

UBuhlebezwe Municipality Original Budget 2023/2024

COUNCIL MEETING

REPORT TO COUNCIL ON 2023/2024 ORIGINAL BUDGET

Date : 25 MAY 2023

Levels : 1st Level: Council

1. **Author(s)** : CFO/ACFO/BUDGET MANAGER

2. PURPOSE

The purpose of this report is to seek approval from Council for the Original Budget for 2023/2024 financial year.

3. LEGAL / STATUTORY REQUIREMENTS

- Municipal Finance Management Act
- Municipal Budget and Reporting Regulation

4. AUTHORITY

- Council

5. BACKGROUND AND REASONING

The Municipal Finance Management Act states that the mayor of the municipality must table ORIGINAL budget to council 30 days before the start of the financial year.

The budget has been prepared in accordance with a legislation and is funded appropriately.

Furthermore, the municipality has prepared A Schedule (Vision 6.7) which is an MSCOA compliant budget.

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The budget document is attached.

6. STAFF IMPLICATIONS

The document was prepared by the staff in the BTO.

7. FINANCIAL IMPLICATIONS

Budget will be implemented in the 2023/2024 financial year.

8. OTHER PARTIES CONSULTED

Exco / Office of the Municipal Manager

9. RECOMMENDATIONS

That Council approves the original budget for 2023/2024 financial year for onward submission to National and Provincial Treasury as well as communities.

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2023/2024

UBUHLEBEZWE MUNICIPALITY

2023/2024 ORIGINAL BUDGET

**Copies of this document can be viewed:
In the municipal buildings**

Municipal library and the website

www.ubuhlebezwe.gov.za

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MAYORAL BUDGET SPEECH

Part 1 –Original Budget 2023/2024

1. MAYORAL BUDGET SPEECH

- Honourable Speaker of Council
- MEC of Co-operate Government and Traditional Affairs
- MEC of Social Development
- Member of Parliament, present here
- District Mayor of Harry Gwala
- Speaker of Harry Gwala and Councillors present.
- Deputy Mayor
- Whip of Council
- And all Councillors present
- Amakhosi, who are present today.
- Ambassador, Mr Tim Dennis
- Ambassador, Mr Baba Chiliza
- Phungula Family
- Municipal Manager and all Senior managers
- M.M From other Municipal managers present.
- All Distinguished Guests

Ladies and Gentlemen Sanibonani, Good morning.

I greet you all in the name of Development and Service Delivery.

We are gathered here today, where all countries in Africa are celebrating Africa day, which that's why our Theme today is, African.

We are very excited to be born in such a beautiful and the ever-green part of the world. There is no Human being in this world who does not wish to visit this continent, to see its beautiful trees, lions, Elephants and Giraffes, its overflowing rivers. This reminds me the speech by Former President, Thabo Mbeki, when he delivered on one of government occasions, when he said. *“ I am an African, I owe my beings to the hills and valleys, the mountains and the*

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glades, the rivers, the deserts, the trees, the flowers, the seas and the ever changing seasons, that define the face of our native land."

Honourable, Speaker, not that today I am excited by celebrating Africa day, I am also over the moon, that now our Council meetings are back to the main, brand new and spacious building, which is our pride as Ubuhlebezwe Council, indeed this is "Ubuhlebethu"

Honourable, Speaker, this top-class Council Chamber, is registering the history of Ubuhlebezwe Community, which is that's why we have reminded our community about the history of Ubuhlebezwe Municipality leadership from Ixobho Health Committee to the New dispensation, indeed this is History in making.

Indeed this building deserve a change of name, as our community requested, that we change, our municipal name to "General Johannes, Phumani, Pass Four, Phungula Municipality" (Known as JPP Municipality). Indeed, I would like to thank, umndedni wakwa Phungula, to allow the community of Ubuhlebezwe, ukusebenzisa igama lika General Phungula iqhawe lomzabalazo wabantu, ukuthi kuqanjwe lelibhilidi ngaye.

Honourable Speaker, it is because of people like General Phungula, that we are standing here to adopt our community budget. It is because of people like uGeneral Passfour, that abantu bakhuluma ngogesi, bakhuluma ngamanzi, ngezindlu, ingane yomuntu omnyama ilala idlile, through different grants and programmes, like your CSG, School nutrition program.

Ingane yomuntu omnyama ikwazi ukuphuma neziqu enyuvesi, ngaphandle kokukhokha. It is through their sacrifice, that we are here today, to continue with the race that was started by them. It is because of their spiritual motivation, that earlier this year, this council agreed that this year, it will be a "Year of Doing More and Better" we also agreed that we will be focusing on developing our community's morals, which that is why in our Budget, you'll see an addition amounts in our votes, like Izimbizo zamadoda, Moral regeneration, Vuka Mbokodo, ECD programs, Youth programs and skills Development programs.

Honourable, Speaker, the municipality will continue with the installation of Highmast lights in our wards, as this program is targeted on reducing crime in our rural areas (lam lights ayingxenywe yohlelo lokuvikela abantu besifazane nabantu abadala ebugebengwini) we've already installed them at ward (01,06,07,09,10,11 and 14), this coming financial year, we will continue with installations to ward 03,05 and 12.

Honourable, Speaker we are also pleased that we've seen a little increase in our grant's allocations, we have shifted from a Total budget of R254M to R274M, which is R55M on Capex.

We will continue with our internal black top roads, which is Workshop, Groove and Greers and High Street. We will be also constructing Bhakaneni Road, ward 08, Mbalenhle hall in ward 13 a sportsfield and a hall in ward 09.

It is also very encouraging that we heading towards a 100% coverage in installing of electricity, we will be electrifying Highflats (ward 13), Mashakeni (ward 03), Mariathal/ Mandilini (ward 04), Nokweja (ward 11)

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Mbambalala / Mashumi (ward 12,13) and also finishing kwaNothi/Makinatini (ward 07).

We have just gone up by 5% on our tariffs.

We are encouraging all our residents to pay for services, that is rendered by the Municipality, so that we will be able to continue with the service delivery.

Honourable Speaker, our pledge as the Council of Ubuhebezwe, is to give service with fairness, transparent, honesty and integrity.

Thank you

Siyabonga

ORIGINAL BUDGET SUMMARY OF THE 2023/2024 MTREF

Operational Budget R 213 580 259.00

Capital Budget R 59 604 600.00

Total Budget R 273 184 859.00

Funding the budget – Conditional and Unconditional grants

Description	Allocation 2022/2023	Allocation 2023/2024	Variance	Increase/ Decrease
Equitable Share	R 131 712 000	R 139 317 000	R7 605 000	↑
Electrification	R 6 994 000	R 21 863 000	R 14 869 000	↑
Finance Management Grant	R 1 950 000	R 1 950 000	R 0	
EPWP	R 2 245 000	R 7 831 000	R5 586 000	↑
Library Grant	R 981 000	R 981 000	R 0	
Library Cyber	R 254 000	R 254 000	R 0	

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MIG	R 30 291 000	R 39 499 000	R 9 208 000	↑
LED Grant	R 2 000 000	R 2 000 000	R0	

Mr Speaker, the municipality must tighten its belt and strategically allocate the scarce resources to try to meet the service delivery needs of the people of UBuhlebezwe.

Mr Speaker, Section 6(1) of the Municipal Systems Amendment Act states ***“a municipality’s administration is governed by the democratic values and principles embodied in section 195(1) of the Constitution”***.

Section 6(2) (a) further requires each municipality ***“to be responsive to the needs of local community and to facilitate a culture of public service and accountability amongst staff”***.

The budget is presented in detail below as required by the MFMA and the Municipal Budget Regulations.

As council and management, it is our responsibility to ensure that the budget presented today is credible and implementable. It is through this kind of unity that the flag of Ubuhlebezwe will be lifted. We are also not complacent and have put it upon ourselves to ensure that we “copy good things” from other institutions.

1.2 Council Resolutions

The Council of Ubuhlebezwe Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:

- *That the annual budget of the municipality for the financial year 2023/2024; and indicative allocations for the two projected outer years 2024/2025 and 2025/2026 and related policies be approved, as set out in the following schedules and annexure:*

6.1	Budget summary	A1 Sum	
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6.2	Budgeted financial performance (revenue and expenditure by standard classification)	A2 FinPerf	
6.3	Budgeted financial performance (revenue and expenditure by municipal vote)	A3 FinPerf	
6.4	Budgeted financial performance (revenue and expenditure)	A4 FinPerf	
6.5	Budgeted capital expenditure by vote, standard classification and funding	A5 CapEx	
6.6	Budgeted financial position	A6 FinPos	
6.7	Budgeted cash flows	A7 CFlow	
6.8	Cash backed reserves/accumulated surplus reconciliation	A8 ResRecon	
6.9	Asset management	A9 Asset	
6.10	Basic service delivery measurement	A10 SerDel	

1.3 EXECUTIVE SUMMARY

1.3.1 Introduction

This 2023 to 2024 Tabled Medium Term Revenue and Expenditure Framework (MTREF) Budget Report deals with the operating budget and tariff proposals as well as the capital budget and funding sources proposal to ensure that UBuhlebezwe Municipality renders services to their local community in a financially sustainable manner.

1.3.2 Past performance

Ubuhlebezwe Municipality has attained an unqualified with matters audit opinion for the past two years. We shall strive for a clean audit as we have done in the past. A good audit outcome is directly aligned to performance and service delivery. The good results positively reflect service delivery improvements as well as good financial management. Good performance reflects a positive image of Ubuhlebezwe leadership in rendering its services, transparency and equally its ability to render services to the community at large.

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1.3.3 Financial Sustainability

Financial sustainability over the long-term has to do with the maintenance of high priority expenditure programs, both operating and capital, to ensure program sustainability and desired quality of services to be rendered. There must also be rates and service charges stability and predictability in the overall rate burden by ensuring reasonable rates and service charges to fund programs.

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

1.3.4 Budget Summary

The UBuhlebezwe local municipality's Medium – term revenue expenditure framework complies with all legal requirements which are as follows:

- The constitution 1996 (act no 108 of 1996)
- The municipal systems act no 32 of 2000 and regulations.
- The municipal finance management act 56 of 2003 and regulations
- The municipal structures act 1998 (act no 117 of 1998)
- Municipal budget and reporting regulations issued by treasury.
- Division of revenue Act

The municipality is consistent with the 2022/2023 budget: the 2023/2024 budget focuses on the priorities of council as outlined in the IDP. There are listed below:

- Good governance and public participation
- Basic service delivery
- Local economic development
- Municipal financial viability and management
- Safe and secure environment
- Environmental management

The following budget principles and guidelines directly informed the compilation of the 2023/2024 MTREF:

- The 2022/2023 adjustment budget priorities and targets
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI
- The operational cost and contracted services expenditure to take presiding in the allocation of available budget.
- This budget is a zero-based budgeting on projects.

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- Zero based budgeting is defined as a process where every department function is reviewed comprehensive and each expenditure must be approved, rather than increased.
- It requires the budget request to be justified in complete detail by each department rather than just increasing its expenditure from the previous year.

The following table is a consolidated overview of the proposed 2023/2024 Original budget and medium-term revenue and expenditure framework:

Table 1 Consolidated Overview of the 2023/2024

KZN434 Ubuhlebezwe - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1							
Revenue								
Exchange Revenue								
Total Revenue (excluding capital transfers and cont		184 280	187 301	187 301	187 301	227 089	239 474	238 417
Expenditure								
Total Expenditure		202 600	205 852	205 852	205 852	213 580	224 032	234 561

The above table indicates that the total operating revenue budget is expected to increase by R39 788 000.00 for the 2023/2024 financial year when compared to the 2022/2023 adjusted budget as per table A4. Budget summary for the two outer years' operational revenue will increase by R 12 385 000.00 and R 1 057 000.00 respectively. The increases are in line with provincial gazette and Division of revenue bill (DoRB) and CPI inflationary increases. Integrated National Electrification Programme has significantly increased by R14 869 000 million compared to the adjusted budget 2022/23. The Municipal Infrastructure Grant also increased by R 9 208 000.00 million compared to the adjusted budget 2022/23 which is a good indication geared towards service delivery.

Total operating expenditure budget for the 2023/2024 financial year has been appropriated at R 213 580 000.00 Which is an increase of almost R7 728 000.00 when compared to 2022/2023 adjustment budget. The operating expenditure has grown by 4.9% and 4.7% respectively for the two outer years of the 2023/2024 MTREF

Vote Description	Ref	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1							
Total Capital Expenditure - Vote		50 949	49 822	49 822	49 822	59 605	50 986	53 383

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The above illustrate that the municipality is planning to invest R59 605 000.00 in the 2023/2024 financial year towards the construction /purchasing of municipal assets. Majority of this budget will be directed to the construction of road infrastructure, community facilities and cemeteries in line with the municipal strategy to generate its own revenue.

Vote Description R thousand	Ref	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital expenditure - Vote								
Funded by:								
National Government		30 351	30 351	30 351	30 351	39 499	33 042	34 595
Provincial Government		5 000	5 000	5 000	5 000	2 000	–	–
District Municipality		–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		–	–	–	–	–	–	–
Transfers recognised - capital	4	35 351	35 351	35 351	35 351	41 499	33 042	34 595
Borrowing	6	–	–	–	–	–	–	–
Internally generated funds		15 598	14 471	14 471	14 471	18 106	17 944	18 787
Total Capital Funding	7	50 949	49 822	49 822	49 822	59 605	50 986	53 383

The above table illustrates the funding model of the capital projects, where the larger portion of it will be funded from municipal infrastructure grant and the rest will be funded by the internal funds and LED Grant

1.4 Operating Revenue Framework

For UBuhlebezwe 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 being reviewed for relevance and effectiveness. Revenue enhancement strategy and data cleansing is implemented and forms part of daily operations of the finance department and the municipality to ensure that revenues due to the municipality are received and timeously. The municipality has seen significant improvements on revenue collection for the months of January and February 2023 due to this exercise. The strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy
- Introduction of decision Matrix Revenue strategy

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- Efficient revenue management, which aims to ensure an 80 per cent annual collection rate for property rates and other key service charges,
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) MPRA,
- Increase ability to extend new services and recover costs.
- The municipality's Indigent Policy and rendering of free basic services and
- Tariff policies of the Municipality

The following table is a summary of the 2023/24 MTREF (classified by main revenue source):

KZN434 Ubuhebezwe - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1							
Revenue								
Exchange Revenue								
Service charges - Electricity	2	-	-	-	-	-	-	-
Service charges - Water	2	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-
Service charges - Waste Management	2	3 682	3 682	3 682	3 682	3 507	3 679	3 852
Sale of Goods and Rendering of Services		187	189	189	189	168	176	185
Agency services		1 886	2 086	2 086	2 086	1 300	1 364	1 428
Interest		-	-	-	-	-	-	-
Interest earned from Receivables		-	-	-	-	-	-	-
Interest earned from Current and Non Current Assets		10 000	11 500	11 500	11 500	12 500	13 113	13 729
Dividends		-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-
Rental from Fixed Assets		800	1 102	1 102	1 102	1 859	1 950	2 042
Licence and permits		100	110	110	110	371	389	408
Operational Revenue		103	781	781	781	1 225	1 285	1 346
Non-Exchange Revenue								
Property rates	2	24 602	24 602	24 602	24 602	52 764	55 349	57 951
Surcharges and Taxes		-	-	-	-	-	-	-
Fines, penalties and forfeits		500	829	829	829	871	913	956
Licences or permits		3 337	3 337	3 337	3 337	2 081	2 183	2 286
Transfer and subsidies - Operational		139 082	139 082	139 082	139 082	150 333	158 957	154 116
Interest		-	-	-	-	110	115	121
Fuel Levy		-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-
Discontinued Operations								
Total Revenue (excluding capital transfers and contributions)		184 280	187 301	187 301	187 301	227 089	239 474	238 417

In line with the formats prescribed by the municipal budget and reporting regulations, capital transfers and contributions are excluded from the operating statement as inclusion of these revenue would distort the calculation of the operating surplus /deficit

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The transfers and subsidies form a significant percentage of the revenue basket for the municipality. In 2023/2024 financial year the transfers and subsidies in operational revenue is expected to amount to R 150 333 000.00 and this will be R11 251 000.00 more than the operational revenue for the 2022/2023 adjustment budget.

Ubuhlebezwe local municipality is the grant dependent municipality, however the municipality is in the process of attracting more investors to come and invest in the municipality which will potentially increase the chances for the municipality to generate its own revenue.

In trying to improve the revenue base, the municipality has developed revenue enhancement strategies and the implementation thereof presented on quarterly basis to the Finance Committee and escalated to Council. The municipality will start to see spinoffs from the revenue enhancement strategy in the 2023/24, such as the community residential unit (CRU) which will attract more customers who will be paying rent. Other revenue enhancement strategies also have projections which will yield revenue in the 2023/24 financial year.

The second largest source of revenue for the municipality is property rates followed by the revenue anticipated from the interest earned on the external investments.

2023/2024 PROPOSED OPERATING REVENUE BUDGET CAN BE SUMMARISED AS FOLLOWS

- **Government Subsidies/ Grants**

The table below reflects all government grants categorised per function.

Description	Allocation 2023	Allocation 2024	Variance	Increase/ Decrease
<i>CAPITAL GRANTS</i>				
MIG	R 30 291 000	R 39 499 000	R 9 208 000	↑
LED GRANT	R2 000 000	R2 000 000		
<i>TOTAL</i>	<i>R 32 291 000</i>	<i>R 41 499 000</i>	<i>R 9 208 000</i>	↑

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OPERATIONAL GRANTS				
Equitable Share	R 131 712 000	R 139 317 000	R 7 605 000	↑
Finance Management Grant	R 1 950 000	R 1 950 000	R 0	
EPWP	R 2 245 000	R 7 831 000	R 5 586 000	↑
Library Grant	R 981 000	R981 000	R0	
Library Cyber	R 254 000	R 254 000	R 0	
Electrification	R 6 994 000	R 21 863 000	R 14 869 000	↑
TOTAL	R 144 136 000	R 172 196 000	R 28 060 000	↑

- **Property Rates**

Property rates revenue for 2023/2024 financial year is expected to increase significantly from R24 602 000 to R 52 764 000.00. the new valuation roll has introduced new properties such as Mariathal and Mahhehle, and the municipality has also increased the tariffs by 5%. Therefore, the municipality has estimated it property rates based on the latest valuation roll which resulted in an increase in the rates and service charges.

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Comparison of proposed rates to levied for the 2023/2024 financial year.

KZN434 Ubuhebezwe - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1							
Revenue								
Exchange Revenue								
Service charges - Waste Management	2	3 682	3 682	3 682	3 682	3 507	3 679	3 852
Non-Exchange Revenue								
Property rates	2	24 602	24 602	24 602	24 602	52 764	55 349	57 951

The amounts reflected above are after considering revenue forgone and rebates.

Property rates summary calculations

PROPERTY RATES							
		IMPERMISSIBLE RATES			REBATES		TOTAL
		R55000	R15000	30%	20%	50%	
Residential	28 450 392.60	2 735 502.00					25 714 890.60
Public service Purpose	11 909 434.20			3 572 830.26	1 667 320.79		6 669 283.15
Vacant Land	248 362.50		34 965.00				213 397.50
Agricultural	11 960 986.43		39 432.00			5 960 777.21	5 960 777.21
Public Service Infrastructure	-						-
Multiple Use Property	606 430.00		2 310.00			-	604 120.00
Place of Worship	-						-
Commercial	13 174 789.80		37 962.00				13 136 827.80
Industrial	327 947.50		3 145.50				324 802.00
Mining	140 220.00		369.00				139 851.00
							52 763 949.27
						Property Rates	66 818 563.03
						Revenue Foregone	14 054 613.76
							52 763 949.27

- Refuse / Service Charges**

Service charges budget will increase by five percent (5%) in line with proposed tariffs for the 2023/2024 financial year. The proposed budget for service charges amounted to R3 507 000.00 for 2023/2024. The budgeted amount of R4 032 927.00 is made up of Refuse R3 959 776 .56 and Fire R 73 150.56 (including vat). this budgeted amount is in line with the number of properties billed for refuse and fire services.

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Category	Monthly	Number of clients	Total
Households- Stuartstown	R167.16	590	1 183 492.80
Households- Fairview	R50.00	762	457 200.00
Business – Large	3352.34	35	1 407 982.80
Business – Small	1150.38	66	911 100.96
			3 959 776.56

FIRE SERVICES		
No. of properties	Monthly rate	P/A
708	8.61	73 150.56

The council to note that current the municipality is operating at a deficit which is against the guidance which state that any services provided by the municipality should be at surplus or at least break even. The municipality will have to review the tariffs and come up with a solid strategy to ensure that our services are cost reflective.

The proposed 5% increase will be effective from 1 July 2023. The customers who are indigent are fully subsidized for refuse removal.

- **Interest Charged**

Interest shall be charged on all overdue account that are more than 30 days at 1% on the outstanding amount on a monthly basis

- **Rental of facilities**

This refers to rental for municipal facilities and community facilities (Halls), the municipality budget is expected to increase by R 757 000 from R 1 102 000.00 in the 2022/2023 to R1 859 000 In 2023/2024. The increment is based on the new lease agreements and renewal of existing leases at higher rates. The new market stalls, community residential unit and industrial park which will come in the course of the year are also the main reason for this increase.

- **Traffic Fines**

The municipality has increased Traffic Fines budget from R829 000 in 2022/2023 to R 870 810 in 2023/2024

- **Interest on Investments**

This refers to funds invested by the municipality on various institutions, for less than one year, we have budgeted an amount of R12 500 000. The current performance of

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this revenue category has contributed to this minimal increase and the closing balance as per investment register M10 of R212 million

Current trends will be monitored as strict implementation of our 2023/2024 procurement plan may result in less available surplus funds, resulting in a decrease in anticipated Interest income.

- **Licence and Permit**

The Municipality has budgeted to collect R 2 452 000 from Licence and Permit, this amount is informed by the declining revenue in the past two years. The slow development within the municipality have limited the chance for the municipality to receive more money for business licenses.

- **Agency Services**

Following the same pattern as above for Licence and permits, the Municipality has budgeted to collect R 1 300 000.00 from Agency Services.

- **Other revenue**

Other revenue has Increased from R781 000 to R 1 225 250.00 for the financial year 203/2024 when compared to 2022/2023 adjustment budget. The municipality will receive a significant amount as a re -imbursement from legal cost animating from conclusion of a litigation case.

1.5 Operating Expenditure Framework

Municipalities are faced with ever-increasing costs of providing basic services. Each year we must find more money. Loadshedding is now part of our lives, and we must budget for Electricity, Alternative energy infrastructure (Generators) or Solar as well as more fuel and maintenance for these. There is no funding from National government cushioning these costs.

The total operating expenditure for 2023/2024 financial year has been appropriated at R 213 580 259.00 The Municipality's expenditure framework for the 2023/24 budget is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit.
- Funding of the over the medium-term as informed by Section 18 and 19 of the MFMA,
- Strict adherence to the principle of no project plans no budget. If there is no business plan, no funding allocation should be made.

UBuhlebezwe Municipality Original Budget 2023/2024

Expenditure by Source Table

UBuhlebezwe Municipality Original Budget 2023/2024

KZN434 Ubuhebezwe - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1							
Revenue								
Exchange Revenue								
Service charges - Electricity	2	-	-	-	-	-	-	-
Service charges - Water	2	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-
Service charges - Waste Management	2	3 682	3 682	3 682	3 682	3 507	3 679	3 852
Sale of Goods and Rendering of Services		187	189	189	189	168	176	185
Agency services		1 886	2 086	2 086	2 086	1 300	1 364	1 428
Interest		-	-	-	-	-	-	-
Interest earned from Receivables		-	-	-	-	-	-	-
Interest earned from Current and Non Current Assets		10 000	11 500	11 500	11 500	12 500	13 113	13 729
Dividends		-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-
Rental from Fixed Assets		800	1 102	1 102	1 102	1 859	1 950	2 042
Licence and permits		100	110	110	110	371	389	408
Operational Revenue		103	781	781	781	1 225	1 285	1 346
Non-Exchange Revenue								
Property rates	2	24 602	24 602	24 602	24 602	52 764	55 349	57 951
Surcharges and Taxes		-	-	-	-	-	-	-
Fines, penalties and forfeits		500	829	829	829	871	913	956
Licences or permits		3 337	3 337	3 337	3 337	2 081	2 183	2 286
Transfer and subsidies - Operational		139 082	139 082	139 082	139 082	150 333	158 957	154 116
Interest		-	-	-	-	110	115	121
Fuel Levy		-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-
Discontinued Operations								
Total Revenue (excluding capital transfers and cont		184 280	187 301	187 301	187 301	227 089	239 474	238 417
Expenditure								
Employee related costs	2	91 435	91 435	91 435	91 435	94 410	99 022	103 676
Remuneration of councillors		10 689	10 960	10 960	10 960	10 960	11 497	12 037
Bulk purchases - electricity	2	-	-	-	-	-	-	-
Inventory consumed	8	1 667	1 544	1 544	1 544	1 535	1 611	1 686
Debt impairment	3	-	-	-	-	1 700	1 783	1 867
Depreciation and amortisation		36 000	36 000	36 000	36 000	36 000	37 764	39 539
Interest		-	-	-	-	5	5	5
Contracted services		26 184	27 779	27 779	27 779	25 447	26 694	27 948
Transfers and subsidies		6 654	4 753	4 753	4 753	9 826	10 308	10 792
Irrecoverable debts written off		2 271	2 271	2 271	2 271	2 378	2 495	2 612
Operational costs		27 699	31 110	31 110	31 110	31 319	32 853	34 398
Losses on disposal of Assets		-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-
Total Expenditure		202 600	205 852	205 852	205 852	213 580	224 032	234 561
Surplus/(Deficit)		(18 320)	(18 551)	(18 551)	(18 551)	13 509	15 442	3 856
Transfers and subsidies - capital (monetary	6	35 351	35 351	35 351	35 351	41 499	32 784	34 123
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		17 031	16 800	16 800	16 800	55 008	48 226	37 979
Income Tax		-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		17 031	16 800	16 800	16 800	55 008	48 226	37 979
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		17 031	16 800	16 800	16 800	55 008	48 226	37 979
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	17 031	16 800	16 800	16 800	55 008	48 226	37 979

UBuhlebezwe Municipality Original Budget 2023/2024

- **Employee Related Costs**

The proposed total cost to employer amount to R94 410 000.00, The increase of 5,6 % in line with communication communicated through a circular from Salga. The amount of employee related costs also includes new position that were previously not funded in the budget but approved in the Municipality's organogram in line with the council strategic planning recommendations that took place on the 1st of May 2023.

The municipality is aware that the maximum norm for employee related cost of 40 % when compared to the overall operating budget, however the municipality is sitting with a total employee cost budget of 50% of the total operating cost. The municipality will have to come up with a workable strategy to ensure that we stay within the norm.

- **Remuneration of the councilors**

The cost associated with the remuneration of councilors is determined by the minister of co-operative governance and traditional affairs in accordance with the remuneration of public office bearers act 1998 (act 20 of 1998). No percentage increase has been factored into the budget for the 2023/2024 financial year as per MG & A circular. In respect of determination of upper limits of salaries, allowances and benefits of different members of the municipal councils, the municipality will however monitor the situation in relation to the upper limits during the year and effect any changes through adjustment budget.

The municipality has budgeted R10 959 521.00 for the financial year 2023/24

- **Provision for doubtful debts.**

The provision of debt impairment was determined based on an annual collection rate. For the 2023/2024 financial year we have budgeted R2 378 154 for bad debt and R1 700 000.00 debt impairment. While this expenditure is considered as non-cash item, it informed the cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

- **Depreciation**

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy considering the existing fixed assets register and new projects to be completed in 2023/2024 financial year. Depreciation is widely considered a proxy for the rate asset consumption. Budget appropriations in this regard total R36 000 000 for the 2023/2024 financial year.

UBuhlebezwe Municipality Original Budget 2023/2024

	COST - 30 JUNE 2024	ACCUMULATED DEPRECIATION 30 JUNE 2024	ACCUMULATED IMPAIRMENT 30 JUNE 2024	NET CARRYING VALUE 30 JUNE 2024	DEPRECIATION FOR THE YEAR 2023/24
LAND	8 261 193	0		8 261 193	0
BUILDINGS	78 465 216	18 151 614	2 162 040	58 151 563	1 380 531
INFRASTRUCTURE	340 904 778	221 913 883	1 409 126	117 581 769	16 652 309
COMMUNITY ASSETS	247 022 551	94 560 004	3 890 845	148 571 701	10 934 834
MOTOR VEHICLE	2 200 000	16 221 542		-14 021 542	2 313 210
PLANT AND EQUIPMENT	28 235 808	11 183 761		17 052 047	2 102 641
IT EQUIPMENT	8 346 809	5 287 034		3 059 775	948 678
FURNITURE AND FIXTURES	7 085 874	4 599 214		2 486 660	634 957
INTANGIBLES	7 200 885	3 626 339		3 574 546	873 975
INVESTMENT PROPERTY	25 004 533	2 232 138		22 772 395	158 861
HERITAGE	4 808 819	0		4 808 819	0
	757 536 465.23	377 775 528.75	7 462 011.29	372 298 925.18	35 999 994.47

- **Repairs and Maintenance**

In line with repairs and maintenance plan, this group of expenditure has been prioritised to ensure sustainability of the Municipality's infrastructure assets. The municipality has set aside almost R4 265 000.00 in cash for 2023/2024 financial year which amount to only 1 % against the property plant and equipment. The municipality notes that the provincial treasury recommends a budget of 8% of previous year property plant and equipment but most of the repairs and maintenance will be done in house.

- **Contracted Services**

The budget of R25 447 000.00 has been set aside for contracted services for upcoming financial year. A decrease of almost R2 332 000.00 When compared to adjustment budget is based on the zero-based budgeting method applied by the municipality on the variable items and price escalations on the existing contracts and anticipated price for new contract the municipality will entered to.

- **Other Expenditure**

General expenditure which incorporates operational expenditure for various programmes of the municipality and has an allocation of R31 319 000.00

The allocation is mainly based on planned programmes which will take place during 2023/2024 financial year and all other operational costs directly and indirectly contributing to the service delivery to the residents of the municipality.

Below is the breakdown for general expenditure to provide more details for users

Programmes/Projects/Expenditure Items	2022/23	2023/24
Bursary Youth	R 748 800.00	R 783 994.00
Disaster Management	R 206 529.00	R 308 705.00
Back to School	R 4 286.00	R 10 000.00
Marketing and Tourism	R 181 300.00	R 496 803.00
Wet Fuel	R 3 465 243.00	R 2 677 325.00
Moral Generation	R 60 000.00	R 62 820.00

UBuhlebezwe Municipality Original Budget 2023/2024

Municipal Name Change	R 100 000.00	R 200 000.00
Marathon	R 275 000.00	R 287 925.00
Mens Programme	R 150 000.00	R 229 169.00
Women's Programme	R 109 900.00	R 135 313.00
Batho Pele	R 20 000.00	R 20 940.00
Sport and Recreation	R 225 000.00	R 57 350.00
Maintenance of Halls and Facilities	R 600 000.00	R 328 200.00
Establishment and training of ward committee	R 235 500.00	R 270 000.00
	R 220 000.00	R 230 340.00
Operation - Sukuma sakhe		
Dumping site	R 540 000.00	R 550 000.00
Valuer	R 750 000.00	R 250 000.00
Sexual Assault Campaign	R 26 000.00	-
WSP Training	R 1 500 000.00	R 1 300 000.00
Rezoning and Subdivision for Mariathal Cemeteries	R 10 000.00	R 5 000.00
Subdivision for municipal Properties	R 262 863.00	R 5 000.00
Subdivision of Municipal Roads	R 100 000.00	R 20 000.00
Development of Urban Regeneration Strategy	R 250 000.00	R 100 000.00
Development SDF	R 550 000.00	R 312 500.00
Golf Course Surveying	-	R 250 000.00
Reviewal of Land Use Scheme	R 200 000.00	R 660 000.00
Town Planning and Conveyancing for Golf Course	R 410 000.00	R 130 000.00
Property Management of Golf Course Estate	-	R 250 000.00
Legal Advice and Litigation	R 3 000 000.00	R 1 100 000.00
Security Services	R 5 500 000.00	R 8 100 000.00
Women upliftment	R 200 000.00	R 209 400.00
Performing Arts	R 393 600.00	R341 260.00
Arts and culture	R 81 500.00	R 94 572.00
IDP/Budget Review	R 68 000.00	R 71 196.00
Community Upliftment	R 363 200.00	R 417 236.00
Youth Programs	R 268 100.00	R 326 268.00
HIV/AIDS Awareness	R 98 300.00	R 120 420.00
Ward Committee	R 1 907 800.00	R 2 068 917.00
Public Participation	R 243 810.00	R 239 564.00
LED Projects	R 4 452 000.00	R 4 670 940.00
LED /Tourism Forum	R 10 500.00	R 10 994.00

Repairs and Maintenance-Streetlights	R 60 000.00	R 10 000.00
Repairs and Maintenance-Roads	R 530 000.00	R 554 910.00
Repairs and maintenance-Plant	R 1 034 000.00	R 1355 380.00

UBuhlebezwe Municipality Original Budget 2023/2024

Repairs and maintenance-Small Vehicles	R 900 000.00	R 900 000.00
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Expenditure on allocations and grant programmes Local Financial Management Grant

Salaries for Interns	R 650 000.00
Accounting and Auditing: Conditional Assessment	R 450 000.00
Maintenance & upgrade of financial system: mscoa	R 250 000.00
Training (BTO & Internal Audit)	R 400 000.00
Municipal Finance Management Programme	R 200 000.00
Total	R 1 950 000.00

☐ **Library and Cyber Grant**

Salaries for library Department	R 1 235 000.00
Total	R 1 235 000.00

☐ **EPWP**

Skill training and development	R 7 831 000.00
Total	R 7 831 000.00

Expenditure on 3rd Party (Agent) Grants allocationsIntegrated National Electrification Programme

KwaNoth Phase 3: Ward 7: 142 Connections	R3 431 000.00
Nokweja Extension Ward 11: 30 Connections	R 536 000.00
Esigcakini- Extensions: Ward 8: 150 Connections	R2 010 000.00
Mariathal- Mandilini Extensions: Ward 4 :41 Connections	R549 000.00
Chibini-Mashakeni, Ntakama Extensions: Ward 2&3: 72 Connections	R1 742 000.00
Highflates P-1: 626 Connections	R10 000 000.00
Mashumi: 147 Connections	R3 595 000.00
TOTAL	R21 863 000.00

Capital Expenditure

Capital expenditure funding is funded by grants which is an amount of R39 499 000 from MIG, R2 000 000 from LED Grant and Other expenditure of R18 105 600.00 is funded from internally generated funds. The capital budget focuses on the IDP

UBuhlebezwe Municipality Original Budget 2023/2024

objectives and UBuhlebezwe infrastructure needs. MFMA circular no 55 recommend that the municipality should allocate at least 40% of their capital budget to the renewal of existing assets. Since UBuhlebezwe municipality is still developing, all wards still require new infrastructure like roads, sport fields and community halls. Hence only 19,5% budget has been set aside for renewing or upgrading of existing assets.

Summary of Capital Expenditure

MIG	R 39 499 000.00
LED Grant	R2 000 000.00
Internal Funded	R 18 105 600.00
Total	R 59 604 600.00

Breakdown of Capital Expenditure

UBuhlebezwe Municipality Original Budget 2023/2024

Capital Expenditure by Asset Class/Sub-class	DEPARTMENT	SOURCE OF FUNDING	FINAL BUDGET 2023/24
Infrastructure INT			3 650 000.00
Infrastructure MIG			11 721 945.16
Ithubalethu Internal Roads	IPD	Int	2 520 000.00
Ithubalethu Internal Roads - Indirect Cost	IPD	Int	480 000.00
Barlela Road	IPD	Int	30 000.00
Mbhoshongweni/Phuthini Road	IPD	Int	30 000.00
Ntambama Road	IPD	Int	30 000.00
Chibini Hall Accessing Regravelling	IPD	Int	30 000.00
Townland Road	IPD	Int	30 000.00
Ntabankunzi Road Regravelling	IPD	Int	30 000.00
Sobantu Road	IPD	Int	20 000.00
Scotchville Road	IPD	Int	30 000.00
Roman Road	IPD	Int	30 000.00
Madungeni Hall Accessing Regravelling	IPD	Int	20 000.00
Hardware	IPD	Int	20 000.00
Jili Road	IPD	Int	20 000.00
Hlengwa Road	IPD	Int	20 000.00
Bhengu Road	IPD	Int	30 000.00
Black/Mfeka	IPD	Int	30 000.00
Fana Nyathi and St Nicholas Road	IPD	Int	20 000.00
Mcasimbana Road ward 03	IPD	Int	30 000.00
Bhakaneni Ward 08	IPD	MIG	2 533 440.00
Bhakaneni Ward 08 - Indirect Cost	IPD	MIG	482 560.00
Mngunyathi Road 1 km Ward 05	IPD	MIG	1 050 000.00
Mngunyathi Road 1 km Ward 05 - Indirect	IPD	MIG	200 000.00
Greens and Grove, Hawthorne Roads, Worksho	IPD	MIG	4 410 000.00
Greens and Grove, Hawthorne Roads, Worksho	IPD	MIG	840 000.00
Little Flower to Fairview Road (Direct)	IPD	MIG	1 852 993.93
Little Flower to Fairview Road (Indirect)	IPD	MIG	352 951.23
Municipal exit point (construction)	IPD	Int	200 000.00
Community Assets INT			300 000.00
Community Assets MIG			14 380 000.00
Bayempini Sportfield W9		MIG	5 359 200.00
Bayempini Sportfield W9 -Indirect Cost		MIG	1 020 800.00
Nkweletsheni Kick-about Sportfield W5		Int	300 000.00
rehabilitation of morningside (ring fence mig)	ipd	MIG	6 720 000.00
rehabilitation of morningside (ring fence mig)	ipd	MIG	1 280 000.00
Community Halls INT			-
Community Halls MIG			8 657 054.84
Skhunyane Hall W14		MIG	3 103 823.03
Skhunyane Hall W14 - Indirect Cost		MIG	591 204.39
Phambuka Hall W9		MIG	1 064 280.00
Phambuka Hall W9 - Indirect Cost		MIG	202 720.00
Nhlewukeni hall W13		MIG	3 103 823.03
Nhlewukeni hall W13 - Indirect Cost		MIG	591 204.39
Buildings LED INTERNAL			1 000 000.00
Buildings LED			2 000 000.00
Construction of market stalls	INT		840 000.00
Construction of market stalls - Indirect Cost	INT		160 000.00
Construction of market stalls	LED		1 680 000.00
Construction of market stalls - Indirect Cost	LED		320 000.00
Electrification MIG			4 740 000.00
Electrification INT			1 860 000.00
Golf Course Electrification	IPD	Int	5 000.00
CRU Electrification	IPD	Int	5 000.00
Amazabeko Highmast W12		MIG	1 327 200.00
Amazabeko Highmast W12 - Indirect Cost			252 800.00
Mashakeni Highmast W3		MIG	1 327 200.00
Mashakeni Highmast W3 - Indirect Cost		MIG	252 800.00
Sangcwaba Highmast W5		MIG	1 327 200.00
Sangcwaba Highmast W5 - Indirect Cost		MIG	252 800.00
Solar for main office building	IPD	INT	1 450 000.00
StreetLights/ Solar	IPD	INT	400 000.00
VEHICLES			1 810 000.00
Mayoral car		Int	700 000.00
Fire engine truck			10 000.00
Double Cab -Corporate	Corporate	Int	550 000.00
Double Cab -Traffic	Corporate	Int	550 000.00
Other Equipment			4 092 000.00
Brush cutters *6			100 000.00
Podium	SD	Int	20 000.00
Fire suppression	Corporate	Int	200 000.00
portable Generator 7.5KVA	SD	Int	150 000.00
Jaws of Life	fire	Int	1 250 000.00
Brake testing machine	law		220 000.00
Fire Equipment	fire	Int	150 000.00
3x Municipal Kitchens	Corporate	Int	50 000.00
3x Guard Houses	Corporate	Int	150 000.00
UPS systems for new server room	Corporate	Int	250 000.00
access gate Traffic	law	Int	50 000.00
Movable filing cabinet x3	Corporate	Int	150 000.00
steel cabinet x3	Corporate	Int	30 000.00
fencing and excess gate for municipal properties	corporate	Int	1 252 000.00
Fencing of Mariathal cemetery			
restoration of rail way	SD	Int	20 000.00
		INT	50 000.00
Computer and IT Equipment INT			1 114 000.00
Computer and IT Equipment MIG			-
Laptops	Corporate	Int	600 000.00
GIS Laptops *2	Corporate	Int	150 000.00
Other IT Equipment	Corporate	Int	130 000.00
Sound System	SD		50 000.00
Portable speaker With 2 mics	SD		12 000.00
Camera	SD	Int	30 000.00
Communication equipment	MM	Int	50 000.00
Biometric Scan	Corporate	Int	42 000.00
Technical Equipment for new boardroom	Corporate	Int	50 000.00
Office Furniture			522 000.00
Plastic Chairs Hall	SD	Int	70 000.00
Tender/Application/suggestion box	Corporate		20 000.00
5x Microwave Ovens	Corporate	Int	25 000.00
3x Fridges	Corporate	Int	30 000.00
Aircondition unit	Corporate	Int	200 000.00
cutlery	Corporate	Int	30 000.00
Building Furniture (Housing)	IPD		100 000.00
Municipal boardroom furniture	Corporate	Int	22 000.00
Cleaning Equipment (Office &Fleet)	Corporate	Int	25 000.00
Intangible			907 600.00
GPS software	IPD	Int	70 000.00
Software licenses	Corporate	Int	837 600.00
Land			2 850 000.00
Land Acquisition(Mariathal cemetery)	IPD	Int	350 000.00
Golf Course ReFurb	IPD	Int	500 000.00
Statistics Building Refurb	IPD	Int	1 000 000.00
Thusong / Traffic Refurb	IPD		1 000 000.00
Total Expenditure			59 604 600.00
MIG Expenditure			39 499 000.00
Led Grant			2 000 000.00
Internal Expenditure			18 105 600.00
Total Expenditure			59 604 600.00

UBuhlebezwe Municipality Original Budget 2023/2024

1.7 Annual Budget Tables-

1.7.1 Explanatory notes to MBRR Table A1-Budget Summary for 2023/2024 Financial year.

UBuhlebezwe Municipality Original Budget 2023/2024

KZN434 Ubuhebezwe - Table A1 Budget Summary

Description	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousands										
Financial Performance										
Property rates	24 775	21 321	24 389	24 602	24 602	24 602	24 602	52 764	55 349	57 951
Service charges	2 779	2 955	3 088	3 682	3 682	3 682	3 682	3 507	3 679	3 852
Investment revenue	11 107	7 569	8 555	10 000	11 500	11 500	11 500	12 500	13 113	13 729
Transfer and subsidies - Operational	115 582	143 912	127 372	139 082	139 082	139 082	139 082	150 333	158 957	154 116
Other own revenue	5 124	7 775	6 581	6 913	8 434	8 434	8 434	7 985	8 376	8 770
Total Revenue (excluding capital transfers and contributions)	159 367	183 532	169 986	184 280	187 301	187 301	187 301	227 089	239 474	238 417
Employee costs	69 765	84 094	86 563	91 435	91 435	91 435	91 435	94 410	99 022	103 676
Remuneration of councillors	10 052	10 436	10 372	10 689	10 960	10 960	10 960	10 960	11 497	12 037
Depreciation and amortisation	34 055	35 922	27 890	36 000	36 000	36 000	36 000	36 000	37 764	39 539
Interest	-	-	1	-	-	-	-	5	5	5
Inventory consumed and bulk purchases	638	814	1 231	1 667	1 544	1 544	1 544	1 535	1 611	1 686
Transfers and subsidies	8 536	5 179	6 669	6 654	4 753	4 753	4 753	9 826	10 308	10 792
Other expenditure	41 130	53 148	46 915	56 155	61 161	61 161	61 161	60 844	63 825	66 825
Total Expenditure	164 176	189 593	179 642	202 600	205 852	205 852	205 852	213 580	224 032	234 561
Surplus/(Deficit)	(4 809)	(6 060)	(9 656)	(18 320)	(18 551)	(18 551)	(18 551)	13 509	15 442	3 856
Transfers and subsidies - capital (monetary allocations)	33 358	26 482	32 262	35 351	35 351	35 351	35 351	41 499	32 784	34 123
Transfers and subsidies - capital (in-kind)	930	-	4 018	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	29 479	20 422	26 624	17 031	16 800	16 800	16 800	55 008	48 226	37 979
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	29 479	20 422	26 624	17 031	16 800	16 800	16 800	55 008	48 226	37 979
Capital expenditure & funds sources										
Capital expenditure	54 091	98 635	146 785	50 949	49 822	49 822	49 822	59 605	50 986	53 383
Transfers recognised - capital	25 502	42 154	70 729	35 351	35 351	35 351	35 351	41 499	33 042	34 595
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	28 589	56 481	76 056	15 598	14 471	14 471	14 471	18 106	17 944	18 787
Total sources of capital funds	54 091	98 635	146 785	50 949	49 822	49 822	49 822	59 605	50 986	53 383
Financial position										
Total current assets	198 483	190 235	196 392	188 872	183 912	183 912	199 256	306 322	343 879	349 137
Total non current assets	314 894	347 767	367 509	401 255	417 706	417 706	411 255	389 573	397 123	415 788
Total current liabilities	17 590	28 912	25 098	57 129	48 573	48 573	42 161	40 886	63 375	67 963
Total non current liabilities	4 644	8 709	11 306	6 111	11 306	11 306	11 306	11 306	11 861	12 418
Community wealth/Equity	461 663	479 959	474 250	521 849	538 892	538 892	544 671	643 703	665 767	684 544
Cash flows										
Net cash from (used) operating	43 572	54 983	84 530	57 115	50 359	50 359	50 359	77 578	93 844	85 696
Net cash from (used) investing	-	-	-	(50 949)	(49 822)	(49 822)	(49 822)	(67 200)	(58 679)	(59 782)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	273 978	284 886	438 307	134 953	165 688	165 688	165 688	239 009	275 000	277 020
Cash backing/surplus reconciliation										
Cash and investments available	148 854	160 472	166 415	123 190	162 180	162 180	162 180	239 488	275 502	277 546
Application of cash and investments	(45 838)	(10 955)	(13 263)	(5 477)	5 731	5 731	5 357	(16 540)	4 867	6 705
Balance - surplus (shortfall)	194 692	171 427	179 678	128 666	156 449	156 449	156 823	256 028	270 635	270 841
Asset management										
Asset register summary (WDV)	319 205	325 625	327 174	366 814	382 353	382 353	342 124	342 124	358 888	375 756
Depreciation	29 935	32 935	27 806	36 000	36 000	36 000	36 000	36 000	37 764	39 539
Renewal and Upgrading of Existing Assets	20 529	28 915	44 291	2 650	212	212	11 807	3 807	3 994	4 181
Repairs and Maintenance	488	2 184	2 476	4 688	3 882	3 882	4 265	4 265	4 474	4 684
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	8 347	16 489	19 133	19 432	19 432	19 432	23 935	25 059	26 216	-
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	1 274	7 073	9 416	9 551	9 551	9 551	9 881	10 315	10 780	-
Refuse:	-	-	-	-	-	-	-	-	-	-

- Table A1 is a budget summary and provides a concise overview of UBuhlebezwe Local Municipality's budget from all the major financial perspectives (operating, capital expenditure, financial position, cash flow and MFMA funding compliance).
- 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.

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- Financial management reforms emphasise the importance of the municipal budget being funded. The Budget Summary provides the key information in this regard;
 - Transfer recognised is reflected on the Financial Performance Budget
 - Internally generated funds are financed from a combination of the operating surplus and accumulated cash-backed surplus from previous years. The fact that the municipality's cash flow remains positive and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
- Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The municipality is committed to provide free basic services to the needy community. In addition, the municipality continues to make progress in addressing service delivery backlogs.

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

KZN434 Ubuhebezwe - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue - Functional	1									
<i>Governance and administration</i>		150 492	171 872	161 979	168 425	171 450	171 450	209 393	220 917	218 991
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		150 492	171 872	161 979	168 425	171 450	171 450	209 393	220 917	218 991
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		11 910	8 565	7 845	10 142	10 138	10 138	13 860	14 532	15 213
Community and social services		3 377	3 644	3 525	4 348	3 804	3 804	9 516	9 976	10 442
Sport and recreation		29	-	-	-	-	-	-	-	-
Public safety		8 504	4 921	4 319	5 795	6 334	6 334	4 343	4 556	4 770
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		28 474	26 623	33 410	37 450	37 450	37 450	41 892	33 196	34 555
Planning and development		544	99	1 046	7 099	7 099	7 099	2 131	137	144
Road transport		27 930	26 524	32 364	30 351	30 351	30 351	39 761	33 059	34 411
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		2 779	2 955	3 032	3 614	3 614	3 614	3 443	3 612	3 782
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		2 779	2 955	3 032	3 614	3 614	3 614	3 443	3 612	3 782
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	193 654	210 015	206 266	219 631	222 652	222 652	268 588	272 258	272 540
Expenditure - Functional										
<i>Governance and administration</i>		100 851	124 126	112 401	119 901	122 754	122 754	124 870	130 975	137 131
Executive and council		17 380	24 059	25 548	25 769	27 405	27 405	24 866	26 084	27 310
Finance and administration		83 348	95 990	84 246	94 132	95 349	95 349	99 984	104 870	109 799
Internal audit		123	4 077	2 607	-	-	-	20	21	22
<i>Community and public safety</i>		24 890	27 897	29 748	33 348	32 147	32 147	34 035	35 703	37 381
Community and social services		7 883	8 284	10 020	11 864	10 750	10 750	11 684	12 257	12 833
Sport and recreation		296	62	342	277	225	225	57	60	63
Public safety		15 475	17 975	17 301	18 971	18 922	18 922	19 961	20 939	21 923
Housing		1 236	1 577	2 086	2 236	2 251	2 251	2 332	2 447	2 562
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		24 150	22 522	24 844	35 432	36 914	36 914	39 938	41 895	43 864
Planning and development		12 859	10 357	11 843	19 364	21 076	21 076	17 379	18 230	19 087
Road transport		11 291	12 165	13 001	16 068	15 838	15 838	22 559	23 665	24 777
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		14 177	15 044	12 589	13 758	13 873	13 873	14 506	15 217	15 932
Energy sources		2 968	3 958	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		11 209	11 085	12 589	13 758	13 873	13 873	14 506	15 217	15 932
<i>Other</i>	4	92	4	60	161	164	164	231	242	254
Total Expenditure - Functional	3	164 161	189 593	179 642	202 600	205 852	205 852	213 580	224 032	234 561
Surplus/(Deficit) for the year		29 494	20 422	26 624	17 031	16 800	16 800	55 008	48 226	37 979

Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into its functional areas. Municipal revenue, operating expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.

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

Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure. This means it is possible to present the operating surplus or deficit of a vote. The table shows the analysis of the surplus or deficit.

KZN434 Ubuhebezwe - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description		Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue by Vote		1									
Vote 1 - Executive & Council			-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin			138 419	163 454	150 926	156 501	159 527	159 527	209 393	220 917	218 991
Vote 3 - Community and Social Services			3 377	3 644	3 525	4 348	3 804	3 804	9 516	9 976	10 442
Vote 4 - Housing			-	-	-	-	-	-	-	-	-
Vote 5 - Public Safety			8 504	4 921	4 319	5 795	6 334	6 334	4 343	4 556	4 770
Vote 6 - Road Transport			27 000	26 524	32 364	30 351	30 351	30 351	39 761	33 059	34 411
Vote 7 - Waste Management			2 779	2 955	3 032	3 614	3 614	3 614	3 443	3 612	3 782
Vote 8 - Energy Services			-	-	-	-	-	-	-	-	-
Vote 9 - Planning & Development			544	99	1 046	7 099	7 099	7 099	2 131	137	144
Vote 10 - Sports & Recreation			29	-	-	-	-	-	-	-	-
Vote 11 - Other			-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 1210]			-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]			-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]			-	-	-	-	-	-	-	-	-
Vote 15 - 0			-	-	-	-	-	-	-	-	-
Total Revenue by Vote		2	180 651	201 597	195 213	207 707	210 728	210 728	268 588	272 258	272 540
Expenditure by Vote to be appropriated		1									
Vote 1 - Executive & Council			16 788	28 136	28 155	25 763	27 405	27 405	24 886	26 105	27 332
Vote 2 - Finance and Admin			82 956	95 990	84 246	94 132	95 349	95 349	99 784	104 660	109 579
Vote 3 - Community and Social Services			9 082	8 321	9 990	11 870	10 775	10 775	11 711	12 284	12 862
Vote 4 - Housing			1 236	1 577	2 086	2 236	2 251	2 251	2 332	2 447	2 562
Vote 5 - Public Safety			15 475	17 975	17 301	18 971	18 922	18 922	19 961	20 939	21 923
Vote 6 - Road Transport			11 323	12 165	13 001	16 068	15 838	15 838	22 559	23 665	24 777
Vote 7 - Waste Management			11 209	11 085	12 589	13 758	13 873	13 873	14 506	15 217	15 932
Vote 8 - Energy Services			2 968	3 958	-	-	-	-	-	-	-
Vote 9 - Planning & Development			12 859	10 357	11 843	19 364	21 076	21 076	17 379	18 230	19 087
Vote 10 - Sports & Recreation			187	26	266	257	180	180	10	11	11
Vote 11 - Other			92	4	60	161	164	164	231	242	254
Vote 12 - [NAME OF VOTE 1210]			-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]			-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]			-	-	-	-	-	-	-	-	-
Vote 15 - 0			-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		2	164 176	189 593	179 537	202 580	205 832	205 832	213 359	223 800	234 319
Surplus/(Deficit) for the year		2	16 475	12 004	15 676	5 127	4 896	4 896	55 229	48 458	38 221

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

Transfers recognised operating includes the FMG, EPWP, and equitable share from national and provincial government. It is noted that the grants remain a major and high funding source for the municipality.

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KZN434 Ubuhebezwe - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1										
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	2 779	2 955	3 088	3 682	3 682	3 682	3 682	3 507	3 679	3 852
Sale of Goods and Rendering of Services		171	233	166	187	189	189	189	168	176	185
Agency services		731	-	1 337	1 886	2 086	2 086	2 086	1 300	1 364	1 428
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		-	-	-	-	-	-	-	-	-	-
Interest earned from Current and Non Current Assets		11 107	7 569	8 555	10 000	11 500	11 500	11 500	12 500	13 113	13 729
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		851	896	1 151	800	1 102	1 102	1 102	1 859	1 950	2 042
Licence and permits		83	92	102	100	110	110	110	371	389	408
Operational Revenue		784	1 487	899	103	781	781	781	1 225	1 285	1 346
Non-Exchange Revenue											
Property rates	2	24 775	21 321	24 389	24 602	24 602	24 602	24 602	52 764	55 349	57 951
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		448	446	427	500	829	829	829	871	913	956
Licences or permits		2 056	4 475	2 498	3 337	3 337	3 337	3 337	2 081	2 183	2 286
Transfer and subsidies - Operational		115 582	143 912	127 372	139 082	139 082	139 082	139 082	150 333	158 957	154 116
Interest		-	-	-	-	-	-	-	110	115	121
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	145	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-
Discontinued Operations											
Total Revenue (excluding capital transfers and cont		159 367	183 532	169 986	184 280	187 301	187 301	187 301	227 089	239 474	238 417
Expenditure											
Employee related costs	2	69 765	84 094	86 563	91 435	91 435	91 435	91 435	94 410	99 022	103 676
Remuneration of councillors		10 052	10 436	10 372	10 689	10 960	10 960	10 960	10 960	11 497	12 037
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	8	638	814	1 231	1 667	1 544	1 544	1 544	1 535	1 611	1 686
Debt impairment	3	-	-	-	-	-	-	-	1 700	1 783	1 867
Depreciation and amortisation		34 055	35 922	27 890	36 000	36 000	36 000	36 000	36 000	37 764	39 539
Interest		-	-	1	-	-	-	-	5	5	5
Contracted services		12 977	16 497	18 612	26 184	27 779	27 779	27 779	25 447	26 694	27 948
Transfers and subsidies		8 536	5 179	6 669	6 654	4 753	4 753	4 753	9 826	10 308	10 792
Irrecoverable debts written off		7 220	11 355	4 935	2 271	2 271	2 271	2 271	2 378	2 495	2 612
Operational costs		20 746	23 716	22 743	27 699	31 110	31 110	31 110	31 319	32 853	34 398
Losses on disposal of Assets		186	1 580	625	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-
Total Expenditure		164 176	189 593	179 642	202 600	205 852	205 852	205 852	213 580	224 032	234 561
Surplus/(Deficit)		(4 809)	(6 060)	(9 656)	(18 320)	(18 551)	(18 551)	(18 551)	13 509	15 442	3 856
Transfers and subsidies - capital (monetary)	6	33 358	26 482	32 262	35 351	35 351	35 351	35 351	41 499	32 784	34 123
Transfers and subsidies - capital (in-kind)	6	930	-	4 018	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		29 479	20 422	26 624	17 031	16 800	16 800	16 800	55 008	48 226	37 979
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		29 479	20 422	26 624	17 031	16 800	16 800	16 800	55 008	48 226	37 979
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		29 479	20 422	26 624	17 031	16 800	16 800	16 800	55 008	48 226	37 979
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	29 479	20 422	26 624	17 031	16 800	16 800	16 800	55 008	48 226	37 979

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

- Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote, capital expenditure by standard classification,

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and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

- The capital programme is funded by grants, donations where necessary and internally generated funds.
- UBuhlebezwe capital budget is mainly funded by grants with MIG and Internally generated revenue being the highest funders. It must also be noted that the electrification project is budgeted for under capital expenditure simply because whilst the project is still work in progress it becomes capital in nature; however as soon as the project is transferred to the homeowners, it then gets transferred to operational expenditure.

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Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure, to be appropriated	2										
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		-	-	-	-	-	-	-	-	-	-
Vote 3 - Community and Social Services		-	-	-	-	-	-	-	-	-	-
Vote 4 - Housing		-	-	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		-	-	-	-	-	-	-	-	-	-
Vote 6 - Road Transport		-	-	-	-	-	-	-	-	-	-
Vote 7 - Waste Management		-	-	-	-	-	-	-	-	-	-
Vote 8 - Energy Services		-	-	-	-	-	-	-	-	-	-
Vote 9 - Planning & Development		-	-	-	-	-	-	-	-	-	-
Vote 10 - Sports & Recreation		-	-	-	-	-	-	-	-	-	-
Vote 11 - Other		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 1210]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - 0		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure, to be appropriated	2										
Vote 1 - Executive & Council		1 158	1 878	2 110	-	-	-	-	750	787	824
Vote 2 - Finance and Admin		2 360	6 968	8 455	5 035	6 218	6 218	6 218	6 034	6 329	6 627
Vote 3 - Community and Social Services		1 485	3 495	17 141	9 242	10 210	10 210	10 210	8 977	9 417	9 860
Vote 4 - Housing		11 214	18 664	29 516	-	-	-	-	-	-	-
Vote 5 - Public Safety		13 252	15 745	17 250	110	110	110	110	1 410	1 479	1 549
Vote 6 - Road Transport		13 518	35 400	48 715	13 410	11 987	11 987	11 987	17 222	18 066	18 915
Vote 7 - Waste Management		302	3 095	3 465	886	1 057	1 057	1 057	112	117	123
Vote 8 - Energy Services		-	-	-	200	200	200	200	4 740	4 972	5 206
Vote 9 - Planning & Development		7 086	13 298	16 702	10 092	6 700	6 700	6 700	5 630	2 759	2 889
Vote 10 - Sports & Recreation		3 716	93	3 430	11 974	13 341	13 341	13 341	14 680	7 007	7 337
Vote 11 - Other		-	-	-	-	-	-	-	50	52	55
Vote 12 - [NAME OF VOTE 1210]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - 0		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		54 091	98 635	146 785	50 949	49 822	49 822	49 822	59 605	50 986	53 383
Total Capital Expenditure - Vote		54 091	98 635	146 785	50 949	49 822	49 822	49 822	59 605	50 986	53 383
Capital Expenditure - Functional											
Governance and administration		3 517	8 846	10 565	5 035	6 218	6 218	6 218	6 784	7 116	7 450
Executive and council		1 158	1 878	2 110	-	-	-	-	750	787	824
Finance and administration		2 360	6 968	8 455	5 035	6 218	6 218	6 218	6 034	6 329	6 627
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		29 667	37 996	67 337	21 326	23 661	23 661	23 661	25 067	17 903	18 745
Community and social services		1 485	3 495	17 141	9 242	10 210	10 210	10 210	8 977	9 417	9 860
Sport and recreation		3 716	93	3 430	11 974	13 341	13 341	13 341	14 680	7 007	7 337
Public safety		13 252	15 745	17 250	110	110	110	110	1 410	1 479	1 549
Housing		11 214	18 664	29 516	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		20 605	43 749	57 103	23 502	18 687	18 687	18 687	22 852	20 825	21 803
Planning and development		7 086	8 349	8 388	10 092	6 700	6 700	6 700	5 630	2 759	2 889
Road transport		13 518	35 400	48 715	13 410	11 987	11 987	11 987	17 222	18 066	18 915
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		302	8 044	11 779	1 086	1 257	1 257	1 257	4 852	5 090	5 329
Energy sources		-	4 949	8 314	200	200	200	200	4 740	4 972	5 206
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		302	3 095	3 465	886	1 057	1 057	1 057	112	117	123
Other		-	-	-	-	-	-	-	50	52	55
Total Capital Expenditure - Functional	3	54 091	98 635	146 785	50 949	49 822	49 822	49 822	59 605	50 986	53 383
Funded by:											
National Government		16 434	32 768	61 304	30 351	30 351	30 351	30 351	39 499	33 042	34 595
Provincial Government		9 068	9 386	9 425	5 000	5 000	5 000	5 000	2 000	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	25 502	42 154	70 729	35 351	35 351	35 351	35 351	41 499	33 042	34 595
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		28 589	56 481	76 056	15 598	14 471	14 471	14 471	18 106	17 944	18 787
Total Capital Funding	7	54 091	98 635	146 785	50 949	49 822	49 822	49 822	59 605	50 986	53 383

1.7.6 Explanatory notes to Table A6-Budgeted Financial Position

- Table A6 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)

UBuhlebezwe Municipality Original Budget 2023/2024

- This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version.
- Any movement on the budgeted financial performance or the capital budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalent at year end.
- Table SA3 provides a detailed analysis of the major components of a number of items, including:
 - Call investments deposits
 - Consumer debtors
 - Property, Plant and equipment
 - Trade and other payables
 - Provisions non-current
 - Change in net assets,
 - Reserves
- The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets on the municipality belong to the community.

KZN434 Ubuhebezwe - Table A6 Budgeted Financial Position

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand											
ASSETS											
Current assets											
Cash and cash equivalents		148 854	160 472	166 415	123 190	162 180	162 180	162 180	239 488	275 502	277 546
Trade and other receivables from exchange transactions	1	9 068	5 517	6 603	13 517	7 221	7 221	7 221	11 370	11 927	12 488
Receivables from non-exchange transactions		31 979	21 915	20 069	33 006	27 011	27 011	27 011	32 272	33 854	35 445
Current portion of non-current receivables		118	—	—	—	—	—	—	—	—	—
Inventory	2	8 350	5 972	5 437	8 284	5 437	5 437	5 437	3 944	4 137	4 332
VAT		240	(3 643)	(2 135)	10 876	5 062	5 062	(3 229)	19 247	18 460	19 327
Other current assets		(127)	3	—	—	(23 000)	—	636	—	—	—
Total current assets		198 483	190 235	196 392	188 872	183 912	183 912	199 256	306 322	343 879	349 137
Non current assets											
Investments		—	—	—	—	—	—	—	—	—	—
Investment property		23 033	22 874	22 715 868.00	23 129	23 090	23 090	22 812	22 812	23 930	25 055
Property, plant and equipment	3	290 540	320 520	340 890	368 912	385 104	385 104	385 104	358 668	364 703	381 844
Biological assets		—	—	—	—	—	—	—	—	—	—
Living and non-living resources		—	—	—	—	—	—	—	—	—	—
Heritage assets		—	—	—	4 809	4 809	4 809	—	4 809	5 044	5 282
Intangible assets		1 321	4 372	3 903	4 405	4 703	4 703	3 541	3 285	3 446	3 607
Trade and other receivables from exchange transactions		—	—	—	—	—	—	—	—	—	—
Non-current receivables from non-exchange transactions		—	—	—	—	—	—	—	—	—	—
Other non-current assets		—	—	—	—	—	—	—	—	—	—
Total non current assets		314 894	347 767	367 509	401 255	417 706	417 706	411 255	389 573	397 123	415 788
TOTAL ASSETS		513 376	538 002	563 901	590 128	601 617	601 617	610 511	695 895	741 002	764 925
LIABILITIES											
Current liabilities											
Bank overdraft		—	—	—	—	—	—	—	—	—	—
Financial liabilities		—	—	—	—	—	—	—	—	—	—
Consumer deposits		(265)	(251)	(251)	—	—	—	(229)	—	—	—
Trade and other payables from exchange transactions	4	27 548	31 815	30 525	55 137	58 106	58 106	57 459	57 459	58 040	58 990
Trade and other payables from non-exchange transactions	5	1 125	3 826	2 000	1 992	(9 533)	(9 533)	16 595	21 818	33 858	35 426
Provision		—	—	—	—	—	—	—	—	—	—
VAT		(10 818)	(6 478)	(7 197)	—	—	—	(6 965)	1 409	1 478	1 547
Other current liabilities		—	—	—	—	—	—	—	—	—	—
Total current liabilities		17 590	28 912	25 098	57 129	48 573	48 573	42 161	40 886	63 375	67 963
Non current liabilities											
Financial liabilities		—	—	—	—	—	—	—	—	—	—
Provision	7	—	—	—	(2 598)	—	—	—	—	554	1 111
Long term portion of trade payables		—	—	—	—	—	—	—	—	—	—
Other non-current liabilities		4 644	8 709	11 306	6 111	11 306	11 306	11 306	11 306	11 306	12 418
Total non current liabilities		4 644	8 709	11 306	6 111	11 306	11 306	11 306	11 306	11 861	12 418
TOTAL LIABILITIES		22 234	37 621	36 404	63 240	59 879	59 879	53 467	52 192	75 235	80 381
NET ASSETS		491 142	500 381	527 497	526 888	541 738	541 738	557 044	643 703	665 767	684 544
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	461 663	479 959	474 250	521 476	538 518	538 518	544 297	643 329	665 375	684 134
Reserves and funds	9	—	—	—	374	374	374	—	374	392	411
Other		—	—	—	—	—	—	—	—	—	—
TOTAL COMMUNITY WEALTH/EQUITY	10	461 663	479 959	474 250	521 849	538 892	538 892	544 671	643 703	665 767	684 544

1.7.7 Explanatory notes to Table A7 - Budgeted Cash Flow Statement


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

UBuhlebezwe Municipality Original Budget

2023/2024

KZN434 Ubuhebezwe - Table A7 Budgeted Cash Flows

Description		Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates			-	-	-	18 692	18 692	18 692	18 692	42 213	44 281	46 363
Service charges			-	-	-	2 031	2 031	2 031	2 031	3 226	3 384	3 544
Other revenue			40 387	40 387	40 387	17 800	18 974	18 974	18 974	8 237	8 640	9 046
Transfers and Subsidies - Operational		1	6 500	125 827	253 289	229 112	229 112	229 112	229 112	172 196	169 928	165 580
Transfers and Subsidies - Capital		1	-	-	-	35 351	35 351	35 351	35 351	41 499	32 784	34 123
Interest			-	-	-	10 000	11 500	11 500	11 500	12 500	13 113	13 729
Dividends			-	-	-	-	-	-	-	-	-	-
Payments												
Suppliers and employees			(1 949)	(108 734)	(205 473)	(249 218)	(260 548)	(260 548)	(260 548)	(192 462)	(178 944)	(187 355)
Interest			-	-	-	-	-	-	-	(5)	(5)	(5)
Transfers and Subsidies		1	(1 365)	(2 496)	(3 673)	(6 654)	(4 753)	(4 753)	(4 753)	(9 826)	663	672
NET CASH FROM/(USED) OPERATING ACTIVITIES			43 572	54 983	84 530	57 115	50 359	50 359	50 359	77 578	93 844	85 696
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			-	-	-	(50 949)	(49 822)	(49 822)	(49 822)	(67 200)	(58 679)	(59 782)
NET CASH FROM/(USED) INVESTING ACTIVITIES			-	-	-	(50 949)	(49 822)	(49 822)	(49 822)	(67 200)	(58 679)	(59 782)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans			-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing			-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits			-	-	-	-	-	-	-	-	-	-
Payments												
Repayment of borrowing			-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES			-	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD			43 572	54 983	84 530	6 166	537	537	537	10 378	35 165	25 914
Cash/cash equivalents at the year begin:		2	230 406	229 903	353 778	128 788	165 152	165 152	165 152	228 631	239 834	251 106
Cash/cash equivalents at the year end:		2	273 978	284 886	438 307	134 953	165 688	165 688	165 688	239 009	275 000	277 020

UBUHLEBEZWE MUNICIPALITY																
2022 - 2023 Financial Year																
Investment Register for April 2023																
																
Institution	Acc No	Acc Type	Maturity	Interest	Balance Per Statement	(Bank charges)	(Withdrawals)	Deposits	Month End	Balance Per Statement	Month End	Interest Accrued	Received Interest	Balance Per General Ledger	Difference	Current Month Interest Income Earned
			Date	Rate (%)	01-Apr				Interest Received	30-Apr	Interest Accrued	To date	To date	30-Apr		
ABSA Bank - 21M	21080309987	4 Month - Fixed Deposit	03-Jul	7.57	22 312 674.32	-	-	-	-	22 312 674.32	150 509.68	321 779.32	889 467.26	22 312 674.32	-	150 509.68
ABSA BANK	21080445799	4 Month - Fixed Deposit	11-May	8.1	20 000 000.00	-	-	-	-	20 000 000.00	131 890.41	509 869.86	-	20 000 000.00	-	131 890.41
First National Bank - Equit. Share	62 3438 09868	Call Account	-	2.40	306 116.89	-	-	-	1 594.74	307 711.63	-	12 273.58	-	307 711.63	-	1 594.74
First National Bank - Sangwawa Housing	62 348621.8	Sangwawa Housing	-	2.40	776 007.09	-	-	-	3 678.06	779 685.15	-	29 621.45	-	779 685.15	-	3 678.06
First National Bank	7620672880	2 Year - Fixed Deposit	22-May	7.91	26 169 418.30	-	-	-	-	26 169 418.30	238 191.89	238 191.89	1 169 418.30	26 169 418.30	-	238 191.89
First National Bank - Equit. Share	6206766113	Teller cheques	30-Jun	2.40	106 290.88	-	-	-	537.29	106 828.16	-	42 707.02	-	106 828.16	-	537.29
First National Bank - Equit. Share	6207999000	Call Account housing	02-Apr	3.85	30 878.71	-	-	-	192.88	31 071.59	-	1 599.10	-	31 071.59	-	192.88
Need Bank	788076761467	153 Days Fixed Deposit	14-Nov	6.30	-	-	-	-	-	-	-	-	610 323.29	-	-	-
Need Bank	788076761468	184 Days Fixed Deposit	04-Jan	7.05	-	-	-	-	-	-	-	-	1 335 448.84	-	-	-
Need Bank	788076761570	63 Days Fixed Deposit	13-Feb	7.75	-	-	-	-	-	-	-	-	287 702.37	-	-	-
Need Bank	788076761569	153 Days Fixed Deposit	12-Dec	6.20	-	-	-	-	-	-	-	-	544 805.62	-	-	-
Need Bank	788076761562	Call Account	-	3.50	-	-	-	-	-	-	-	-	8 507.64	-	-	-
Need Bank	788076761566	91 Days Fixed deposit	12-Jul	5.15	-	-	-	-	-	-	-	-	32 123.12	-	-	-
Need Bank	788076761518	Notice Account	-	3.50	7 098 840.69	-	10 000 000.00	12 500 000.00	39 421.09	9 638 261.78	-	-	323 216.93	9 638 261.78	-	39 421.09
Need Bank	788076761571	64 Days Fixed Deposit	18-Apr	8.00	21 795 406.15	-	22 101 138.97	-	305 732.82	-	-	-	305 732.82	-	-	81 210.28
Need Bank	788076761572	91 Days Fixed Deposit	14-Jun	8.10	18 000 000.00	-	-	-	-	18 000 000.00	119 835.62	187 742.47	-	18 000 000.00	-	119 835.62
Need Bank	788076761573	62 Days Fixed deposit	19-Jan	8.50	-	-	-	22 101 138.97	-	22 101 138.97	66 908.93	66 908.93	-	22 101 138.97	-	66 908.93
STO Bank - Equit. Share	66876076-001	Retail/Wholesale Call Deposit	25-Nov	1.30	133 798.91	-	-	-	528.05	134 326.96	483.21	3 809.99	134 326.96	-	-	575.77
STO Bank - Equit. Share	66876076-008	3 Months - Fixed Deposit	15-Nov	2.00	16 998.45	-	-	-	82.43	17 080.88	53.35	613.58	17 080.88	-	-	86.88
STO Bank - Equit. Share	66876076-004	14 days	01-Jul	5.25	-	-	-	-	-	-	-	-	-	-	-	-
STO Bank - Equit. Share	66876076-005	2 Month - Fixed Deposit	30-Aug	5.80	-	-	-	-	-	-	-	-	193 133.27	-	-	-
STO Bank - Equit. Share	66876076-006	3 Month - Fixed Deposit	30-Sep	5.90	-	-	-	-	-	-	-	-	400 623.40	-	-	-
STO Bank - Equit. Share	66876076-007	3 Month - Fixed Deposit	15-Oct	6.00	-	-	-	-	-	-	-	-	393 205.48	-	-	-
STO Bank - Equit. Share	66876076-008	2 Month - Fixed Deposit	17-Oct	6.50	-	-	-	-	-	-	-	-	62 325.77	-	-	-
STO Bank - Equit. Share	66876076-009	2 Month - Fixed Deposit	05-Dec	7.15	-	-	-	-	-	-	-	-	215 087.00	-	-	-
STO Bank - Equit. Share	66876076-040	3 Month - Fixed Deposit	15-Jan	7.30	-	-	-	-	-	-	-	-	491 010.75	-	-	-
STO Bank - Equit. Share	66876076-041	2 Month - Fixed Deposit	17-Feb	7.52	-	-	-	-	-	-	-	-	295 960.21	-	-	-
STO Bank - Equit. Share	66876076-042	4 Month - Fixed Deposit	06-Feb	7.88	-	-	-	-	-	-	-	-	243 705.72	-	-	-
STO Bank - Equit. Share	66876076-043	2 Month - Fixed Deposit	13-Feb	7.88	-	-	-	-	-	-	-	-	276 223.04	-	-	-
STO Bank - Equit. Share	66876076-044	3 Month - Fixed Deposit	14-Mar	8.75	-	-	-	-	-	-	-	-	443 005.13	-	-	-
STO Bank - Equit. Share	66876076-045	2 Month - Fixed Deposit	12-Mar	8.00	-	-	-	-	-	-	-	-	353 545.86	-	-	-
STO Bank - Equit. Share	66876076-046	4 Month - Fixed Deposit	06-Jun	8.35	18 462 361.55	-	-	-	18 462 361.55	130 931.02	359 004.41	-	-	18 462 361.55	-	130 931.02
STO Bank - Equit. Share	66876076-047	59 Days - Notice Deposit	19-Jun	8.15	20 276 223.04	-	-	-	290 053.78	20 566 276.82	63 910.41	63 910.41	290 053.78	20 566 276.82	-	145 702.38
STO Bank - Equit. Share	66876076-048	60 Days - Notice Deposit	30-Apr	8.15	13 293 960.21	-	15 499 531.16	-	205 570.95	13 499 531.16	0.00	-	205 570.95	-	-	68 908.93
STO Bank - Equit. Share	66876076-049	61 Days - Notice Deposit	15-May	8.28	22 443 005.13	-	-	-	22 443 005.13	157 731.29	244 229.09	-	-	22 443 005.13	-	157 731.29
STO Bank - Equit. Share	66876076-050	62 Days - Notice Deposit	15-May	8.28	27 237 762.09	-	-	-	27 237 762.09	191 429.23	302 581.69	-	-	27 237 762.09	-	191 429.23
STO Bank - Equit. Share	66876076-051	63 Days - Notice Deposit	15-May	8.28	27 237 762.09	-	-	-	27 237 762.09	191 429.23	302 581.69	-	-	27 237 762.09	-	191 429.23
STO Bank - Equit. Share	66876076-052	64 Days - Notice Deposit	15-May	8.28	27 237 762.09	-	-	-	27 237 762.09	191 429.23	302 581.69	-	-	27 237 762.09	-	191 429.23
STO Bank - Equit. Share	66876076-053	65 Days - Notice Deposit	15-May	8.28	27 237 762.09	-	-	-	27 237 762.09	191 429.23	302 581.69	-	-	27 237 762.09	-	191 429.23
STO Bank - Equit. Share	66876076-054	66 Days - Notice Deposit	15-May	8.28	27 237 762.09	-	-	-	27 237 762.09	191 429.23	302 581.69	-	-	27 237 762.09	-	191 429.23
STO Bank - Equit. Share	66876076-055	67 Days - Notice Deposit	15-May	8.28	27 237 762.09	-	-	-	27 237 762.09	191 429.23	302 581.69	-	-	27 237 762.09	-	191 429.23
STO Bank - Equit. Share	66876076-056	68 Days - Notice Deposit	15-May	8.28	27 237 762.09	-	-	-	27 237 762.09	191 429.23	302 581.69	-	-	27 237 762.09	-	191 429.23
STO Bank - Equit. Share	66876076-057	69 Days - Notice Deposit	15-May	8.28	27 237 762.09	-	-	-	27 237 762.09	191 429.23	302 581.69	-	-	27 237 762.09	-	191 429.23
STO Bank - Equit. Share	66876076-058	70 Days - Notice Deposit	15-May	8.28	27 237 762.09	-	-	-	27 237 762.09	191 429.23	302 581.69	-	-	27 237 762.09	-	191 429.23
STO Bank - Equit. Share	66876076-059	71 Days - Notice Deposit	15-May	8.28	27 237 762.09	-	-	-	27 237 762.09	191 429.23	302 581.69	-	-	27 237 762.09	-	191 429.23
STO Bank - Equit. Share	66876076-060	72 Days - Notice Deposit	15-May	8.28	27 237 762.09	-	-	-	27 237 762.09	191 429.23	302 581.69	-	-	27 237 762.09	-	191 429.23
STO Bank - Equit. Share	66876076-061	73 Days - Notice Deposit	15-May	8.28	27 237 762.09	-	-	-	27 237 762.09	191 429.23	302 581.69	-	-	27 237 762.09	-	191 429.23
STO Bank - Equit. Share	66876076-062	74 Days - Notice Deposit	15-May	8.28	27 237 762.09	-	-	-	27 237 762.09	191 429.23	302 581.69	-	-	27 237 762.09	-	191 429.23
STO Bank - Equit. Share	66876076-063	75 Days - Notice Deposit	15-May	8.28	27 237 762.09	-	-	-	27 237 762.09	191 429.23	302 581.69	-	-	27 237 762.09	-	191 429.23
STO Bank - Equit. Share	66876076-064	76 Days - Notice Deposit	15-May	8.28	27 237 762.09	-	-	-	27 237 762.09	191 429.23	302 581.69	-	-	27 237 762.09	-	191 429.23
STO Bank - Equit. Share	66876076-065	77 Days - Notice Deposit	15-May	8.28	27 237 762.09	-	-	-	27 237 762.09	191 429.23	302 581.69	-	-	27 237 762.09	-	191 429.23
STO Bank - Equit. Share	66876076-066	78 Days - Notice Deposit	15-May	8.28	27 237 762.09	-	-	-	27 237 762.09	191 429.23	302 581.69	-	-	27 237 762.09	-	191 429.23
STO Bank - Equit. Share	66876076-067	79 Days - Notice Deposit	15-May	8.28	27 237 762.09	-	-	-	27 237 762.09	191 429.23	302 581.69	-	-	27 237 762.09	-	191 429.23
STO Bank - Equit. Share	66876076-068	80 Days - Notice Deposit	15-May	8.28	27 237 762.09	-	-	-	27 237 762.09	191 429.23	302 581.69	-	-	27 237 762.09	-	191 429.23
STO Bank - Equit. Share	66876076-069	81 Days - Notice Deposit	15-May	8.28	27 237 762.09	-	-	-	27 237 762.09	191 429.23	302 581.69	-	-	27 237 762.09	-	191 429.23
STO Bank - Equit. Share	66876076-070	82 Days - Notice Deposit	15-May	8.28	27 237 762.09	-	-	-	27 237 762.09	191 429.23	302 581.69	-	-	27 237 762.09	-	191 429.23
STO Bank - Equit. Share	66876076-071	83 Days - Notice Deposit	15-May	8.28	27 237 762.09	-	-	-	27 237 762.09	191 429.23	302 581.69	-	-	27 237 762.09	-	191 429.23
STO Bank - Equit. Share	66876076-072	84 Days - Notice Deposit	15-May	8.28	27 237 762.09	-	-	-	27 237 762.09	191 429.23	302 581.69	-	-	27 237 762.09	-	191 429.23
STO Bank - Equit. Share	66876076-073	85 Days - Notice Deposit	15-May	8.28	27 237 762.09	-	-	-	27 237 762.09	191 429.23	302 581.69	-	-	27 237 762.09	-	191 429.23
STO Bank - Equit. Share	66876076-074	86 Days - Notice Deposit	15-May	8.28	27 237 762.09	-	-	-	27 237 762.09	191 429.23	302 581.69	-	-	27 237 762.09	-	191 429.23
STO Bank - Equit. Share	66876076-075	87 Days - Notice Deposit	15-May	8.28	27 237 762.09	-	-	-	27 237 762.09	191 429.23	302 581.69	-	-	27 237 762.09	-	191 429.23
STO Bank - Equit. Share	66876076-076	88 Days - Notice Deposit	15-May	8.28	27 237 762.09	-	-	-	27 237 762.09	191 429.23	302 581.69	-	-	27 237 762.09	-	191 429.23
STO Bank - Equit. Share	66876076-077	89 Days - Notice Deposit	15-May	8.28	27 237 762.09	-	-	-	27 237 762.09	191 429.23	302 581.69	-	-	27 237 762.09	-	191 429.23
STO Bank - Equit. Share	66876076-078	90 Days - Notice Deposit	15-May	8.28	27 237 762.09	-	-	-	27 237 762.09	191 429.23	302 581.69	-	-	27 237 762.09	-	191 429.23
STO Bank - Equit. Share	66876076-079	91 Days - Notice Deposit	15-May	8.28	27 237 762.09	-	-	-	27 237 762.09	191 429.23	302 581.69	-	-	27 237 762.09	-	191 429.23
STO Bank - Equit. Share	66876076-080	92 Days - Notice Deposit	15-May	8.28	27 237 762.09	-	-	-	27 237 762.09	191 429.23	302 581.69	-	-	27 237 762.09	-	191 429.23
STO Bank - Equit. Share	66876076-081	93 Days - Notice Deposit	15-May	8.28	27 237 762.09	-	-	-	27 237 762.09	191 429.23	302 581.69	-	-	27 237 762.09	-	191 429.23
STO Bank - Equit. Share	66876076-082	94 Days - Notice Deposit	15-May	8.28	27 237 762.09	-	-	-	27 237 762.09	191 429.23	302 581.69	-	-	27 237 762.09	-	191 429.23
STO Bank - Equit. Share	66876076-083	95 Days - Notice Deposit	15-May	8.28	27 237 762.09	-	-	-	27 237 762.09	191 429.23	302 581.69	-	-	27 237 762.09	-	191 429.23
STO Bank - Equit. Share	66876076-084	96 Days - Notice Deposit	15-May	8.28	27 237 762.09	-	-	-	27 237 762.09	191 429.23</						

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- 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.
- As part of the budgeting and planning guidelines that informed the compilation of the 2023/24 MTREF the end objective of the medium framework was to ensure the budget is funded aligned to section 18 of the MFMA.
- Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2023/24 MTREF is funded.

KZN434 UBuhlebezwe - Table A8 Cash backed reserves/accumulated surplus reconciliation

KZN454 Obunhedzwe - Table A6 Cash backed reserves/accumulated surplus reconciliation											
Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	273 978	284 886	438 307	134 953	165 688	165 688	165 688	239 009	275 000	277 020
Other current investments > 90 days		(125 124)	(124 413)	(271 892)	(11 764)	(3 508)	(3 508)	(3 508)	479	502	526
Non current investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		148 854	160 472	166 415	123 190	162 180	162 180	162 180	239 488	275 502	277 546
Application of cash and investments											
Trade payables from Non-exchange transactions: Other		2 277	6 322	5 693	8 646	(9 780)	(9 780)	(9 780)	21 818	22 887	23 962
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	(22 275)	(10 869)	(13 074)	(10 876)	(5 062)	(5 062)	(5 062)	(18 782)	(17 971)	(18 816)
Other working capital requirements	3	(25 840)	(6 408)	(5 882)	(3 620)	20 199	20 199	20 199	(19 950)	(441)	1 148
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	374	374	374	-	374	392	411
Total Application of cash and investments:		(45 838)	(10 955)	(13 263)	(5 477)	5 731	5 731	5 357	(16 540)	4 867	6 705
Surplus(shortfall)		194 692	171 427	179 678	128 666	156 449	156 449	156 823	256 028	270 635	270 841

1.7.9 Explanatory notes to Table A9 - Asset Management

- Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
- National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The Municipality is working towards meeting both recommendations but the budget for UBuhlebezwe is adequate to secure the ongoing health of the municipality's infrastructure.
- UBuhlebezwe municipality has resolved to utilize internal staff when renewing assets where feasible. This has also reduced the cost of renewal of assets whilst assets are still being renewed. This was done to ensure that assets are renewed whilst lesser budget is allocated towards renewal. The cost of renewal is therefore embedded in the salaries of staff members.

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KZN434 Ubuhebezwe - Table A9 Asset Management

2024/25 Budget Review - Table A9 Asset Management														
R thousand	Description	Ref	2019/20	Audited Outcome	2020/21	Audited Outcome	2021/22	Audited Outcome	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
			Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26						
CAPITAL EXPENDITURE														
Total New Assets														
1	Roads Infrastructure		33 562	69 783	102 557	48 299	49 610	49 610	47 798	46 993	49 201			
	Storm water Infrastructure		11	15 930	26 064	13 260	11 975	11 975	15 372	16 125	16 883			
	Electrical Infrastructure		-	-	-	-	-	-	-	-	-			
	Water Supply Infrastructure		5 173	10 122	13 487	200	200	200	6 590	6 913	7 238			
	Sanitation Infrastructure		-	-	-	-	-	-	-	-	-			
	Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-			
	Rail Infrastructure		-	-	-	-	-	-	-	-	-			
	Coastal Infrastructure		-	-	-	-	-	-	-	-	-			
	Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-			
	Infrastructure		5 184	26 052	39 552	13 460	12 175	12 175	21 962	23 038	24 171			
	Community Facilities		13 400	13 598	27 244	14 057	15 025	15 025	11 657	9 081	9 508			
	Sport and Recreation Facilities		3 216	3 112	4 830	13 430	13 341	13 341	6 889	7 007	7 337			
	Community Assets		17 116	13 690	30 674	26 031	28 366	28 366	18 337	16 089	16 845			
	Heritage Assets		-	-	-	-	-	-	-	-	-			
	Revenue Generating		-	-	-	-	-	-	-	-	-			
	Non-revenue Generating		-	-	-	-	-	-	-	-	-			
	Investment properties		-	-	-	-	-	-	-	-	-			
	Operational Buildings		1 086	2 199	2 204	240	260	260	80	84	88			
	Housing		(250)	-	(100)	-	-	-	150	157	165			
	Other Assets		836	2 058	2 104	240	260	260	230	241	253			
	Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-			
	Services		-	-	-	-	-	-	-	-	-			
	Liabilities and Rights		1 723	4 265	4 485	210	-	-	320	336	351			
	Intangible Assets		1 723	4 265	4 485	210	-	-	320	336	351			
	Computer Equipment		400	1 772	2 060	1 430	1 369	1 369	1 938	2 033	2 128			
	Furniture and Office Equipment		168	681	1 894	1 440	2 089	2 089	694	728	762			
	Machinery and Equipment		6 125	14 509	15 008	2 896	3 852	3 852	2 157	2 263	2 369			
	Transport Assets		2 010	6 755	6 781	-	1 810	1 810	1 899	1 899	1 988			
	Land		-	-	-	2 592	1 500	1 500	350	367	384			
	Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-			
	Mature		-	-	-	-	-	-	-	-	-			
	Immature		-	-	-	-	-	-	-	-	-			
	Living Resources		-	-	-	-	-	-	-	-	-			
Total Renewal of Existing Assets														
2	Roads Infrastructure		18 722	26 258	40 151	2 450	12	12	3 802	3 988	4 176			
	Storm water Infrastructure		6 195	6 281	9 322	150	12	12	-	-	-			
	Electrical Infrastructure		-	-	-	-	-	-	-	-	-			
	Water Supply Infrastructure		-	-	-	-	-	-	-	-	-			
	Sanitation Infrastructure		-	-	-	-	-	-	-	-	-			
	Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-			
	Rail Infrastructure		-	-	-	-	-	-	50	52	55			
	Coastal Infrastructure		-	-	-	-	-	-	-	-	-			
	Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-			
	Infrastructure		6 195	6 281	9 322	150	12	12	50	52	55			
	Community Facilities		37	-	37	-	-	-	-	-	-			
	Sport and Recreation Facilities		1 000	1 000	1 000	-	-	-	-	-	-			
	Community Assets		1 038	1 038	-	-	-	-	-	-	-			
	Heritage Assets		-	-	-	-	-	-	-	-	-			
	Revenue Generating		-	-	-	-	-	-	-	-	-			
	Non-revenue Generating		-	-	-	-	-	-	-	-	-			
	Investment properties		-	-	-	-	-	-	-	-	-			
	Operational Buildings		11 489	18 940	29 791	2 300	-	-	3 752	3 936	4 121			
	Housing		-	-	-	-	-	-	-	-	-			
	Other Assets		11 489	18 940	29 791	2 300	-	-	3 752	3 936	4 121			
	Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-			
	Services		-	-	-	-	-	-	-	-	-			
	Liabilities and Rights		-	-	-	-	-	-	-	-	-			
	Intangible Assets		-	-	-	-	-	-	-	-	-			
	Computer Equipment		-	-	-	-	-	-	-	-	-			
	Furniture and Office Equipment		-	-	-	-	-	-	-	-	-			
	Machinery and Equipment		-	-	-	-	-	-	-	-	-			
	Transport Assets		-	-	-	-	-	-	-	-	-			
	Land		-	-	-	-	-	-	-	-	-			
	Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-			
	Mature		-	-	-	-	-	-	-	-	-			
	Immature		-	-	-	-	-	-	-	-	-			
	Living Resources		-	-	-	-	-	-	-	-	-			
Total Upgrading of Existing Assets														
6	Roads Infrastructure		1 807	2 657	4 141	200	200	200	8 005	5	5			
	Storm water Infrastructure		1 268	1 774	1 774	-	-	-	-	-	-			
	Electrical Infrastructure		-	-	-	-	-	-	-	-	-			
	Water Supply Infrastructure		-	-	-	-	-	-	-	-	-			
	Sanitation Infrastructure		-	-	-	-	-	-	-	-	-			
	Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-			
	Rail Infrastructure		-	-	-	-	-	-	-	-	-			
	Coastal Infrastructure		-	-	-	-	-	-	-	-	-			
	Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-			
	Infrastructure		1 268	1 774	1 774	-	-	-	-	-	-			
	Community Facilities		-	-	-	-	-	-	8 000	-	-			
	Sport and Recreation Facilities		-	-	-	-	-	-	8 000	-	-			
	Community Assets		-	-	-	-	-	-	-	-	-			
	Heritage Assets		-	-	-	-	-	-	-	-	-			
	Revenue Generating		-	-	-	-	-	-	-	-	-			
	Non-revenue Generating		-	-	-	-	-	-	-	-	-			
	Investment properties		-	-	-	-	-	-	-	-	-			
	Operational Buildings		539	883	2 367	200	200	200	5	5	5			
	Housing		-	-	-	-	-	-	-	-	-			
	Other Assets		539	883	2 367	200	200	200	5	5	5			
	Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-			
	Services		-	-	-	-	-	-	-	-	-			
	Liabilities and Rights		-	-	-	-	-	-	-	-	-			
	Intangible Assets		-	-	-	-	-	-	-	-	-			
	Computer Equipment		-	-	-	-	-	-	-	-	-			
	Furniture and Office Equipment		-	-	-	-	-	-	-	-	-			
	Machinery and Equipment		-	-	-	-	-	-	-	-	-			
	Transport Assets		-	-	-	-	-	-	-	-	-			
	Land		-	-	-	-	-	-	-	-	-			
	Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-			
	Mature		-	-	-	-	-	-	-	-	-			
	Immature		-	-	-	-	-	-	-	-	-			
	Living Resources		-	-	-	-	-	-	-	-	-			
Total Capital Expenditure														
4	Roads Infrastructure		54 091	98 698	146 848	50 949	49 822	49 822	59 605	50 986	53 383			
	Storm water Infrastructure		7 474	23 985	37 160	13 410	11 987	11 987	15 372	16 125	16 883			
	Electrical Infrastructure		-	-	-	-	-	-	-	-	-			
	Water Supply Infrastructure		5 173	10 122	13 487	200	200	200	6 590	6 913	7 238			
	Sanitation Infrastructure		-	-	-	-	-	-	-	-	-			
	Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-			
	Rail Infrastructure		-	-	-	-	-	-	50	52	55			
	Coastal Infrastructure		-	-	-	-	-	-	-	-	-			
	Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-			
	Infrastructure		12 647	34 107	50 647	13 610	12 187	12 187	22 012	23 091	24 176			
	Community Facilities		13 437	13 598	27 281	14 057	15 025	15 025	11 657	9 081	9 508			
	Sport and Recreation Facilities		4 717	1 093	4 431	11 974	13 341	13 341	14 680	7 007	7 337			
	Community Assets		18 154	14 728	37 711	26 031	28 366	28 366	18 337	16 089	16 845			
	Heritage Assets		-	-	-	-	-	-	-	-	-			
	Revenue Generating		-	-	-	-	-	-	-	-	-			
	Non-revenue Generating		-	-	-	-	-	-	-	-	-			
	Investment properties		-	-	-	-	-	-	-	-	-			
	Operational Buildings		13 114	22 022	34 362	2 740	460	460	3 837	4 025	4 214			
	Housing		(250)	-	(100)	-	-	-	150	107	165			
	Other Assets		12 864	27 880	34 267	2 740	460	460	3 987	4 182	4 279			
	Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-			
	Services		-	-	-	-	-	-	-	-	-			
	Liabilities and Rights		1 723	4 265	4 485	210	-	-	320	336	351			
	Intangible Assets		1 723	4 265	4 485	210	-	-	320	336	351			
	Computer Equipment		400	1 772	2 060	1 430	1 369	1 369	1 938	2 033	2 128			
	Furniture and Office Equipment		168	681	1 894	1 440	2 089	2 089	694	728	762			
	Machinery and Equipment		6 125	14 509	15 008	2 896	3 852	3 852	2 157	2 263	2 369			
	Transport Assets		2 010	6 755	6 781	-	1 810	1 810	1 899	1 899	1 988			
	Land		-	-	-	2 592	1 500	1 500	350	367	384			
	Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-			
	Mature		-	-	-	-	-	-	-	-	-			
	Immature		-	-	-	-	-	-	-	-	-			
	Living Resources		-	-	-	-	-	-	-	-	-			
Total Capital Expenditure - Asset class														
5	Roads Infrastructure		54 091	98 698	146 848	50 949	49 822	49 822	59 605	50 986	53 383			
	Storm water Infrastructure		7 474	23 985	37 160	13 410	11 987	11 987	15 372	16 125	16 883			
	Electrical Infrastructure		-	-	-	-	-	-	-	-	-			
	Water Supply Infrastructure		5 173	10 122	13 487	200	200	200	6 590	6 913	7 238			
	Sanitation Infrastructure		-	-	-	-	-	-	-	-	-			
	Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-			
	Rail Infrastructure		-	-	-	-	-	-	50	52	55			
	Coastal Infrastructure		-	-	-	-	-	-	-	-	-			
	Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-			
	Infrastructure		12 647	34 107	50 647	13 610	12 187	12 187	22 012	23 091	24 176			
	Community Facilities		13 437	13 598	27 281	14 057	15 025	15 025	11 657	9 081	9 508			
	Sport and Recreation Facilities		4 717	1 093	4 431	11 974	13 341	13 341	14 680	7 007	7 337			
	Community Assets		18 154	14 728	37 711	26 031	28 366	28 366	18 337	16 089	16 845			
	Heritage Assets		-	-	-	-	-	-	-	-	-			
	Revenue Generating		-	-	-	-	-	-	-	-	-			
	Non-revenue Generating		-	-	-	-	-	-	-	-	-			
	Investment properties		-	-	-	-	-	-	-	-	-			
	Operational Buildings		13 114	22 022	34 362	2 740	460	460	3 837	4 025	4 214			
	Housing		(250)	-	(100)	-	-	-	150	107	165			
	Other Assets		12 864</											

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1.7.10 Explanatory notes to Table A10 - Basic Service Delivery Measurement

- Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services. The Municipality continues to make good progress with the eradication of backlogs:
- The number of households registered for indigent in 2023/2024 is expected to increase therefore entitled to receiving Free Basic Services, this is covered by municipality's equitable share.

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KZN434 Ubuhebezwe - Table A10 Basic service delivery measurement

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Household service targets	1									
Water:										
Piped water inside dwelling		1 206	1 206	1 206	1 404	1 404	1 404	1 504	1 504	1 504
Piped water inside yard (but not in dwelling)		58	58	58	68	68	68	107	107	107
Using public tap (at least min.service level)	2	58	58	58	68	68	68	107	107	107
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		1 322	1 322	1 322	1 540	1 540	1 540	1 718	1 718	1 718
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	1 322	1 322	1 322	1 540	1 540	1 540	1 718	1 718	1 718
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		16 804	17 519	17 535	16 804	17 519	17 535	16 804	17 519	17 535
Flush toilet (with septic tank)		68	68	68	68	68	68	68	68	68
Chemical toilet		121	121	121	121	121	121	121	121	121
Pit toilet (ventilated)		684	684	684	684	684	684	684	684	684
Other toilet provisions (> min.service level)		152	159	159	152	159	159	152	159	159
<i>Minimum Service Level and Above sub-total</i>		17 829	18 551	18 567	17 829	18 551	18 567	17 829	18 551	18 567
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	17 829	18 551	18 567	17 829	18 551	18 567	17 829	18 551	18 567
Energy:										
Electricity (at least min.service level)		1 650	1 650	1 650	1 650	1 650	1 650	1 650	1 650	1 650
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		1 650	1 650	1 650	1 650	1 650	1 650	1 650	1 650	1 650
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		1 273 828	7 073 129	9 416 275	9 551 044	9 551 044	9 551 044	9 880 738	10 315 490	10 779 688
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		1 273 828	7 073 129	9 416 275	9 551 044	9 551 044	9 551 044	9 880 738	10 315 490	10 779 688
Total number of households	5	1 275 478	7 074 779	9 417 925	9 552 694	9 552 694	9 552 694	9 882 388	10 317 140	10 781 338
Refuse:										
Removed at least once a week		1 455	1 455	1 455	1 455	1 455	1 455	1 455	1 455	1 455
<i>Minimum Service Level and Above sub-total</i>		1 455	1 455	1 455	1 455	1 455	1 455	1 455	1 455	1 455
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	1 455	1 455	1 455	1 455	1 455	1 455	1 455	1 455	1 455
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		952	952	952	1 150	1 150	1 150	1 250	1 250	1 250
Sanitation (free minimum level service)		952	952	952	1 150	1 150	1 150	1 250	1 250	1 250
Electricity/other energy (50kwh per household per month)		58	58	58	68	68	68	107	107	107
Refuse (removed at least once a week)		58	58	58	68	68	68	107	107	107
<i>Informal Settlements</i>		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)										
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)										
Total cost of FBS provided	8	-	-	-	-	-	-	-	-	-
Highest level of free service provided per household										
Property rates (R value threshold)		16 244	16 959	16 975	16 244	16 959	16 975	16 244	16 959	16 975
Water (kilolitres per household per month)		68	68	68	68	68	68	68	68	68
Sanitation (kilolitres per household per month)		121	121	121	121	121	121	121	121	121
Sanitation (Rand per household per month)		684	684	684	684	684	684	684	684	684
Electricity (kwh per household per month)		152	159	159	152	159	159	152	159	159
Refuse (average litres per week)		477	498	498	477	498	498	477	498	498
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		1 274	7 073	9 416	9 551	9 551	9 551	9 881	10 315	10 780
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		7 073	9 416	9 717	9 881	9 881	9 881	14 055	14 743	15 436
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided	6	8 347	16 489	19 133	19 432	19 432	19 432	23 935	25 059	26 216

PART 2

2.1 OVERVIEW OF 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

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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 Executive Committee members, the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Mayor.

The primary aims of the Budget Steering Committee are to ensure:

- That the process followed to compile the budget complies with legislation and good budget practices;
- That there is proper alignment between the policy and service delivery priorities set out in the municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- That the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- That the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.
- The budget is further interrogated by the Executive Committee, Finance Committee and Management Committee during a strategic planning session.

2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH INTERGRATED DEVELOPMENT 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 newly developed IDP includes the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;

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- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The details of all revenue, operational expenditure and capital expenditure which are aligned to the goals and action plans in the Integrated Development Plan are outlined in the supporting documentation **S4 to S6**.

2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

Borrowing Management

The municipality currently does not have external borrowings. The municipality's credit worthiness has not been assessed; however, there are no plans to utilize this facility in the next two financial years.

Debtors and Creditor's Management

Creditors are paid twice a month in order to cater for SMME's and in order to avoid late payments thereby incurring interests.

The Credit Control and Debt collection policy was adopted to tighten up debt collection. Furthermore, the municipality utilizes services of debt collectors to collect from all defaulting debtors.

2.4 OVERVIEW OF BUDGET RELATED-POLICIES

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

- Credit Control and debts Collection policies
- Asset Management Policy
- Budget Policy
- Supply Chain Management Policy
- Virement Policy
- Cash Management and Investment Policy
- Property Rate Policy

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- Indigent Policy

All the above policies are available on the municipality's website.

2.5. OVERVIEW OF BUDGET ASSUMPTIONS

The ORIGINAL budget was prepared in accordance with guidelines and assumptions as outlined in Municipal Budget and Reporting Regulations, taking into consideration the following aspects:

- National budget assumptions, guidelines and projections;
- Alignment with national and provincial priorities;
- Headline inflation and gross domestic products forecasts; and
- Revenue assumptions with regards to grants allocation in terms of revised DORA.
- Anticipated own revenue from rates and services charges, sundry charges and other revenues and affordability of ratepayers and consumers services;
- The ability of municipality to collect revenue (payment level);
- Operating expenditure cost drivers and growth thereof;
- Capital budget funding model;
- Protecting the poor by ensuring access to basic services

2.6 OVERVIEW OF BUDGET FUNDING

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Municipality derives most of its operational revenue from grant funding. Other funding is derived from Property rates, driver's licences, investments, rentals and operating and capital grants and other minor charges (such as building plan fees, licenses and permits etc).

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

- Growth in the municipal area and economic development;
- Revenue management and enhancement;
- National Treasury guidelines;
- Achievement of full cost recovery of specific user charges;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and

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- And the ability to extend new services and obtain cost recovery levels such as Town planning.

2.7 ANNUAL BUDGETS AND SDBIPs –INTERNAL DEPARTMENT

2.8 CONTRACTS HAVING BUDGETARY IMPLICATIONS

The municipality does not have contracts that go beyond the current ORIGINAL budget year and the two outer years.

In terms of the municipality's supply chain management policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the bid evaluation and adjustment committees must obtain formal financial comments from the Financial Management Division of the Budget and Treasury Office Department.

2.9 LEGISLATION COMPLIANCE STATUS

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

- **Internship programme**

The Municipality is participating in the Municipal Financial Management Internship programme and has employed interns undergoing training in various divisions of the Financial Services Department.

- **Budget and Treasury Office**

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

- **Audit Committee**

An Audit Committee has been established and is fully functional.

- **Annual Report**

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