cash Flows

| Description                                    | Ref | 2021/22         | 2022/23         | 2023/24         | Current year 2024/25 |                 |                    |                   | 2025/26 Medium Term Revenue & Expenditure Framework |                     |                     |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|---------------------|---------------------|
|  |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit Outcome | Budget Year 2025/26                                 | Budget Year 2026/27 | Budget Year 2027/28 |
| R thousands                                    |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| CASH FLOW FROM OPERATING ACTIVITIES            |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Receipts                                       |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Property rates                                 |     | -               | 1,337,835       | -               | 1,484,417            | 1,484,417       | 1,484,417          | 107,996           | 1,532,282   | 1,601,234           | 1,641,265           |
| Service charges                                |     | -               | 3,549,237       | -               | 4,717,472            | 4,717,472       | 4,717,472          | 10,126            | 5,220,730   | 5,476,546           | 5,744,897           |
| Other revenue                                  |     | -               | -               | -               | 765,832              | 765,832         | 765,832            | 834,294           | 194,260   | 203,779             | 213,764             |
| Transfers and Subsidies - Operational          | 1   | -               | 814,489         | -               | 946,343              | 1,008,752       | 1,008,752          | 14,123            | 992,232   | 1,065,081           | 1,111,920           |
| Transfers and Subsidies - Capital              | 1   | -               | 351,427         | -               | 456,975              | 477,926         | 477,926            | 35,665            | 376,127   | 429,887             | 457,347             |
| Interest                                       |     | -               | 16,708          | -               | 19,135               | 19,135          | 19,135             | (6,143,760)       | 19,996  | 20,976              | 22,004              |
| Dividends                                      |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Payments                                       |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Suppliers and employees                        |     | -               | (5,260,181)     | -               | (7,709,596)          | (7,584,599)     | (7,584,599)        | 964               | (7,621,777)   | (8,041,356)         | (8,400,743)         |
| Finance charges                                |     | -               | (18,837)        | -               | (42,825)             | (42,825)        | (42,825)           | -                 | (56,180)  | (58,708)            | (62,231)            |
| Transfers and Subsidies                        | 1   | -               | -               | -               | (69,670)             | (69,670)        | (69,670)           | -                 | (72,457)  | (76,007)            | (79,732)            |
| NET CASH FROM/(USED) OPERATING ACTIVITIES      |     | -               | 790,678         | -               | 568,083              | 776,440         | 776,440            | (5,140,593)       | 585,213   | 621,431             | 648,490             |
| CASH FLOWS FROM INVESTING ACTIVITIES           |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Receipts                                       |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Proceeds on disposal of PPE                    |     | -               | 3,343           | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Decrease (increase) in non-current receivables |     | -               | -               | -               | -                    | -               | -                  | 1,090             | -   | -                   | -                   |
| Decrease (increase) in non-current investments |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Payments                                       |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Capital assets                                 |     | -               | (502,024)       | -               | (824,011)            | (824,011)       | (824,011)          | -                 | (627,651)   | (519,887)           | (557,347)           |
| NET CASH FROM/(USED) INVESTING ACTIVITIES      |     | -               | (498,681)       | -               | (824,011)            | (824,011)       | (824,011)          | 1,090             | (627,651)   | (519,887)           | (557,347)           |
| CASH FLOWS FROM FINANCING ACTIVITIES           |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Receipts                                       |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Short term loans                               |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Borrowing long term/refinancing                |     | -               | -               | -               | 234,316              | 234,316         | 234,316            | -                 | 161,524   | -                   | -                   |
| Increase (decrease) in consumer deposits       |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Payments                                       |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Repayment of borrowing                         |     | -               | (79,163)        | -               | (90,000)             | (50,000)        | (50,000)           | -                 | (90,000)  | (90,000)            | (90,000)            |
| NET CASH FROM/(USED) FINANCING ACTIVITIES      |     | -               | (79,163)        | -               | 144,316              | 184,316         | 184,316            | -                 | 71,524  | (90,000)            | (90,000)            |
| NET INCREASE/ (DECREASE) IN CASH HELD          |     | -               | 212,834         | -               | (111,612)            | 136,745         | 136,745            | (5,139,503)       | 29,086  | 11,544              | 1,144               |
| Cash/cash equivalents at the year begin:       | 2   | 56,302          | 482,433         | 366,360         | 301,783              | 495,993         | 495,993            | -                 | 366,360   | 382,846             | 400,075             |
| Cash/cash equivalents at the year end:         | 2   | 56,302          | 695,267         | 366,360         | 190,172              | 632,738         | 632,738            | (5,139,503)       | 395,446   | 394,390             | 401,219             |

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

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

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

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

**Table 7 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation****Msunduzi (KZN225) - Table A8 Cash backed reserves/accumulated surplus reconciliation**

| Description   | Ref | 2021/22            | 2022/23          | 2023/24            | Current year 2024/25 |                    |                    |                    | 2025/26 Medium Term Revenue & Expenditure Framework |                     |                     |
|---|-----|--------------------|------------------|--------------------|----------------------|--------------------|--------------------|--------------------|---|---------------------|---------------------|
|   |     | Audited Outcome    | Audited Outcome  | Audited Outcome    | Original Budget      | Adjusted Budget    | Full Year Forecast | Pre-audit Outcome  | Budget Year 2025/26                                 | Budget Year 2026/27 | Budget Year 2027/28 |
| <b>R thousands</b>  |     |                    |                  |                    |                      |                    |                    |                    |   |                     |                     |
| <b>Cash and investments available</b>                                 |     |                    |                  |                    |                      |                    |                    |                    |   |                     |                     |
| Cash/cash equivalents at the year end                                 | 1   | 56,302             | 695,267          | 366,360            | 190,172              | 632,738            | 632,738            | (5,139,503)        | 395,446   | 394,390             | 401,219             |
| Other current investments > 90 days                                   | 1   | 265,544            | (212,834)        | 90,575             | 21,612               | (259,914)          | (259,914)          | 4,473,147          | -   | -                   | -                   |
| Non current assets - Investments                                      | 1   | -                  | -                | -                  | -                    | -                  | -                  | -                  | -   | -                   | -                   |
| <b>Cash and investments available:</b>                                |     | <b>321,845</b>     | <b>482,433</b>   | <b>456,935</b>     | <b>211,783</b>       | <b>372,824</b>     | <b>372,824</b>     | <b>(666,355)</b>   | <b>395,446</b>                                      | <b>394,390</b>      | <b>401,219</b>      |
| <b>Application of cash and investments</b>                            |     |                    |                  |                    |                      |                    |                    |                    |   |                     |                     |
| Unspent conditional transfers   |     | 136,088            | 175,933          | 189,531            | -                    | -                  | -                  | (19,419)           | -   | -                   | -                   |
| Unspent borrowing   |     | -                  | -                | -                  | -                    | -                  | -                  | -                  | -   | -                   | -                   |
| Statutory requirements  | 2   | 178,089            | 185,013          | 174,006            | 457,747              | -                  | -                  | (67,379)           | 162,137   | 169,434             | 177,058             |
| Other working capital requirements                                    | 3   | 1,949,231          | 256,223          | 3,158,414          | (1,461,077)          | (1,561,591)        | (1,561,591)        | 512,946            | (114,524)   | (251,441)           | (338,768)           |
| Other provisions  | 4   | 49,118             | 58,245           | 53,143             | 61,739               | 61,739             | 61,739             | (60)               | 53,143  | 55,535              | 58,034              |
| Long term investments committed                                       | 5   | -                  | -                | -                  | -                    | -                  | -                  | -                  | -   | -                   | -                   |
| Reserves to be backed by cash/investments                             | 5   | 140,062            | 145,592          | 148,348            | -                    | -                  | -                  | (1,469)            | -   | -                   | -                   |
| <b>Total Application of cash and investments:</b>                     |     | <b>2,452,587</b>   | <b>821,005</b>   | <b>3,723,444</b>   | <b>(941,591)</b>     | <b>(1,499,851)</b> | <b>(1,499,851)</b> | <b>424,619</b>     | <b>100,757</b>                                      | <b>(26,473)</b>     | <b>(103,676)</b>    |
| <b>Surplus(shortfall) - Excl Non-Current Creditors Trf to Debt Re</b> |     | <b>(2,130,742)</b> | <b>(338,572)</b> | <b>(3,266,508)</b> | <b>1,153,374</b>     | <b>1,872,675</b>   | <b>1,872,675</b>   | <b>(1,090,974)</b> | <b>294,690</b>                                      | <b>420,863</b>      | <b>504,894</b>      |
| Creditors transferred to Debt Relief - Non-Current portion            |     | -                  | -                | -                  | -                    | -                  | -                  | -                  | -   | -                   | -                   |
| <b>Surplus(shortfall) -Incl Non-Current Creditors Trf to Debt Re</b>  |     | <b>(2,130,742)</b> | <b>(338,572)</b> | <b>(3,266,508)</b> | <b>1,153,374</b>     | <b>1,872,675</b>   | <b>1,872,675</b>   | <b>(1,090,974)</b> | <b>294,690</b>                                      | <b>420,863</b>      | <b>504,894</b>      |

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

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

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

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

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



#### 4.13.4 Funding compliance measurement

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

**Table 8 MBRR SA10 – Funding compliance measurement**

| Description   | MFMA section | Ref | 2021/22         | 2022/23         | 2023/24         | Current Year 2024/25 |                 |                    |                   | 2025/26 Medium Term Revenue & Expenditure Framework |                        |                        |
|---|--------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
|   |              |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2025/26                                 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| <b>Funding measures</b>                                       |              |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Cash/cash equivalents at the year end - R'000                 | 18(1)b       | 1   | 288,153         | 511,402         | 490,955         | 644,030              | 632,738         | 632,738            | –                 | 395,446   | 406,990                | 408,134                |
| Cash + investments at the yr end less applications - R'000    | 18(1)b       | 2   | (1,015,151)     | (1,771,246)     | (2,703,227)     | (588,872)            | 96,933          | 241,504            | (597,447)         | 831,890   | 574,969                | 744,139                |
| Cash year end/monthly employee/supplier payments              | 18(1)b       | 3   | 0.6             | 1.2             | 0.9             | 1.1                  | 1.1             | 1.1                | –                 | 0.6   | 0.6                    | 0.6                    |
| Surplus/(Deficit) excluding depreciation offsets: R'000       | 18(1)        | 4   | (444,531)       | 525,115         | (544,654)       | 1,040,607            | 1,583,744       | 35,875             | (28,142)          | (503,345)   | 740,600                | 481,809                |
| Service charge rev % change - macro CPIX target exclusive     | 18(1)a,(2)   | 5   | N.A.            | (2.4%)          | (2.1%)          | 28.7%                | (7.0%)          | (27.3%)            | (19.9%)           | (21.3%)   | 20.0%                  | (5.3%)                 |
| Cash receipts % of Ratepayer & Other revenue                  | 18(1)a,(2)   | 6   | 38.0%           | 38.5%           | 40.9%           | 41.4%                | 41.3%           | 45.5%              | 0.0%              | 110.3%  | 92.1%                  | 95.4%                  |
| Debt impairment expense as a % of total billable revenue      | 18(1)a,(2)   | 7   | 19.8%           | 1.4%            | 18.8%           | 8.7%                 | 8.8%            | 11.1%              | 0.0%              | 6.8%  | 5.7%                   | 5.9%                   |
| Capital payments % of capital expenditure                     | 18(1)c;19    | 8   | 101.6%          | 82.5%           | 92.0%           | 93.3%                | 100.9%          | 100.9%             | 0.0%              | 100.0%  | 100.0%                 | 100.3%                 |
| Borrowing receipts % of capital expenditure (excl. transfers) | 18(1)c       | 9   | 0.0%            | 0.0%            | 0.0%            | 54.5%                | 69.2%           | 69.2%              | 0.0%              | 64.2%   | 0.0%                   | 0.0%                   |
| Grants % of Govt legislated/gazetted allocations              | 18(1)a       | 10  |                 |                 |                 |                      |                 |                    |                   | 0.0%  | 0.0%                   | 0.0%                   |
| Current consumer debtors % change - incr(decr)                | 18(1)a       | 11  | N.A.            | 10.5%           | (61.3%)         | 167.7%               | 0.0%            | 0.0%               | (69.4%)           | 102.6%  | 4.8%                   | 4.6%                   |
| Long term receivables % change - incr(decr)                   | 18(1)a       | 12  | N.A.            | 0.0%            | 0.0%            | 0.0%                 | 0.0%            | 0.0%               | 0.0%              | 0.0%  | 0.0%                   | 0.0%                   |
| R&M % of Property Plant & Equipment                           | 20(1)(vi)    | 13  | 0.0%            | 0.0%            | 0.0%            | 6.9%                 | 4.8%            | 4.8%               | 6.8%              | 7.1%  | 7.3%                   | 0.0%                   |
| Asset renewal % of capital budget                             | 20(1)(vi)    | 14  | 0.0%            | 0.0%            | 1.6%            | 6.5%                 | 10.6%           | 13.7%              | 0.0%              | 15.4%   | 24.0%                  | 9.1%                   |

##### 4.13.4.1 Cash/cash equivalent position

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

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

#### *4.13.4.2 Cash plus investments less application of funds*

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

#### *4.13.4.3 Monthly average payments covered by cash or cash equivalents*

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

#### *4.13.4.4 Surplus/deficit excluding depreciation offsets*

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

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

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

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

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

*4.13.4.6 Cash receipts as a percentage of ratepayer and other revenue*

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

*4.13.4.7 Debt impairment expense as a percentage of billable revenue*

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

#### *4.13.4.8 Capital payments percentage of capital expenditure*

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

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

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

#### *4.13.4.10 Transfers/grants revenue as a percentage of Government transfers/grants available*

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

#### *4.13.4.11 Consumer debtors change (Current and Non-current)*

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

#### *4.13.4.12 Repairs and maintenance expenditure level*

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

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

#### *4.13.4.13 Asset renewal/rehabilitation expenditure level*

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

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

| Description   | Ref | 2021/22         | 2022/23         | 2023/24         | Current Year 2024/25 |                 |                    | 2025/26 Medium Term Revenue & Expenditure Framework |                        |                        |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
|   |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2025/26                                 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| <b>R thousand</b>   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>EXPENDITURE:</b>   | 1   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Operating expenditure of Transfers and Grants</b>                          |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>National Government:</b>   |     | 621,678         | 758,789         | 787,679         | 72,212               | 94,692          | 94,692             | 78,659  | 101,880                | 105,255                |
| Equitable Share   |     | 616,262         | 696,056         | 767,222         |                      | 700             | 700                |   | 700                    | 700                    |
| Energy Efficiency and Demand Side Management                                  |     | 1,900           | 1,950           | 1,807           | 2,092                | 2,092           | 2,092              | 2,624   |                        |                        |
| Expanded Public Works Programme Integrated Grant                              |     |                 |                 | –               | 1,900                | 1,900           | 1,900              | 1,035   | 1,180                  | 1,180                  |
| Local Government Financial Management Grant                                   |     | 3,516           | 5,228           | 4,701           |                      | 8,220           |                    |   |                        |                        |
| Municipal Infrastructure Grant  |     |                 | 55,555          | 13,948          | 30,000               | 60,000          | 60,000             | 25,000  | 25,000                 | 25,000                 |
| Municipal Water Infrastructure Grant  |     |                 |                 | –               | 30,000               | 30,000          | 30,000             | 50,000  | 75,000                 | 78,375                 |
| Public Transport Network Grant  |     |                 |                 | –               |                      |                 |                    |   |                        |                        |
| <b>Provincial Government:</b>   |     | –               | –               | –               | 56,659               | 65,336          | 65,336             | 47,440  | 49,393                 | 52,179                 |
| Infrastructure  |     |                 |                 |                 | 56,659               | 65,336          | 65,336             | 47,440  | 49,393                 | 52,179                 |
| Capacity Building and Other   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>District Municipality:</b>   |     | –               | –               | –               | –                    | –               | –                  | –   | –                      | –                      |
|   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Other grant providers:</b>   |     | –               | –               | –               | –                    | –               | –                  | –   | –                      | –                      |
| <i>[insert description]</i>   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Total operating expenditure of Transfers and Grants:</b>                   |     | 621,678         | 758,789         | 787,679         | 128,871              | 160,028         | 160,028            | 126,099   | 151,273                | 157,434                |
| <b>Capital expenditure of Transfers and Grants</b>                            |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>National Government:</b>   |     | –               | 287,092         | –               | 325,817              | 345,980         | 345,980            | 376,127   | 429,887                | 455,998                |
| Energy Efficiency and Demand Side Management Grant                            |     |                 |                 |                 | 4,950                | 4,300           | 4,300              |   | 4,000                  | 3,271                  |
| Integrated National Electrification Programme (Municipal Grant) [Schedule 5B] |     |                 |                 |                 | 4,971                | 4,971           | 4,971              |   | 6,000                  | 8,212                  |
| Municipal Disaster Recovery Grant   |     |                 |                 |                 | 13,214               | 46,592          | 46,592             | 13,214  |                        | 78,375                 |
| Municipal Infrastructure Grant  |     |                 | 287,092         |                 | 222,682              | 225,609         | 225,609            | 232,913   | 256,887                | 265,702                |
| Neighbourhood Development Partnership Grant                                   |     |                 |                 |                 | 20,000               | 20,000          | 20,000             | 30,000  | 33,000                 | 40,000                 |
| Public Transport Network Grant  |     |                 |                 |                 | 20,000               | 20,000          | 20,000             | 50,000  | 75,000                 | 49,438                 |
| Water Services Infrastructure Grant   |     |                 |                 |                 | 40,000               | 24,507          | 24,507             | 50,000  | 55,000                 | 11,000                 |
| <b>Provincial Government:</b>   |     | –               | 36,822          | –               | 131,158              | 130,883         | 130,883            | –   | –                      | –                      |
| Infrastructure  |     |                 | 36,822          |                 | 131,158              | 130,883         | 130,883            |   |                        |                        |
| Capacity Building and Other   |     |                 |                 |                 |                      | 1,062           | 1,062              |   |                        |                        |
|   |     | –               | –               | –               | –                    | –               | –                  | –   | –                      | –                      |
|   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
|   |     | –               | –               | –               | –                    | –               | –                  | –   | –                      | –                      |
| <i>Other capital transfers/grants [insert description]</i>                    |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Total capital expenditure of Transfers and Grants</b>                      |     | –               | 323,914         | –               | 456,975              | 476,864         | 476,864            | 376,127   | 429,887                | 455,998                |
| <b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>                              |     | 621,678         | 1,082,703       | 787,679         | 585,846              | 636,891         | 636,891            | 502,226   | 581,160                | 613,432                |



#### 4.15 Councillor and employee benefits

**Table 10 MBRR SA22 - Summary of councillor and staff benefits**

| Summary of Employee and Councillor Remuneration<br>R thousands  | Ref | 2021/22         | 2022/23         | 2023/24         | Current year 2024/25 |                 |                    | 2025/26 Medium Term Revenue & Expenditure Framework |                     |                     |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|---------------------|---------------------|
|   |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2025/26                                 | Budget Year 2026/27 | Budget Year 2027/28 |
|   |     | A               | B               | C               | D                    | E               | F                  | G   | H                   | I                   |
| <b><u>Councillors (Political Office Bearers plus Other)</u></b> | 1   |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Basic Salaries and Wages  |     | 8,877           | 35,266          | 38,472          | 3,290                | 3,290           | 3,618              | 3,835   | 3,780               | 3,950               |
| Pension and UIF Contributions                                   |     | 4,016           | 4,619           | 3,050           | 3,123                | 3,123           | 3,295              | 3,493   | 3,443               | 3,598               |
| Medical Aid Contributions                                       |     | 1,691           | 1,885           | 1,645           | 7,584                | 7,584           | 8,001              | 8,481   | 8,361               | 8,737               |
| Motor Vehicle Allowance   |     | 5,588           | 6,323           | 3,551           | 37,225               | 37,225          | 39,273             | 41,629  | 41,040              | 42,887              |
| Cellphone Allowance   |     | 2,068           | 3,416           | 2,712           | 847                  | 847             | 747                | 792   | 780                 | 816                 |
| Housing Allowances  |     | 135             | 133             | 100             | 7,362                | 7,362           | 7,767              | 8,233   | 8,116               | 8,482               |
| Other benefits and allowances                                   |     | 21,385          |                 |                 |                      |                 |                    |   |                     |                     |
| <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>62,700</b>      | <b>66,462</b>                                       | <b>65,521</b>       | <b>68,470</b>       |
| <b>% increase</b>   | 4   |                 | <b>18.01%</b>   | <b>-4.09%</b>   | <b>19.99%</b>        |                 | <b>5.50%</b>       | <b>6.00%</b>  | <b>-1.42%</b>       | <b>4.50%</b>        |
| <b><u>Senior Managers of the Municipality</u></b>               | 2   |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Basic Salaries and Wages  |     | 6,260           | 6,340           | 7,688           | 9,757                | 54,757          | 58,043             | 61,525  | 64,294              | 67,187              |
| Pension and UIF Contributions                                   |     | 1               | 711             | 805             | 898                  | 645             | 684                | 725   | 757                 | 791                 |
| Medical Aid Contributions                                       |     | 758             | 138             | 79              | 100                  | 100             | 106                | 112   | 117                 | 123                 |
| Overtime  |     |                 | 7               |                 |                      |                 |                    |   |                     |                     |
| Performance Bonus   |     | 640             | 448             | 250             |                      |                 |                    |   |                     |                     |
| Motor Vehicle Allowance   |     | 816             | 393             | 2,004           | 839                  | 839             | 890                | 943   | 985                 | 1,030               |
| Cellphone Allowance   |     | 88              | 40              | 97              | 88                   | 160             | 170                | 180   | 188                 | 197                 |
| Housing Allowances  |     | 261             | 206             | 192             | 24                   | 24              | 26                 | 27  | 29                  | 30                  |
| Other benefits and allowances                                   |     | 73              | 595             | 28              |                      |                 |                    |   |                     |                     |
| Payments in lieu of leave                                       |     | 54              |                 |                 |                      |                 |                    |   |                     |                     |
| Long service awards   |     |                 | (139)           |                 |                      |                 |                    |   |                     |                     |
| Post-retirement benefit obligations                             |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Entertainment   |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Scarcity  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Acting and post related allowance                               |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| In kind benefits  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| <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>59,918</b>                                       | <b>148,678</b>      | <b>155,368</b>      |
| <b>% increase</b>   | 4   |                 | <b>-2.36%</b>   | <b>27.51%</b>   | <b>5.06%</b>         | <b>382.87%</b>  |                    | <b>6.00%</b>  | <b>148.14%</b>      | <b>4.50%</b>        |
| <b><u>Other Municipal Staff</u></b>                             |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Basic Salaries and Wages  |     | 740,833         | 834,266         | 834,687         | 919,050              | 898,822         | 898,822            | 952,751   | 995,625             | 1,040,428           |
| Pension and UIF Contributions                                   |     | 160,019         | 165,853         | 168,035         | 193,655              | 273,709         | 273,709            | 290,132   | 303,188             | 316,831             |
| Medical Aid Contributions                                       |     | 59,601          | 63,734          | 65,721          | 97,380               | 114,989         | 114,989            | 121,888   | 127,373             | 133,105             |
| Overtime  |     | 109,898         | 97,740          | 110,789         | 104,445              | 95,136          | 95,136             | 100,844   | 105,382             | 110,124             |
| Performance Bonus   |     | 60,827          | 64,175          | 67,214          | 81,379               | 83,370          |                    |   |                     |                     |
| Motor Vehicle Allowance   |     | 26,856          | 28,743          | 28,706          | 35,361               | 34,331          | 34,331             | 36,391  | 38,029              | 39,740              |
| Cellphone Allowance   |     | 7,568           | 4,244           | (79)            | 4,917                | 4,867           | 4,867              | 5,159   | 5,391               | 5,634               |
| Housing Allowances  |     | 4,128           | 4,326           | 4,245           | 4,628                | 4,708           | 4,708              | 4,991   | 5,215               | 5,450               |
| Other benefits and allowances                                   |     | 59,512          | 141,401         | 82,853          | 37,582               | 37,687          | 37,687             | 39,948  | 41,746              | 43,624              |
| Payments in lieu of leave                                       |     | 18,611          |                 | 19,775          |                      |                 |                    |   |                     |                     |
| Long service awards   |     | 27,903          | 13,952          | 27,795          | 18,382               | 17,411          | 17,411             | 18,456  | 19,286              | 20,154              |
| Post-retirement benefit obligations                             |     | 60,781          |                 | 62,450          |                      |                 |                    |   |                     |                     |
| Entertainment   |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Scarcity  |     |                 |                 | 7,385           |                      |                 |                    |   |                     |                     |
| Acting and post related allowance                               |     |                 |                 | 17,962          |                      |                 |                    |   |                     |                     |
| In kind benefits  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| <b>Sub Total - Other Municipal Staff</b>                        |     | <b>740,793</b>  | <b>721,842</b>  |                 | <b>772,916</b>       | <b>772,916</b>  | <b>772,916</b>     | <b>819,291</b>                                      | <b>856,159</b>      | <b>894,687</b>      |
| <b>% increase</b>   | 4   |                 | <b>-2.56%</b>   | <b>-100.00%</b> |                      |                 |                    | <b>6.00%</b>  | <b>4.50%</b>        | <b>4.50%</b>        |



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

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

Table 12 MBRR SA24 – Summary of personnel numbers

| Summary of Personnel Numbers                                  | Ref   | 2023/24      |                     |                    | Current Year 2024/25 |                     |                    | Budget Year 2025/26 |                     |                    |
|---|-------|--------------|---------------------|--------------------|----------------------|---------------------|--------------------|---------------------|---------------------|--------------------|
| Number  | 1,2   | Positions    | Permanent employees | Contract employees | Positions            | Permanent employees | Contract employees | Positions           | Permanent employees | Contract employees |
| <b>Municipal Council and Boards of Municipal Entities</b>     |       |              |                     |                    |                      |                     |                    |                     |                     |                    |
| Councillors (Political Office Bearers plus Other Councillors) |       | 81           |                     | 81                 | 81                   |                     | 81                 | 81                  | 81                  | 81                 |
| Board Members of municipal entities                           | 4     |              |                     |                    |                      |                     |                    |                     |                     |                    |
| <b>Municipal employees</b>                                    | 5     |              |                     |                    |                      |                     |                    |                     |                     |                    |
| Municipal Manager and Senior Managers                         | 3     | 6            | 2                   | 4                  | 6                    | 2                   | 4                  | 6                   | 2                   | 4                  |
| Other Managers  | 7     | 25           | 23                  | 1                  | 25                   | 23                  | 1                  | 25                  | 23                  | 1                  |
| Professionals   |       | 411          | 208                 | 1                  | 411                  | 208                 | 1                  | 1,335               | 1,214               | 123                |
| <i>Finance</i>  |       | 31           | 16                  | 1                  | 31                   | 16                  | 1                  | 277                 | 228                 | 50                 |
| <i>Spatial/town planning</i>                                  |       | 11           | 9                   |                    | 11                   | 9                   |                    | 21                  | 20                  | 1                  |
| <i>Information Technology</i>                                 |       | 4            | 3                   |                    | 4                    | 3                   |                    | 29                  | 17                  | 12                 |
| <i>Roads</i>  |       | 107          | 41                  |                    | 107                  | 41                  |                    | 278                 | 274                 | 4                  |
| <i>Electricity</i>  |       | 26           | 6                   |                    | 26                   | 6                   |                    | 134                 | 114                 | 21                 |
| <i>Water</i>  |       | 77           | 23                  |                    | 77                   | 23                  |                    | 2                   | 1                   | 1                  |
| <i>Sanitation</i>   |       | 1            | 2                   |                    | 1                    | 2                   |                    | 295                 | 265                 | 30                 |
| <i>Refuse</i>   |       | 4            | 3                   |                    | 4                    | 3                   |                    | 299                 | 295                 | 4                  |
| <i>Other</i>  |       | 150          | 105                 |                    | 150                  | 105                 |                    |                     |                     |                    |
| Technicians   |       | 1,377        | 820                 | 17                 | 1,377                | 820                 | 17                 | 961                 | 810                 | 152                |
| <i>Finance</i>  |       | 131          | 80                  | 6                  | 131                  | 80                  | 6                  | 205                 | 172                 | 33                 |
| <i>Spatial/town planning</i>                                  |       | 45           | 21                  |                    | 45                   | 21                  |                    | 284                 | 249                 | 35                 |
| <i>Information Technology</i>                                 |       | 21           | 15                  |                    | 21                   | 15                  |                    | 148                 | 134                 | 14                 |
| <i>Roads</i>  |       | 23           | 21                  |                    | 23                   | 21                  |                    | 89                  | 63                  | 26                 |
| <i>Electricity</i>  |       | 218          | 73                  |                    | 218                  | 73                  |                    | 134                 | 114                 | 21                 |
| <i>Water</i>  |       | 58           | 37                  |                    | 58                   | 37                  |                    | 1                   | 1                   |                    |
| <i>Sanitation</i>   |       | 32           | 5                   |                    | 32                   | 5                   |                    | 50                  | 30                  | 20                 |
| <i>Refuse</i>   |       | 19           | 9                   |                    | 19                   | 9                   |                    | 50                  | 47                  | 3                  |
| <i>Other</i>  |       | 830          | 559                 | 11                 | 830                  | 559                 | 11                 |                     |                     |                    |
| Clerks (Clerical and administrative)                          |       | 554          | 441                 | 87                 | 554                  | 441                 | 87                 | 135                 | 100                 | 35                 |
| Service and sales workers                                     |       | 383          | 149                 |                    | 383                  | 149                 |                    | 72                  | 37                  | 30                 |
| Skilled agricultural and fishery workers                      |       | 23           | 19                  |                    | 23                   | 19                  |                    | 62                  | 20                  | 52                 |
| Craft and related trades                                      |       | 167          | 63                  |                    | 167                  | 63                  |                    | 72                  | 37                  | 30                 |
| Plant and Machine Operators                                   |       | 365          | 121                 |                    | 365                  | 121                 |                    | 330                 | 306                 | 24                 |
| Elementary Occupations  |       | 2,571        | 1,276               |                    | 2,571                | 1,276               |                    | 1,000               | 983                 | 17                 |
| <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>4,079</b>        | <b>3,613</b>        | <b>549</b>         |
| <b>% increase</b>   |       |              |                     |                    | –                    | –                   | –                  | (31.6%)             | 15.7%               | 187.4%             |
| <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>           |

**4.16 Monthly targets for revenue, expenditure and cash flow**

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

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

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

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

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

| Description   | Ref      | Budget Year 2025/26 |                |                |                |                |                |                |                |                |                |                |                | Medium Term Revenue and Expenditure Framework |                        |                        |
|---|----------|---------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---|------------------------|------------------------|
|   |          | July                | August         | Sept.          | October        | November       | December       | January        | February       | March          | April          | May            | June           | Budget Year 2025/26                           | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| <b>R thousand</b>                                     |          |                     |                |                |                |                |                |                |                |                |                |                |                |   |                        |                        |
| <b>Revenue by Vote</b>                                |          |                     |                |                |                |                |                |                |                |                |                |                |                |   |                        |                        |
| Vote 1 - City Manager                                 |          |                     |                |                |                |                |                |                |                |                |                |                | -              | -   | -                      | -                      |
| Vote 2 - City Finance                                 |          | 232,421             | 232,421        | 232,421        | 232,421        | 232,421        | 232,421        | 232,421        | 232,421        | 232,421        | 232,421        | 232,421        | 232,421        | 2,789,050                                     | 2,925,325              | 3,021,943              |
| Vote 3 - Corporate Services                           |          | 159                 | 159            | 159            | 159            | 159            | 159            | 159            | 159            | 159            | 159            | 159            | 159            | 1,906   | 2,000                  | 2,098                  |
| Vote 4 - Community Services and Social Equity         |          | 22,112              | 22,112         | 22,112         | 22,112         | 22,112         | 22,112         | 22,112         | 22,112         | 22,112         | 22,112         | 22,112         | 22,112         | 265,344                                       | 289,823                | 271,592                |
| Vote 5 - Infrastructure Services                      |          | 167,253             | 167,253        | 167,253        | 167,253        | 167,253        | 167,253        | 167,253        | 167,253        | 167,253        | 167,253        | 167,253        | 167,253        | 2,007,035                                     | 2,149,916              | 2,254,291              |
| Vote 6 - Sustainable Development and City Enterprises |          | 8,101               | 8,101          | 8,101          | 8,101          | 8,101          | 8,101          | 8,101          | 8,101          | 8,101          | 8,101          | 8,101          | 8,101          | 97,217  | 102,103                | 115,236                |
| Vote 7 - Electricity                                  |          | 396,942             | 396,942        | 396,942        | 396,942        | 396,942        | 396,942        | 396,942        | 396,942        | 396,942        | 396,942        | 396,942        | 382,089        | 4,748,454                                     | 4,978,061              | 5,251,898              |
| <b>Total Revenue by Vote</b>                          |          | <b>826,988</b>      | <b>826,988</b> | <b>826,988</b> | <b>826,988</b> | <b>826,988</b> | <b>826,988</b> | <b>826,988</b> | <b>826,988</b> | <b>826,988</b> | <b>826,988</b> | <b>826,988</b> | <b>812,135</b> | <b>9,909,007</b>                              | <b>10,447,228</b>      | <b>10,917,058</b>      |
| <b>Expenditure by Vote to be appropriated</b>         |          |                     |                |                |                |                |                |                |                |                |                |                |                |   |                        |                        |
| Vote 1 - City Manager                                 |          | 19,049              | 19,049         | 19,049         | 19,049         | 19,049         | 19,049         | 19,049         | 19,049         | 19,049         | 19,049         | 19,049         | 19,049         | 228,590                                       | 241,141                | 254,016                |
| Vote 2 - City Finance                                 |          | 99,928              | 99,928         | 99,928         | 99,928         | 99,928         | 99,928         | 99,928         | 99,928         | 99,928         | 99,928         | 99,928         | 99,928         | 1,199,140                                     | 1,234,176              | 1,290,052              |
| Vote 3 - Corporate Services                           |          | 17,271              | 17,271         | 17,271         | 17,271         | 17,271         | 17,271         | 17,271         | 17,271         | 17,271         | 17,271         | 17,271         | 17,271         | 207,252                                       | 198,151                | 229,549                |
| Vote 4 - Community Services and Social Equity         |          | 70,430              | 70,430         | 70,430         | 70,430         | 70,430         | 70,430         | 70,430         | 70,430         | 70,430         | 70,430         | 70,430         | 70,430         | 845,155                                       | 872,797                | 934,892                |
| Vote 5 - Infrastructure Services                      |          | 156,745             | 156,745        | 156,745        | 156,745        | 156,745        | 156,745        | 156,745        | 156,745        | 156,745        | 156,745        | 156,745        | 156,745        | 1,880,935                                     | 2,019,303              | 2,078,905              |
| Vote 6 - Sustainable Development and City Enterprises |          | 28,330              | 28,330         | 28,330         | 28,330         | 28,330         | 28,330         | 28,330         | 28,330         | 28,330         | 28,330         | 28,330         | 28,330         | 339,956                                       | 357,731                | 373,729                |
| Vote 7 - Electricity                                  |          | 343,650             | 343,650        | 343,650        | 343,650        | 343,650        | 343,650        | 343,650        | 343,650        | 343,650        | 343,650        | 343,650        | 80,615         | 3,860,768                                     | 4,147,257              | 4,322,539              |
| <b>Total Expenditure by Vote</b>                      |          | <b>735,403</b>      | <b>735,403</b> | <b>735,403</b> | <b>735,403</b> | <b>735,403</b> | <b>735,403</b> | <b>735,403</b> | <b>735,403</b> | <b>735,403</b> | <b>735,403</b> | <b>735,403</b> | <b>472,368</b> | <b>8,561,797</b>                              | <b>9,070,557</b>       | <b>9,483,682</b>       |
| <b>Surplus/(Deficit) before assoc.</b>                |          | <b>91,586</b>       | <b>91,586</b>  | <b>91,586</b>  | <b>91,586</b>  | <b>91,586</b>  | <b>91,586</b>  | <b>91,586</b>  | <b>91,586</b>  | <b>91,586</b>  | <b>91,586</b>  | <b>91,586</b>  | <b>339,767</b> | <b>1,347,210</b>                              | <b>1,376,672</b>       | <b>1,433,377</b>       |
| Income Tax  |          |                     |                |                |                |                |                |                |                |                |                |                | -              | -   | -                      | -                      |
| Share of Surplus/Deficit attributable to Minorities   |          |                     |                |                |                |                |                |                |                |                |                |                | -              | -   | -                      | -                      |
| Intercompany/Parent subsidiary transactions           |          |                     |                |                |                |                |                |                |                |                |                |                | -              | -   | -                      | -                      |
| <b>Surplus/(Deficit)</b>                              | <b>1</b> | <b>91,586</b>       | <b>91,586</b>  | <b>91,586</b>  | <b>91,586</b>  | <b>91,586</b>  | <b>91,586</b>  | <b>91,586</b>  | <b>91,586</b>  | <b>91,586</b>  | <b>91,586</b>  | <b>91,586</b>  | <b>339,767</b> | <b>1,347,210</b>                              | <b>1,376,672</b>       | <b>1,433,377</b>       |

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

| Description   | Ref | Budget Year 2025/26 |        |        |         |        |        |         |        |        |        |        |        | Medium Term Revenue and Expenditure Framework |                        |                        |
|---|-----|---------------------|--------|--------|---------|--------|--------|---------|--------|--------|--------|--------|--------|---|------------------------|------------------------|
|   |     | July                | August | Sept.  | October | Nov.   | Dec.   | January | Feb.   | March  | April  | May    | June   | Budget Year 2025/26                           | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| <b>R thousand</b>                                     |     |                     |        |        |         |        |        |         |        |        |        |        |        |   |                        |                        |
| <b>Multi-year expenditure to be appropriated</b>      | 1   |                     |        |        |         |        |        |         |        |        |        |        |        |   |                        |                        |
| Vote 1 - City Manager                                 |     |                     |        |        |         |        |        |         |        |        |        |        |        | -   | -                      | -                      |
| Vote 2 - City Finance                                 |     | 3,750               | 3,750  | 3,750  | 3,750   | 3,750  | 3,750  | 3,750   | 3,750  | 3,750  | 3,750  | 3,750  | 3,750  | 45,000  | 45,000                 | 50,000                 |
| Vote 3 - Corporate Services                           |     | 833                 | 833    | 833    | 833     | 833    | 833    | 833     | 833    | 833    | 833    | 833    | 833    | 10,000  | 10,000                 | 10,000                 |
| Vote 4 - Community Services and Social Equity         |     | 2,885               | 2,885  | 2,885  | 2,885   | 2,885  | 2,885  | 2,885   | 2,885  | 2,885  | 2,885  | 2,885  | 2,885  | 34,617  | 18,494                 | 18,423                 |
| Vote 5 - Infrastructure Services                      |     | 28,892              | 28,892 | 28,892 | 28,892  | 28,892 | 28,892 | 28,892  | 28,892 | 28,892 | 28,892 | 28,892 | 28,892 | 346,701                                       | 386,017                | 408,006                |
| Vote 6 - Sustainable Development and City Enterprises |     | -                   | -      | -      | -       | -      | -      | -       | -      | -      | -      | -      | -      | -   | -                      | 8,000                  |
| Vote 7 - Electricity                                  |     | 15,111              | 15,111 | 15,111 | 15,111  | 15,111 | 15,111 | 15,111  | 15,111 | 15,111 | 15,111 | 15,111 | 15,111 | 181,333                                       | 30,247                 | 31,483                 |
| <b>Capital multi-year expenditure sub-total</b>       | 2   | 51,471              | 51,471 | 51,471 | 51,471  | 51,471 | 51,471 | 51,471  | 51,471 | 51,471 | 51,471 | 51,471 | 51,471 | 617,651                                       | 489,757                | 525,912                |
| <b>Single-year expenditure to be appropriated</b>     |     |                     |        |        |         |        |        |         |        |        |        |        |        |   |                        |                        |
| Vote 1 - City Manager                                 |     |                     |        |        |         |        |        |         |        |        |        |        |        | -   | -                      | -                      |
| Vote 2 - City Finance                                 |     |                     |        |        |         |        |        |         |        |        |        |        |        | -   | -                      | -                      |
| Vote 3 - Corporate Services                           |     |                     |        |        |         |        |        |         |        |        |        |        |        | -   | -                      | -                      |
| Vote 4 - Community Services and Social Equity         |     | 833                 | 833    | 833    | 833     | 833    | 833    | 833     | 833    | 833    | 833    | 833    | 833    | 10,000  | 30,000                 | 30,000                 |
| Vote 5 - Infrastructure Services                      |     |                     |        |        |         |        |        |         |        |        |        |        |        | -   | -                      | -                      |
| <b>Capital single-year expenditure sub-total</b>      | 2   | 833                 | 833    | 833    | 833     | 833    | 833    | 833     | 833    | 833    | 833    | 833    | 833    | 10,000  | 30,000                 | 30,000                 |
| <b>Total Capital Expenditure</b>                      | 2   | 52,304              | 52,304 | 52,304 | 52,304  | 52,304 | 52,304 | 52,304  | 52,304 | 52,304 | 52,304 | 52,304 | 52,304 | 627,651                                       | 519,757                | 555,912                |

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

| Description   | Ref | Budget Year 2025/26 |        |        |         |        |        |         |        |        |        |        |        | Medium Term Revenue and Expenditure Framework |                        |                        |
|---|-----|---------------------|--------|--------|---------|--------|--------|---------|--------|--------|--------|--------|--------|---|------------------------|------------------------|
|   |     | July                | August | Sept.  | October | Nov.   | Dec.   | January | Feb.   | March  | April  | May    | June   | Budget Year 2025/26                           | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| <b>R thousand</b>                                     |     |                     |        |        |         |        |        |         |        |        |        |        |        |   |                        |                        |
| <b>Multi-year expenditure to be appropriated</b>      | 1   |                     |        |        |         |        |        |         |        |        |        |        |        |   |                        |                        |
| Vote 1 - City Manager                                 |     |                     |        |        |         |        |        |         |        |        |        |        |        | -   | -                      | -                      |
| Vote 2 - City Finance                                 |     | 3,750               | 3,750  | 3,750  | 3,750   | 3,750  | 3,750  | 3,750   | 3,750  | 3,750  | 3,750  | 3,750  | 3,750  | 45,000  | 45,000                 | 50,000                 |
| Vote 3 - Corporate Services                           |     | 833                 | 833    | 833    | 833     | 833    | 833    | 833     | 833    | 833    | 833    | 833    | 833    | 10,000  | 10,000                 | 10,000                 |
| Vote 4 - Community Services and Social Equity         |     | 2,885               | 2,885  | 2,885  | 2,885   | 2,885  | 2,885  | 2,885   | 2,885  | 2,885  | 2,885  | 2,885  | 2,885  | 34,617  | 18,494                 | 18,423                 |
| Vote 5 - Infrastructure Services                      |     | 28,892              | 28,892 | 28,892 | 28,892  | 28,892 | 28,892 | 28,892  | 28,892 | 28,892 | 28,892 | 28,892 | 28,892 | 346,701                                       | 386,017                | 408,006                |
| Vote 6 - Sustainable Development and City Enterprises |     | -                   | -      | -      | -       | -      | -      | -       | -      | -      | -      | -      | -      | -   | -                      | 8,000                  |
| Vote 7 - Electricity                                  |     | 15,111              | 15,111 | 15,111 | 15,111  | 15,111 | 15,111 | 15,111  | 15,111 | 15,111 | 15,111 | 15,111 | 15,111 | 181,333                                       | 30,247                 | 31,483                 |
| <b>Capital multi-year expenditure sub-total</b>       | 2   | 51,471              | 51,471 | 51,471 | 51,471  | 51,471 | 51,471 | 51,471  | 51,471 | 51,471 | 51,471 | 51,471 | 51,471 | 617,651                                       | 489,757                | 525,912                |
| <b>Single-year expenditure to be appropriated</b>     |     |                     |        |        |         |        |        |         |        |        |        |        |        |   |                        |                        |
| Vote 1 - City Manager                                 |     |                     |        |        |         |        |        |         |        |        |        |        |        | -   | -                      | -                      |
| Vote 2 - City Finance                                 |     |                     |        |        |         |        |        |         |        |        |        |        |        | -   | -                      | -                      |
| Vote 3 - Corporate Services                           |     |                     |        |        |         |        |        |         |        |        |        |        |        | -   | -                      | -                      |
| Vote 4 - Community Services and Social Equity         |     | 833                 | 833    | 833    | 833     | 833    | 833    | 833     | 833    | 833    | 833    | 833    | 833    | 10,000  | 30,000                 | 30,000                 |
| Vote 5 - Infrastructure Services                      |     |                     |        |        |         |        |        |         |        |        |        |        |        | -   | -                      | -                      |
| <b>Capital single-year expenditure sub-total</b>      | 2   | 833                 | 833    | 833    | 833     | 833    | 833    | 833     | 833    | 833    | 833    | 833    | 833    | 10,000  | 30,000                 | 30,000                 |
| <b>Total Capital Expenditure</b>                      | 2   | 52,304              | 52,304 | 52,304 | 52,304  | 52,304 | 52,304 | 52,304  | 52,304 | 52,304 | 52,304 | 52,304 | 52,304 | 627,651                                       | 519,757                | 555,912                |

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

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

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



## 2.9.6 Table 18 MBRR SA30 - Budgeted monthly cash flow

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

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

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

These are discussed fully in the IDP and SDBIP documents

## **4.18 Contracts having future budgetary implications**

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

## **4.19 Capital expenditure details**

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

**Table 19 MBRR SA 34a - Capital expenditure on new assets by asset class****Msunduzi (KZN225) - Table SA34a Capital Expenditure on New Assets by Asset Class**

| Description   | Ref | 2021/22         | 2022/23         | 2023/24         | Current year 2024/25 |                 |                    | 2025/26 Medium Term Revenue & Expenditure Framework |                     |                     |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|---------------------|---------------------|
|   |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2025/26                                 | Budget Year 2026/27 | Budget Year 2027/28 |
| <b>R thousands</b>  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| <b>Capital Expenditure on new assets by Asset Class/Sub-class</b> |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| <b>Infrastructure</b>   |     | 12,565,964      |                 |                 |                      |                 |                    |   |                     |                     |
| Roads Infrastructure  |     | -               |                 |                 |                      |                 |                    |   |                     |                     |
| Roads   |     |                 |                 |                 | 5,550                | 43,471          | 43,471             | 13,214  | 1,045               | 79,467              |
| HV Substations  |     |                 |                 |                 | 40,007               | 172,316         | 172,316            | 126,524   |                     | 5,460               |
| MV Networks   |     | 12,565,964      | 552,514         | 819,701         |                      | 14,300          | 14,300             | 5,000   |                     |                     |
| LV Networks   |     |                 |                 |                 | 182,411              | 9,571           | 9,571              | 30,308  | 13,747              | 12,212              |
| Capital Spares  |     |                 |                 |                 |                      | 30,504          | 30,504             | 19,500  | 17,063              | 14,191              |
| Reservoirs  |     |                 |                 |                 | 18,805               | 9,320           | 9,320              | 12,500  | 13,063              | 13,650              |
| Distribution  |     |                 |                 |                 | 64,181               | 10,000          | 10,000             | 25,000  | 30,000              | 3,000               |
| Distribution Points   |     |                 |                 |                 |                      | 15,452          | 15,452             |   | 10,000              | 30,000              |
| Reticulation  |     |                 |                 |                 | 97,047               | 3,000           | 3,000              | 44,184  | 46,836              | 27,003              |
| Waste Water Treatment Works                                       |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Outfall Sewers  |     |                 |                 |                 |                      | 67,470          | 67,470             | 24,033  | 25,475              | 52,135              |
| Community Facilities  |     | -               |                 |                 |                      |                 |                    |   |                     |                     |
| Halls   |     |                 |                 |                 | 13,905               | 17,723          | 17,723             | 13,400  | 14,204              | 42,547              |
| Computer Software and Applications                                |     |                 |                 |                 | 25,000               | 3,400           | 3,400              | 40,000  | 41,800              | 6,000               |
| Furniture and Office Equipment                                    |     |                 |                 |                 | 5,205                | 4,698           | 4,698              | 5,000   | 5,225               | 43,681              |
| <b>Machinery and Equipment</b>                                    |     | -               |                 |                 |                      |                 |                    |   |                     |                     |
| Machinery and Equipment   |     |                 |                 |                 | 53,273               | 13,574          | 13,574             | 10,000  | 10,450              |                     |

**Table 20 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class****Kwazulu-Natal: Msunduzi(KZN225) - Table SA34b Capital Expenditure on Renewal of existing assets by Asset Class (**

| Description   | Ref | 2021/22         | 2022/23         | 2023/24         | Current year 2024/25 |                 |                    | 2025/26 Medium Term Revenue & Expenditure Framework |                     |                     |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|---------------------|---------------------|
|   |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2025/26                                 | Budget Year 2026/27 | Budget Year 2027/28 |
| <b>R thousands</b>  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| <b>Capital Expenditure on renewal of existing assets by Asset Class/Sub-class</b> |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| <b>Infrastructure</b>   |     | -               | -               | 11,937          | 22,764               | 83,723          | 83,723             | 94,000  | 121,640             | 100,176             |
| Roads Infrastructure  |     | -               | -               | -               | 22,264               | 53,815          | 53,815             | 50,000  | 75,000              | 50,530              |
| Roads   |     |                 |                 |                 | 22,264               | 29,665          | 29,665             |   |                     |                     |
| Road Structures   |     |                 |                 |                 |                      | 24,150          | 24,150             | 50,000  | 75,000              | 50,530              |
| Sanitation Infrastructure   |     | -               | -               | -               | -                    | 15,708          | 15,708             | 44,000  | 46,640              | 49,646              |
| Pump Station  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Reticulation  |     |                 |                 |                 |                      | 15,708          | 15,708             | 44,000  | 46,640              | 49,646              |
| Waste Water Treatment Works   |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| <b>Total Capital Expenditure on new assets</b>                                    |     | -               | -               | 11,937          | 34,908               | 86,483          | 86,483             | 94,000  | 121,640             | 100,176             |

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

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

| Description  |  | Ref | 2021/22         | 2022/23         | 2023/24         | Current year 2024/25 |                 |                    | 2025/26 Medium Term Revenue & Expenditure Framework |                     |                     |
|--|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|---------------------|---------------------|
| R thousands  |  |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2025/26                                 | Budget Year 2026/27 | Budget Year 2027/28 |
| Repairs and Maintenance Expenditure by Asset Class/Sub-class |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Infrastructure   |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
|  |  |     | -               | -               | -               | 520,223              | 341,073         | 341,073            | 419,381   | 464,676             | 497,249             |
|  | Roads Infrastructure                         |     | -               | -               | -               | 155,467              | 82,867          | 82,867             | 44,921  | 60,213              | 65,348              |
|  | Roads  |     |                 |                 |                 | 148,240              | 77,579          | 77,579             | 41,794  | 56,773              | 61,565              |
|  | Road Structures                              |     |                 |                 |                 | 3,401                | 2,401           | 2,401              | 1,401   | 1,541               | 1,695               |
|  | Road Furniture                               |     |                 |                 |                 | 3,826                | 2,887           | 2,887              | 1,726   | 1,898               | 2,088               |
|  | Electrical Infrastructure                    |     | -               | -               | -               | 27,650               | 23,400          | 23,400             | 20,665  | 27,154              | 29,598              |
|  | LV Networks                                  |     |                 |                 |                 | 300                  | 22,100          | 22,100             | 19,472  | 25,586              | 27,889              |
|  | Capital Spares                               |     |                 |                 |                 |                      | 1,300           | 1,300              | 1,193   | 1,568               | 1,709               |
|  | Water Supply Infrastructure                  |     | -               | -               | -               | 25,675               | 23,725          | 23,725             | 38,080  | 41,888              | 46,077              |
|  | Bulk Mains                                   |     |                 |                 |                 | 600                  | 100             | 100                | 1,000   | 1,100               | 1,210               |
|  | Distribution                                 |     |                 |                 |                 | 25,075               | 23,625          | 23,625             | 37,080  | 40,788              | 44,867              |
|  | Distribution Points                          |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
|  | PRV Stations                                 |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
|  | Capital Spares                               |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
|  | Sanitation Infrastructure                    |     | -               | -               | -               | 311,176              | 209,476         | 209,476            | 311,582   | 330,917             | 351,476             |
|  | Pump Station                                 |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
|  | Reticulation                                 |     |                 |                 |                 | 10,000               | 3,300           | 3,300              | 16,000  | 17,600              | 19,360              |
|  | Waste Water Treatment Works                  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
|  | Outfall Sewers                               |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
|  | Toilet Facilities                            |     |                 |                 |                 | 301,176              | 206,176         | 206,176            | 295,582   | 313,317             | 332,116             |
|  | Capital Spares                               |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
|  | Solid Waste Infrastructure                   |     | -               | -               | -               | 255                  | 255             | 255                | 3,470   | 3,633               | 3,800               |
|  | Landfill Sites                               |     |                 |                 |                 | 255                  | 255             | 255                | 3,470   | 3,633               | 3,800               |
|  | Coastal Infrastructure                       |     | -               | -               | -               | -                    | 1,350           | 1,350              | 663   | 871                 | 950                 |
|  | Capital Spares                               |     |                 |                 |                 |                      | 1,350           | 1,350              | 663   | 871                 | 950                 |
|  | Information and Communication Infrastructure |     | -               | -               | -               | -                    | -               | -                  | -   | -                   | -                   |
| Community Assets   |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
|  |  |     | -               | -               | -               | 30,550               | 23,820          | 23,820             | 10,670  | 11,189              | 11,724              |
|  | Community Facilities                         |     | -               | -               | -               | 29,292               | 22,613          | 22,613             | 9,244   | 9,696               | 10,162              |
|  | Halls  |     |                 |                 |                 | 23,032               | 15,953          | 15,953             | 8,505   | 8,909               | 9,325               |
|  | Public Ablution Facilities                   |     |                 |                 |                 | 850                  | 850             | 850                | 500   | 524                 | 548                 |
|  | Taxi Ranks/Bus Terminals                     |     |                 |                 |                 | 239                  | 639             | 639                | 239   | 263                 | 290                 |
|  | Capital Spares                               |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
|  | Sport and Recreation Facilities              |     | -               | -               | -               | 1,258                | 1,207           | 1,207              | 1,426   | 1,493               | 1,562               |
|  | Indoor Facilities                            |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
|  | Outdoor Facilities                           |     |                 |                 |                 | 1,258                | 1,207           | 1,207              | 1,426   | 1,493               | 1,562               |
| Other assets   |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
|  |  |     | -               | -               | -               | 37,809               | 36,040          | 36,040             | 18,400  | 18,764              | 20,105              |
|  | Operational Buildings                        |     | -               | -               | -               | 33,773               | 12,686          | 12,686             | 17,950  | 18,287              | 19,599              |
|  | Municipal Offices                            |     |                 |                 |                 | 32,688               | 12,001          | 12,001             | 16,860  | 16,937              | 18,166              |
|  | Pay/Enquiry Points                           |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
|  | Building Plan Offices                        |     |                 |                 |                 | 1,000                | 600             | 600                | 1,000   | 1,272               | 1,348               |
|  | Workshops                                    |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
|  | Yards  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
|  | Stores                                       |     |                 |                 |                 | 85                   | 85              | 85                 | 90  | 78                  | 85                  |
|  | Housing                                      |     | -               | -               | -               | 4,036                | 23,354          | 23,354             | 450   | 477                 | 506                 |
|  | Staff Housing                                |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
|  | Social Housing                               |     |                 |                 |                 | 4,036                | 23,354          | 23,354             | 450   | 477                 | 506                 |
|  | Capital Spares                               |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
| Biological or Cultivated Assets                              |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
|  | Biological or Cultivated Assets              |     | -               | -               | -               | -                    | -               | -                  | -   | -                   | -                   |
| Intangible Assets  |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
|  |  |     | -               | -               | -               | -                    | 140             | 140                | 148   | 157                 | 167                 |
|  | Servitudes                                   |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
|  | Licences and Rights                          |     | -               | -               | -               | -                    | 140             | 140                | 148   | 157                 | 167                 |
|  | Unspecified                                  |     |                 |                 |                 |                      | 140             | 140                | 148   | 157                 | 167                 |
| Computer Equipment   |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
|  | Computer Equipment                           |     | -               | -               | -               | -                    | -               | -                  | -   | -                   | -                   |
| Furniture and Office Equipment                               |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
|  | Furniture and Office Equipment               |     | -               | -               | -               | -                    | -               | -                  | -   | -                   | -                   |
| Machinery and Equipment                                      |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
|  |  |     | -               | -               | -               | 14,367               | 10,380          | 10,380             | 14,540  | 16,231              | 17,418              |
|  | Machinery and Equipment                      |     |                 |                 |                 | 14,367               | 10,380          | 10,380             | 14,540  | 16,231              | 17,418              |
| Transport Assets   |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
|  |  |     | -               | -               | -               | 21,411               | 18,408          | 18,408             | 32,426  | 34,926              | 38,009              |
|  | Transport Assets                             |     |                 |                 |                 | 21,411               | 18,408          | 18,408             | 32,426  | 34,926              | 38,009              |
| Total Capital Expenditure on new assets                      |  |     |                 |                 |                 |                      |                 |                    |   |                     |                     |
|  |  |     | -               | -               | -               | 624,360              | 429,860         | 429,860            | 495,564   | 545,944             | 584,671             |

Table 22 MBRR SA36 - Detailed capital budget per municipal vote

| R thousand  | Function                               | Project Description        | Project Number | Type                            | Asset Class                        | Asset Sub-Class  | Ward Location | 2025/26 Medium Term Revenue & Expenditure Framework |                          |                          |                          |
|---|--|----------------------------|----------------|---------------------------------|------------------------------------|--|---------------|---|--------------------------|--------------------------|--------------------------|
|   |  |                            |                |                                 |                                    |  |               | Current Year<br>2024/25<br>Full Year<br>Forecast    | Budget Year 1<br>2025/26 | Budget Year 2<br>2026/27 | Budget Year 3<br>2027/28 |
| Parent municipality:<br>List all capital projects grouped by Function |  |                            |                |                                 |                                    |  |               |   |                          |                          |                          |
| Community Halls and Facilities  | STRUCTURE OF MULTI-PURPOSE SPOR        | PC002002002002002002 05017 | Upgrading      | Sport and Recreation Facilities | Outdoor Facilities                 | Whole of the Municipality                                |               | 1,217   | 1,290                    | 5,674                    |                          |
| Community Halls and Facilities  | MIG.24:WARD 24 COMMUNITY HALL          | PC002003002001001 04363    | New            | Community Facilities            | Halls                              | Whole of the Municipality,Zone 4:Centr                   | 9,201         | 1,200   | 1,272                    | 2,247                    |                          |
| Community Halls and Facilities  | MIG.21:WARD 8 COMMUNITY HALL           | PC002003002001001 04364    | New            | Community Facilities            | Halls                              | Whole of the Municipality,Zone 1: Vulin                  | 708           | 2,000   | 2,120                    | 5,787                    |                          |
| Community Halls and Facilities  | MIG.25:MADIBA COMMUNITY HALL           | PC002003002001001 04374    | New            | Community Facilities            | Halls                              | Whole of the Municipality,Zone 5: North                  | 3,000         | 5,150   | 5,459                    | 1,367                    |                          |
| Community Halls and Facilities  | Z1:WARD 8 COMMUNITY HALL LANDS         | PC002003002001001 05506    | New            | Community Facilities            | Halls                              | Whole of the Municipality                                | 914           | 5,050   | 5,353                    | 33,146                   |                          |
| Community Halls and Facilities  | NDPG: OLD EDENDALE COMM HALL WARD 5    | PC002003002001001 05508    | New            | Community Facilities            | Halls                              | Whole of the Municipality                                | 81            |   |                          |                          |                          |
| Economic Development/Planning   | NDPG: OLD EDENDALE ROAD UPGRADE        | PC001001002006002 04686    | Upgrading      | Roads Infrastructure            | Road Structures                    | Whole of the Municipality,Zone 2: Eden                   | 20,000        | 20,000  |                          | 30,000                   |                          |
| Economic Development/Planning   | DEVELOPMENT OF EMATSHENI PHASE         | PC002002002002001014 00001 | Upgrading      | Community Facilities            | Public Open Space                  | Whole of the Municipality                                |               | 5,000   | 7,000                    | 2,000                    |                          |
| Economic Development/Planning   | EDENDALE STREAM REHABILITATION         | PC002002002002001014 00002 | Upgrading      | Community Facilities            | Public Open Space                  | Whole of the Municipality                                |               |   | 3,000                    | 8,000                    |                          |
| Economic Development/Planning   | EDENDALE TOWN CENTRE: CIVIC ZI         | PC002002002002001014 04693 | Upgrading      | Community Facilities            | Public Open Space                  | Whole of the Municipality                                |               |   |                          |                          |                          |
| Economic Development/Planning   | NDPG: CBD REGENERATION PHASE 1         | PC002002002002001014 05486 | Upgrading      | Community Facilities            | Public Open Space                  | Whole of the Municipality                                |               | 5,000   | 23,000                   |                          |                          |
| Electricity   | S.21: HILTON INFRASTRUCTURE UPGRA      | PC001002001002 05177       | New            | Electrical Infrastructure       | HV Substations                     | Whole of the Municipality                                | 10,000        | 11,031  |                          |                          |                          |
| Electricity   | NS.21:Medium Voltage Network Upgrad    | PC001002001002 05178       | New            | Electrical Infrastructure       | HV Substations                     | Whole of the Municipality                                | 57,900        | 32,678  |                          |                          |                          |
| Electricity   | S.2A:ERWOOD PRIMARY 132KV INSTALL      | PC001002001002 05184       | New            | Electrical Infrastructure       | HV Substations                     | Whole of the Municipality,Zone 4:Centr                   | 40,000        | 21,336  |                          |                          |                          |
| Electricity   | S.2A:MASON'S 13211w PRIMARY SUBS       | PC001002001002 05189       | New            | Electrical Infrastructure       | HV Substations                     | Whole of the Municipality                                | 60,916        | 61,479  |                          | 5,460                    |                          |
| Electricity   | S.2A:ALABASTER SWITCHGEAR REPLA        | PC001002001002 05543       | New            | Electrical Infrastructure       | HV Substations                     | Whole of the Municipality                                | 3,500         |   |                          |                          |                          |
| Electricity   | S.21:MID-BLOCK SERVICES RELOCAT        | PC001002001007 05179       | New            | Electrical Infrastructure       | MV Networks                        | Whole of the Municipality                                | 14,300        | 5,000   |                          |                          |                          |
| Electricity   | MSU1/0704062.003                       | PC001002001008 05173       | New            | Electrical Infrastructure       | LV Networks                        | Whole of the Municipality                                | 3,271         |   | 2,500                    | 8,212                    |                          |
| Electricity   | Z1:HIGH MAST LIGHTS-VUL & GREAT        | PC001002001008 05176       | New            | Electrical Infrastructure       | LV Networks                        | Whole of the Municipality,Zone 1: Vulindlela (Ward 1,2,3 |               | 7,308   | 7,747                    | 4,000                    |                          |
| Electricity   | Z4:HEKKEK PRIMARY NETWORK UPGRA        | PC001002001008 05186       | New            | Electrical Infrastructure       | LV Networks                        | Whole of the Municipality                                | 3,000         | 23,000  |                          |                          |                          |
| Electricity   | Z4:ELECTR METER AUDIT & REPLACE        | PC001002001008 05316       | New            | Electrical Infrastructure       | LV Networks                        | Whole of the Municipality                                | 1,600         |   |                          |                          |                          |
| Electricity   | INEP.21:PHAYAPHINI INFILLS (TYPE 1)    | PC001002001008 05345       | New            | Electrical Infrastructure       | LV Networks                        | Whole of the Municipality                                | 1,700         |   | 3,500                    |                          |                          |
| Electricity   | LS.2A:NEW MACHINERY & EQUIPMEN         | PC001002001009 05196       | New            | Electrical Infrastructure       | Capital Spares                     | Whole of the Municipality                                | 16,500        | 7,000   |                          |                          |                          |
| Electricity   | LEVS:AH-NEW MACHINERY & EQUIPM         | PC001002001009 05325       | New            | Electrical Infrastructure       | Capital Spares                     | Whole of the Municipality                                | 2,697         |   |                          |                          |                          |
| Electricity   | DSM.2A:RETROFIT OF HPS FITTINGS L      | PC001002001009 05343       | New            | Electrical Infrastructure       | Capital Spares                     | Whole of the Municipality                                | 4,300         |   | 4,000                    | 3,271                    |                          |
| Electricity   | S.2A:SWITCH GEARS AND TRANSFORM        | PC001002001009 05447       | New            | Electrical Infrastructure       | Capital Spares                     | Whole of the Municipality                                | 7,007         | 12,500  | 13,063                   | 10,920                   |                          |
| Finance   | VS:AH-NEW:FURNITURE & OFFICE EQ        | PC002003005 03748          | New            | Furniture and Office Equipment  |                                    | Whole of the Municipality                                | 125           | 5,000   | 5,225                    | 43,681                   |                          |
| Finance   | -                                      | PC002003006005 00099       | New            | Heritage Assets                 | Other Heritage                     | Whole of the Municipality                                |               |   |                          |                          |                          |
| Finance   | Z4:FINANCIAL MANAGEMENT SYSTEM         | PC002003007002004 01237    | New            | Licences and Rights             | Computer Software and Applications | Whole of the Municipality                                | 2,500         | 40,000  | 41,800                   | 6,000                    |                          |
| Information Technology  | LEVS:AH-NEW MACHINERY & EQUIPM         | PC002003009 04263          | New            | Machinery and Equipment         |                                    | Administrative or Head Office (Including                 | 282           | 10,000  | 10,450                   |                          |                          |
| Roads   | LEVS:Z4:ROAD REHAB - PMS               | PC001001001006002 01204    | Renewal        | Roads Infrastructure            | Road Structures                    | Whole of the Municipality                                | 4,150         |   |                          | 1,092                    |                          |
| Roads   | TIO:Z4:PUBLIC TRANSPORT INFRASTR       | PC001001001006002 04327    | Renewal        | Roads Infrastructure            | Road Structures                    | Whole of the Municipality                                | 20,000        | 50,000  | 75,000                   | 49,438                   |                          |
| Roads   | Z1:UPGR GRV RD-EDN-DAMBUZA MJ SW       | PC001001002006001 01302    | Upgrading      | Roads Infrastructure            | Roads                              | Whole of the Municipality,Zone 2: Eden                   | 7,300         | 29,500  | 31,270                   | 13,483                   |                          |
| Roads   | Z1:UPGR GRV ROADS-VULINDELA-WA         | PC001001002006001 01317    | Upgrading      | Roads Infrastructure            | Roads                              | Whole of the Municipality,Zone 1: Vulin                  | 3,000         |   |                          |                          |                          |
| Roads   | MIG.21:UPGR GRV ROADS-VUL-WARD 1       | PC001001002006001 03721    | Upgrading      | Roads Infrastructure            | Roads                              | Whole of the Municipality,Zone 1: Vulin                  | 16,342        | 12,000  | 12,720                   | 5,618                    |                          |
| Roads   | MIG.21:UPGR GRV ROADS-VUL-WARD 5       | PC001001002006001 03722    | Upgrading      | Roads Infrastructure            | Roads                              | Whole of the Municipality,Zone 1: Vulin                  | 12,000        | 5,000   | 5,300                    | 2,213                    |                          |
| Roads   | Z1: REHAB OF BALENI ROAD SWEETW        | PC001001002006001 04873    | Upgrading      | Roads Infrastructure            | Roads                              | Whole of the Municipality                                | 8,052         | 1,970   | 2,088                    | 4,382                    |                          |
| Roads   | EVS:Z2:Canalisation of Streams/bank pr | PC001001002006001 04895    | Upgrading      | Roads Infrastructure            | Roads                              | Administrative or Head Office (Including                 | 2,000         |   | 1,045                    | 13,650                   |                          |
| Roads   | S.22:UPGR GRV RD-EDN-DAMBUZA S.WO      | PC001001002006001 05338    | Upgrading      | Roads Infrastructure            | Roads                              | Whole of the Municipality                                | 475           |   | 1,045                    | 1,092                    |                          |

| R thousand  | Function                          | Project Description     | Project Number | Type                        | Asset Class         | Asset Sub-Class  | Ward Location | Current Year<br>2024/25<br>Full Year<br>Forecast | 2025/26 Medium Term Revenue & Expenditure<br>Framework |                           |                           |
|---|-----------------------------------|-------------------------|----------------|-----------------------------|---------------------|--|---------------|--|--|---------------------------|---------------------------|
|   |                                   |                         |                |                             |                     |  |               |  | Budget Year<br>2025/26                                 | Budget Year +1<br>2026/27 | Budget Year +2<br>2027/28 |
| Parent municipality:<br>List all capital projects grouped by Function |                                   |                         |                |                             |                     |  |               |  |  |                           |                           |
| Roads   | Z1:UPGR GRV ROADS-VULINDELA-WA    | PC001001002006001 05539 | Upgrading      | Roads Infrastructure        | Roads               | Whole of the Municipality  | 475           |  | 1,045  | 1,092                     |                           |
| Roads   | LEVS:Z1:ward                      | PC001001002006001 05540 | Upgrading      | Roads Infrastructure        | Roads               | Whole of the Municipality  | 475           |  | 1,045  | 1,092                     |                           |
| Roads   | LEVS:Ward 27 CBD                  | PC001001002006001 05541 | Upgrading      | Roads Infrastructure        | Roads               | Whole of the Municipality  | 475           | 10,000   | 1,045  | 1,092                     |                           |
| Roads   | MIG.21: UPGR GRV ROADS MISSION    | PC001001002006002 05507 | Upgrading      | Roads Infrastructure        | Road Structures     | Whole of the Municipality  | 5,402         | 3,900  | 4,134  |                           |                           |
| Roads   | LEVS:Z4:STORMWATER UPGRADE        | PC001001002007001 05508 | Upgrading      | Storm water Infrastructure  | Drainage Collection | Whole of the Municipality  | 500           |  |  |                           |                           |
| Roads   | MDRG.24:LOWER BACK STREET         | PC001002006001 00001    | New            | Roads Infrastructure        | Roads               | Whole of the Municipality  |               | 13,214   |  | 78,375                    |                           |
| Roads   | LEVS:Z4:ROAD REHAB - PMS          | PC001002006001 01294    | New            | Roads Infrastructure        | Roads               | Zone 4:Central (Ward 24,25,26,27,33,36,37)                                   |               |  |  |                           |                           |
| Roads   | EVS:Z4:PUBLIC TRANSPORT INFRASTR  | PC001002006001 05383    | New            | Roads Infrastructure        | Roads               | Whole of the Municipality  | 11,170        |  |  |                           |                           |
| Roads   | LEVS:Z4:SMALL PLANT               | PC001002006001 05510    | New            | Roads Infrastructure        | Roads               | Whole of the Municipality  |               |  | 1,045  | 1,092                     |                           |
| Sewerage  | Z3:SHENSTONE AMBLETON SANIT SYS   | PC001001001005002 04706 | Renewal        | Sanitation Infrastructure   | Reticalution        | Whole of the Municipality  | 15,708        | 44,000   | 46,640   | 49,646                    |                           |
| Sewerage  | Z2:EDENDALE-SEWER RETICULATION-   | PC001002005002 04864    | New            | Sanitation Infrastructure   | Reticalution        | Whole of the Municipality  | 3,000         | 44,184   | 46,836   | 27,003                    |                           |
| Sewerage  | MIG.2A:DARVIL SEWER OUTFALL       | PC001002005002 05269    | New            | Sanitation Infrastructure   | Reticalution        | Whole of the Municipality  |               |  |  |                           |                           |
| Sewerage  | MIG.2A:DARVIL SEWER OUTFALL       | PC001002005004 05269    | New            | Sanitation Infrastructure   | Outfall Sewers      | Whole of the Municipality  | 67,470        | 24,033   | 25,475   | 52,135                    |                           |
| Water Distribution  | MIG.25:COPEVILLE RESERVOIR        | PC001001002004007 04866 | Upgrading      | Water Supply Infrastructure | Distribution        | Whole of the Municipality  | 26,679        | 46,400   | 49,184   | 29,000                    |                           |
| Water Distribution  | MIG.21:NCWADI PHASE 2A            | PC001001002004007 04963 | Upgrading      | Water Supply Infrastructure | Distribution        | Zone 1: Vulindlela (Ward 1,2,3,4,5,6,7,8,9,39)                               |               |  |  |                           |                           |
| Water Distribution  | IG.21:VULINDELA PHASE 3 (Planning | PC001001002004007 05071 | Upgrading      | Water Supply Infrastructure | Distribution        | Whole of the Municipality  | 14,507        | 25,000   | 25,000   | 8,000                     |                           |
| Water Distribution  | MIG.25:COPEVILLE RESERVOIR        | PC001002004003 04866    | New            | Water Supply Infrastructure | Reservoirs          | Zone 5: Northern (Ward 28,29,30,31,32,34,35,38)                              |               |  |  |                           |                           |
| Water Distribution  | MIG.21:NCWADI PHASE 2A            | PC001002004003 04963    | New            | Water Supply Infrastructure | Reservoirs          | Whole of the Municipality  | 5,320         |  |  |                           |                           |
| Water Distribution  | LEVS:Z4:WATER METER REPLACEMENT   | PC001002004003 05390    | New            | Water Supply Infrastructure | Reservoirs          | Whole of the Municipality  | 4,000         | 12,500   | 13,063   | 13,650                    |                           |
| Water Distribution  | WSIG.21:VULINDELA PHASE 3B        | PC001002004007 00001    | New            | Water Supply Infrastructure | Distribution        | Whole of the Municipality,Zone 2: Edendale (Ward 10,11,12,16,20,21,22,23)... |               |  |  |                           |                           |
| Water Distribution  | IG.21:VULINDELA PHASE 3 (Planning | PC001002004007 05071    | New            | Water Supply Infrastructure | Distribution        | Whole of the Municipality  |               |  |  |                           |                           |
| Water Distribution  | WSIG.21:VULINDELA PHASE 3B        | PC001002004007 05515    | New            | Water Supply Infrastructure | Distribution        | Whole of the Municipality  | 2,000         | 25,000   | 30,000   | 3,000                     |                           |
| Water Distribution  | WSIG. Z1:WILLOWFONTEIN PH1        | PC001002004007 05516    | New            | Water Supply Infrastructure | Distribution        | Whole of the Municipality  | 8,000         |  |  |                           |                           |
| Water Distribution  | MIG.21:NCWADI PHASE 1             | PC001002004008 05513    | New            | Water Supply Infrastructure | Distribution Points | Whole of the Municipality  | 15,452        |  | 10,000   | 30,000                    |                           |
| Parent Capital expenditure  |                                   |                         |                |                             |                     |  |               | 797,049  | 627,651  | 519,757                   | 555,912                   |
| Entities:<br>List all capital projects grouped by Entity              |                                   |                         |                |                             |                     |  |               |  |  |                           |                           |
| Entity Capital expenditure  |                                   |                         |                |                             |                     |  |               |  |  |                           |                           |
| Total Capital expenditure   |                                   |                         |                |                             |                     |  |               | 797,049  | 627,651  | 519,757                   | 555,912                   |

## Legislation compliance status

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

7. In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the City's website.

8. Internship programme

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

9. Budget and Treasury Office

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

10. Audit Committee

An Audit Committee has been established and is fully functional.

11. Service Delivery Budget Implementation Plan

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

12. Annual Report

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

## 4.20 Other supporting documents

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

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

| Description   | Ref | 2021/22          | 2022/23          | 2023/24          | Current year 2024/25 |                  |                    |                   | 2025/26 Medium Term Revenue & Expenditure Framework |                     |                     |
|---|-----|------------------|------------------|------------------|----------------------|------------------|--------------------|-------------------|---|---------------------|---------------------|
|   |     | Audited Outcome  | Audited Outcome  | Audited Outcome  | Original Budget      | Adjusted Budget  | Full Year Forecast | Pre-audit Outcome | Budget Year 2025/26                                 | Budget Year 2026/27 | Budget Year 2027/28 |
| <b>REVENUE ITEMS:</b>   |     |                  |                  |                  |                      |                  |                    |                   |   |                     |                     |
| <b>Non-exchange revenue by source</b>   |     |                  |                  |                  |                      |                  |                    |                   |   |                     |                     |
| <b>Property rates</b>   |     |                  |                  |                  |                      |                  |                    |                   |   |                     |                     |
| Total Property Rates  | 6   | 1,212,773        | 1,370,170        | 1,359,087        | 1,770,196            | 1,770,196        | 1,770,196          | 1,197,687         | 1,980,439   | 2,069,559           | 2,121,298           |
| less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA) |     | -                | -                | -                | (120,844)            | (120,844)        | (120,844)          | (31)              | (258,775)   | (270,420)           | (277,180)           |
| <b>Net Property Rates</b>   |     | <b>1,212,773</b> | <b>1,370,170</b> | <b>1,359,087</b> | <b>1,649,353</b>     | <b>1,649,352</b> | <b>1,649,352</b>   | <b>1,197,657</b>  | <b>1,721,665</b>                                    | <b>1,799,140</b>    | <b>1,844,118</b>    |
| <b>Exchange revenue service charges</b>   |     |                  |                  |                  |                      |                  |                    |                   |   |                     |                     |
| <b>Service charges - electricity revenue</b>  |     |                  |                  |                  |                      |                  |                    |                   |   |                     |                     |
| Total Service charges - electricity revenue   | 6   | 2,676,489        | 2,724,540        | 2,858,084        | 4,303,290            | 4,229,823        | 4,229,823          | 2,299,454         | 4,708,639   | 4,939,362           | 5,181,391           |
| less Revenue Foregone (in excess of 50 kwh per indigent household per month)  |     | -                | -                | -                | -                    | -                | -                  | -                 | -   | -                   | -                   |
| less Cost of Free Basis Services (50 kwh per indigent household per month)  |     | -                | -                | -                | (5,465)              | (5,465)          | (5,465)            | (2,507)           | (6,084)   | (6,382)             | (6,695)             |
| <b>Net Service charges - electricity revenue</b>  |     | <b>2,676,489</b> | <b>2,724,540</b> | <b>2,858,084</b> | <b>4,297,825</b>     | <b>4,224,358</b> | <b>4,224,358</b>   | <b>2,296,947</b>  | <b>4,702,555</b>                                    | <b>4,932,981</b>    | <b>5,174,697</b>    |
| <b>Service charges - water revenue</b>  |     |                  |                  |                  |                      |                  |                    |                   |   |                     |                     |
| Total Service charges - water revenue   | 6   | 860,676          | 824,369          | 902,755          | 1,259,063            | 1,259,063        | 1,259,063          | 742,748           | 1,447,923   | 1,518,871           | 1,593,296           |
| less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)                                  |     | -                | -                | -                | -                    | -                | -                  | -                 | -   | -                   | -                   |
| less Cost of Free Basis Services (6 kilolitres per indigent household per month)                                    |     | -                | -                | -                | (249,303)            | (249,303)        | (249,303)          | (3,551)           | (286,699)   | (300,747)           | (315,483)           |
| <b>Net Service charges - water revenue</b>  |     | <b>860,676</b>   | <b>824,369</b>   | <b>902,755</b>   | <b>1,009,760</b>     | <b>1,009,760</b> | <b>1,009,760</b>   | <b>739,196</b>    | <b>1,161,224</b>                                    | <b>1,218,124</b>    | <b>1,277,812</b>    |
| <b>Service charges - sanitation revenue</b>   |     |                  |                  |                  |                      |                  |                    |                   |   |                     |                     |
| Total Service charges - sanitation revenue  | 6   | 193,119          | 197,960          | 198,617          | 239,497              | 220,725          | 220,725            | 171,622           | 250,523   | 262,798             | 275,675             |
| less Revenue Foregone (in excess of free sanitation service to indigent households)                                 |     | -                | -                | -                | -                    | -                | -                  | -                 | -   | -                   | -                   |
| less Cost of Free Basis Services (free sanitation service to indigent households)                                   |     | -                | -                | -                | (18,772)             | -                | -                  | (11,661)          | -   | -                   | -                   |
| <b>Net Service charges - sanitation revenue</b>   |     | <b>193,119</b>   | <b>197,960</b>   | <b>198,617</b>   | <b>220,725</b>       | <b>220,725</b>   | <b>220,725</b>     | <b>159,960</b>    | <b>250,523</b>                                      | <b>262,798</b>      | <b>275,675</b>      |
| <b>Service charges - refuse revenue</b>   |     |                  |                  |                  |                      |                  |                    |                   |   |                     |                     |
| Total refuse removal revenue  | 6   | 116,022          | 123,629          | 127,307          | 164,238              | 155,391          | 155,391            | 98,358            | 175,734   | 184,345             | 193,378             |
| Total landfill revenue  |     | -                | -                | -                | -                    | -                | -                  | -                 | -   | -                   | -                   |
| less Revenue Foregone (in excess of one removal a week to indigent households)                                      |     | -                | -                | -                | -                    | -                | -                  | -                 | -   | -                   | -                   |
| less Cost of Free Basis Services (removed once a week to indigent households)                                       |     | -                | -                | -                | (8,847)              | -                | -                  | (1,747)           | (9,486)   | (9,930)             | (10,417)            |
| <b>Net Service charges - refuse revenue</b>   |     | <b>116,022</b>   | <b>123,629</b>   | <b>127,307</b>   | <b>155,391</b>       | <b>155,391</b>   | <b>155,391</b>     | <b>96,611</b>     | <b>166,268</b>                                      | <b>174,415</b>      | <b>182,962</b>      |



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

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

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

## Kwazulu-Natal: Msunduzi (KZN225) - Supporting Table SA3 Budgeted Financial Position

| Description   | Ref | 2021/22            | 2022/23            | 2023/24            | Current year 2024/25 |                    |                    |                   | 2025/26 Medium Term Revenue & Expenditure Framework |                     |                     |
|---|-----|--------------------|--------------------|--------------------|----------------------|--------------------|--------------------|-------------------|---|---------------------|---------------------|
|   |     | Audited Outcome    | Audited Outcome    | Audited Outcome    | Original Budget      | Adjusted Budget    | Full Year Forecast | Pre-audit Outcome | Budget Year 2025/26                                 | Budget Year 2026/27 | Budget Year 2027/28 |
| R thousands   |     |                    |                    |                    |                      |                    |                    |                   |   |                     |                     |
| <b>ASSETS</b>   |     |                    |                    |                    |                      |                    |                    |                   |   |                     |                     |
| <b>Trade and other receivables from exchange transactions</b>           |     |                    |                    |                    |                      |                    |                    |                   |   |                     |                     |
| Electricity   |     | 856,324            | 875,490            | 993,689            | 1,130,409            | 1,130,409          | 1,130,409          | (463)             | 1,793,123   | 1,877,012           | 1,964,832           |
| Water   |     | 2,710,354          | 3,130,817          | 3,629,930          | 3,318,667            | 3,318,667          | 3,318,667          | 485,339           | 3,827,338   | 4,000,358           | 4,181,203           |
| Waste   |     | 238,123            | 258,155            | 293,655            | 273,644              | 273,644            | 273,644            | 34,024            | 314,058   | 328,272             | 343,130             |
| Waste Water   |     | 444,133            | 479,709            | 544,199            | 508,492              | 508,492            | 508,492            | 64,635            | 564,689   | 590,271             | 617,012             |
| Other trade receivables from exchange transactions                      |     | 360,606            | 422,435            | 355,441            | 527,355              | 527,355            | 527,355            | 4,522             | 677,718   | 709,504             | 742,784             |
| <b>Gross: Trade and other receivables from exchange transactions</b>    |     | <b>4,609,539</b>   | <b>5,166,607</b>   | <b>5,816,914</b>   | <b>5,758,566</b>     | <b>5,758,566</b>   | <b>5,758,566</b>   | <b>588,056</b>    | <b>7,176,926</b>                                    | <b>7,505,416</b>    | <b>7,848,960</b>    |
| <b>Less: Impairment for debt</b>  |     | <b>(2,817,144)</b> | <b>(2,933,306)</b> | <b>(5,079,750)</b> | <b>(3,109,304)</b>   | <b>(3,109,304)</b> | <b>(3,109,304)</b> | <b>-</b>          | <b>(5,499,750)</b>                                  | <b>(5,747,238)</b>  | <b>(6,005,864)</b>  |
| Impairment for Electricity  |     | (255,543)          | (259,045)          | (517,768)          | (274,588)            | (274,588)          | (274,588)          | -                 | (517,768)   | (541,068)           | (565,416)           |
| Impairment for Water  |     | (1,872,482)        | (2,034,857)        | (3,464,023)        | (2,156,949)          | (2,156,949)        | (2,156,949)        | -                 | (3,464,023)   | (3,619,904)         | (3,782,800)         |
| Impairment for Waste  |     | (159,099)          | (155,952)          | (270,417)          | (165,309)            | (165,309)          | (165,309)          | -                 | (270,417)   | (282,586)           | (295,302)           |
| Impairment for Waste Water  |     | (277,255)          | (274,605)          | (492,164)          | (291,081)            | (291,081)          | (291,081)          | -                 | (492,164)   | (514,311)           | (537,455)           |
| Impairment for other trade receivables from exchange transactions       |     | (252,764)          | (208,846)          | (335,378)          | (221,377)            | (221,377)          | (221,377)          | -                 | (755,378)   | (789,370)           | (824,892)           |
| <b>Total net Trade and other receivables from Exchange Transactions</b> |     | <b>1,792,394</b>   | <b>2,233,301</b>   | <b>737,164</b>     | <b>2,649,262</b>     | <b>2,649,262</b>   | <b>2,649,262</b>   | <b>588,056</b>    | <b>1,677,177</b>                                    | <b>1,758,178</b>    | <b>1,843,096</b>    |
| <b>Receivables from non-exchange transactions</b>                       |     |                    |                    |                    |                      |                    |                    |                   |   |                     |                     |
| Property rates  |     | 670,949            | 1,469,919          | 1,612,356          | 1,558,114            | 1,558,114          | 1,558,114          | 235,087           | 1,801,739   | 1,882,817           | 1,963,586           |
| Less: Impairment of Property rates                                      |     | (69,163)           | (706,279)          | (1,336,383)        | (748,656)            | (748,656)          | (748,656)          | -                 | (1,336,383)   | (1,396,521)         | (1,459,364)         |
| <b>Net Property rates</b>   |     | <b>601,786</b>     | <b>763,640</b>     | <b>275,972</b>     | <b>809,458</b>       | <b>809,458</b>     | <b>809,458</b>     | <b>235,087</b>    | <b>465,356</b>                                      | <b>486,297</b>      | <b>504,222</b>      |
| Other receivables from non-exchange transactions                        |     | 126,804            | 124,300            | 139,661            | 131,758              | 131,758            | 131,758            | -                 | 139,806   | 146,097             | 152,671             |
| Impairment for other receivables from non-exchange transactions         |     | (104,206)          | (122,836)          | (137,973)          | (130,206)            | (130,206)          | (130,206)          | -                 | (137,973)   | (144,182)           | (150,670)           |
| <b>Net other receivables from non-exchange transactions</b>             |     | <b>22,598</b>      | <b>1,464</b>       | <b>1,688</b>       | <b>1,552</b>         | <b>1,552</b>       | <b>1,552</b>       | <b>-</b>          | <b>1,832</b>  | <b>1,915</b>        | <b>2,001</b>        |
| <b>Total net Receivables from non-exchange transactions</b>             |     | <b>624,384</b>     | <b>765,104</b>     | <b>277,660</b>     | <b>811,010</b>       | <b>811,010</b>     | <b>811,010</b>     | <b>235,087</b>    | <b>467,188</b>                                      | <b>488,211</b>      | <b>506,223</b>      |
| <b>Inventory</b>  |     |                    |                    |                    |                      |                    |                    |                   |   |                     |                     |
| <b>Water</b>  |     |                    |                    |                    |                      |                    |                    |                   |   |                     |                     |
| Opening Balance   |     | 6,519              | 1,349              | 1,814              | -                    | -                  | -                  | -                 | 1,814   | 1,896               | 1,981               |
| System Input Volume   |     | (4,899)            | -                  | -                  | -                    | 712,651            | 712,651            | 799               | 847,500   | 885,638             | 925,491             |
| Water Treatment Works   |     | -                  | -                  | -                  | -                    | -                  | -                  | -                 | -   | -                   | -                   |
| Bulk Purchases  |     | (4,899)            | -                  | -                  | -                    | 712,651            | 712,651            | 799               | 847,500   | 885,638             | 925,491             |
| Natural Sources   |     | -                  | -                  | -                  | -                    | -                  | -                  | -                 | -   | -                   | -                   |

Kwazulu-Natal: Msunduzi (KZN225) - Supporting Table SA3 Budgeted Financial Position

| Description   | Ref | 2021/22         | 2022/23         | 2023/24         | Current year 2024/25 |                 |                    |                   | 2025/26 Medium Term Revenue & Expenditure Framework |                     |                     |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|---------------------|---------------------|
|   |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit Outcome | Budget Year 2025/26                                 | Budget Year 2026/27 | Budget Year 2027/28 |
| R thousands   |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Authorised Consumption  | 6   | -               | -               | -               | -                    | (642,364)       | (642,364)          | -                 | (847,500)   | (885,638)           | (925,491)           |
| Billed Authorised Consumption   |     | -               | -               | -               | -                    | (642,364)       | (642,364)          | -                 | (847,500)   | (885,638)           | (925,491)           |
| Billed Metered Consumption  |     | -               | -               | -               | -                    | (642,364)       | (642,364)          | -                 | (847,500)   | (885,638)           | (925,491)           |
| Free Basic Water  |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Subsidised Water  |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Revenue Water   |     | -               | -               | -               | -                    | (642,364)       | (642,364)          | -                 | (847,500)   | (885,638)           | (925,491)           |
| Correction of Prior period errors   |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Closing Balance Water   |     | 1,620           | 1,346           | 1,814           | -                    | 70,287          | 70,287             | 799               | 1,814   | 1,896               | 1,981               |
| Opening Balance   |     | 33,620          | 54,897          | 54,950          | -                    | -               | -                  | -                 | 54,950  | 57,422              | 60,006              |
| Closing balance - Consumables Standard Rated Zero Rated                   |     | 33,620          | 54,897          | 54,950          | -                    | -               | -                  | 7,280             | 54,950  | 57,422              | 60,006              |
| Opening Balance   |     | -               | 57,000          | 67,858          | -                    | -               | -                  | -                 | 67,858  | 70,912              | 74,103              |
| Closing balance - Materials and Supplies                                  |     | 41,311          | 57,000          | 67,858          | -                    | -               | -                  | (7,842)           | 67,858  | 70,912              | 74,103              |
| Opening Balance   |     | -               | 306,876         | 373,658         | -                    | -               | -                  | -                 | 373,658   | 390,473             | 408,044             |
| Closing Balance - Housing Stock   |     | 292,004         | 306,876         | 373,658         | -                    | -               | -                  | 1,851             | 373,658   | 390,473             | 408,044             |
| Closing Balance - Inventory and Consumables                               |     | 368,555         | 428,123         | 498,281         | 442,453              | 512,740         | 512,740            | 2,088             | 498,281   | 520,703             | 544,135             |
| <b>Property, plant and equipment (PPE)</b>                                |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| PPE at cost/valuation (excl. finance leases)                              | -   | 12,093,558      | 13,077,137      | 13,045,944      | 8,754,770            | 8,754,737       | 8,754,737          | 450,171           | 13,673,320  | 14,152,481          | 14,802,109          |
| Leases recognised as PPE  | 3   | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Less: Accumulated depreciation  | -   | (5,151,271)     | (5,452,199)     | (5,795,138)     | -                    | -               | -                  | (258,773)         | (5,795,138)   | (6,055,419)         | (6,328,435)         |
| Total Property, plant and equipment (PPE)                                 | 2   | 6,942,287       | 7,624,937       | 7,250,806       | 8,754,770            | 8,754,737       | 8,754,737          | 191,398           | 7,878,182   | 8,096,562           | 8,473,674           |
| <b>LIABILITIES</b>  |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| <b>Current liabilities - Borrowing</b>                                    |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Short term loans (other than bank overdraft)                              |     | -               | -               | -               | (90,000)             | (50,000)        | (50,000)           | -                 | 26,275  | 31,507              | 36,975              |
| Current portion of long-term liabilities                                  |     | 79,163          | 74,271          | 50,311          | 78,727               | 78,727          | 78,727             | (82,960)          | 50,311  | 52,575              | 54,941              |
| Total Current liabilities - Borrowing                                     |     | 79,163          | 74,271          | 50,311          | (11,273)             | 28,727          | 28,727             | (82,960)          | 76,586  | 84,083              | 91,916              |
| <b>Trade and other payables</b>   |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Trade and other payables from exchange transactions                       | 5   | 1,949,231       | 3,003,317       | 3,158,414       | 1,713,734            | 1,644,234       | 1,644,234          | 684,823           | 1,713,734   | 1,663,734           | 1,663,734           |
| Other trade payables from exchange transactions                           |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Trade payables from Non-exchange transactions: Unspent conditional Grants |     | 136,088         | 175,936         | 189,531         | -                    | -               | -                  | (19,419)          | -   | -                   | -                   |
| Trade payables from Non-exchange transactions: Other                      |     | -               | -               | 0               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| VAT   |     | 371,840         | 431,837         | 500,430         | 457,747              | -               | -                  | 107,725           | 162,137   | 169,434             | 177,058             |
| Total Trade and other payables  | 2   | 2,457,159       | 3,611,086       | 3,848,376       | 2,171,481            | 1,644,234       | 1,644,234          | 773,129           | 1,875,871   | 1,833,168           | 1,840,792           |
| <b>Non current liabilities - Financial liabilities</b>                    |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Borrowing   | 4   | 124,582         | 50,311          | 116,275         | 559,919              | 559,919         | 559,919            | -                 | -   | -                   | -                   |
| Other financial liabilities   |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Total Non current liabilities - Financial liabilities                     |     | 124,582         | 50,311          | 116,275         | 559,919              | 559,919         | 559,919            | -                 | -   | -                   | -                   |
| <b>Non current liabilities - Long Term portion of trade payables</b>      |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Electricity Bulk Purchases  |     | -               | -               | -               | -                    | -               | -                  | -                 | 166,379   | 173,866             | 181,690             |
| Payables and Accruals - General   |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Water Bulk Purchases  |     | -               | -               | -               | -                    | -               | -                  | -                 | 2,630,535   | 2,748,909           | 2,872,610           |
| Municipal Debt Relief   |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Total Non current liabilities - Long Term portion of trade payables       |     | -               | -               | -               | -                    | -               | -                  | -                 | 2,796,914   | 2,922,775           | 3,054,300           |
| <b>Provisions - non-current</b>   |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Retirement benefits   |     | 517,190         | 477,915         | 499,399         | 583,456              | 583,456         | 583,456            | 499,399           | 521,872   | 545,356             | 545,356             |
| Refuse landfill site rehabilitation                                       |     | 61,114          | 62,177          | 44,650          | 80,111               | 80,111          | 80,111             | -                 | 44,650  | 46,659              | 48,759              |
| Other   |     | 72,130          | 68,073          | 72,806          | -                    | -               | -                  | -                 | 72,806  | 76,082              | 79,506              |
| Total Provisions - non-current  |     | 650,434         | 608,165         | 616,855         | 663,567              | 663,567         | 663,567            | -                 | 616,855   | 644,614             | 673,621             |
| <b>CHANGES IN NET ASSETS</b>  |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| <b>Accumulated Surplus/(Deficit)</b>                                      |     |                 |                 |                 |                      |                 |                    |                   |   |                     |                     |
| Accumulated Surplus/(Deficit) - opening balance                           |     | 7,155,078       | 7,773,527       | 6,490,080       | 10,645,376           | 11,294,430      | 11,294,430         | -                 | 6,699,416   | 6,974,497           | 7,362,856           |
| GRAP adjustments  |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Restated balance  |     | 7,155,078       | 7,773,527       | 6,490,080       | 10,645,376           | 11,294,430      | 11,294,430         | -                 | 6,699,416   | 6,974,497           | 7,362,856           |
| Surplus/(Deficit)   |     | (567,418)       | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Transfers to/from Reserves  |     | 192,177         | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Depreciation offsets  |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                   | -                   |
| Other adjustments   | 1   | 1,236,089       | -               | -               | -                    | -               | -                  | (51,891)          | -   | -                   | -                   |
| Accumulated Surplus/(Deficit)   |     | 8,015,925       | 7,773,527       | 6,490,080       | 10,645,376           | 11,294,430      | 11,294,430         | (51,891)          | 6,699,416   | 6,974,497           | 7,362,856           |
| Total Reserves  | 2   | 235,413         | 250,168         | 252,924         | -                    | -               | -                  | (1,469)           | -   | -                   | -                   |
| TOTAL COMMUNITY WEALTH/EQUITY   |     | 8,251,338       | 8,023,695       | 6,743,004       | 10,645,376           | 11,294,430      | 11,294,430         | (53,359)          | 6,699,416   | 6,974,497           | 7,362,856           |

## 4.21 Municipal manager's quality certificate

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

Print Name    **N Ngcobo**

Acting Municipal manager of Msunduzi Municipality (KZN 225)

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

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