



The Game changer of South Coast development

KZN216

RAY NKONYENI LOCAL MUNICIPALITY

SPECIAL ADJUSTMENT BUDGET AND MTREF 2022/23

PREPARED BY: BUDGET AND TREASURY OFFICE

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Glossary

Adjustments Budget – Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

Allocations – Money received from Provincial or National Government or other municipalities.

Assessment Rates – Local Government taxation based on an assessed value of a property. To determine the rates payable, the assessed ratable value is multiplied by the rate in the rand.

Budget – The financial plan of the Municipality.

Budget Related Policy – Policy of a municipality affecting or affected by the budget, such as the tariffs policy, rates policy and credit control and debt collection policy.

Capital Expenditure – Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality’s Statement of Financial Position.

Cash flow statement – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it scores as expenditure in the month it is received, even though it may not be paid in the same period.

DORA – Division of Revenue Act. Annual piece of legislation that shows the amount of allocations from national to local government.

Equitable Share – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

Fruitless and wasteful expenditure – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

GFS – Government Finance Statistics. An internationally recognized classification system that facilitates like for like comparison between municipalities.

GRAP – Generally Recognized Accounting Practice. The new standard for municipal accounting and basis upon which the Annual Financial Statements are prepared.

IDP – Integrated Development Plan. The main strategic planning document of the Municipality

KPI’s – Key Performance Indicators. Measures of service output and/or outcome.

MFMA – The Municipal Finance Management Act – no 53 of 2003. The principle piece of legislation relating to municipal financial management.

MTREF – Medium Term Revenue and Expenditure Framework. A medium-term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years’ financial position.

Operating Expenditure – Spending on the day to day expenses of the Municipality such as salaries and wages.

SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Strategic Objectives – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

Unauthorized expenditure – Generally, spending without, or in excess of, an approved budget.

Virement – A transfer of budget.

Virement Policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

Vote – One of the main segments into which a budget is divided. In RAY NKONYENI LOCAL Municipality this means at directorate level.

3. Executive Summary

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

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

The municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the municipality 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 Circular No. 116 were used to guide the compilation of the 2021/22 MTREF which indicates the following amongst other things: guidance on budgeting for municipalities affected by redetermination of boundaries.

3.1 MFMA Circulars

Since some of the places within the KwaZulu Natal Province was affected by the flooding in April 2022, the affected Municipalities received Disaster Relief Grant in responding to all the infrastructure that was damaged. NT has since issued **circular 14 (Disaster Events)** in relation to this phenomenon on matters how the municipalities should consider budget for the projects responding to the Disaster Events. This budget circular is a follow-up to the one issued on 26 April 2022 and it complements the many other circulars that have been issued previously. It guides municipalities with their preparation of the 2022/23 Medium Term Revenue and Expenditure Framework (MTREF) and as with previous annual budget circulars it should be read within this context. Among the objectives of this Circular, is to support municipalities with giving effect to National Treasury's Municipal Budget and Reporting Regulations (MBRR) within the current economic climate.

3.1.1 Funding the Budget

Section 18(1) of the MFMA states that an annual budget may only be funded from:

- Realistically anticipated revenues to be collected.
- Cash-backed accumulated funds from previous years' surpluses not Committed for other purposes; and
- Borrowed funds, but only for the capital budget referred to in section 17(2).

Achievement of this requirement in totality effectively means that a Council has surplus in its budget by ensuring that a budgeted outflow does not exceed planned inflows.

Under old budget formats income generated approach was a key objective and this assisted in ensuring that outflows were matched by inflows, provided revenue collections were realistic. However, GRAP compliant budgets necessitate that budget 'balancing' be much more comprehensive.

New budgeting and accounting formats demand that the budgeted Statement of Financial Performance, the Budgeted Statement of Financial Position and the Budgeted Statement of Cash Flows must be considered simultaneously to ensure effective financial management and sustainability.

3.1.2 A Credible Budget

Amongst other things, a credible budget is a budget that:

- Funds only activities consistent with the revised IDP and vice versa ensuring the IDP is realistically achievable given the financial constraints of the municipality.
- Is achievable in terms of agreed service delivery and performance targets.
- Contains revenue and expenditure projections that are consistent with current and past performance and supported by documented evidence of future assumptions.
- Does not jeopardize the financial viability of the municipality (ensures that the financial position is maintained within generally accepted prudential limits and that obligations can be met in the short, medium and long term); and
- Provides managers with appropriate levels of delegation sufficient to meet their financial management responsibilities.

A budget sets out certain service delivery levels and associated financial implications. Therefore, the community should realistically expect to receive these promised service delivery levels and understand the associated financial implications. Major under spending due to under collection of revenue or poor planning is a clear example of a budget that is not credible and unrealistic.

Furthermore, budgets tabled for consultation at least 90 days prior to the start of the budget year should already be credible and close to the final approved budget.

The main challenges experienced during the compilation of the Budget 2022/23 MTREF can be summarized as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained 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 and electricity (due to tariff increases from 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;
- 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 2022/23 Original Budget:

- The 2022/23 Budget priorities and targets, as well as the base line allocations contained in that Draft Budget were adopted as the upper limits for the new

baselines for the 2022/23 draft budget;

- The 2023 Division of Revenue Bill issued in March 2022;
- The Provincial Treasury hereby publishes transfers to municipalities in terms of Section 29(2) of the Division of Revenue Act, 2021. 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.

The Original budget approved by council in May 2022 remains the same in all other aspects except for the inclusion of the Disaster relief grant which has an impact on revenue, capital expenditure and cashflow detailed below therefore the remainder of this document is as presented to Council in May 2022 for the 2022/23 financial year. An amount of R8 million was received in June 2022 and R11 million was received in July 2022.

	Original Budget	Adjustment	Adjusted Budget
Revenue	1,306,988,000.00	19,100,000.00	1,326,088,000.00
Operational Expenditure	1,171,585,000.00	-	1,171,585,000.00
Surplus/(Deficit)	135,403,000.00	19,100,000.00	154,503,000.00

	Original Budget	Adjustment	Adjusted Budget
Capital Expenditure	180,739,000.00	16,608,726.00	197,347,726.00

	Original Budget	Adjustment	Adjusted Budget
Lilliecrona Road_G46247	-	1,826,091.00	1,826,091.00
Mbotsha Road_G46247	-	956,520.00	956,520.00
Makhanya Road_G46247	-	782,613.00	782,613.00
Bar Road_G46247	-	782,613.00	782,613.00
Kwa Xaba_G46247	-	1,304,352.00	1,304,352.00
Ganyaza Road_G46247	-	782,613.00	782,613.00
Roads:Koloni_G46247	-	956,520.00	956,520.00
uMsikaba_G46247	-	782,613.00	782,613.00
Bham Rd_G46247	-	608,697.00	608,697.00
Kwaluhlaza_G46247	-	782,613.00	782,613.00
Urban stormwater rehabilitation_Spillars_G46247	-	2,173,914.00	2,173,914.00
Urban stormwater rehabilitation_Ray Nkonyeni Road_G46247	-	1,869,561.00	1,869,561.00
Urban stormwater rehabilitation_Carnation_G46247	-	1,304,352.00	1,304,352.00
Urban stormwater rehabilitation_West Roads_G46247	-	1,304,352.00	1,304,352.00
Urban stormwater rehabilitation_Bank Street_G46247	-	391,302.00	391,302.00
	-	16,608,726.00	16,608,726.00

4. Table 1 Consolidated Overview

KZN216 Ray Nkonyeni - Table B1 Adjustments Budget Summary -

Description	2022/23									Budget Year 2023/24	Budget Year 2024/25
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	1 A1	2 B	3 C	4 D	5 E	6 F	7 G	8 H		
Financial Performance											
Property rates	498,623	-	-	-	-	-	-	-	498,623	520,563	543,988
Service charges	253,618	-	-	-	-	-	-	-	253,618	266,802	278,808
Investment revenue	5,397	-	-	-	-	-	-	-	5,397	5,635	5,888
Transfers recognised - operational	285,102	-	-	-	-	-	-	-	285,102	304,105	326,923
Other own revenue	131,888	-	-	-	-	-	-	-	131,888	125,960	123,142
Total Revenue (excluding capital transfers and contributions)	1,174,628	-	-	-	-	-	-	-	1,174,628	1,223,064	1,278,749
Employee costs	447,279	-	-	-	-	-	-	-	447,279	456,489	477,281
Remuneration of councillors	31,434	-	-	-	-	-	-	-	31,434	32,817	34,294
Depreciation & asset impairment	101,619	-	-	-	-	-	-	-	101,619	106,090	110,864
Finance charges	12,922	-	-	-	-	-	-	-	12,922	13,491	14,098
Inventory consumed and bulk purchases	149,809	-	-	-	-	-	-	-	149,809	155,672	162,677
Transfers and grants	13,178	-	-	-	-	-	-	-	13,178	12,492	13,157
Other expenditure	415,344	-	-	-	-	-	(0)	(0)	415,344	420,234	430,647
Total Expenditure	1,171,585	-	-	-	-	-	(0)	(0)	1,171,585	1,197,284	1,243,018
Surplus/(Deficit)	3,043	-	-	-	-	-	0	0	3,043	25,780	35,731
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	132,360	-	-	-	-	19,100	-	19,100	151,460	113,200	122,348
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	135,403	-	-	-	-	19,100	0	19,100	154,503	138,980	158,079
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	135,403	-	-	-	-	19,100	0	19,100	154,503	138,980	158,079
Capital expenditure & funds sources											
Capital expenditure	180,739	-	-	-	-	16,609	-	16,609	197,348	139,502	149,488
Transfers recognised - capital	115,052	-	-	-	-	16,609	-	16,609	131,661	98,435	106,572
Borrowing	7,166	-	-	-	-	-	-	-	7,166	-	-
Internally generated funds	58,521	-	-	-	-	-	-	-	58,521	41,067	42,915
Total sources of capital funds	180,739	-	-	-	-	16,609	-	16,609	197,348	139,502	149,488
Financial position											
Total current assets	553,761	-	-	-	-	(3,117)	-	(3,117)	550,644	922,531	909,764
Total non current assets	1,878,708	-	-	-	-	16,609	-	16,609	1,895,317	1,893,356	1,961,580
Total current liabilities	321,834	-	-	-	-	(5,609)	-	(5,609)	316,225	566,524	479,378
Total non current liabilities	150,842	-	-	-	-	-	-	-	150,842	147,923	109,330
Community wealth/Equity	1,959,793	-	-	-	-	19,100	0	19,100	1,978,893	2,106,378	2,279,076
Cash flows											
Net cash from (used) operating	167,979	-	-	-	-	11,000	-	11,000	178,979	415,400	447,368
Net cash from (used) investing	(179,130)	-	-	-	-	(16,609)	-	(16,609)	(195,739)	(154,547)	(165,555)
Net cash from (used) financing	(19,098)	-	-	-	-	-	-	-	(19,098)	(1,445)	(23,927)
Cash/cash equivalents at the year end	112,823	-	-	-	-	(5,609)	-	(5,609)	107,215	366,624	610,804
Cash backing/surplus reconciliation											
Cash and investments available	115,523	-	-	-	-	(5,609)	-	(5,609)	109,915	363,422	237,220
Application of cash and investments	(177,167)	-	-	-	-	(8,100)	20,274	12,174	(164,993)	(7,314)	(188,577)
Balance - surplus (shortfall)	292,690	-	-	-	-	2,491	(20,274)	(17,783)	274,907	370,736	425,797
Asset Management											
Asset register summary (WDV)	1,878,708	-	-	-	-	16,609	-	16,609	1,895,317	1,893,356	1,961,580
Depreciation	99,500	-	-	-	-	-	-	-	99,500	103,878	108,553
Renewal and Upgrading of Existing Assets	68,927	-	-	-	-	16,609	-	16,609	85,536	50,712	51,398
Repairs and Maintenance	54,115	-	-	-	-	-	-	-	54,115	56,488	59,629
Free services											
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-	-
Households below minimum service level											
Water:	-	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-	-

Total operating revenue is R 1,326 billion and increase by R 19.1 million over the 2022/23 MTREF.

Total operating expenditure excluding capital expenditure for the 2022/23 budget will be R 1,171 billion and overall budgeted performance is showing a surplus of R 3.043 million. The budget performance also includes non-cash item for depreciation and asset impairment to the value of R 101.619 million.

The Original capital budget funded through transfer's recognized capital, internal funds and borrowings was R180.739 million and the current adjustment to the capital budget is R16.609 million the new adjusted capital budget is R197.348 million excluding VAT. The increase is due to the additional Grant of Disaster Relief funding Ray Nkonyeni Municipality to respond on the flooding that took place in April 2022.

5. Operating Revenue Framework

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

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

- National Treasury's guidelines and macroeconomic policy;
- Growth in the municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 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

The following table is a summary of the 2022/23 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

KZN216 Ray Nkonyeni - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -

Description	Ref	2022/23									Budget Year	Budget Year	
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget	
		3	4	5	6	7	8	9	10	2023/24	2024/25		
R thousands	1	A	A1	B	C	D	E	F	G	H			
Revenue By Source													
Property rates	2	498,623	-	-	-	-	-	-	-	-	498,623	520,563	543,988
Service charges - electricity revenue	2	182,857	-	-	-	-	-	-	-	-	182,857	192,928	201,610
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	70,761	-	-	-	-	-	-	-	-	70,761	73,874	77,199
Rental of facilities and equipment		2,610	-	-	-	-	-	-	-	-	2,610	2,725	2,848
Interest earned - external investments		5,397	-	-	-	-	-	-	-	-	5,397	5,635	5,888
Interest earned - outstanding debtors		24,389	-	-	-	-	-	-	-	-	24,389	25,462	26,608
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		22,158	-	-	-	-	-	-	-	-	22,158	23,133	24,174
Licences and permits		7,824	-	-	-	-	-	-	-	-	7,824	8,168	8,536
Agency services		4,894	-	-	-	-	-	-	-	-	4,894	5,110	5,339
Transfers and subsidies		285,102	-	-	-	-	-	-	-	-	285,102	304,105	326,923
Other revenue	2	70,013	-	-	-	-	-	-	-	-	70,013	61,362	55,637
Gains		-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		1,174,628	-	-	-	-	-	-	-	-	1,174,628	1,223,064	1,278,749

Revenue generated from rates, services charges and transfers from grants forms a significant percentage of the revenue basket for the municipality. Rates, service charge revenues and transfers and grants comprise more than two thirds of the total revenue mix.

In the 2022/23 financial year, revenue from rates, services charges, other revenue, and transfers and grants totaled R 1,174 billion. Property rate revenue increased by 4.8 percent from R 475.8 million to R 498.6 million, this growth can be mainly attributed to the consumer price index (CPI), and service charges, investment and other revenue also increased by the CPI.

Property rates are the first largest revenue source totaling R499 million rand in 2022/23. The second and third largest sources are revenue from transfers and grants operational followed by service charges which are R285.1 million and 253.6 million respectively.

Other revenue' which consists of various items such as income received from construction contract revenue, permits and licenses, building plan fees, connection fees, transport fees and advertisement fees. Departments have been urged to review the tariffs of these items on an annual basis to ensure they are cost reflective and market related.

Table 3 Budgeted financial performance by Municipal Vote

KZN216 Ray Nkonyeni - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) -

Vote Description <i>[Insert departmental structure etc]</i>	Ref	2022/23									Budget Year 2023/24	Budget Year 2024/25
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
R thousands												
Revenue by Vote	1											
Vote 1 - Mayor and Council		260,646	-	-	-	-	-	-	-	260,646	280,634	302,772
Vote 2 - Finance and Administration		530,657	-	-	-	-	-	-	-	530,657	553,920	578,759
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		15,739	-	-	-	-	-	-	-	15,739	15,780	16,475
Vote 5 - Sport and Recreation		48	-	-	-	-	-	-	-	48	50	52
Vote 6 - Public Safety		24,971	-	-	-	-	-	-	-	24,971	26,069	27,242
Vote 7 - Housing		56,832	-	-	-	-	-	-	-	56,832	53,665	47,322
Vote 8 - Health		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		132,124	-	-	-	-	-	-	-	132,124	117,129	120,454
Vote 10 - Road Transport		10,941	-	-	-	-	19,100	-	19,100	30,041	11,422	11,936
Vote 11 - Environment Protection		392	-	-	-	-	-	-	-	392	409	428
Vote 12 - Energy Sources		189,193	-	-	-	-	-	-	-	189,193	194,323	209,067
Vote 13 - Other		4,228	-	-	-	-	-	-	-	4,228	4,414	4,613
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		81,218	-	-	-	-	-	-	-	81,218	78,448	81,978
Total Revenue by Vote	2	1,306,988	-	-	-	-	19,100	-	19,100	1,326,088	1,336,264	1,401,097
Expenditure by Vote	1											
Vote 1 - Mayor and Council		42,854	-	-	-	-	-	-	-	42,854	44,739	46,753
Vote 2 - Finance and Administration		334,780	-	-	-	-	-	-	-	334,780	330,776	345,573
Vote 3 - Internal Audit		76,612	-	-	-	-	-	-	-	76,612	79,983	83,582
Vote 4 - Community and Social Services		39,877	-	-	-	-	-	-	-	39,877	41,631	43,505
Vote 5 - Sport and Recreation		5,424	-	-	-	-	-	-	-	5,424	5,663	5,917
Vote 6 - Public Safety		91,290	-	-	-	-	-	-	-	91,290	100,526	105,050
Vote 7 - Housing		66,272	-	-	-	-	-	-	-	66,272	57,723	52,108
Vote 8 - Health		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		51,948	-	-	-	-	-	-	-	51,948	53,281	55,781
Vote 10 - Road Transport		89,844	-	-	-	-	-	-	-	89,844	93,798	98,018
Vote 11 - Environment Protection		27,693	-	-	-	-	-	-	-	27,693	28,912	30,213
Vote 12 - Energy Sources		164,112	-	-	-	-	-	-	-	164,112	171,032	178,783
Vote 13 - Other		6,515	-	-	-	-	-	-	-	6,515	6,802	7,108
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		174,365	-	-	-	-	-	-	-	174,365	182,418	190,627
Total Expenditure by Vote	2	1,171,585	-	-	-	-	-	-	-	1,171,585	1,197,284	1,243,018
Surplus/ (Deficit) for the year	2	135,403	-	-	-	-	19,100	-	19,100	154,503	138,980	158,079

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were considered to ensure the financial sustainability of the municipality. Revenue tariffs have been increased by the CPI rates of 4.8% for the 2023 budget. Considering the state of the economy and the Covid-19 pandemic it was sensible to limit the revenue increment to the current CPI.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs, and other charges as low as possible. Municipalities must justify in their budget documentation all increases more than the 4.8 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment. In line with circular 108 guidelines the municipality implemented a tariff increment of 4.8%.

5.1. Property Rates

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

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 further R85 000 and R50 000 reduction on the market value of a property for residential and vacant land categories respectively, will be granted in terms of the municipality's own Property Rates Policy;
- 100 per cent rebate will be granted to registered indigents and child headed household in terms of the Indigent Policy;
- For pensioners, physically and mentally disabled persons whose household income equal 2 state pensions, 4 state pensions and 6 state pensions will receive a rebate of 75%, 50% and 25 % respectively in terms of Rates policy.
- Indigents, in terms of the indigent policy are exempt from paying rates if the value of the property is less than R350 000.00.

The categories of rate-able properties for purposes of levying rates the proposed rates increase for the 2022/23 financial year is 4.8 per cent and the table below reflect individual municipality tariff for rates since the new valuation and new tariffs will be implemented in 2022/23 budget year.

5.1. Sale of Electricity and Impact of Tariff Increases

The service charges electricity budget for 2022/23 is R 182.857 million. The consumer tariff was increased by 7.47 per cent as per NERSA guidelines to offset the additional bulk purchase cost from 1 July 2022. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity.

5.2. Waste Removal and Impact of Tariff Increases

The Service charges waste removal budget for 2022/23 is R 70. 761. The municipality has implemented a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors to solid waste are maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration. Waste removal tariffs have been increased by CPI of 4.8% for the 2023 budget year.

5.3. Waste Removal and Impact of Tariff Increases

The municipality has implemented a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors to solid waste are maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration. Waste removal tariffs have been increased by CPI of 4.8% for the 2023 budget year.

5.4. Other Tariff of Charges

Other tariff of charges such as licenses and permits, town planning, fines and other revenue have been increased by 3.9 per cent and tariff of charges is attached as annexure.

6. Operating Expenditure Framework

The Municipality's expenditure framework for the 2022/23 budget and MTREF is informed by the following:

- Budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services;

Table 5 Summary of operating expenditure by standard classification item

KZN216 Ray Nkonyeni - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -

Description	Ref	2022/23									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		3	4	5	6	7	8	9	10			
R thousands	1	A	A1	B	C	D	E	F	G	H		
Expenditure By Type												
Employee related costs		447,279	-	-	-	-	-	-	-	447,279	456,489	477,281
Remuneration of councillors		31,434	-	-	-	-	-	-	-	31,434	32,817	34,294
Debt impairment		9,964	-	-	-	-	-	-	-	9,964	10,423	10,892
Depreciation & asset impairment		101,619	-	-	-	-	-	-	-	101,619	106,090	110,964
Finance charges		12,922	-	-	-	-	-	-	-	12,922	13,491	14,098
Bulk purchases - electricity		137,074	-	-	-	-	-	-	-	137,074	142,321	148,726
Inventory consumed		12,735	-	-	-	-	-	-	-	12,735	13,351	13,951
Contracted services		244,861	-	-	-	-	-	-	-	244,861	245,035	247,594
Transfers and subsidies		13,178	-	-	-	-	-	-	-	13,178	12,492	13,157
Other expenditure		160,480	-	-	-	-	-	(0)	(0)	160,480	164,776	172,161
Losses		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		1,171,965	-	-	-	-	-	(0)	(0)	1,171,965	1,197,284	1,243,018

Employee related costs and Remuneration of Councilors

KZN216 Ray Nkonyeni - Supporting Table SB11 Adjustments Budget - councillor and staff benefits -

Summary of remuneration	Ref	2022/23									% change
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	
R thousands		A	5	6	7	8	9	10	11	12	
Councillors (Political Office Bearers plus Other)											
Basic Salaries and Wages		28,393	-							28,393	0.0%
Pension and UIF Contributions		-	-							-	
Medical Aid Contributions		-	-							-	
Motor Vehicle Allowance		-	-							-	
Cellphone Allowance		3,042	-							3,042	
Housing Allowances		-	-							-	
Other benefits and allowances		-	-							-	
Sub Total - Councillors		31,434	-							31,434	0.0%
% increase			(0)								
Senior Managers of the Municipality											
Basic Salaries and Wages		4,393	-							4,393	0.0%
Pension and UIF Contributions		189	-							189	0.0%
Medical Aid Contributions		78	-							78	0.0%
Overtime		-	-							-	
Performance Bonus		1,059	-							1,059	
Motor Vehicle Allowance		1,158	-							1,158	0.0%
Cellphone Allowance		115	-							115	0.0%
Housing Allowances		3,488	-							3,488	
Other benefits and allowances		0	-							0	
Payments in lieu of leave		-	-							-	
Long service awards		-	-							-	
Post-retirement benefit obligations		-	-							-	
Sub Total - Senior Managers of Municipality	5	10,481	-							10,481	0.0%
% increase			(0)								
Other Municipal Staff											
Basic Salaries and Wages		276,977	-							276,977	0.0%
Pension and UIF Contributions		51,553	-							51,553	0.0%
Medical Aid Contributions		20,813	-							20,813	0.0%
Overtime		14,695	-							14,695	0.0%
Performance Bonus		23,805	-							23,805	
Motor Vehicle Allowance		18,637	-							18,637	0.0%
Cellphone Allowance		1,046	-							1,046	0.0%
Housing Allowances		3,946	-							3,946	
Other benefits and allowances		3,006	-							3,006	
Payments in lieu of leave		4,200	-							4,200	0.0%
Long service awards		2,270	-							2,270	0.0%
Post-retirement benefit obligations		15,852	-							15,852	0.0%
Sub Total - Other Municipal Staff	5	436,798	-							436,798	0.0%
% increase											
Total Parent Municipality		478,713	-							478,713	0.0%

The budget for employee related cost and remuneration of councilor's amounts to R 489.4 million for 2022/23 financial year. Employee related cost amounts to 37.2% of total operating budget in line with treasury guideline of 35%-40%. An increase in employee related cost in 2022/23 versus 2021/22 is due an increment as per SALGA 's collective agreement of 4.9%, the municipality has also considered the decisions undertaken in the strategic session and have made a provision of R6 million rand in our budget towards filling some of the key posts to address service delivery concerns in departments such as community services, public safety, and technical services.

Other operating expenditure

Other expenditure includes items such as audit fees, subsistence and travelling, professional fees, legal fees, bank charges, Budget Road shows, municipal running cost and all other expenditure forms part on the above-mentioned categories of expenses.

Overall expenditure budget

KZN216 Ray Nkonyeni - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -

Description	Ref	2022/23									Budget Year	Budget Year
		Original	Prior Adjusted	Accum. Funds	Multi-year	Unfore.	Nat. or Prov.	Other Adjusts.	Total Adjusts.	Adjusted	Adjusted	
		Budget	3	4	5	6	7	8	9	10	Budget	Budget
R thousands	1	A	A1	B	C	D	E	F	G	H		
Expenditure By Type												
Employee related costs		447,279	-	-	-	-	-	-	-	447,279	456,489	477,281
Remuneration of councillors		31,434	-	-	-	-	-	-	-	31,434	32,817	34,294
Debt impairment		9,984	-	-	-	-	-	-	-	9,984	10,423	10,892
Depreciation & asset impairment		101,619	-	-	-	-	-	-	-	101,619	106,090	110,864
Finance charges		12,922	-	-	-	-	-	-	-	12,922	13,491	14,098
Bulk purchases - electricity		137,074	-	-	-	-	-	-	-	137,074	142,321	148,726
Inventory consumed		12,735	-	-	-	-	-	-	-	12,735	13,351	13,951
Contracted services		244,881	-	-	-	-	-	-	-	244,881	245,035	247,594
Transfers and subsidies		13,178	-	-	-	-	-	-	-	13,178	12,492	13,157
Other expenditure		160,480	-	-	-	-	-	(0)	(0)	160,480	164,776	172,161
Losses		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		1,171,585	-	-	-	-	-	(0)	(0)	1,171,585	1,197,284	1,243,018

The overall operational expenditure budget for 2022/23 amount to 1,172 billion.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilized for the calculation of the CPI consist of items such as food, petrol, and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity, petrol, diesel, chemicals, cement etc.

The current challenge facing the municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions.

The percentage increases of Eskom bulk tariffs of 9.6% are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and in these tariffs are largely outside the control of the municipality.

6.1 Depreciation and Amortization

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R 101,619 million for the 2022/23 financial and equates to 9 per cent of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years.

6.2 Repairs and maintenance

During the compilation of the 2022/23 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the municipality's infrastructure and historic deferred maintenance especially roads. The municipality has an infrastructure

maintenance plan to ensure that assets are in good condition.

Repairs and maintenance comprise of amongst others the purchase of fuel, diesel, materials for maintenance, potholes, cleaning materials and chemicals. This group of expenditure has been prioritized to ensure sustainability of the municipality's infrastructure especially potholes. Budgeted Repairs budgeted amount for 2022 amounts to R56.6 million which translates to 4.7% of the operating budget.

6.3 Bulk purchases

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The increase is 9.6 per cent as per NERSA Guidelines and budgeted R137.074 million for 2022/23.

6.4 Contracted services

Contracted services equal to 22.9 per cent of the expenditure budget and has been budgeted at R 244.9 million. Contracted Services made up of 3 categories namely, Consultants and Professional Services, Contractors, and Outsourced services.

6.5 Free Basic Services: Basic Social Service Package

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

6.6 Finance Charges

Finance Charges amounted to R 12.9 million and that includes the finance charges of the new DBSA loan with an amount of R 7.1 million expected to be received in the financial year 2022/23 and the new financial lease Vehicles

6.7 Other expenditure

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. The salient features of general expenses have been the following:

7. Capital Expenditure Framework

KZN216 Ray Nkonyeni - Table BS Adjustments Capital Expenditure Budget by vote and funding -

Description	Ref	2022/23									Budget Year	Budget Year
		Original	Prior Adjusted	Accruals Funds	Multi-year	Unfore.	Nat. or Prov.	Other Adjusts.	Total Adjusts.	Adjusted	Adjusted	Adjusted
		A	5	6	7	8	9	10	11	12	Budget	Budget
R thousands		At	B	C	D	E	F	G	H			
Capital expenditure - Vote												
Multi-year expenditure to be adjusted	2											
Vote 1 - Mayor and Council		--	--	--	--	--	--	--	--	--	--	--
Vote 2 - Finance and Administration		--	--	--	--	--	--	--	--	--	--	--
Vote 3 - Internal Audit		--	--	--	--	--	--	--	--	--	--	--
Vote 4 - Community and Social Services		--	--	--	--	--	--	--	--	--	--	--
Vote 5 - Sport and Recreation		--	--	--	--	--	--	--	--	--	--	--
Vote 6 - Public Safety		--	--	--	--	--	--	--	--	--	--	--
Vote 7 - Housing		--	--	--	--	--	--	--	--	--	--	--
Vote 8 - Health		--	--	--	--	--	--	--	--	--	--	--
Vote 9 - Planning and Development		--	--	--	--	--	--	--	--	--	--	--
Vote 10 - Road Transport		--	--	--	--	--	--	--	--	--	--	--
Vote 11 - Environment Protection		--	--	--	--	--	--	--	--	--	--	--
Vote 12 - Energy Sources		--	--	--	--	--	--	--	--	--	--	--
Vote 13 - Other		--	--	--	--	--	--	--	--	--	--	--
Vote 14 - Waste Water Management		--	--	--	--	--	--	--	--	--	--	--
Vote 15 - Waste Management		--	--	--	--	--	--	--	--	--	--	--
Capital multi-year expenditure sub-total	3	--	--	--	--	--	--	--	--	--	--	--
Single-year expenditure to be adjusted	2											
Vote 1 - Mayor and Council		--	--	--	--	--	--	--	--	--	--	--
Vote 2 - Finance and Administration		3,075	--	--	--	--	--	--	3,075	2,155	2,252	
Vote 3 - Internal Audit		185	--	--	--	--	--	--	185	193	202	
Vote 4 - Community and Social Services		200	--	--	--	--	--	--	200	--	--	
Vote 5 - Sport and Recreation		--	--	--	--	--	--	--	--	--	--	
Vote 6 - Public Safety		5,440	--	--	--	--	--	--	5,440	5,575	5,826	
Vote 7 - Housing		273	--	--	--	--	--	--	273	284	297	
Vote 8 - Health		--	--	--	--	--	--	--	--	--	--	
Vote 9 - Planning and Development		90,430	--	--	--	--	--	--	90,430	81,987	84,037	
Vote 10 - Road Transport		55,006	--	--	--	18,600	--	16,600	71,815	46,459	48,500	
Vote 11 - Environment Protection		--	--	--	--	--	--	--	--	--	--	
Vote 12 - Energy Sources		15,348	--	--	--	--	--	--	15,348	1,487	8,950	
Vote 13 - Other		--	--	--	--	--	--	--	--	--	--	
Vote 14 - Waste Water Management		--	--	--	--	--	--	--	--	--	--	
Vote 15 - Waste Management		1,804	--	--	--	--	--	--	1,804	1,382	1,423	
Capital single-year expenditure sub-total		180,730	--	--	--	18,600	--	16,600	197,348	136,502	149,488	
Total Capital Expenditure - Vote		180,730	--	--	--	18,600	--	16,600	197,348	136,502	149,488	
Capital Expenditure - Functional												
Governance and administration		3,280	--	--	--	--	--	--	3,280	2,389	2,478	
Executive and council		30	--	--	--	--	--	--	30	21	22	
Finance and administration		3,075	--	--	--	--	--	--	3,075	2,155	2,252	
Internal audit		185	--	--	--	--	--	--	185	193	202	
Community and public safety		5,813	--	--	--	--	--	--	5,813	5,859	6,123	
Community and social services		200	--	--	--	--	--	--	200	--	--	
Sport and recreation		--	--	--	--	--	--	--	--	--	--	
Public safety		5,340	--	--	--	--	--	--	5,340	5,575	5,826	
Housing		273	--	--	--	--	--	--	273	284	297	
Health		--	--	--	--	--	--	--	--	--	--	
Economic and environmental services		154,495	--	--	--	18,600	--	16,600	171,104	128,425	132,515	
Planning and development		90,380	--	--	--	--	--	--	90,380	81,988	84,015	
Road transport		55,106	--	--	--	18,600	--	16,600	71,715	46,459	48,500	
Environmental protection		--	--	--	--	--	--	--	--	--	--	
Trading services		17,152	--	--	--	--	--	--	17,152	2,848	8,373	
Energy sources		15,348	--	--	--	--	--	--	15,348	1,487	8,950	
Water management		--	--	--	--	--	--	--	--	--	--	
Waste water management		--	--	--	--	--	--	--	--	--	--	
Waste management		1,804	--	--	--	--	--	--	1,804	1,382	1,423	
Other		--	--	--	--	--	--	--	--	--	--	
Total Capital Expenditure - Functional	3	180,730	--	--	--	18,600	--	16,600	197,348	136,502	149,488	
Funded by:												
National Government		115,052	--	--	--	18,600	--	16,600	131,881	98,435	108,572	
Provincial Government		--	--	--	--	--	--	--	--	--	--	
District Municipality		--	--	--	--	--	--	--	--	--	--	
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		--	--	--	--	--	--	--	--	--	--	
Transfers recognised - capital	4	115,052	--	--	--	18,600	--	16,600	131,881	98,435	108,572	
Borrowing		7,198	--	--	--	--	--	--	7,198	--	--	
Internally generated funds		58,521	--	--	--	--	--	--	58,521	41,067	42,915	
Total Capital Funding		180,730	--	--	--	18,600	--	16,600	197,348	136,502	149,488	

References

The main source of funding of the 2022/23 Capital budget of R 115.052 million is transfers recognized capital from National and provincial departments, followed by internally generated. The capital budget is aimed to facilitate service delivery where it is essential and address historical backlogs of our country.

Capital Budget

- Integrated Urban Development Grant R 70, 747 million
 - Neighbourhood Grant R 40, 000 million
 - Disaster Relief Grant R 19,100 million
 - Energy Efficiency and Side Management R 4, 035 million
 - Borrowing R 7,166 million
 - Internally generated funds R 58, 521 million
- R 197, 348 million

PART 2 MAIN BUDGET TABLES

8. Annual Budget Tables

The following are the main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations.

Table 8 MBRR Table B1 - Budget Summary

KZN216 Ray Nkonyeni - Table B2 Adjustments Budget Financial Performance (functional classification) -

Standard Description	Ref	2022/23										Budget Year 2023/24	Budget Year 2024/25
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget	
R thousands	1, 4	A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H			
Revenue - Functional													
Governance and administration		791,303	-	-	-	-	-	-	-	791,303	834,554	881,531	
Executive and council		260,646	-	-	-	-	-	-	-	260,646	280,634	302,772	
Finance and administration		530,657	-	-	-	-	-	-	-	530,657	553,920	578,759	
Internal audit		-	-	-	-	-	-	-	-	-	-	-	
Community and public safety		72,795	-	-	-	-	-	-	-	72,795	69,679	64,040	
Community and social services		15,739	-	-	-	-	-	-	-	15,739	15,780	16,475	
Sport and recreation		48	-	-	-	-	-	-	-	48	50	52	
Public safety		176	-	-	-	-	-	-	-	176	184	192	
Housing		56,832	-	-	-	-	-	-	-	56,832	53,665	47,322	
Health		-	-	-	-	-	-	-	-	-	-	-	
Economic and environmental services		168,251	-	-	-	-	19,100	-	19,100	187,351	154,846	159,868	
Planning and development		132,124	-	-	-	-	-	-	-	132,124	117,129	120,454	
Road transport		35,735	-	-	-	-	19,100	-	19,100	54,835	37,307	38,986	
Environmental protection		392	-	-	-	-	-	-	-	392	409	428	
Trading services		270,411	-	-	-	-	-	-	-	270,411	272,771	291,046	
Energy sources		189,193	-	-	-	-	-	-	-	189,193	194,323	209,067	
Water management		-	-	-	-	-	-	-	-	-	-	-	
Waste water management		-	-	-	-	-	-	-	-	-	-	-	
Waste management		81,218	-	-	-	-	-	-	-	81,218	78,448	81,978	
Other		4,228	-	-	-	-	-	-	-	4,228	4,414	4,613	
Total Revenue - Functional	2	1,306,988	-	-	-	-	19,100	-	19,100	1,326,088	1,336,264	1,401,097	
Expenditure - Functional													
Governance and administration		456,093	-	-	-	-	-	-	-	456,093	457,427	477,924	
Executive and council		44,701	-	-	-	-	-	-	-	44,701	46,668	48,768	
Finance and administration		375,353	-	-	-	-	-	-	-	375,353	373,135	389,838	
Internal audit		36,039	-	-	-	-	-	-	-	36,039	37,625	39,318	
Community and public safety		160,167	-	-	-	-	-	-	-	160,167	155,750	154,546	
Community and social services		38,966	-	-	-	-	-	-	-	38,966	40,680	42,511	
Sport and recreation		5,424	-	-	-	-	-	-	-	5,424	5,663	5,917	
Public safety		49,505	-	-	-	-	-	-	-	49,505	51,684	54,009	
Housing		66,272	-	-	-	-	-	-	-	66,272	57,723	52,108	
Health		-	-	-	-	-	-	-	-	-	-	-	
Economic and environmental services		210,333	-	-	-	-	-	-	-	210,333	223,855	234,032	
Planning and development		50,101	-	-	-	-	-	-	-	50,101	51,352	53,766	
Road transport		132,540	-	-	-	-	-	-	-	132,540	143,591	150,053	
Environmental protection		27,693	-	-	-	-	-	-	-	27,693	28,912	30,213	
Trading services		338,477	-	-	-	-	-	-	-	338,477	353,450	369,410	
Energy sources		164,112	-	-	-	-	-	-	-	164,112	171,032	178,783	
Water management		-	-	-	-	-	-	-	-	-	-	-	
Waste water management		-	-	-	-	-	-	-	-	-	-	-	
Waste management		174,365	-	-	-	-	-	-	-	174,365	182,418	190,627	
Other		6,515	-	-	-	-	-	-	-	6,515	6,802	7,108	
Total Expenditure - Functional	3	1,171,585	-	-	-	-	-	-	-	1,171,585	1,197,284	1,243,018	
Surplus/ (Deficit) for the year		135,403	-	-	-	-	19,100	-	19,100	154,503	138,980	158,079	

- Table B1 is a budget summary and provides a concise overview of the municipality's budget from all of the major financial perspectives (financial performance, capital expenditure and funding sources, financial position, cash flow, MFMA funding compliance and asset management).
- 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.

Table 9 MBRR Table B2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

KZN216 Ray Nkonyeni - Table B2 Adjustments Budget Financial Performance (functional classification) -

Standard Description	Ref	2022/23										Budget Year 2023/24	Budget Year 2024/25
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget	
R thousands	1, 4	A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H			
Revenue - Functional													
Governance and administration		791,303	-	-	-	-	-	-	-	791,303	834,554	881,531	
Executive and council		260,646	-	-	-	-	-	-	-	260,646	280,634	302,772	
Finance and administration		530,657	-	-	-	-	-	-	-	530,657	553,920	578,759	
Internal audit		-	-	-	-	-	-	-	-	-	-	-	
Community and public safety		72,795	-	-	-	-	-	-	-	72,795	69,679	64,040	
Community and social services		15,739	-	-	-	-	-	-	-	15,739	15,780	16,475	
Sport and recreation		48	-	-	-	-	-	-	-	48	50	52	
Public safety		176	-	-	-	-	-	-	-	176	184	192	
Housing		56,832	-	-	-	-	-	-	-	56,832	53,665	47,322	
Health		-	-	-	-	-	-	-	-	-	-	-	
Economic and environmental services		168,251	-	-	-	-	19,100	-	19,100	187,351	154,846	159,868	
Planning and development		132,124	-	-	-	-	-	-	-	132,124	117,129	120,454	
Road transport		35,735	-	-	-	-	19,100	-	19,100	54,835	37,307	38,986	
Environmental protection		392	-	-	-	-	-	-	-	392	409	428	
Trading services		270,411	-	-	-	-	-	-	-	270,411	272,771	291,046	
Energy sources		189,193	-	-	-	-	-	-	-	189,193	194,323	209,067	
Water management		-	-	-	-	-	-	-	-	-	-	-	
Waste water management		-	-	-	-	-	-	-	-	-	-	-	
Waste management		81,218	-	-	-	-	-	-	-	81,218	78,448	81,978	
Other		4,228	-	-	-	-	-	-	-	4,228	4,414	4,613	
Total Revenue - Functional	2	1,306,988	-	-	-	-	19,100	-	19,100	1,326,088	1,336,264	1,401,097	
Expenditure - Functional													
Governance and administration		456,093	-	-	-	-	-	-	-	456,093	457,427	477,924	
Executive and council		44,701	-	-	-	-	-	-	-	44,701	46,668	48,768	
Finance and administration		375,353	-	-	-	-	-	-	-	375,353	373,135	389,838	
Internal audit		36,039	-	-	-	-	-	-	-	36,039	37,625	39,318	
Community and public safety		160,167	-	-	-	-	-	-	-	160,167	155,750	154,546	
Community and social services		38,966	-	-	-	-	-	-	-	38,966	40,680	42,511	
Sport and recreation		5,424	-	-	-	-	-	-	-	5,424	5,663	5,917	
Public safety		49,505	-	-	-	-	-	-	-	49,505	51,684	54,009	
Housing		66,272	-	-	-	-	-	-	-	66,272	57,723	52,108	
Health		-	-	-	-	-	-	-	-	-	-	-	
Economic and environmental services		210,333	-	-	-	-	-	-	-	210,333	223,855	234,032	
Planning and development		50,101	-	-	-	-	-	-	-	50,101	51,352	53,766	
Road transport		132,540	-	-	-	-	-	-	-	132,540	143,591	150,053	
Environmental protection		27,693	-	-	-	-	-	-	-	27,693	28,912	30,213	
Trading services		338,477	-	-	-	-	-	-	-	338,477	353,450	369,410	
Energy sources		164,112	-	-	-	-	-	-	-	164,112	171,032	178,783	
Water management		-	-	-	-	-	-	-	-	-	-	-	
Waste water management		-	-	-	-	-	-	-	-	-	-	-	
Waste management		174,365	-	-	-	-	-	-	-	174,365	182,418	190,627	
Other		6,515	-	-	-	-	-	-	-	6,515	6,802	7,108	
Total Expenditure - Functional	3	1,171,585	-	-	-	-	-	-	-	1,171,585	1,197,284	1,243,018	
Surplus/ (Deficit) for the year		135,403	-	-	-	-	19,100	-	19,100	154,503	138,980	158,079	

Explanatory notes to MBRR Table B2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

- Table B2 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.

- Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that both Electricity function and Waste management function are able to finance its services. As both service charges are reflecting a surplus.
- Other functions that show a deficit between revenue and expenditure are being financed from rates revenues, other revenue sources and transfers recognized operational from both National and provincial departments.

Table 10 MBRR Table B3 - Budgeted Financial Performance (revenue and expenditure by vote)

KZN216 Ray Nkonyeni - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) -

Vote Description [Insert departmental structure etc]	Ref	2022/23									Budget Year 2023/24	Budget Year 2024/25
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
Revenue by Vote												
Vote 1 - Mayor and Council	1	260,646	-	-	-	-	-	-	-	260,646	280,634	302,772
Vote 2 - Finance and Administration		530,657	-	-	-	-	-	-	-	530,657	553,920	578,759
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		15,739	-	-	-	-	-	-	-	15,739	15,780	16,475
Vote 5 - Sport and Recreation		48	-	-	-	-	-	-	-	48	50	52
Vote 6 - Public Safety		24,971	-	-	-	-	-	-	-	24,971	26,069	27,242
Vote 7 - Housing		56,832	-	-	-	-	-	-	-	56,832	53,665	47,322
Vote 8 - Health		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		132,124	-	-	-	-	-	-	-	132,124	117,129	120,454
Vote 10 - Road Transport		10,941	-	-	-	-	19,100	-	19,100	30,041	11,422	11,936
Vote 11 - Environment Protection		392	-	-	-	-	-	-	-	392	409	428
Vote 12 - Energy Sources		189,193	-	-	-	-	-	-	-	189,193	194,323	209,067
Vote 13 - Other		4,228	-	-	-	-	-	-	-	4,228	4,414	4,613
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		81,218	-	-	-	-	-	-	-	81,218	78,448	81,978
Total Revenue by Vote	2	1,306,988	-	-	-	-	19,100	-	19,100	1,326,088	1,336,264	1,401,097
Expenditure by Vote												
Vote 1 - Mayor and Council	1	42,854	-	-	-	-	-	-	-	42,854	44,739	46,753
Vote 2 - Finance and Administration		334,780	-	-	-	-	-	-	-	334,780	330,776	345,573
Vote 3 - Internal Audit		76,612	-	-	-	-	-	-	-	76,612	79,983	83,582
Vote 4 - Community and Social Services		39,877	-	-	-	-	-	-	-	39,877	41,631	43,505
Vote 5 - Sport and Recreation		5,424	-	-	-	-	-	-	-	5,424	5,663	5,917
Vote 6 - Public Safety		91,290	-	-	-	-	-	-	-	91,290	100,526	105,050
Vote 7 - Housing		66,272	-	-	-	-	-	-	-	66,272	57,723	52,108
Vote 8 - Health		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		51,948	-	-	-	-	-	-	-	51,948	53,281	55,781
Vote 10 - Road Transport		89,844	-	-	-	-	-	-	-	89,844	93,796	98,018
Vote 11 - Environment Protection		27,693	-	-	-	-	-	-	-	27,693	28,912	30,213
Vote 12 - Energy Sources		164,112	-	-	-	-	-	-	-	164,112	171,032	178,783
Vote 13 - Other		6,515	-	-	-	-	-	-	-	6,515	6,802	7,108
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		174,365	-	-	-	-	-	-	-	174,365	182,418	190,627
Total Expenditure by Vote	2	1,171,585	-	-	-	-	-	-	-	1,171,585	1,197,284	1,243,018
Surplus/ (Deficit) for the year	2	135,403	-	-	-	-	19,100	-	19,100	154,503	138,980	158,079

Table B3 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 organizational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

Table11 MBRR Table B4 - Budgeted Financial Performance (revenue and expenditure)

KZN216 Ray Nkonyeni - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -

Description	Ref	2022/23									Budget Year 2023/24	Budget Year 2024/25
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
Revenue By Source												
Property rates	2	498,623	-	-	-	-	-	-	-	498,623	520,563	543,988
Service charges - electricity revenue	2	182,857	-	-	-	-	-	-	-	182,857	192,928	201,610
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	70,761	-	-	-	-	-	-	-	70,761	73,874	77,199
Rental of facilities and equipment		2,610	-	-	-	-	-	-	-	2,610	2,725	2,848
Interest earned - external investments		5,397	-	-	-	-	-	-	-	5,397	5,635	5,888
Interest earned - outstanding debtors		24,389	-	-	-	-	-	-	-	24,389	25,462	26,608
Dividends received		-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		22,158	-	-	-	-	-	-	-	22,158	23,133	24,174
Licences and permits		7,824	-	-	-	-	-	-	-	7,824	8,168	8,536
Agency services		4,894	-	-	-	-	-	-	-	4,894	5,110	5,339
Transfers and subsidies		285,102	-	-	-	-	-	-	-	285,102	304,105	326,923
Other revenue	2	70,013	-	-	-	-	-	-	-	70,013	61,362	55,637
Gains		-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		1,174,628	-	-	-	-	-	-	-	1,174,628	1,223,064	1,278,749
Expenditure By Type												
Employee related costs		447,279	-	-	-	-	-	-	-	447,279	456,489	477,281
Remuneration of councillors		31,434	-	-	-	-	-	-	-	31,434	32,817	34,294
Debt impairment		9,984	-	-	-	-	-	-	-	9,984	10,423	10,892
Depreciation & asset impairment		101,619	-	-	-	-	-	-	-	101,619	106,090	110,864
Finance charges		12,922	-	-	-	-	-	-	-	12,922	13,491	14,098
Bulk purchases - electricity		137,074	-	-	-	-	-	-	-	137,074	142,321	148,726
Inventory consumed		12,735	-	-	-	-	-	-	-	12,735	13,351	13,951
Contracted services		244,881	-	-	-	-	-	-	-	244,881	245,035	247,594
Transfers and subsidies		13,178	-	-	-	-	-	-	-	13,178	12,492	13,157
Other expenditure		160,480	-	-	-	-	-	(0)	(0)	160,480	164,776	172,161
Losses		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		1,171,585	-	-	-	-	-	(0)	(0)	1,171,585	1,197,284	1,243,018
Surplus/(Deficit)		3,043	-	-	-	-	-	0	0	3,043	25,780	35,731
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		132,360	-	-	-	-	19,100	-	19,100	151,460	113,200	122,348
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) before taxation		135,403	-	-	-	-	19,100	0	19,100	154,503	138,980	158,079
Taxation		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		135,403	-	-	-	-	19,100	0	19,100	154,503	138,980	158,079
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		135,403	-	-	-	-	19,100	0	19,100	154,503	138,980	158,079
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		135,403	-	-	-	-	19,100	0	19,100	154,503	138,980	158,079

Explanatory notes to Table B4 - Budgeted Financial Performance (revenue and expenditure)

1. Total operating revenue is R1,174 billion and total capital revenue is R 132.3 million in 2022/23
2. Total revenue for 2022/23 financial year is R1.306 billion.
3. Revenue to be generated from property rates is R498.6 million in the 2022/23 financial year therefore remains a main funding source for the municipality.
4. Transfers recognized – operating includes the local government equitable share and other operating grants from national and provincial government amounts to R285.1 million. It needs to be noted that in real terms the grants receipts from national government are growing rapidly over the MTREF. The municipality is not grant dependent since major part of revenue is own funding however we still must ensure that we collect every single cent that is due to us.

Table 12 MBRR Table B5 - Budgeted Capital Expenditure by vote, standard classification and funding source

KZN216 Ray Nkonyeni - Table B5 Adjustments Capital Expenditure Budget by vote and funding -

Description	Ref	2022/23									Budget Year 2023/24	Budget Year 2024/25
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	5 At	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
R thousands												
Capital expenditure - Vote												
Multi-year expenditure to be adjusted	2											
Vote 1 - Mayor and Council		--	--	--	--	--	--	--	--	--	--	--
Vote 2 - Finance and Administration		--	--	--	--	--	--	--	--	--	--	--
Vote 3 - Internal Audit		--	--	--	--	--	--	--	--	--	--	--
Vote 4 - Community and Social Services		--	--	--	--	--	--	--	--	--	--	--
Vote 5 - Sport and Recreation		--	--	--	--	--	--	--	--	--	--	--
Vote 6 - Public Safety		--	--	--	--	--	--	--	--	--	--	--
Vote 7 - Housing		--	--	--	--	--	--	--	--	--	--	--
Vote 8 - Health		--	--	--	--	--	--	--	--	--	--	--
Vote 9 - Planning and Development		--	--	--	--	--	--	--	--	--	--	--
Vote 10 - Road Transport		--	--	--	--	--	--	--	--	--	--	--
Vote 11 - Environment Protection		--	--	--	--	--	--	--	--	--	--	--
Vote 12 - Energy Sources		--	--	--	--	--	--	--	--	--	--	--
Vote 13 - Other		--	--	--	--	--	--	--	--	--	--	--
Vote 14 - Waste Water Management		--	--	--	--	--	--	--	--	--	--	--
Vote 15 - Waste Management		--	--	--	--	--	--	--	--	--	--	--
Capital multi-year expenditure sub-total	3	--	--	--	--	--	--	--	--	--	--	--
Single-year expenditure to be adjusted	2											
Vote 1 - Mayor and Council		--	--	--	--	--	--	--	--	--	--	--
Vote 2 - Finance and Administration		3,075	--	--	--	--	--	--	--	3,075	2,155	2,252
Vote 3 - Internal Audit		185	--	--	--	--	--	--	--	185	193	202
Vote 4 - Community and Social Services		200	--	--	--	--	--	--	--	200	--	--
Vote 5 - Sport and Recreation		--	--	--	--	--	--	--	--	--	--	--
Vote 6 - Public Safety		5,440	--	--	--	--	--	--	--	5,440	5,575	5,826
Vote 7 - Housing		273	--	--	--	--	--	--	--	273	284	297
Vote 8 - Health		--	--	--	--	--	--	--	--	--	--	--
Vote 9 - Planning and Development		99,409	--	--	--	--	--	--	--	99,409	81,987	84,037
Vote 10 - Road Transport		55,106	--	--	--	16,600	--	16,600	71,715	46,459	48,500	
Vote 11 - Environment Protection		--	--	--	--	--	--	--	--	--	--	--
Vote 12 - Energy Sources		15,348	--	--	--	--	--	--	15,348	1,487	6,950	
Vote 13 - Other		--	--	--	--	--	--	--	--	--	--	--
Vote 14 - Waste Water Management		--	--	--	--	--	--	--	--	--	--	--
Vote 15 - Waste Management		1,804	--	--	--	--	--	--	1,804	1,352	1,423	
Capital single-year expenditure sub-total		180,730	--	--	--	16,600	--	16,600	197,348	130,532	149,488	
Total Capital Expenditure - Vote		180,730	--	--	--	16,600	--	16,600	197,348	130,532	149,488	
Capital Expenditure - Functional												
Governance and administration		3,280	--	--	--	--	--	--	3,280	2,389	2,475	
Executive and council		20	--	--	--	--	--	--	20	21	22	
Finance and administration		3,075	--	--	--	--	--	--	3,075	2,155	2,252	
Internal audit		185	--	--	--	--	--	--	185	193	202	
Community and public safety		5,813	--	--	--	--	--	--	5,813	5,859	6,123	
Community and social services		200	--	--	--	--	--	--	200	--	--	
Sport and recreation		--	--	--	--	--	--	--	--	--	--	
Public safety		5,340	--	--	--	--	--	--	5,340	5,575	5,826	
Housing		273	--	--	--	--	--	--	273	284	297	
Health		--	--	--	--	--	--	--	--	--	--	
Economic and environmental services		154,495	--	--	--	16,600	--	16,600	171,104	128,425	132,515	
Planning and development		99,389	--	--	--	--	--	--	99,389	81,987	84,037	
Road transport		55,106	--	--	--	16,600	--	16,600	71,715	46,459	48,500	
Environmental protection		--	--	--	--	--	--	--	--	--	--	
Trading services		17,152	--	--	--	--	--	--	17,152	2,848	8,373	
Energy sources		15,348	--	--	--	--	--	--	15,348	1,487	6,950	
Water management		--	--	--	--	--	--	--	--	--	--	
Waste water management		--	--	--	--	--	--	--	--	--	--	
Waste management		1,804	--	--	--	--	--	--	1,804	1,352	1,423	
Other		--	--	--	--	--	--	--	--	--	--	
Total Capital Expenditure - Functional	3	180,730	--	--	--	16,600	--	16,600	197,348	130,532	149,488	
Funded by:												
National Government		115,052	--	--	--	16,600	--	16,600	131,651	98,435	106,572	
Provincial Government		--	--	--	--	--	--	--	--	--	--	
District Municipality		--	--	--	--	--	--	--	--	--	--	
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		--	--	--	--	--	--	--	--	--	--	
Transfers recognised - capital	4	115,052	--	--	--	16,600	--	16,600	131,651	98,435	106,572	
Borrowing		7,180	--	--	--	--	--	--	7,180	--	--	
Internally generated funds		58,521	--	--	--	--	--	--	58,521	41,097	42,915	
Total Capital Funding		180,730	--	--	--	16,600	--	16,600	197,348	130,532	149,488	

Explanatory notes to Table B5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Explanatory notes to Table B5 - Budgeted Capital Expenditure by vote, standard classification and funding source

- Table B5 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.
- The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.
- Single-year capital expenditure has been appropriated at R 197.348 million (Excl. VAT) for the 2022/23 financial year.
- Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
- The capital programme is funded from capital and provincial grants and transfers and internally generated funds.
- Capital Projects expenditure and funding in Table B5 have been budgeted for excluding VAT.

Table 13 MBRR Table B6 - Budgeted Financial Position

KZN216 Ray Nkonyeni - Table B6 Adjustments Budget Financial Position -

Description	Ref	2022/23									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3	4	5	6	7	8	9	10		
R thousands												
ASSETS												
Current assets												
Cash		(6,528)	-	-	-	-	(5,609)	-	(5,609)	(12,136)	241,371	115,169
Call investment deposits	1	122,051	-	-	-	-	-	-	-	122,051	122,051	122,051
Consumer debtors	1	294,403	-	-	-	-	-	-	-	294,403	363,228	434,952
Other debtors		140,390	-	-	-	-	2,491	-	2,491	142,881	192,081	233,421
Current portion of long-term receivables		143	-	-	-	-	-	-	-	143	143	143
Inventory		3,301	-	-	-	-	-	-	-	3,301	3,656	4,027
Total current assets		553,761	-	-	-	-	(3,117)	-	(3,117)	550,644	922,531	909,764
Non current assets												
Long-term receivables		-	-	-	-	-	-	-	-	-	-	-
Investments		-	-	-	-	-	-	-	-	-	-	-
Investment property		205,741	-	-	-	-	-	-	-	205,741	205,741	205,741
Investment in Associate		-	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	1	1,668,460	-	-	-	-	16,609	-	16,609	1,685,069	1,680,822	1,746,657
Biological		-	-	-	-	-	-	-	-	-	-	-
Intangible		2,436	-	-	-	-	-	-	-	2,436	4,722	7,111
Other non-current assets		2,071	-	-	-	-	-	-	-	2,071	2,071	2,071
Total non current assets		1,878,708	-	-	-	-	16,609	-	16,609	1,895,317	1,893,356	1,961,580
TOTAL ASSETS		2,432,469	-	-	-	-	13,491	-	13,491	2,445,961	2,815,887	2,871,344
LIABILITIES												
Current liabilities												
Bank overdraft		-	-	-	-	-	-	-	-	-	-	-
Borrowing		1,378	-	-	-	-	-	-	-	1,378	6,520	6,520
Consumer deposits		33,452	-	-	-	-	-	-	-	33,452	33,514	33,580
Trade and other payables		247,979	-	-	-	-	(5,609)	-	(5,609)	242,370	487,465	400,253
Provisions		39,025	-	-	-	-	-	-	-	39,025	39,025	39,025
Total current liabilities		321,834	-	-	-	-	(5,609)	-	(5,609)	316,225	566,524	479,378
Non current liabilities												
Borrowing	1	26,734	-	-	-	-	-	-	-	26,734	23,815	(14,778)
Provisions	1	124,108	-	-	-	-	-	-	-	124,108	124,108	124,108
Total non current liabilities		150,842	-	-	-	-	-	-	-	150,842	147,923	109,330
TOTAL LIABILITIES		472,676	-	-	-	-	(5,609)	-	(5,609)	467,067	714,447	588,708
NET ASSETS	2	1,959,793	-	-	-	-	19,100	-	19,100	1,978,893	2,101,441	2,282,636
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		1,848,149	-	-	-	-	19,100	0	19,100	1,867,249	1,994,733	2,167,432
Reserves		111,644	-	-	-	-	-	-	-	111,644	111,644	111,644
TOTAL COMMUNITY WEALTH/EQUITY		1,959,793	-	-	-	-	19,100	0	19,100	1,978,893	2,106,378	2,279,076

References

Explanatory notes to Table B6 - Budgeted Financial Position

- Table B6 is consistent with international standards of good financial management practice and improves understand ability for councillors 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.
- Call investments deposits;
- Consumer debtors;
- Property, plant and equipment;
- Trade and other payables;
- Provisions non-current;
- Changes in net assets; and
- Reserves

The statement of financial position shows that the municipality is financially health as assets exceeds liabilities.

Table 14 MBRR Table B7 - Budgeted Cash Flow Statement

KZN218 Ray Nkonyeni - Table B7 Adjustments Budget Cash Flows -

Description	Ref	2022/23									Budget Year 2023/24	Budget Year 2024/25
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
R thousands												
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates		468,731	-	-	-	-	-	-	-	468,731	489,355	511,376
Service charges		228,256	-	-	-	-	-	-	-	228,256	242,271	253,174
Other revenue		44,677	-	-	-	-	-	-	-	44,677	31,652	33,077
Transfers and Subsidies - Operational	1	341,677	-	-	-	-	-	-	-	341,677	351,438	367,900
Transfers and Subsidies - Capital	1	132,360	-	-	-	11,000	-	11,000	-	143,360	113,200	122,348
Interest		5,397	-	-	-	-	-	-	-	5,397	5,635	5,888
Dividends		-	-	-	-	-	-	-	-	-	-	-
Payments												
Suppliers and employees		(1,027,019)	-	-	-	-	-	-	-	(1,027,019)	(792,682)	(819,779)
Finance charges		(12,922)	-	-	-	-	-	-	-	(12,922)	(13,491)	(14,098)
Transfers and Grants	1	(13,178)	-	-	-	-	-	-	-	(13,178)	(11,979)	(12,518)
NET CASH FROM/(USED) OPERATING ACTIVITIES		167,979	-	-	-	-	11,000	-	11,000	178,979	415,400	447,368
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-	-
Payments												
Capital assets		(179,130)	-	-	-	-	(16,609)	-	(16,609)	(195,739)	(154,547)	(165,555)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(179,130)	-	-	-	-	(16,609)	-	(16,609)	(195,739)	(154,547)	(165,555)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans		-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/financing		7,976	-	-	-	-	-	-	-	7,976	21,452	-
Increase (decrease) in consumer deposits		1,412	-	-	-	-	-	-	-	1,412	1,475	1,541
Payments												
Repayment of borrowing		(28,486)	-	-	-	-	-	-	-	(28,486)	(24,371)	(25,468)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(19,098)	-	-	-	-	-	-	-	(19,098)	(1,445)	(23,927)
NET INCREASE/ (DECREASE) IN CASH HELD		(30,248)	-	-	-	-	(5,609)	-	(5,609)	(35,857)	259,409	257,886
Cash/cash equivalents at the year begin:	2	143,072	-	-	-	-	-	-	-	143,072	107,215	352,918
Cash/cash equivalents at the year end:	2	112,823	-	-	-	-	(5,609)	-	(5,609)	107,215	366,624	610,804

Reference:

Explanatory notes to Table B7 - Budgeted Cash Flow Statement

Adjustments to the statement of financial position

The municipality has received an amount of 11 million that was not included on the initials budget.

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 Municipality are not stabilized over the MTREF and prior years.
4. In 2022/23 the cash flow starts to turn around and improves again.
5. The 2022/23 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
6. Cash flow reflects a positive balance after defraying all the expenditure for the financial year.

Table 15 MBRR Table B8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

KZN216 Ray Nkonyeni - Table B8 Cash backed reserves/accumulated surplus reconciliation -

Description	Ref	2022/23									Budget Year 2023/24	Budget Year 2024/25
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
Cash and investments available												
Cash/cash equivalents at the year end	1	112,823	-	-	-	-	(5,609)	-	(5,609)	107,215	366,624	610,804
Other current investments > 90 days		2,700	-	-	-	-	-	-	-	2,700	(3,201)	(373,584)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		115,523	-	-	-	-	(5,609)	-	(5,609)	109,915	363,422	237,220
Applications of cash and investments												
Unspent conditional transfers		48,336	-	-	-	-	(8,100)	-	(8,100)	40,236	48,336	(54,580)
Unspent borrowing		-	-	-	-	-	-	-	-	-	-	-
Statutory requirements		19,765	-	-	-	-	-	(19,761)	(19,761)	4	49,993	68,904
Other working capital requirements	2	(205,634)	-	-	-	-	-	401	401	(205,233)	(66,009)	(163,267)
Other provisions		(39,025)	-	-	-	-	-	39,025	39,025	0	(39,025)	(39,025)
Long term investments committed		-	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments		(608)	-	-	-	-	-	-	608	0	(608)	(608)
Total Application of cash and investments:		(177,167)	-	-	-	-	(8,100)	20,274	12,174	(164,993)	(7,314)	(188,577)
Surplus(shortfall)		292,690	-	-	-	-	2,481	(20,274)	(17,763)	274,907	370,736	425,797

Explanatory notes to Table B8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

- The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
- 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.
- The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality’s budget must be “funded”.
- Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
- From the table the municipality is operating at a surplus.
- Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2022/23 MTREF was funded as it reflects a positive balance in funding measurement.
- This reflects that the budget will be able to pay its expenditure for the current year and be able to pay its obligations. It is assumed that all grants will be spent 100% and if not, it is cash backed since our budget reflects a positive balance after all the current year’s expenditure paid and its liabilities.
- As part of the budgeting and planning guidelines that informed the compilation of the KZN216 Ray Nkonyeni - Table B8 Cash backed reserves/accumulated surplus reconciliation - 2022/23 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

Table 16 MBRR Table B9 - Asset Management

KZN216 Ray Nkonyeni - Table B9 Asset Management -

Description	Ref	2022/23									Budget Year 2023/24	Budget Year 2024/25
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
R thousands												
CAPITAL EXPENDITURE												
Total New Assets to be adjusted	1	111,812	-	-	-	-	-	-	-	111,812	88,791	98,089
Roads Infrastructure		44,417	-	-	-	-	-	-	-	44,417	34,236	35,708
Storm water Infrastructure		2,609	-	-	-	-	-	-	-	2,609	2,723	2,846
Electrical Infrastructure		12,435	-	-	-	-	-	-	-	12,435	1,487	6,950
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		59,461	-	-	-	-	-	-	-	59,461	38,446	45,505
Community Facilities		10,870	-	-	-	-	-	-	-	10,870	9,388	9,792
Sport and Recreation Facilities		3,913	-	-	-	-	-	-	-	3,913	3,521	3,672
Community Assets		14,783	-	-	-	-	-	-	-	14,783	12,909	13,464
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		8,261	-	-	-	-	-	-	-	8,261	8,624	9,012
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets		8,261	-	-	-	-	-	-	-	8,261	8,624	9,012
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		2,190	-	-	-	-	-	-	-	2,190	2,286	2,389
Intangible Assets		2,190	-	-	-	-	-	-	-	2,190	2,286	2,389
Computer Equipment		5,298	-	-	-	-	-	-	-	5,298	4,488	4,690
Furniture and Office Equipment		1,749	-	-	-	-	-	-	-	1,749	1,502	1,570
Machinery and Equipment		2,120	-	-	-	-	-	-	-	2,120	1,796	1,876
Transport Assets		17,950	-	-	-	-	-	-	-	17,950	18,740	19,583
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets to be adjusted	2	27,547	-	-	-	16,609	-	16,609	44,156	14,161	14,770	
Roads Infrastructure		15,043	-	-	-	9,565	-	9,565	24,609	13,535	14,117	
Storm water Infrastructure		-	-	-	-	7,043	-	7,043	7,043	-	-	
Electrical Infrastructure		2,913	-	-	-	-	-	-	2,913	-	-	
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	
Solid Waste Infrastructure		8,696	-	-	-	-	-	-	8,696	-	-	
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	
Infrastructure		26,652	-	-	-	16,609	-	16,609	43,260	13,535	14,117	
Community Facilities		896	-	-	-	-	-	-	896	626	653	
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	
Community Assets		896	-	-	-	-	-	-	896	626	653	
Heritage Assets		-	-	-	-	-	-	-	-	-	-	
Revenue Generating		-	-	-	-	-	-	-	-	-	-	
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	
Investment properties		-	-	-	-	-	-	-	-	-	-	
Operational Buildings		-	-	-	-	-	-	-	-	-	-	
Housing		-	-	-	-	-	-	-	-	-	-	
Other Assets		-	-	-	-	-	-	-	-	-	-	
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	
Servitudes		-	-	-	-	-	-	-	-	-	-	
Licences and Rights		-	-	-	-	-	-	-	-	-	-	
Intangible Assets		-	-	-	-	-	-	-	-	-	-	
Computer Equipment		-	-	-	-	-	-	-	-	-	-	
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-	-	
Machinery and Equipment		-	-	-	-	-	-	-	-	-	-	
Transport Assets		-	-	-	-	-	-	-	-	-	-	
Land		-	-	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	
Total Upgrading of Existing Assets to be adjusted	2a	41,380	-	-	-	-	-	-	41,380	36,551	36,629	

Roads Infrastructure	24,702	-	-	-	-	-	-	24,702	22,319	22,336	
Storm water Infrastructure	-	-	-	-	-	-	-	-	-	-	
Electrical Infrastructure	-	-	-	-	-	-	-	-	-	-	
Water Supply Infrastructure	-	-	-	-	-	-	-	-	-	-	
Sanitation Infrastructure	-	-	-	-	-	-	-	-	-	-	
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-	-	
Rail Infrastructure	-	-	-	-	-	-	-	-	-	-	
Coastal Infrastructure	-	-	-	-	-	-	-	-	-	-	
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-	-	
Infrastructure	24,702	-	-	-	-	-	-	24,702	22,319	22,336	
Community Facilities	16,156	-	-	-	-	-	-	16,156	13,762	13,803	
Sport and Recreation Facilities	522	-	-	-	-	-	-	522	469	490	
Community Assets	16,678	-	-	-	-	-	-	16,678	14,232	14,293	
Heritage Assets	-	-	-	-	-	-	-	-	-	-	
Revenue Generating	-	-	-	-	-	-	-	-	-	-	
Non-revenue Generating	-	-	-	-	-	-	-	-	-	-	
Investment properties	-	-	-	-	-	-	-	-	-	-	
Operational Buildings	-	-	-	-	-	-	-	-	-	-	
Housing	-	-	-	-	-	-	-	-	-	-	
Other Assets	-	-	-	-	-	-	-	-	-	-	
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	-	
Servitudes	-	-	-	-	-	-	-	-	-	-	
Licences and Rights	-	-	-	-	-	-	-	-	-	-	
Intangible Assets	-	-	-	-	-	-	-	-	-	-	
Computer Equipment	-	-	-	-	-	-	-	-	-	-	
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-	-	
Machinery and Equipment	-	-	-	-	-	-	-	-	-	-	
Transport Assets	-	-	-	-	-	-	-	-	-	-	
Land	-	-	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	-	
Total Capital Expenditure to be adjusted	180,739	-	-	-	-	16,609	-	16,609	197,348	139,502	149,488
Roads Infrastructure	84,163	-	-	-	-	9,565	-	9,565	93,728	70,090	72,161
Storm water Infrastructure	2,609	-	-	-	-	7,043	-	7,043	9,652	2,723	2,846
Electrical Infrastructure	15,348	-	-	-	-	-	-	-	15,348	1,487	6,950
Water Supply Infrastructure	-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure	8,696	-	-	-	-	-	-	-	8,696	-	-
Rail Infrastructure	-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-	-	-
Infrastructure	110,815	-	-	-	-	16,609	-	16,609	127,424	74,300	81,957
Community Facilities	27,921	-	-	-	-	-	-	-	27,921	23,776	24,248
Sport and Recreation Facilities	4,435	-	-	-	-	-	-	-	4,435	3,990	4,162
Community Assets	32,356	-	-	-	-	-	-	-	32,356	27,766	28,409
Heritage Assets	-	-	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-	-	-
Operational Buildings	8,261	-	-	-	-	-	-	-	8,261	8,624	9,012
Housing	-	-	-	-	-	-	-	-	-	-	-
Other Assets	8,261	-	-	-	-	-	-	-	8,261	8,624	9,012
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-	-	-
Licences and Rights	2,190	-	-	-	-	-	-	-	2,190	2,286	2,389
Intangible Assets	2,190	-	-	-	-	-	-	-	2,190	2,286	2,389
Computer Equipment	5,298	-	-	-	-	-	-	-	5,298	4,488	4,690
Furniture and Office Equipment	1,749	-	-	-	-	-	-	-	1,749	1,502	1,570
Machinery and Equipment	2,120	-	-	-	-	-	-	-	2,120	1,796	1,876
Transport Assets	17,950	-	-	-	-	-	-	-	17,950	18,740	19,583
Land	-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE to be adjusted	4	180,739	-	-	-	16,609	-	16,609	197,348	139,502	149,488
ASSET REGISTER SUMMARY - PPE (WDV)	5	1,878,708	-	-	-	16,609	-	16,609	1,895,317	1,893,356	1,961,580
Roads Infrastructure	-	718,265	-	-	-	9,565	-	9,565	727,830	733,623	768,446
Storm water Infrastructure	-	58,175	-	-	-	7,043	-	7,043	65,218	60,898	63,744
Electrical Infrastructure	-	103,714	-	-	-	-	-	-	103,714	96,005	107,892
Water Supply Infrastructure	-	346	-	-	-	-	-	-	346	346	346
Sanitation Infrastructure	-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure	-	24,103	-	-	-	-	-	-	24,103	15,408	15,408
Rail Infrastructure	-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	1,854	-	-	-	-	-	-	1,854	1,054	1,054
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-	-	-
Infrastructure	-	906,457	-	-	-	16,609	-	16,609	923,066	907,334	956,890

Community Assets		592,873	-	-	-	-	-	-	592,873	591,213	592,805	
Heritage Assets		2,071	-	-	-	-	-	-	2,071	2,071	2,071	
Investment properties		205,741	-	-	-	-	-	-	205,741	205,741	205,741	
Other Assets		19,588	-	-	-	-	-	-	19,588	21,225	22,937	
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	
Intangible Assets		2,436	-	-	-	-	-	-	2,436	4,722	7,111	
Computer Equipment		6,883	-	-	-	-	-	-	6,883	8,974	11,367	
Furniture and Office Equipment		5,128	-	-	-	-	-	-	5,128	4,644	4,463	
Machinery and Equipment		3,719	-	-	-	-	-	-	3,719	4,070	4,856	
Transport Assets		61,627	-	-	-	-	-	-	61,627	71,176	81,154	
Land		72,185	-	-	-	-	-	-	72,185	72,185	72,185	
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	1,878,708	-	-	-	-	-	-	16,609	1,895,317	1,893,356	1,961,580
EXPENDITURE OTHER ITEMS												
Depreciation & asset impairment		99,500	-	-	-	-	-	-	-	99,500	103,878	108,553
Repairs and Maintenance by asset class	3	54,115	-	-	-	-	-	-	-	54,115	56,488	59,629
Roads Infrastructure		23,817	-	-	-	-	-	-	-	23,817	24,865	25,984
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		3,357	-	-	-	-	-	-	-	3,357	3,496	4,253
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		27,174	-	-	-	-	-	-	-	27,174	28,361	30,237
Community Facilities		985	-	-	-	-	-	-	-	985	1,028	1,074
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	-
Community Assets		985	-	-	-	-	-	-	-	985	1,028	1,074
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		10,140	-	-	-	-	-	-	-	10,140	10,586	11,063
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets		10,140	-	-	-	-	-	-	-	10,140	10,586	11,063
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		300	-	-	-	-	-	-	-	300	313	327
Machinery and Equipment		2,548	-	-	-	-	-	-	-	2,548	2,660	2,779
Transport Assets		12,969	-	-	-	-	-	-	-	12,969	13,540	14,149
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS to be adjusted	6	153,615	-	-	-	-	-	-	-	153,615	160,366	168,182
<i>Renewal and upgrading of Existing Assets as % of total capex</i>		38.1%	0.0%							43.3%	36.4%	34.4%
<i>Renewal and upgrading of Existing Assets as % of deprecn*</i>		69.3%	0.0%							86.0%	48.8%	47.3%
<i>R&M as a % of PPE</i>		2.9%	0.0%							2.9%	3.0%	3.0%
<i>Renewal and upgrading and R&M as a % of PPE</i>		6.5%	0.0%							7.4%	5.7%	5.7%

Explanatory notes to Table B9 - Asset Management

- Table B9 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 the capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. However due to the fact that there is a lack of infrastructure in the municipality .Major part of funds are injected to new capital projects, it does not meet this recommendation and funds are directed to new and existing capital asset and while 3.2% to repairs and maintenance.

Basic Service Delivery Measurement

- 1 The municipality does not provide services such as water, sanitation, energy and refuse removal.
- 2 Water and sanitation is provided by UGU District municipality, energy is supplied both by municipality and Eskom.
- 3 Refuse removal is done in urban area and the rural part of the municipality uses its own dump site.
- 4 Service delivery Non- financial information is available in the IDP document.

Assumptions used in preparation of the budget over the MTREF

Collection and expenditure rates

Property rates	90%
Penalties and Collection Charges	80%
Electricity	90%
Refuse Removal	90%
Rental of facilities	72%
Interest earned in investment	100%
Interest earned on outstanding debts	80%
Fines	7.2%
Licenses and Permits	90%
Agency Fees	100%
Transfers and Grants – operational	100%
Transfers and Grants – Capital	100%
Other revenue	40%
Expenditure	
Employee related cost	100%
Remuneration of councilors	100%
Debt impairment	100%
Bulk Purchases	100%
Finance Charges	100%
Contracted services	100%
Transfers and Grants	100%
Other Expenditure	100%
Oher Material	98%

Part 3: Supporting Documentation

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 MMC for Finance.

The primary aim of the Budget Steering Committee is to ensure:

- 1 that the process followed to compile the budget complies with legislation and good budget practices;
- 2 that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- 3 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 prioritized in the allocation of resources.

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 2011) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required IDP and budget time schedule on 29 August 2021. Key dates applicable to the process were:

July 2021– Prepare joint process plan for IDP, PMS and Budget and advertise draft IDP review;

August 2021–Submit process plan to IDP forum, portfolio committees and council. Liaise with national and provincial governments for planning and budgeting process;

September 2021– Assessment of objectives, strategies and projects against cross cutting issues. Assessment of alignment of IDP strategies & projects for medium term in relation to NSDP and PGDF. Determine funding availability & requirements per sector plan and where relevant prepare business plan/ terms of reference and roll out accordingly;

October 2021 – Review and confirm objectives, strategies and projects at IDPRF workshop. Review capital, institutional, operational, maintenance projects. Estimate available resources and provide guidance for way forward for budgeting;

November 2021–Submit revised projects to Treasury. Submit first Draft IDP to IDP steering committee and council for in principle approval

December 2021 – Submit budget instructions and 2021/22 budget framework to all relevant persons. Submit draft IDP to COGTA for assessment. Preparation of summary of available funds (internal and external);

January 2022 - Council considers the 2021/2022 Mid-year Review and Adjustments Budget;

February 2022 – Assess financial feasibility of proposed new projects based on existing and potential funds. Consideration of draft budget;

March 2022 - Tabling in Council of the draft 2022/23 IDP and 2022/23 Draft MTREF for public consultation;

April 2022 – Public consultation;

May 2022 –Finalization of the 2022/23 IDP and 2022/23 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and tabling of the 2022/23 MTREF before Council for consideration and approval.

There were no deviations from the key dates set out in the Budget Time Schedule tabled in Council. These are the IDP and Budget process schedule for individual municipalities and both municipalities did not deviate from processes.

IDP and Service Delivery and Budget Implementation Plan

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fifth 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 2021/22 budget, based on the approved 2019/20 Budget, 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 2022/23 budget, 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 2020/21 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.

Financial Modelling and Key Planning Drivers

As part of the compilation of the 2022/23 budget, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2022/23 budget:

- Municipality growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. inflation)
- Performance trends
- The approved 2021/22 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- 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 89 and 91 has been taken into consideration in the planning and prioritisation process.

Community Consultation

The draft budget was published after the adoption by council on 29 March 2022.

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

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects have been addressed, as part of the 2022/23 original budget.

Overview of alignment of annual budget with IDP

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

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

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

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

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

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

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

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's six strategic objectives for the 2021/22 Budget and further planning refinements that have directly informed the compilation of the budget:

IDP Strategic Objectives

2022/23 Financial Year	
1.	Financial Viability
2.	Basic Service delivery and infrastructure
3.	Good governance and public participation
4.	Local economic Development
5.	Municipal transformation and institutional development
6.	Spatial analysis and environmental management

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

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

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

The 2022/23 Budget 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 SB1 Budgeted Financial Performance

KZN216 Ray Nkonyeni - Supporting Table SB1 Supporting detail to 'Budgeted Financial Performance' -

Description	Ref	2022/23									Budget Year 2023/24	Budget Year 2024/25
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	6 A1	7 B	8 C	9 D	10 E	11 F	12 G	13 H		
R thousands												
REVENUE ITEMS												
Property rates												
Total Property Rates		498,623	-	-	-	-	-	-	-	498,623	520,563	543,988
Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		-	-	-	-	-	-	-	-	-	-	-
Net Property Rates		498,623	-	-	-	-	-	-	-	498,623	520,563	543,988
Service charges - electricity revenue												
Total Service charges - electricity revenue		182,857	-	-	-	-	-	-	-	182,857	192,928	201,610
Less Revenue Foregone (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-	-	-
Less Cost of Free Basis Services (50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-	-	-
Net Service charges - electricity revenue		182,857	-	-	-	-	-	-	-	182,857	192,928	201,610
Service charges - water revenue												
Total Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-
Less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-	-	-
Less Cost of Free Basis Services (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-	-	-
Net Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue												
Total Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-
Less Revenue Foregone (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-	-	-
Less Cost of Free Basis Services (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-	-	-
Net Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue												
Total refuse removal revenue		70,761	-	-	-	-	-	-	-	70,761	73,874	77,199
Total landfill revenue		-	-	-	-	-	-	-	-	-	-	-
Less Revenue Foregone (in excess of one removal a week to indigent households)		-	-	-	-	-	-	-	-	-	-	-
Less Cost of Free Basis Services (removed once a week to indigent households)		-	-	-	-	-	-	-	-	-	-	-
Net Service charges - refuse revenue		70,761	-	-	-	-	-	-	-	70,761	73,874	77,199
Other Revenue By Source												
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-
Other Revenue		70,013	-	-	-	-	-	-	-	70,013	61,362	55,637
Total 'Other' Revenue	1	70,013	-	-	-	-	-	-	-	70,013	61,362	55,637
EXPENDITURE ITEMS												
Employee related costs												
Basic Salaries and Wages		281,370	-	-	-	-	-	-	-	281,370	299,608	313,340
Pension and UIF Contributions		51,742	-	-	-	-	-	-	-	51,742	54,018	56,449
Medical Aid Contributions		20,891	-	-	-	-	-	-	-	20,891	21,810	22,791
Overtime		14,695	-	-	-	-	-	-	-	14,695	15,342	16,032
Performance Bonus		24,863	-	-	-	-	-	-	-	24,863	25,957	27,125
Motor Vehicle Allowance		19,795	-	-	-	-	-	-	-	19,795	20,666	21,596
Cellphone Allowance		1,161	-	-	-	-	-	-	-	1,161	1,212	1,267
Housing Allowances		7,434	-	-	-	-	-	-	-	7,434	7,761	8,110
Other benefits and allowances		3,007	-	-	-	-	-	-	-	3,007	3,139	3,280
Payments in lieu of leave		4,200	-	-	-	-	-	-	-	4,200	-	-
Long service awards		2,270	-	-	-	-	-	-	-	2,270	2,370	2,477
Post-retirement benefit obligations		15,852	-	-	-	-	-	-	-	15,852	4,605	4,812
sub-total	4	447,279	-	-	-	-	-	-	-	447,279	456,489	477,281
Less: Employees costs capitalised to PPE		-	-	-	-	-	-	-	-	-	-	-
Total Employee related costs	1	447,279	-	-	-	-	-	-	-	447,279	456,489	477,281
Depreciation & asset impairment												
Depreciation of Property, Plant & Equipment		99,500	-	-	-	-	-	-	-	99,500	103,878	108,553
Lease amortisation		-	-	-	-	-	-	-	-	-	-	-
Capital asset impairment		2,119	-	-	-	-	-	-	-	2,119	2,212	2,312

Total Depreciation & asset impairment	1	101,619	-	-	-	-	-	-	-	101,619	106,090	110,864
Bulk purchases												
Electricity Bulk Purchases		137,074	-	-	-	-	-	-	-	137,074	142,321	148,726
Total bulk purchases	1	137,074	-	-	-	-	-	-	-	137,074	142,321	148,726
Transfers and grants												
Cash transfers and grants		-	-	-	-	-	-	-	-	-	-	-
Non-cash transfers and grants		-	-	-	-	-	-	-	-	-	-	-
Total transfers and grants		-	-	-	-	-	-	-	-	-	-	-
Contracted services												
Outsourced Services		105,100	-	-	-	-	-	-	-	105,100	103,368	107,475
Consultants and Professional Services		15,870	-	-	-	-	-	-	-	15,870	17,087	17,819
Contractors		123,910	-	-	-	-	-	-	-	123,910	124,580	122,300
Total contracted services		244,881	-	-	-	-	-	-	-	244,881	245,035	247,594
Other Expenditure By Type												
Collection costs		1,500	-	-	-	-	-	-	-	1,500	1,566	1,636
Contributions to 'other' provisions		-	-	-	-	-	-	-	-	-	-	-
Audit fees		4,000	-	-	-	-	-	-	-	4,000	4,176	4,364
Other Expenditure		154,980	-	-	-	-	-	(0)	(0)	154,980	159,034	166,161
Total Other Expenditure	1	160,480	-	-	-	-	-	(0)	(0)	160,480	164,776	172,161
Repairs and Maintenance by Expenditure Item												
Employee related costs		-	-	-	-	-	-	-	-	-	-	-
Inventory Consumed (Project Maintenance)		-	-	-	-	-	-	-	-	-	-	-
Contracted Services		54,115	-	-	-	-	-	-	-	54,115	56,488	59,629
Other Expenditure		-	-	-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	15	54,115	-	-	-	-	-	-	-	54,115	56,488	59,629
Inventory Consumed												
Inventory Consumed - Water		-	-	-	-	-	-	-	-	-	-	-
Inventory Consumed - Other		12,735	-	-	-	-	-	-	-	12,735	13,351	13,951
Total Inventory Consumed & Other Material		12,735	-	-	-	-	-	-	-	12,735	13,351	13,951

Explanatory notes to Table SB1 – Supporting detail to Budgeted financial performance

This is the supporting table that support the amounts of revenue by source and expenditure by source in table B4.

Table SB2 Detail financial position

KZN216 Ray Nkonyeni - Supporting Table SB2 Supporting detail to 'Financial Position Budget' -

Description	Ref	2022/23									Budget Year 2023/24	Budget Year 2024/25
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	4 A1	5 B	6 C	7 D	8 E	9 F	10 G	11 H		
R thousands												
ASSETS												
Consumer debtors												
Consumer debtors		481,452	-	-	-	-	-	-	-	481,452	559,963	641,810
Less: provision for debt impairment		(187,048)	-	-	-	-	-	-	-	(187,048)	(196,735)	(206,858)
Total Consumer debtors	1	294,403	-	-	-	-	-	-	-	294,403	363,228	434,952
Debt impairment provision												
Balance at the beginning of the year		(177,770)	-	-	-	-	-	-	-	(177,770)	(187,048)	(196,735)
Contributions to the provision		(4,254)	-	-	-	-	-	-	-	(4,254)	(4,452)	(4,652)
Bad debts written off		(5,015)	-	-	-	-	-	-	-	(5,015)	(5,235)	(5,471)
Balance at end of year		(187,048)	-	-	-	-	-	-	-	(187,048)	(196,735)	(206,858)
Inventory												
Water												
Opening Balance		-	-	-	-	-	-	-	-	-	-	-
System Input Volume		-	-	-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-	-	-
Bulk Purchases		-	-	-	-	-	-	-	-	-	-	-
Natural Sources		-	-	-	-	-	-	-	-	-	-	-
Authorized Consumption	12	-	-	-	-	-	-	-	-	-	-	-
Billed Authorized Consumption		-	-	-	-	-	-	-	-	-	-	-
Billed Metered Consumption		-	-	-	-	-	-	-	-	-	-	-
Free Basic Water		-	-	-	-	-	-	-	-	-	-	-
Subsidised Water		-	-	-	-	-	-	-	-	-	-	-
Revenue Water		-	-	-	-	-	-	-	-	-	-	-
Billed Unmetered Consumption		-	-	-	-	-	-	-	-	-	-	-
Free Basic Water		-	-	-	-	-	-	-	-	-	-	-
Subsidised Water		-	-	-	-	-	-	-	-	-	-	-
Revenue Water		-	-	-	-	-	-	-	-	-	-	-
Unbilled Authorized Consumption		-	-	-	-	-	-	-	-	-	-	-
Unbilled Metered Consumption		-	-	-	-	-	-	-	-	-	-	-
Unbilled Unmetered Consumption		-	-	-	-	-	-	-	-	-	-	-
Water Losses		-	-	-	-	-	-	-	-	-	-	-
Apparent losses		-	-	-	-	-	-	-	-	-	-	-
Unauthorized Consumption		-	-	-	-	-	-	-	-	-	-	-
Customer Meter Inaccuracies		-	-	-	-	-	-	-	-	-	-	-
Real losses		-	-	-	-	-	-	-	-	-	-	-
Leakage on Transmission and Distribution Mains		-	-	-	-	-	-	-	-	-	-	-
Leakage and Overflows at Storage Tanks/Reservoirs		-	-	-	-	-	-	-	-	-	-	-
Leakage on Service Connections up to the point of Customer Meter		-	-	-	-	-	-	-	-	-	-	-
Data Transfer and Management Errors		-	-	-	-	-	-	-	-	-	-	-
Unavoidable Annual Real Losses		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Water		-	-	-	-	-	-	-	-	-	-	-
Closing Balance Water		-	-	-	-	-	-	-	-	-	-	-
Agricultural												
Opening Balance		-	-	-	-	-	-	-	-	-	-	-
Acquisitions		-	-	-	-	-	-	-	-	-	-	-
Issues	13	-	-	-	-	-	-	-	-	-	-	-
Adjustments	14	-	-	-	-	-	-	-	-	-	-	-
Write-offs	15	-	-	-	-	-	-	-	-	-	-	-
Closing balance - Agricultural		-	-	-	-	-	-	-	-	-	-	-
Consumables												
Standard Rated												
Opening Balance		43,491	-	-	-	-	-	-	-	43,491	43,884	44,239
Acquisitions		13,128	-	-	-	-	-	-	-	13,128	13,706	14,322
Issues	13	(12,735)	-	-	-	-	-	-	-	(12,735)	(13,351)	(13,951)
Adjustments	14	-	-	-	-	-	-	-	-	-	-	-
Write-offs	15	-	-	-	-	-	-	-	-	-	-	-
Closing balance - Consumables Standard Rated		43,884	-	-	-	-	-	-	-	43,884	44,239	44,611
Zero Rated												
Opening Balance		(40,548)	-	-	-	-	-	-	-	(40,548)	(40,548)	(40,548)
Acquisitions		-	-	-	-	-	-	-	-	-	-	-
Issues	13	-	-	-	-	-	-	-	-	-	-	-
Adjustments	14	-	-	-	-	-	-	-	-	-	-	-
Write-offs	15	-	-	-	-	-	-	-	-	-	-	-
Closing balance - Consumables Zero Rated		(40,548)	-	-	-	-	-	-	-	(40,548)	(40,548)	(40,548)
Finished Goods												
Opening Balance		(46)	-	-	-	-	-	-	-	(46)	(46)	(46)
Acquisitions		-	-	-	-	-	-	-	-	-	-	-
Issues	13	-	-	-	-	-	-	-	-	-	-	-

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Explanatory notes to Table SB2

This table is a supporting table to table B6 and it has detailed information that is summarized in table B6.

Table SB4 performance indicators

KZN216 Ray Nkonyeni - Supporting Table SB4 Adjustments to budgeted performance indicators and benchmarks -

Description of financial indicator	Basis of calculation	2020/21	2021/22	2022/23	2022/23			Budget Year 2023/24	Budget Year 2024/25
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Prior Adjusted	Adjusted Budget	Adjusted Budget	Adjusted Budget
Borrowing Management									
Credit Rating	Short term/long term rating								
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure				3.5%	0.0%	3.5%	3.2%	3.2%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue				0.0%	0.0%	0.0%	0.0%	0.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants				10.9%	0.0%	7.2%	0.0%	0.0%
Safety of Capital									
Gearing	Long Term Borrowing/ Funds & Reserves				23.9%	0.0%	23.9%	21.3%	-13.2%
Liquidity									
Current Ratio	Current assets/current liabilities				172.1%	0.0%	174.1%	162.8%	189.8%
Current Ratio adjusted for aged debtors	Current assets/current liabilities less debtors > 90 days/current liabilities				172.1%	0.0%	0.0%	0.0%	0.0%
Liquidity Ratio	Monetary Assets/Current Liabilities				0.4	0.0	0.3	0.6	0.5
Revenue Management									
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing								
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)									
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue				37.0%	0.0%	37.2%	45.4%	52.3%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old				0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management									
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))								
Creditors to Cash and Investments					219.8%	0.0%	226.1%	133.0%	65.5%
Other Indicators									
Electricity Distribution Losses (2)	Total Volume Losses (kW)								
	Total Cost of Losses (Rand '000)								
	% Volume (units purchased and generated less units sold)/units purchased and generated								
Water Distribution Losses (2)	Total Volume Losses (kℓ)								
	Total Cost of Losses (Rand '000)								
	% Volume (units purchased and generated less units sold)/units purchased and generated								
Employee costs	Employee costs/(Total Revenue - capital revenue)				38.1%	0.0%	38.1%	37.3%	37.3%
Remuneration	Total remuneration/(Total Revenue - capital revenue)								
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)				4.6%	0.0%	4.6%	4.6%	4.7%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)				9.8%	0.0%	9.8%	9.8%	9.8%
IDP regulation financial viability indicators									
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year				2349.4%	0.0%	2349.4%	2322.6%	2405.7%
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services				25.1%	0.0%	25.1%	29.7%	34.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure				0.0	0.0	0.0	0.0	0.0

References

Table SB6 Funding Measurement

KZN216 Ray Nkonyeni - Supporting Table SB6 Adjustments Budget - funding measurement -

Description	Ref	MFMA section	2020/21	2021/22	2022/23	Medium Term Revenue and Expenditure Framework				
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Prior Adjusted	Adjusted Budget	Budget Year 2023/24	Budget Year 2024/25
R thousands										
Funding measures										
Cash/cash equivalents at the year end - R'000	1	18(1)b				112,823	-	107,215	366,624	610,804
Cash + investments at the yr end less applications - R'000	2	18(1)b				292,690	-	274,907	370,736	425,797
Cash year end/monthly employee/supplier payments	3	18(1)b				-	-	-	-	-
Surplus/(Deficit) excluding depreciation offsets: R'000	4	18(1)				135,403	-	154,503	138,980	158,079
Service charge rev % change - macro CPI-X target exclusive	5	18(1)a,(2)				0.0%	0.0%	0.0%	-1.3%	-1.5%
Cash receipts % of Ratepayer & Other revenue	6	18(1)a,(2)	0.0%	0.0%	0.0%	83.9%	0.0%	83.9%	83.6%	84.3%
Debt impairment expense as a % of total billable revenue	7	18(1)a,(2)				1.3%	0.0%	1.3%	1.3%	1.3%
Capital payments % of capital expenditure	8	18(1);19				99.1%	0.0%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	9	18(1)c				10.9%	0.0%	7.2%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	10	18(1)a				0.0%	0.0%	0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	11	18(1)a							27.0%	20.4%
Long term receivables % change - incr(decr)	12	18(1)a							0.0%	0.0%
R&M % of Property Plant & Equipment	13	20(1)(vi)				2.9%	0.0%	2.9%	3.0%	3.0%
Asset renewal % of capital budget	14	20(1)(vi)				15.2%	0.0%	22.4%	10.2%	9.9%

Explanatory notes to Table SB6 Grants and subsidies Receipts

1. This table reflects all expected grants receipts from national, provincial and other organization.
2. National treasury and provincial treasury grants are gazette in DORA and provincial gazette.

Table SB 8 Grants and subsidies Expenditure

KZN216 Ray Nkonyeni - Supporting Table SB8 Adjustments Budget - expenditure on transfers and grant programme -

Description	Ref	2022/23							Budget Year	Budget Year
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	2023/24	2024/25
		A	2 A1	3 B	4 C	5 D	6 E	7 F	Adjusted Budget	Adjusted Budget
R thousands										
EXPENDITURE ON TRANSFERS AND GRANT PROGRAM:										
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		8,026	-	-	-	-	-	8,026	1,950	1,950
Expanded Public Works Programme Integrated Grant		6,076	-	-	-	-	-	6,076	-	-
Local Government Financial Management Grant		1,950	-	-	-	-	-	1,950	1,950	1,950
Provincial Government:		16,430	-	-	-	-	-	16,430	21,521	22,201
Specify (Add grant description)		1,000	-	-	-	-	-	1,000	-	-
Specify (Add grant description)		12,418	-	-	-	-	-	12,418	12,418	12,964
Specify (Add grant description)		2,563	-	-	-	-	-	2,563	2,563	2,676
Specify (Add grant description)		449	-	-	-	-	-	449	476	497
Specify (Add grant description)		-	-	-	-	-	-	-	6,064	6,064
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		24,456	-	-	-	-	-	24,456	23,471	24,151
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		139,386	-	-	19,100	-	19,100	158,486	120,200	132,797
Municipal Disaster Relief Grant		-	-	-	19,100	-	19,100	19,100	-	-
Energy Efficiency and Demand Side Management Grant		5,000	-	-	-	-	-	5,000	-	6,000
Neighbourhood Development Partnership Grant		46,000	-	-	-	-	-	46,000	40,000	40,000
Integrated Urban Development Grant		81,360	-	-	-	-	-	81,360	73,200	76,348
Integrated National Electrification Programme Grant		7,026	-	-	-	-	-	7,026	7,000	10,449
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		139,386	-	-	19,100	-	19,100	158,486	120,200	132,797
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		163,842	-	-	19,100	-	19,100	182,942	143,671	156,948

Table SB11 Councilors and Staff Benefits

KZN216 Ray Nkonyeni - Supporting Table SB11 Adjustments Budget - councillor and staff benefits -

Summary of remuneration	Ref	2022/23										% change
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget		
R thousands		A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
Councillors (Political Office Bearers plus Other)												
Basic Salaries and Wages		28,393	-	-	-	-	-	-	-	28,393	0.0%	
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-	-	
Medical Aid Contributions		-	-	-	-	-	-	-	-	-	-	
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-	-	
Cellphone Allowance		3,042	-	-	-	-	-	-	-	3,042	-	
Housing Allowances		-	-	-	-	-	-	-	-	-	-	
Other benefits and allowances		-	-	-	-	-	-	-	-	-	-	
Sub Total - Councillors		31,434	-	-	-	-	-	-	-	31,434	0.0%	
% increase			(0)									
Senior Managers of the Municipality												
Basic Salaries and Wages		4,393	-	-	-	-	-	-	-	4,393	0.0%	
Pension and UIF Contributions		189	-	-	-	-	-	-	-	189	0.0%	
Medical Aid Contributions		78	-	-	-	-	-	-	-	78	0.0%	
Overtime		-	-	-	-	-	-	-	-	-	-	
Performance Bonus		1,059	-	-	-	-	-	-	-	1,059	-	
Motor Vehicle Allowance		1,158	-	-	-	-	-	-	-	1,158	0.0%	
Cellphone Allowance		115	-	-	-	-	-	-	-	115	0.0%	
Housing Allowances		3,488	-	-	-	-	-	-	-	3,488	-	
Other benefits and allowances		0	-	-	-	-	-	-	-	0	-	
Payments in lieu of leave		-	-	-	-	-	-	-	-	-	-	
Long service awards		-	-	-	-	-	-	-	-	-	-	
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-	-	
Sub Total - Senior Managers of Municipality		10,481	-	-	-	-	-	-	-	10,481	0.0%	
% increase			(0)									
Other Municipal Staff												
Basic Salaries and Wages		276,977	-	-	-	-	-	-	-	276,977	0.0%	
Pension and UIF Contributions		51,553	-	-	-	-	-	-	-	51,553	0.0%	
Medical Aid Contributions		20,813	-	-	-	-	-	-	-	20,813	0.0%	
Overtime		14,695	-	-	-	-	-	-	-	14,695	0.0%	
Performance Bonus		23,805	-	-	-	-	-	-	-	23,805	-	
Motor Vehicle Allowance		18,637	-	-	-	-	-	-	-	18,637	0.0%	
Cellphone Allowance		1,046	-	-	-	-	-	-	-	1,046	0.0%	
Housing Allowances		3,946	-	-	-	-	-	-	-	3,946	-	
Other benefits and allowances		3,006	-	-	-	-	-	-	-	3,006	-	
Payments in lieu of leave		4,200	-	-	-	-	-	-	-	4,200	0.0%	
Long service awards		2,270	-	-	-	-	-	-	-	2,270	0.0%	
Post-retirement benefit obligations		15,852	-	-	-	-	-	-	-	15,852	0.0%	
Sub Total - Other Municipal Staff		436,798	-	-	-	-	-	-	-	436,798	0.0%	
% increase												
Total Parent Municipality		478,713	-	-	-	-	-	-	-	478,713	0.0%	

Explanatory notes to Table SB11 Councillors and Staff Benefits

1. The remuneration of councillors and staff are as per the councillor's upper limit approved by the MEC and staff as per SALGA respectively.

Table SB12 Monthly Revenue and Expenditure

KZN216 Ray Nkonyeni - Supporting Table SB12 Adjustments Budget - monthly revenue and expenditure (municipal vote) -

Description	Ref	2022/23											Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year 2023/24	Budget Year 2024/25
		Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands																
Revenue by Vote																
Vote 1 - Mayor and Council		-	-	-	-	-	-	-	-	-	-	-	260,646	260,646	280,634	302,772
Vote 2 - Finance and Administration		-	-	-	-	-	-	-	-	-	-	-	530,657	530,657	583,920	578,759
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	-	-	-	-	-	-	-	-	-	15,739	15,739	15,780	16,475
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-	-	-	48	48	50	52
Vote 6 - Public Safety		-	-	-	-	-	-	-	-	-	-	-	24,971	24,971	26,069	27,242
Vote 7 - Housing		-	-	-	-	-	-	-	-	-	-	-	56,832	56,832	53,665	47,322
Vote 8 - Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-	132,124	132,124	117,129	120,454
Vote 10 - Road Transport		-	-	-	-	-	-	-	-	-	-	-	30,041	30,041	11,422	11,936
Vote 11 - Environment Protection		-	-	-	-	-	-	-	-	-	-	-	392	392	409	428
Vote 12 - Energy Sources		-	-	-	-	-	-	-	-	-	-	-	189,193	189,193	194,323	209,067
Vote 13 - Other		-	-	-	-	-	-	-	-	-	-	-	4,228	4,228	4,414	4,613
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		-	-	-	-	-	-	-	-	-	-	-	81,218	81,218	78,448	81,978
Total Revenue by Vote		-	-	-	-	-	-	-	-	-	-	-	1,326,088	1,326,088	1,336,264	1,401,097
Expenditure by Vote																
Vote 1 - Mayor and Council		-	-	-	-	-	-	-	-	-	-	-	42,854	42,854	44,739	46,753
Vote 2 - Finance and Administration		-	-	-	-	-	-	-	-	-	-	-	334,780	334,780	330,776	345,573
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-	-	-	76,612	76,612	79,963	83,562
Vote 4 - Community and Social Services		-	-	-	-	-	-	-	-	-	-	-	39,877	39,877	41,631	43,505
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-	-	-	5,424	5,424	5,663	5,917
Vote 6 - Public Safety		-	-	-	-	-	-	-	-	-	-	-	91,290	91,290	100,526	105,050
Vote 7 - Housing		-	-	-	-	-	-	-	-	-	-	-	66,272	66,272	57,723	52,108
Vote 8 - Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-	51,948	51,948	53,281	55,781
Vote 10 - Road Transport		-	-	-	-	-	-	-	-	-	-	-	89,844	89,844	93,798	98,018
Vote 11 - Environment Protection		-	-	-	-	-	-	-	-	-	-	-	27,693	27,693	28,912	30,213
Vote 12 - Energy Sources		-	-	-	-	-	-	-	-	-	-	-	164,112	164,112	171,032	178,783
Vote 13 - Other		-	-	-	-	-	-	-	-	-	-	-	6,515	6,515	6,802	7,108
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		-	-	-	-	-	-	-	-	-	-	-	174,365	174,365	182,418	190,627
Total Expenditure by Vote		-	-	-	-	-	-	-	-	-	-	-	1,171,585	1,171,585	1,197,284	1,243,018
Surplus/ (Deficit)		-	-	-	-	-	-	-	-	-	-	-	154,503	154,503	138,980	158,079

Table SB13 Budgeted Monthly Revenue and Expenditure by (functional Classification)

Table SB15 Budgeted Monthly Cash Flow

KZN216 Ray Nkonyeni - Supporting Table SB15 Adjustments Budget - monthly cash flow -

Monthly cash flows	Ref	2022/23												Medium Term Revenue and Expenditure Framework				
		July	August	Sept	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year 2023/24	Budget Year 2024/25		
		Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget		
R thousands																		
Cash Receipts By Source	1																	
Property rates		12,767	10,569	39,048	39,048	39,206	39,048	39,048	39,048	39,048	39,048	39,048	39,048	93,807	468,731	489,355	511,376	
Service charges - electricity revenue		12,364	3,904	13,714	13,714	13,714	13,714	13,714	13,714	13,714	13,714	13,714	13,714	24,875	164,571	175,784	183,695	
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service charges - refuse		2,007	1,579	5,307	5,307	5,307	5,307	5,307	5,307	5,307	5,307	5,307	5,307	12,335	63,685	66,487	69,479	
Rental of facilities and equipment		25	16	223	223	242	223	223	223	223	223	223	183	587	2,610	2,725	2,848	
Interest earned - external investments		-	-	446	446	488	446	446	446	446	446	446	446	1,339	5,397	5,635	5,888	
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fines, penalties and forfeits		32	22	133	133	133	133	133	133	133	133	133	133	346	1,600	1,670	1,745	
Licences and permits		611	26	649	649	709	649	649	649	649	638	638	1,298	7,824	8,168	8,536		
Agency services		370	179	405	405	442	405	405	405	405	405	405	405	665	4,894	5,110	5,339	
Transfers and Subsidies - Operational		104,121	1,825	32,779	32,779	33,237	32,779	32,779	32,779	32,779	32,779	32,779	32,779	(59,738)	341,677	351,438	367,900	
Other revenue		9,810	(5,784)	2,412	2,412	2,509	2,412	2,412	2,412	2,412	2,412	1,768	2,565	27,749	13,979	14,608		
Cash Receipts by Source		142,187	12,337	95,116	95,116	95,986	95,116	95,116	95,116	95,116	95,116	95,116	95,116	94,421	78,079	1,068,738	1,120,352	1,174,415
Other Cash Flows by Source																		
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		67,895	-	21,613	10,613	12,613	10,613	12,113	10,613	10,613	10,613	10,613	10,613	(34,555)	143,360	113,200	122,348	
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Proceeds on Disposal of Fixed and Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Short term loans		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Borrowing long term/financing		-	-	-	7,976	-	-	-	-	-	-	-	-	-	7,976	21,452	-	
Increase (decrease) in consumer deposits		32,743	19	(31,921)	(31,921)	(31,921)	(31,921)	(31,921)	(31,921)	(31,921)	(31,921)	(31,921)	(31,921)	255,943	1,412	1,475	1,541	
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Cash Receipts by Source		242,745	12,356	84,807	81,783	76,678	73,807	75,307	73,807	73,807	73,807	73,113	299,467	1,241,487	1,256,478	1,295,304		
Cash Payments by Type																		
Employee related costs		38,123	-	40,309	40,309	40,309	40,309	40,309	40,309	40,309	40,309	40,164	82,659	483,418	329,060	343,846		
Remuneration of councillors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Finance charges		-	-	226	3	3	226	3	3	226	3	3	12,231	12,922	13,491	14,098		
Bulk purchases - Electricity		176	-	11,423	11,423	11,423	11,423	11,423	11,423	11,423	11,423	11,423	34,092	137,074	142,301	148,726		
Acquisitions - water & other inventory		-	-	1,094	1,094	1,094	1,094	1,094	1,094	1,094	1,094	1,094	3,282	13,128	13,706	14,322		
Contracted services		-	-	20,474	20,474	20,474	20,474	20,474	20,474	20,474	20,474	20,404	61,187	245,381	243,488	245,932		
Transfers and grants - other municipalities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Transfers and grants - other		-	-	4,194	817	817	817	817	817	817	817	817	2,450	13,178	11,979	12,518		
Other expenditure		40,470	13,491	12,089	11,847	12,179	11,839	11,829	11,854	11,949	11,854	11,824	(13,205)	148,019	64,107	66,953		
Cash Payments by Type		78,768	13,491	89,808	85,966	86,297	86,180	85,947	85,972	86,291	85,972	85,727	182,697	1,053,119	831,857	860,717		
Other Cash Flows/Payments by Type																		
Capital assets		13,278	-	15,552	15,487	15,691	36,422	19,802	15,702	15,452	15,452	14,949	17,952	195,739	154,547	165,555		
Repayment of borrowing		3,751	-	2,504	2,296	2,296	2,669	2,296	2,296	2,662	2,296	2,296	3,106	28,496	24,371	25,468		
Other Cash Flows/Payments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total Cash Payments by Type		95,797	13,491	107,865	103,749	104,284	125,271	108,045	103,970	104,426	103,720	102,972	203,754	1,277,344	1,010,775	1,051,740		
NET INCREASE/DECREASE IN CASH HELD		146,948	(1,135)	(23,057)	(21,965)	(27,606)	(51,463)	(32,738)	(28,163)	(28,618)	(29,913)	(29,859)	95,713	(35,857)	245,703	243,564		
Cash/cash equivalents at the month/year beginning:		131,591	278,539	277,403	254,346	232,281	204,775	153,311	120,573	90,411	59,793	29,880	21	143,072	107,215	352,918		
Cash/cash equivalents at the month/year end:		278,539	277,403	254,346	232,281	204,775	153,311	120,573	90,411	59,793	29,880	21	95,734	107,215	352,918	596,481		

Table SB16 Budgeted Monthly Capital Expenditure (Municipal Vote)

KZN216 Ray Nkonyeni - Supporting Table SB16 Adjustments Budget - monthly capital expenditure (municipal vote) -

Description - Municipal Vote	Ref	2022/23											Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year 2023/24	Budget Year 2024/25
		Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands																
Multi-year expenditure appropriation																
Vote 1 - Mayor and Council	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Road Transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Environment Protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Energy Sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Multi-year expenditure sub-total	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure appropriation																
Vote 1 - Mayor and Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		-	-	-	-	-	-	-	-	-	-	-	3,075	3,075	2,155	2,252
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-	-	-	185	185	193	202
Vote 4 - Community and Social Services		-	-	-	-	-	-	-	-	-	-	-	200	200	-	-
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		-	-	-	-	-	-	-	-	-	-	-	5,440	5,440	5,575	5,826
Vote 7 - Housing		-	-	-	-	-	-	-	-	-	-	-	273	273	284	297
Vote 8 - Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-	99,409	99,409	81,987	84,037
Vote 10 - Road Transport		-	-	-	-	-	-	-	-	-	-	-	71,615	71,615	46,459	48,500
Vote 11 - Environment Protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Energy Sources		-	-	-	-	-	-	-	-	-	-	-	15,348	15,348	1,487	6,950
Vote 13 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		-	-	-	-	-	-	-	-	-	-	-	1,804	1,804	1,362	1,423
Capital single-year expenditure sub-total	3	-	-	-	-	-	-	-	-	-	-	-	197,348	197,348	139,502	149,488
Total Capital Expenditure	2	-	-	-	-	-	-	-	-	-	-	-	197,348	197,348	139,502	149,488

Table SB17 Budgeted Monthly Capital Expenditure (Functional classification)

KZN216 Ray Nkonyeni - Supporting Table SB17 Adjustments Budget - monthly capital expenditure (functional classification) -

Description	Ref	2022/23											Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year 2023/24	Budget Year 2024/25
		Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands																
Capital Expenditure - Functional																
Governance and administration		-	-	329	264	379	249	229	479	229	229	157	735	3,280	2,369	2,476
Executive and council		-	-	-	-	-	20	-	-	-	-	-	-	-	20	21
Finance and administration		-	-	329	229	229	229	229	479	229	229	157	735	3,075	2,155	2,252
Internal audit		-	-	-	35	150	-	-	-	-	-	-	-	185	193	202
Community and public safety	34	-	-	462	462	551	645	462	462	462	462	462	1,351	5,813	5,859	6,123
Community and social services		-	-	17	17	17	17	17	17	17	17	17	50	200	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		24	-	445	445	445	445	445	445	445	445	445	1,311	5,340	5,575	5,826
Housing		10	-	-	-	89	184	-	-	-	-	-	(10)	273	284	297
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services	10,098	-	-	12,539	12,539	21,235	26,139	16,989	12,539	12,539	12,539	12,453	21,622	171,104	128,425	132,515
Planning and development		6,717	-	7,478	7,478	16,173	7,478	7,478	7,478	7,478	7,478	7,411	14,744	99,389	81,966	84,015
Road transport		1,551	-	5,062	5,062	5,062	18,662	9,412	5,062	5,062	5,062	5,042	6,878	71,715	46,459	48,500
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services	-	-	-	682	682	682	10,523	682	682	682	682	632	1,225	17,152	2,848	3,373
Energy sources		-	-	523	523	523	10,394	523	523	523	523	523	799	15,348	1,487	6,950
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	159	159	159	159	159	159	159	159	109	426	1,804	1,362	1,423
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional		10,102	-	14,012	13,947	22,947	37,556	18,262	14,162	13,912	13,912	13,703	24,933	197,348	139,502	149,488

Table SB18a Capital Expenditure on new assets by asset class

KZN216 Ray Nkonyeni - Supporting Table SB18a Adjustments Budget - capital expenditure on new assets by asset class -

Description	Ref	2022/23									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
R thousands												
Capital expenditure on new assets by Asset Class/Sub-class												
Infrastructure		59,461	-	-	-	-	-	-	-	59,461	38,446	45,505
Roads Infrastructure		44,417	-	-	-	-	-	-	-	44,417	34,236	35,708
Roads		25,113	-	-	-	-	-	-	-	25,113	16,868	17,593
Road Structures		19,304	-	-	-	-	-	-	-	19,304	17,368	18,115
Road Furniture		-	-	-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-	-	-
Storm water Infrastructure		2,609	-	-	-	-	-	-	-	2,609	2,723	2,846
Drainage Collection		2,609	-	-	-	-	-	-	-	2,609	2,723	2,846
Storm water Conveyance		-	-	-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		12,435	-	-	-	-	-	-	-	12,435	1,487	6,950
Power Plants		-	-	-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-	-	-
MV Substations		1,275	-	-	-	-	-	-	-	1,275	-	-
MV Switching Stations		3,204	-	-	-	-	-	-	-	3,204	-	-
MV Networks		-	-	-	-	-	-	-	-	-	-	-
LV Networks		7,957	-	-	-	-	-	-	-	7,957	1,487	6,950
Capital Spares		-	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Dams and Weirs		-	-	-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-	-	-
Community Assets		14,783	-	-	-	-	-	-	-	14,783	12,909	13,464
Community Facilities		10,870	-	-	-	-	-	-	-	10,870	9,388	9,792
Halls		10,435	-	-	-	-	-	-	-	10,435	9,388	9,792

Centres	-	-	-	-	-	-	-	-	-	-
Crèches	-	-	-	-	-	-	-	-	-	-
Clinics/Care Centres	-	-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations	-	-	-	-	-	-	-	-	-	-
Testing Stations	-	-	-	-	-	-	-	-	-	-
Museums	-	-	-	-	-	-	-	-	-	-
Galleries	-	-	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria	-	-	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-	-	-
Parks	435	-	-	-	-	-	-	435	-	-
Public Open Space	-	-	-	-	-	-	-	-	-	-
Nature Reserves	-	-	-	-	-	-	-	-	-	-
Public Ablution Facilities	-	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-	-
Stalls	-	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	3,913	-	-	-	-	-	-	3,913	3,521	3,672
Indoor Facilities	-	-	-	-	-	-	-	-	-	-
Outdoor Facilities	3,913	-	-	-	-	-	-	3,913	3,521	3,672
Capital Spares	-	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-	-
Other assets	8,261	-	-	-	-	-	-	8,261	8,624	9,012
Operational Buildings	8,261	-	-	-	-	-	-	8,261	8,624	9,012
Municipal Offices	6,957	-	-	-	-	-	-	6,957	7,263	7,589
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-	-	-
Yards	-	-	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-	-
Depots	1,304	-	-	-	-	-	-	1,304	1,362	1,423
Capital Spares	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-
Staff Housing	-	-	-	-	-	-	-	-	-	-
Social Housing	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	-
Intangible Assets	2,190	-	-	-	-	-	-	2,190	2,286	2,389
Sevitudes	-	-	-	-	-	-	-	-	-	-
Licences and Rights	2,190	-	-	-	-	-	-	2,190	2,286	2,389
Water Rights	-	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-	-
Computer Software and Applications	2,190	-	-	-	-	-	-	2,190	2,286	2,389
Local Settlement Software Applications	-	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-	-
Computer Equipment	5,298	-	-	-	-	-	-	5,298	4,488	4,690
Computer Equipment	5,298	-	-	-	-	-	-	5,298	4,488	4,690
Furniture and Office Equipment	1,749	-	-	-	-	-	-	1,749	1,502	1,570
Furniture and Office Equipment	1,749	-	-	-	-	-	-	1,749	1,502	1,570
Machinery and Equipment	2,120	-	-	-	-	-	-	2,120	1,796	1,876
Machinery and Equipment	2,120	-	-	-	-	-	-	2,120	1,796	1,876
Transport Assets	17,950	-	-	-	-	-	-	17,950	18,740	19,583
Transport Assets	17,950	-	-	-	-	-	-	17,950	18,740	19,583
Land	-	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-	-

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Table SA18b Capital expenditure on renewal of existing assets by class

KZN216 Ray Nkonyeni - Supporting Table SB18b Adjustments Budget - capital expenditure on renewal of existing assets by asset class -

Description	Ref	2022/23									Budget Year 2023/24	Budget Year 2024/25
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7	8	9	10	11	12	13	14		
R thousands												
Capital expenditure on renewal of existing assets by Asset Class/Sub-Class												
Infrastructure		26,652	--	--	--	--	16,609	--	16,609	43,269	13,535	14,117
Roads Infrastructure		15,943	--	--	--	--	9,995	--	9,995	24,938	13,535	14,117
Roads		11,304	--	--	--	--	9,995	--	9,995	20,670	10,171	10,608
Road Structures		5,739	--	--	--	--	--	--	--	3,739	3,964	3,909
Road Furniture		--	--	--	--	--	--	--	--	--	--	--
Capital Spans		--	--	--	--	--	--	--	--	--	--	--
Storm water Infrastructure		--	--	--	--	--	7,043	--	7,043	7,043	--	--
Drainage Collection		--	--	--	--	--	7,043	--	7,043	7,043	--	--
Storm water Conveyance		--	--	--	--	--	--	--	--	--	--	--
Attenuation		--	--	--	--	--	--	--	--	--	--	--
Electrical Infrastructure		2,913	--	--	--	--	--	--	--	2,913	--	--
Power Plants		--	--	--	--	--	--	--	--	--	--	--
HV Substations		--	--	--	--	--	--	--	--	--	--	--
HV Switching Station		--	--	--	--	--	--	--	--	--	--	--
HV Transmission Conductors		288	--	--	--	--	--	--	--	288	--	--
MV Substations		1,250	--	--	--	--	--	--	--	1,250	--	--
MV Switching Stations		--	--	--	--	--	--	--	--	--	--	--
MV Networks		1,375	--	--	--	--	--	--	--	1,375	--	--
LV Networks		--	--	--	--	--	--	--	--	--	--	--
Capital Spans		--	--	--	--	--	--	--	--	--	--	--
Water Supply Infrastructure		--	--	--	--	--	--	--	--	--	--	--
Dams and Weirs		--	--	--	--	--	--	--	--	--	--	--
Boreholes		--	--	--	--	--	--	--	--	--	--	--
Reservoirs		--	--	--	--	--	--	--	--	--	--	--
Pump Stations		--	--	--	--	--	--	--	--	--	--	--
Water Treatment Works		--	--	--	--	--	--	--	--	--	--	--
Bulk Mains		--	--	--	--	--	--	--	--	--	--	--
Distribution		--	--	--	--	--	--	--	--	--	--	--
Distribution Points		--	--	--	--	--	--	--	--	--	--	--
PRV Stations		--	--	--	--	--	--	--	--	--	--	--
Capital Spans		--	--	--	--	--	--	--	--	--	--	--
Sanitation Infrastructure		--	--	--	--	--	--	--	--	--	--	--
Pump Station		--	--	--	--	--	--	--	--	--	--	--
Retikulation		--	--	--	--	--	--	--	--	--	--	--
Waste Water Treatment Works		--	--	--	--	--	--	--	--	--	--	--
Outfall Sewers		--	--	--	--	--	--	--	--	--	--	--
Toilet Facilities		--	--	--	--	--	--	--	--	--	--	--
Capital Spans		--	--	--	--	--	--	--	--	--	--	--
Solid Waste Infrastructure		8,696	--	--	--	--	--	--	--	8,696	--	--
Landfill Sites		8,696	--	--	--	--	--	--	--	8,696	--	--
Waste Transfer Stations		--	--	--	--	--	--	--	--	--	--	--
Waste Processing Facilities		--	--	--	--	--	--	--	--	--	--	--
Waste Drop-off Points		--	--	--	--	--	--	--	--	--	--	--
Waste Separation Facilities		--	--	--	--	--	--	--	--	--	--	--
Electricity Generation Facilities		--	--	--	--	--	--	--	--	--	--	--
Capital Spans		--	--	--	--	--	--	--	--	--	--	--
Rail Infrastructure		--	--	--	--	--	--	--	--	--	--	--
Rail Lines		--	--	--	--	--	--	--	--	--	--	--
Rail Structures		--	--	--	--	--	--	--	--	--	--	--
Rail Furniture		--	--	--	--	--	--	--	--	--	--	--
Drainage Collection		--	--	--	--	--	--	--	--	--	--	--
Storm water Conveyance		--	--	--	--	--	--	--	--	--	--	--
Attenuation		--	--	--	--	--	--	--	--	--	--	--
MV Substations		--	--	--	--	--	--	--	--	--	--	--
LV Networks		--	--	--	--	--	--	--	--	--	--	--
Capital Spans		--	--	--	--	--	--	--	--	--	--	--
Coastal Infrastructure		--	--	--	--	--	--	--	--	--	--	--
Sand Pumps		--	--	--	--	--	--	--	--	--	--	--
Piers		--	--	--	--	--	--	--	--	--	--	--
Roadways		--	--	--	--	--	--	--	--	--	--	--
Promenades		--	--	--	--	--	--	--	--	--	--	--
Capital Spans		--	--	--	--	--	--	--	--	--	--	--
Information and Communication Infrastructure		--	--	--	--	--	--	--	--	--	--	--
Data Centres		--	--	--	--	--	--	--	--	--	--	--
Core Layers		--	--	--	--	--	--	--	--	--	--	--
Distribution Layers		--	--	--	--	--	--	--	--	--	--	--
Capital Spans		--	--	--	--	--	--	--	--	--	--	--
Community Assets		896	--	--	--	--	--	--	--	896	626	653
Community Facilities		896	--	--	--	--	--	--	--	896	626	653
Halls		896	--	--	--	--	--	--	--	896	626	653
Centres		--	--	--	--	--	--	--	--	--	--	--
Circles		--	--	--	--	--	--	--	--	--	--	--
Office/Care Centres		--	--	--	--	--	--	--	--	--	--	--
Fire/Ambulance Stations		--	--	--	--	--	--	--	--	--	--	--
Trading Stations		--	--	--	--	--	--	--	--	--	--	--
Museums		--	--	--	--	--	--	--	--	--	--	--
Galleries		--	--	--	--	--	--	--	--	--	--	--
Theatres		--	--	--	--	--	--	--	--	--	--	--
Libraries		--	--	--	--	--	--	--	--	--	--	--

Conferences/Congresses	--	--	--	--	--	--	--	--	--	--	--	--
Public	--	--	--	--	--	--	--	--	--	--	--	--
Public Open Space	--	--	--	--	--	--	--	--	--	--	--	--
Nature Reserves	--	--	--	--	--	--	--	--	--	--	--	--
Public Abolition Facilities	--	--	--	--	--	--	--	--	--	--	--	--
Markets	--	--	--	--	--	--	--	--	--	--	--	--
Stalls	--	--	--	--	--	--	--	--	--	--	--	--
Abattoirs	--	--	--	--	--	--	--	--	--	--	--	--
Airports	--	--	--	--	--	--	--	--	--	--	--	--
Taxi Rank/Bus Terminal	--	--	--	--	--	--	--	--	--	--	--	--
Capital Spans	--	--	--	--	--	--	--	--	--	--	--	--
Sport and Recreation Facilities	--	--	--	--	--	--	--	--	--	--	--	--
Indoor Facilities	--	--	--	--	--	--	--	--	--	--	--	--
Outdoor Facilities	--	--	--	--	--	--	--	--	--	--	--	--
Capital Spans	--	--	--	--	--	--	--	--	--	--	--	--
Heritage assets	--	--	--	--	--	--	--	--	--	--	--	--
Monuments	--	--	--	--	--	--	--	--	--	--	--	--
Historic Buildings	--	--	--	--	--	--	--	--	--	--	--	--
Works of Art	--	--	--	--	--	--	--	--	--	--	--	--
Conservation Areas	--	--	--	--	--	--	--	--	--	--	--	--
Other Heritage	--	--	--	--	--	--	--	--	--	--	--	--
Investment properties	--	--	--	--	--	--	--	--	--	--	--	--
Revenue Generating	--	--	--	--	--	--	--	--	--	--	--	--
Improved Property	--	--	--	--	--	--	--	--	--	--	--	--
Unimproved Property	--	--	--	--	--	--	--	--	--	--	--	--
Non-revenue Generating	--	--	--	--	--	--	--	--	--	--	--	--
Improved Property	--	--	--	--	--	--	--	--	--	--	--	--
Unimproved Property	--	--	--	--	--	--	--	--	--	--	--	--
Other assets	--	--	--	--	--	--	--	--	--	--	--	--
Operational Buildings	--	--	--	--	--	--	--	--	--	--	--	--
Municipal Offices	--	--	--	--	--	--	--	--	--	--	--	--
Pay/Equity Points	--	--	--	--	--	--	--	--	--	--	--	--
Building Plan Offices	--	--	--	--	--	--	--	--	--	--	--	--
Workshops	--	--	--	--	--	--	--	--	--	--	--	--
Yards	--	--	--	--	--	--	--	--	--	--	--	--
Stores	--	--	--	--	--	--	--	--	--	--	--	--
Laboratories	--	--	--	--	--	--	--	--	--	--	--	--
Training Centres	--	--	--	--	--	--	--	--	--	--	--	--
Manufacturing Plant	--	--	--	--	--	--	--	--	--	--	--	--
Depots	--	--	--	--	--	--	--	--	--	--	--	--
Capital Spans	--	--	--	--	--	--	--	--	--	--	--	--
Housing	--	--	--	--	--	--	--	--	--	--	--	--
Staff Housing	--	--	--	--	--	--	--	--	--	--	--	--
Social Housing	--	--	--	--	--	--	--	--	--	--	--	--
Capital Spans	--	--	--	--	--	--	--	--	--	--	--	--
Biological or Cultivated Assets	--	--	--	--	--	--	--	--	--	--	--	--
Biological or Cultivated Assets	--	--	--	--	--	--	--	--	--	--	--	--
Intangible Assets	--	--	--	--	--	--	--	--	--	--	--	--
Services	--	--	--	--	--	--	--	--	--	--	--	--
Licences and Rights	--	--	--	--	--	--	--	--	--	--	--	--
Water Rights	--	--	--	--	--	--	--	--	--	--	--	--
Effluent Licences	--	--	--	--	--	--	--	--	--	--	--	--
Solid Waste Licences	--	--	--	--	--	--	--	--	--	--	--	--
Computer Software and Applications	--	--	--	--	--	--	--	--	--	--	--	--
Land Settlement Software Applications	--	--	--	--	--	--	--	--	--	--	--	--
Unspecified	--	--	--	--	--	--	--	--	--	--	--	--
Computer Equipment	--	--	--	--	--	--	--	--	--	--	--	--
Computer Equipment	--	--	--	--	--	--	--	--	--	--	--	--
Furniture and Office Equipment	--	--	--	--	--	--	--	--	--	--	--	--
Furniture and Office Equipment	--	--	--	--	--	--	--	--	--	--	--	--
Machinery and Equipment	--	--	--	--	--	--	--	--	--	--	--	--
Machinery and Equipment	--	--	--	--	--	--	--	--	--	--	--	--
Transport Assets	--	--	--	--	--	--	--	--	--	--	--	--
Transport Assets	--	--	--	--	--	--	--	--	--	--	--	--
Land	--	--	--	--	--	--	--	--	--	--	--	--
Land	--	--	--	--	--	--	--	--	--	--	--	--
Zoo's Marine and Non-biological Animals	--	--	--	--	--	--	--	--	--	--	--	--
Zoo's, Marine and Non-biological Animals	--	--	--	--	--	--	--	--	--	--	--	--
Total Capital Expenditure on renewal of existing assets to be adjusted	1	27,547	--	--	--	--	16,930	--	16,930	44,156	14,161	14,770

Table SB18c Repairs and Maintenance by asset class

KZN216 Ray Nkonyeni - Supporting Table SB18c Adjustments Budget - expenditure on repairs and maintenance by asset class -

Description	Ref	2022/23									Budget Year 2023/24	Budget Year 2024/25
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
R thousands												
Repairs and maintenance expenditure by Asset Class/Sub-class												
Infrastructure		27,174	-	-	-	-	-	-	-	27,174	28,981	30,237
Roads Infrastructure		23,817	-	-	-	-	-	-	-	23,817	24,865	25,484
Roads		23,817	-	-	-	-	-	-	-	23,817	24,865	25,484
Road Structure		-	-	-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-	-	-
Capital Spans		-	-	-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		3,357	-	-	-	-	-	-	-	3,357	3,400	4,253
Power Plants		9	-	-	-	-	-	-	-	9	-	600
HV Substations		-	-	-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-	-	-
MV Networks		1,000	-	-	-	-	-	-	-	1,000	1,733	1,811
LV Networks		1,060	-	-	-	-	-	-	-	1,060	1,703	1,842
Capital Spans		-	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Dams and Weirs		-	-	-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-	-	-
Capital Spans		-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-	-	-
Refusation		-	-	-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-	-	-
Capital Spans		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-	-	-
Capital Spans		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-	-	-
Capital Spans		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-	-	-
Capital Spans		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-	-	-
Capital Spans		-	-	-	-	-	-	-	-	-	-	-
Community Assets		965	-	-	-	-	-	-	-	965	1,028	1,074
Community Facilities		965	-	-	-	-	-	-	-	965	1,028	1,074
Halls		-	-	-	-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-	-	-

List of Capital Project

Project Names	Original Budget	Adjustment Budget	Adjusted Budget
ASSET MANAGEMENT COMPUTER ASSETS	35,000.00	-	35,000.00
ASSET MANAGEMENT FURNITURE AND EQUIPMENT	15,000.00	-	15,000.00
ASSET MANAGEMENT MACHINERY & EQUIPMENT	10,000.00	-	10,000.00
ADMINISTRATIVE AND CORPORATE SUPPORT CUMPUTER ASSE	250,000.00	-	250,000.00
ADMIN AND CORP MANAGEMENT SERVICES FURNITURE AND E	150,000.00	-	150,000.00
Data Analytics Software: Internal Audit	150,000.00	-	150,000.00
INTERNAL AUDIT: FURNITURE AND OFFICE EQUIPMENT	35,000.00	-	35,000.00
OATLANDS LANDFILL SITE UPGRADE	8,695,652.00	-	8,695,652.00
Ward 31 Sportfield (Mbeni)	3,478,260.00	-	3,478,260.00
Tatane Sportfield Ward 25	434,784.00	-	434,784.00
Community park in ward 5	434,783.00	-	434,783.00
MLB Offices	1,739,136.00	-	1,739,136.00
Municipal Vehicle Pound	4,347,816.00	-	4,347,816.00
ZG Hall Roof Repairs - Ward 28	695,652.00	-	695,652.00
Margate Airport Upgrade - ward 6	503,910.00	-	503,910.00
Ward 36 - Nkulu Community Hall	3,478,260.00	-	3,478,260.00
Dumezulu Community Hall Phase 2 (Ward 8)	3,478,260.00	-	3,478,260.00
Nkulu Community Hall Ward 25	3,478,260.00	-	3,478,260.00
2019 RATIONALISATION OF OFFICE SPACE (UVONGO)	869,570.00	-	869,570.00
UPGRADE OF MAIN HARDING ROAD	24,267,388.00	-	24,267,388.00
Outdoor Gym Facilities	521,736.00	-	521,736.00
Rural Roads and Stormwater Rehabilitation (IUDG)	7,826,088.00	-	7,826,088.00
Repairs to Mbhele Pedestrian Bridge	869,556.00	-	869,556.00
Mbili Pedestrian Bridge Ward 22	130,428.00	-	130,428.00
Mazubane / Dikwe Pedestrian Bridge Ward 20	2,173,908.00	-	2,173,908.00
Banana Beach Pedestrian (Ward 16)	173,916.00	-	173,916.00
Bar to Ngwemabala Pedestrian Bridge Ward 24	2,173,908.00	-	2,173,908.00
MADALA TO MDLUNGWANA VEHICULAR BRIDGE	1,304,352.00	-	1,304,352.00
Mbecuka Vehicular Bridge Ward 29	173,916.00	-	173,916.00
Msikaba Vehicular (Ward 25)	869,568.00	-	869,568.00
NKANGENI VEHICULAR BRIDGE WARD 25	869,568.00	-	869,568.00
Bhayiya Vehicular Bridge - Ward 33	434,784.00	-	434,784.00
Nhlangeni Vehicular Bridge - Ward 9	434,784.00	-	434,784.00
Valley Road Vehicular Bridge Upgrade - Ward 18	434,772.00	-	434,772.00
Ngqumbela Road and Causeway Ward 7	3,478,260.00	-	3,478,260.00
LONJANI TO KHUMBUZA ROAD	2,026,084.00	-	2,026,084.00
Mzenge Road and Bridge - Ward 34	434,784.00	-	434,784.00
Bomvini School Road - Ward 35	434,784.00	-	434,784.00
Nkanyezini Road - Ward 10	434,784.00	-	434,784.00
Mandla Mzelemu Road - Ward 10	434,784.00	-	434,784.00
Corner House Ring Road - Ward 27	434,784.00	-	434,784.00
UPGRADE NELSON MANDELA DRIVE	14,782,608.00	-	14,782,608.00
Port Shepstone Civic Centre: Furniture	500,000.00	-	500,000.00
Control Room Software	840,000.00	-	840,000.00
CCTV Microwave linking	3,000,000.00	-	3,000,000.00
INSTALLATION OF CCTV CAMERAS	1,500,000.00	-	1,500,000.00
REVENUE COMPUTER ASSETS	150,000.00	-	150,000.00
REVENUE FURNITURE AND EQUIPMENT	120,000.00	-	120,000.00
EXPENDITURE COMPUTER ASSETS	150,000.00	-	150,000.00
EXPENDITURE FURNITURE AND EQUIPMENT	35,000.00	-	35,000.00
BUDGET AND TREASURY FURNITURE AND EQUIPMENT	150,000.00	-	150,000.00
FMG Funded Computer Equipment	100,000.00	-	100,000.00
Furniture and Equipment	60,000.00	-	60,000.00
Medical equipment 2023	60,000.00	-	60,000.00
Margate hall reconstruction ward 2	200,000.00	-	200,000.00
OFFICE WATER TANKS	869,568.00	-	869,568.00
FURNITURE AND OFFICE EQUIPMENT	100,000.00	-	100,000.00
COMPUTER EQUIPMENT	100,000.00	-	100,000.00
Staff Depot Ablution Facilities - Phase 3	1,304,352.00	-	1,304,352.00

SUPPLY CHAIN COMPUTER ASSETS	120,000.00	-	120,000.00
STREET CLEANSING COMPUTER ASSETS	100,000.00	-	100,000.00
STREET CLEANING TOOLS AND MACHINERY	400,000.00	-	400,000.00
GRADERS	8,600,000.00	-	8,600,000.00
REHAB OF COLLEGE ROAD SOUTHBRROM WARD 2	3,478,260.00	-	3,478,260.00
Lilliecrona Road_G46247	-	1,826,091.00	1,826,091.00
Mbotsha Road_G46247	-	956,520.00	956,520.00
Makhanya Road_G46247	-	782,613.00	782,613.00
Bar Road_G46247	-	782,613.00	782,613.00
Kwa Xaba_G46247	-	1,304,352.00	1,304,352.00
Ganyaza Road_G46247	-	782,613.00	782,613.00
Roads:Koloni_G46247	-	956,520.00	956,520.00
uMsikaba_G46247	-	782,613.00	782,613.00
Bham Rd_G46247	-	608,697.00	608,697.00
Kwaluhlaza_G46247	-	782,613.00	782,613.00
Ntshomela Pedestrian Bridge (Sgodaneni) Ward 32	2,608,692.00	-	2,608,692.00
Esidlidlini Pedestrian Bridge (Dlovinga)	130,428.00	-	130,428.00
Kwasithole Pedestrian Bridge (Ward 21)	347,832.00	-	347,832.00
Mazubane Pedestrian Bridge (Ward 21)	2,173,908.00	-	2,173,908.00
Nqwane Pedestrian Bridge ward 20	86,952.00	-	86,952.00
Mvuzane Road and Vehicular Bridge Ward 14	3,478,260.00	-	3,478,260.00
PEDESTRIAN BRIDGE EXTENSION 3 WARD 6	869,568.00	-	869,568.00
WARD 28 WALKWAYS AND GUARDRAILS (THEMBA NGUBELANG)	1,130,424.00	-	1,130,424.00
WARD 12 PEDESTRIAN BRIDGE (OVER SUGER MILL ROAD)	2,608,692.00	-	2,608,692.00
Road Reseals	3,478,260.00	-	3,478,260.00
Road Reseals	7,000,000.00	-	7,000,000.00
LOUISIANA RING ROAD (WARD 15)	6,956,521.00	-	6,956,521.00
TIPPER TRUCKS	4,350,000.00	-	4,350,000.00
Compactor	5,000,000.00	-	5,000,000.00
Urban stormwater rehabilitation_Spillars_G46247	-	2,173,914.00	2,173,914.00
Urban stormwater rehabilitation_Ray Nkonyeni Road_G46247	-	1,869,561.00	1,869,561.00
Urban stormwater rehabilitation_Carnation_G46247	-	1,304,352.00	1,304,352.00
Urban stormwater rehabilitation_West Roads_G46247	-	1,304,352.00	1,304,352.00
Urban stormwater rehabilitation_Bank Street_G46247	-	391,302.00	391,302.00
ROADS URBAN STORMWATER	2,608,692.00	-	2,608,692.00
Merlewood streerlights	347,832.00	-	347,832.00
MEMORIAL & REYNOLDS SW/STA REFURB & REPLACE SWITCHGE	1,466,010.00	-	1,466,010.00
POWER FACTOR CORRECTION EQUIPMENT (NDP GRANT)?????	287,500.00	-	287,500.00
11kV INTERCONNECTOR - MARBURG TO P.S. SUB (NDP GRANT)	287,500.00	-	287,500.00
MV INFRASTRUCTURE REFURBISHMENT & UPGRADES (NDP GRANT)	187,500.00	-	187,500.00
MV NETWORK?? RING CONNECTIONS (NDP GRANT)	187,500.00	-	187,500.00
Installation of new Streetlights	1,304,390.00	-	1,304,390.00
Energy Efficiency DSM	4,304,348.00	-	4,304,348.00
Meter replacement DBSA funded	2,000,000.00	-	2,000,000.00
Cable Replacement DBSA funded	1,000,000.00	-	1,000,000.00
BULK ELECTRICAL SUPPLY TO NEW DEVELOPMENTS (WITHIN DIS	1,274,999.00	-	1,274,999.00
Inter switch replacements DBSA funded	1,450,000.00	-	1,450,000.00
Mini sub replacement DBSA funded	1,250,000.00	-	1,250,000.00
HOD's Office Computer Equipment	183,500.00	-	183,500.00
INFORMAL SETTLEMENT HOUSING ADMIN FURNITURE AND EQU	89,000.00	-	89,000.00
Informal traders Card Machine	200,000.00	-	200,000.00
TOWN PLANNING COMPUTER ASSETS	250,000.00	-	250,000.00
TOWN PLANNING FURNITURE AND EQUIPMENT	415,000.00	-	415,000.00
Facial recognition intercom	30,000.00	-	30,000.00
Techno Hub Computers	30,000.00	-	30,000.00
Techno HUB installation of Automated Gate	10,000.00	-	10,000.00
Electronic building plan submission	1,200,000.00	-	1,200,000.00
MUNICIPAL MANAGER FURNITURE AND EQUIPMENT	20,000.00	-	20,000.00
IT Equipment	799,992.00	-	799,992.00
	180,739,367.00	16,608,726.00	197,348,093.00

Legislation compliance status

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

In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days).

Internship programme

The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department, of the five interns four have been appointed permanently. The remaining two are still under the training and municipality has an obligation to replace the vacant positions of the three interns.

Budget and Treasury Office

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

Audit Committee

An Audit Committee is shared with other municipalities within the district and is fully functional.

Service Delivery and Implementation Plan

The detailed 2022/23 SDBIP document will be compiled and will be tabled before council separately.

Annual Report

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