

**ZDMC:
ZULULAND DISTRICT MUNICIPALITY 2009/2010 BUDGET**

MAYOR'S REPORT

1. The 2009/2010 budget

1.1. Legislative framework

The 2009/2010 budget is prepared in accordance with the Local Government; Municipal Finance Management Act, 2003 and the Municipal Budget and reporting regulations issued by the Minister in terms of Section 168(1) of the Act. In terms of these regulations a multi-year budget spanning over three (3) years is prepared. It needs to be noted that the figures for 2010/2011 and 2011/2012 are indicative in terms of the medium term expenditure framework. The functions have been ring-fenced in terms of the Council vote structure

2. Medium term service delivery objectives as stated in the Integrated Development Plan (IDP):

- a. The medium term service delivery objectives of Zululand District Municipality includes the following strategic focus areas and objectives:
 - i. **Service delivery-** Primarily focusing on the eradication of water and sanitation backlogs through the implementation of regional schemes. Our ultimate objective is to progressively provide a cost effective, reliable water services at a good quality to all potential consumers in the district.
 - ii. **Economic development-** The objective is to improve the economy of the district through the creation of job opportunities and additional economic activities.
 - iii. **Social development-** The objective is to reduce the occurrence and impact of HIV/Aids and to develop and empower youth, gender and communities in the district.
 - iv. **Institutional development-** The focus is on employment equity with the objective of transforming the municipality and capacity development for effective service delivery.
 - v. **Financial management-** our objective is to ensure sound financial management by promoting good financial practices with a view of ensuring a financially viable municipality.
 - vi. **Good governance and public participation-** The objectives are to promote good governance, accountability and transparency; to operate the municipality at a minimum risk level.

vii. Other focus areas include:

1. Municipal airports
2. Municipal roads
3. Regulation of passenger transport services
4. Fire fighting
5. Disaster management
6. Solid waste
7. Municipal health services
8. Regional fresh produce markets & abattoirs
9. District cemeteries
10. District tourism

3. Financial implications of the medium term service delivery objectives:

As a water services authority ZDM spends a substantial portion of the municipal infrastructure grant (MIG) on water and sanitation projects. The recovery rate of water tariffs is very low due to the fact that the population within the district is predominantly rural and poor such that the level of service in these areas take the form of communal stand pipes. As a result, the water is provided as a free basic service with no recovery at all.

As a rural node, the district does not have major industries and economic hubs. As a result, unemployment is rife and cross subsidization is not possible. Therefore, the district is heavily dependent on grant funding to implement its mandate in terms of the constitution of the Republic.

3.1. Linkages between the budget, the IDP and political priorities

Firstly, the budget timetable and the IDP process plan are aligned through an integrated time schedule.

Secondly, the IDP is prepared and the projects therefrom are included in the budget with each project properly reference per IDP reference number.

Moreover, the financial plan comprising the total budget, among other items, is included in the IDP.

Finally, the implementation of water and sanitation projects and other assigned functions through the structures Act constitutes compliance with National, Provincial and Local development goals to eradicate backlogs of the past.

3.2. The budget is summarized in more detail in the attached budget schedules. However, the comments on the budget are as follows:

MAIN BUDGET SUMMARY	2008/2009	2009/2010	CHANGE
Total operating budget	R213 246 141	R242, 475,145	+13.7%
Capital budget	R239 240 600	R196, 957,650	-17.67%
Total budget	R452 486 741	R439, 432,795	- 2.88%

The total budget decreased by R 13,053,945

With the above background, it is important to highlight the major causes for such decreases in both the operating and capital budgets. This will be done through the highlights section. Firstly, the operating budget will be reviewed. Thereafter, the Capital budget will be subjected to a review. The comments are as follows:

5. HIGHLIGHTS OF THE EXPENDITURE

5.1. OPERATING EXPENDITURE

❖ Employee Related Costs

The employee related costs comprises 30% of the total operating budget. The primary reason for the increase is the annual across the board increment of 12.8%. The increment is based on the high inflation level and the indicative bargaining council figures. Secondly, new positions have had to be provided for as a result of the increased functions. The new positions included in the operating budget are as follows:

- Secretary- Community Development
- HOD-Community Development
- Senior admin officer (translator)
- Records officer
- The Tourism Officer post description is amended to Deputy Director
- LED Officer position upgraded to Deputy Director

❖ Remuneration of Councilors

A 12.8% increment for Councilor's remuneration is provided for.

Repairs and Maintenance

Vehicles

This is provided for due to the high expenditure on maintenance of the water tankers and the poor conditions of vehicles. New vehicles were budgeted for to replace existing vehicles that should be replaced in terms of council policy.

Preventative Maintenance & Services

The budgeted amount is primarily decreased due to the decrease of DWAF grant.

Operation Rural Water Schemes

These funds are set aside for the maintenance of rural water schemes and to ensure sustainability of such schemes. Despite a decrease of R5,5 million in DWAF refurbishment grant, the funds set aside for Repairs and Maintenance actually increased by R7 million

Operation and Maintenance of Sport field and Swimming Pool.

Provision is made for the maintenance of Ulundi Regional Sports stadium and Swimming Pool.

❖ Bulk Water Purification and Sewerage Treatment

Bulk sewerage treatment and bulk water purification is based on the existing contract and there are no major increases.

Bulk electricity has also increased as a result of the expected above average increment estimated at 25% by Eskom.

❖ Grants and Subsidies Paid

The Grants and Subsidies have been phased out as there are no more grants received as part of equitable share. The only grants that are still payable to the local municipalities are the Tourism grants and the WSP grant to Abaqulusi local municipality.

❖ General Expenses

The major items that have increased during the 2009/10 in this category include:

Fuel & Oil – The increase is based on actual petrol card consumption and provision for the new vehicles to be purchased.

Operation and Maintenance of the airport. The amount is based on the R 4.8m grant actually receivable from the Office of the Premier for the operation and maintenance of the airport.

Items with direct impact on communities include the following:

Poverty alleviation	R 1,264,000
LED	1,000,000
Community Development	1,528,000
Emergency water	13,680,000
Youth Affairs	300,000
Disaster Management centre	1, 264,800
Budget and IDP community participation	3, 200,000
Women' day celebration	500,000
Annual report back	500,000
Elderly function	1,000,000
Kids Christmas party	600,000
Ingoma Dance Competition	250,000
Musical festival	700,000
Marathon	540,000
KwaNaloga Games	1, 297,000
Youth Summit	230,000
Women Summit	230,000
Community participation	2,397,200
Ward projects (81 x 50,000)	4, 050,000
Widows & Orphans (81x20, 000)	1, 620,000
Total Community and Social Expenditure	R36, 151,000

5.2. CAPITAL EXPENDITURE

The capital projects budgeted for are as follows:

Revenue contributions (own funds)

Vehicles	2,740,000
Furniture and Equipment	192,844
Computers	1,200,000
Software & Licences	2,007,806
Electronic Document Management System	675,000
Water tanker x2	3,600,000
Meters	3,000,000
Sub Total	13,415,650

DWAF-Funds

Sub Total	22,154,000
------------------	-------------------

DWAF has decreased from R89, 918,000 to R22, 154,000

MIG Funds

Sub Total MIG	161,388,000
----------------------	--------------------

TOTAL CAPITAL	196,957,650
----------------------	--------------------

MIG has increased from R127, 541,000 to R161, 388,000

3. HIGHLIGHTS OF INCOME

3.1 OPERATING INCOME

The sources of funding are important to ensure that the budget is actually funded and cash backed. The following items warrant specific mention:

❖ **SALE OF WATER AND SEWERAGE FEES**

Sale of water is based on the proposed in tariff structure. The amounts budgeted for has not taken into account the payment level and as a result, a 20% provision for working capital reserve (provision for non collection) has been made.

❖ **INTEREST INCOME**

Interest Income is expected to increase as a result of higher interest rates, from R12, 000,000 to R13, 000,000

❖ **EQUITABLE SHARE**

Equitable share has been substantially increased from R 127,541,000 to R 159, 047,000

❖ **WATER SERVICES OPERATING GRANT.**

Water services operating grant has decreased from R 5,102,000 to R 4,441,000

❖ **PROVINCIAL GRANTS.**

Provincial grants are based on the provincial 2009/10 budget statements.

3.2 CAPITAL INCOME

The capital expenditure shall be funded as follows:

Own revenue	R	12,915,650
MIG		161,388,000
DWAF		22,154,000
Total		196,457,650

4. FREE BASIC WATER

Free Basic Water of 6 kilolitres per household per month is provided for. The present policy of providing free Basic Water for unmetered rural consumption remains unchanged. Free Basic Water is also provided in the rural schemes which are not breaking even or where the cost of billing and collection far exceeds the revenue to be derived from the scheme.

Any other consumption is billed at applicable tariffs.

6. BUDGET RELATED RESOLUTIONS

The Executive Committee resolves to recommend that:

1. The budget of the municipal for the year 2009/10; and indicative figures for the two projected outer years 2010/11 and 2011/12 be approved as set-out in the following schedules:
 - Table A1 Budget Summary.
 - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification).
 - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote).
 - Table A4 Budgeted Financial Performance (revenue and expenditure).
 - Table A5 Budgeted Capital expenditure by vote, standard classification and funding.
 - Table A6 Budgeted Financial Position.
 - Table A7 Budgeted Cash Flows
 - Table A8 Cash backed reserves/accumulated surplus reconciliation
 - Table A9 Asset Management
 - Table A10 Basic service delivery measurements
2. The Municipal Manager to be authorized to proceed with the procedure as stipulated in the MFMA and in terms of the guidelines stipulated by the Minister in terms of Section 168(1) of the Act.
3. The grants be accepted and approved with appreciation.
4. The staff structure be approved as budgeted for.
5. The Quality Certificate be approved.
6. That the tariff policy credit, control and debt collection policy, cash management and investment policy, supply chain management policy and financial plan have been reviewed and no changes are considered necessary.
7. That the funding and reserves policy be developed in compliance with Budget and Reporting Regulations.
8. That the tariffs be approved.
9. Exco be authorized to finalise the carryovers.

QUALITY CERTIFICATE

I, J.H. de Klerk, Municipal Manager of Zululand District Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act, and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

J.H. de Klerk
Municipal Manager
Zululand District Municipality (DC 26)

Date: _____

Organisational structure votes (if required)

- Vote1 - MUNICIPAL MANAGER & COUNCIL
- Vote2 - BUDGET AND TREASURY OFFICE
- Vote3 - CORPORATE SERVICES
- Vote4 - COMMUNITY DEVELOPMENT
- Vote5 - WATER SERVICES AUTHORITY AND PLANNING
- Vote6 - PROJECT MANAGEMENT UNIT
- Vote7 -
- Vote8 -
- Vote9 -
- Vote10 -
- Vote11 -
- Vote12 -
- Vote13 -
- Vote14 -
- Vote15 -

Organisational structure sub-votes (if required)

MUNICIPAL MANAGER & COUNCIL
COUNCIL MUNICIPAL MANAGER
BUDGET AND TREASURY OFFICE
FINANCE
CORPORATE SERVICES
ADMINISTRATION AIRPORT DISASTER MANAGEMENT INDONSA
COMMUNITY DEVELOPMENT
MUNICIPAL HEALTH LED AND TOURISM COMMUNITY AND SOCIAL SERVICES
WATER SERVICES AUTHORITY AND PLANNING
WATER SERVICES AUTHORITY PLANNING

PROJECT MANAGEMENT UNIT

WATER AND PROJECT MANAGEMENT UNIT

WASTE WATER MANAGEMENT

DC26 Zululand - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Classification D/Ref	2005/06	2006/07	2007/08	Current Year 2008/09			2009/10 Medium Term Revenue & Expenditure Framework			
				Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2009/10	Budget Year +1 2010/11	Budget Year +2 2011/12	
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome						
Revenue - Standard										
<i>Governance and administrative</i>		115 949	112 157	122 277	95 432	105 832	105 832	115 975	104 354	112 313
Executive and council		1 007	-	-	-	2 600	2 600	-	-	-
Budget and treasury office		114 943	112 157	122 277	95 432	103 232	103 232	115 975	104 354	112 313
Corporate services		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		4 011	5 724	3 906	3 960	3 960	3 960	1 849	1 949	2 049
Community and social services		4 011	4 624	3 906	3 260	3 260	3 260	1 349	1 349	1 349
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	1 100	-	700	700	700	500	600	700
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental</i>		2 312	12 811	6 535	8 223	11 269	11 269	4 372	3 367	9 750
Planning and development		2 312	12 811	6 535	8 223	11 269	11 269	4 372	3 367	9 750
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		144 057	127 329	171 449	74 854	78 904	78 904	317 237	329 749	402 449
Electricity		-	-	-	-	-	-	-	-	-
Water		138 907	122 241	166 042	70 515	74 565	74 565	306 737	323 720	396 067
Waste water management		5 149	5 088	5 407	4 339	4 339	4 339	5 677	6 029	6 382
Waste management		-	-	-	-	-	-	-	-	-
Other	4	-	-	-	-	-	-	4 823	-	-
Total Revenue -	2	266 329	258 021	304 167	182 469	199 965	199 965	439 433	439 419	526 561
Expenditure - Standard										
<i>Governance and administrative</i>		70 957	41 905	40 044	55 386	55 386	55 386	63 186	58 007	63 235
Executive and council		29 304	29 446	28 019	23 421	23 421	23 421	33 780	25 612	27 555
Budget and treasury office		40 889	11 390	10 605	19 539	19 539	19 539	15 755	17 340	19 077
Corporate services		764	1 069	1 420	12 426	12 426	12 426	13 650	15 055	16 603
<i>Community and public safety</i>		4 907	37 511	30 446	38 570	48 970	48 970	41 255	35 067	36 896
Community and social services		4 262	36 948	29 780	35 351	45 151	45 151	35 411	28 767	30 117
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		645	563	666	3 219	3 819	3 819	3 895	4 152	4 412
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	1 949	2 148	2 367
<i>Economic and environmental</i>		6 467	18 826	13 770	16 503	19 799	19 799	10 936	8 828	15 524
Planning and development		5 364	17 590	12 393	13 582	16 878	16 878	10 936	8 828	15 524
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		1 102	1 236	1 377	2 921	2 921	2 921	-	-	-
<i>Trading services</i>		177 786	151 234	213 978	93 267	97 067	97 067	127 098	135 887	147 636
Electricity		-	-	-	-	-	-	-	-	-
Water		175 915	148 265	209 451	87 850	91 650	91 650	114 435	122 246	132 958
Waste water management		1 871	2 969	4 527	5 417	5 417	5 417	5 677	6 029	6 382
Waste management		-	-	-	-	-	-	-	-	-
Other	4	-	-	-	-	-	-	6 986	7 612	8 296
Total Expenditure	3	260 117	249 475	298 238	203 727	221 223	221 223	242 475	237 789	263 290
Surplus/(Deficit) for the year		6 212	8 545	5 929	(21 258)	(21 258)	(21 258)	196 958	201 629	263 271

References

1. Government Finance Statistics Functions and Sub-functions are standardised to assist the compilation of national and international accounts for comparison purposes
2. Total Revenue by standard classification must reconcile to Total Operating Revenue shown in Budgeted Financial Performance (revenue and expenditure)
3. Total Expenditure by Standard Classification must reconcile to Total Operating Expenditure shown in Budgeted Financial Performance (revenue and expenditure)
4. All amounts must be classified under a standard classification (modified GFS). The GFS function 'Other' is only for Abattoirs, Air Transport, Markets and Tourism - and if used must be

Opex balance	-	1	3	-21 258 008	-21 258 008	-21 258 008	1 520 000	1 597 000	1 670 000
Capex balance	-0	3 080 000	0	467	468	468	1 520 001	1 597 000	1 670 590

Street Lighting									
Other	-	1 100	-	700	700	700	500	600	700
Housing									
Health	-	-	-	-	-	-	-	-	-
Clinics									
Ambulance									
Other									
Economic and environmental	2 312	12 811	6 535	8 223	11 269	11 269	4 372	3 367	9 750
Planning and development	2 312	12 811	6 535	8 223	11 269	11 269	4 372	3 367	9 750
Economic Development/Planning	2 312	12 811	6 535	8 223	11 269	11 269	4 372	3 367	9 750
Town Planning/Building enforcement									
Licensing & Regulation									
Road transport	-	-	-	-	-	-	-	-	-
Roads									
Public Buses									
Parking Garages									
Vehicle Licensing and Testing									
Other									
Environmental protection	-	-	-	-	-	-	-	-	-
Pollution Control									
Biodiversity & Landscape									
Other	-	-	-	-	-	-	-	-	-
Trading services	144 057	127 329	171 449	74 854	78 904	78 904	317 237	329 749	402 449
Electricity	-	-	-	-	-	-	-	-	-
Electricity Distribution									
Electricity Generation									
Water	138 907	122 241	166 042	70 515	74 565	74 565	306 737	323 720	396 067

Parking Garages Vehicle Licensing and Testing Other										
Environmental protection	1 102	1 236	1 377	2 921	2 921	2 921	-	-	-	
Pollution Control Biodiversity & Landscape										
Other	1 102	1 236	1 377	2 921	2 921	2 921	-	-	-	
Trading services	177 786	151 234	213 978	93 267	97 067	97 067	127 098	135 887	147 636	
Electricity	-	-	-	-	-	-	-	-	-	
Electricity Distribution										
Electricity Generation										
Water	175 915	148 265	209 451	87 850	91 650	91 650	114 435	122 246	132 958	
Water Distribution										
Water Storage	175 915	148 265	209 451	87 850	91 650	91 650	114 435	122 246	132 958	
Waste water management	1 871	2 969	4 527	5 417	5 417	5 417	5 677	6 029	6 382	
Sewerage	1 871	2 969	4 527	5 417	5 417	5 417	5 677	6 029	6 382	
Storm Water Management										
Public Toilets										
Waste management	-	-	-	-	-	-	-	-	-	
Solid Waste										
Other	-	-	-	-	-	-	6 986	7 612	8 296	
Air Transport							4 823	5 296	5 813	
Abattoirs										
Tourism							2 163	2 316	2 483	
Forestry										
Markets										
Total Expenditure	3	260 117	249 475	298 238	203 727	221 223	221 223	242 475	237 789	263 290
Surplus/(Deficit) for the year		6 212	8 545	5 929	(21 258)	(21 258)	(21 258)	196 958	201 629	263 271

References

1. Government Finance Statistics Functions and Sub-functions are standardised to assist national and international accounts and comparison
2. Total Revenue by Standard Classification must reconcile to total operating revenue shown in Financial Performance (revenue and expenditure)

3. Total Expenditure by Standard Classification must reconcile to total operating expenditure shown in Financial Performance (revenue and expenditure)

4. All amounts must be classified under a Standard (modified GFS) classification. The GFS function 'Other' is only for Abbatoirs, Air Transport, Markets and Tourism - and if used must be

£k oprev balance	-	1	3	-21 258 008	-21 258 008	-21 258 008	1 520 000	1 597 000	1 670 000
£k opexp balance	-0	3 080 000	0	467	468	468	1 520 001	1 597 000	1 670 590

DC26 Zululand - Table A4 Budgeted Financial Performance (revenue and expenditure by municipal vote)

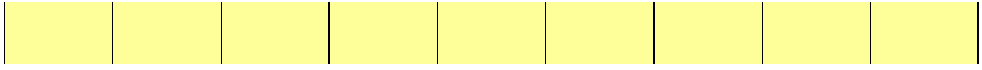
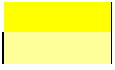
Vote Description	Ref	2005/06	2006/07	2007/08	Current Year 2008/09			2009/10 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2009/10	Budget Year +1 2010/11	Budget Year +2 2011/12
Revenue by Vote	1									
MUNICIPAL MANAGER & COU		1 007	-	-	-	-	-	-	-	-
BUDGET AND TREASURY OFF		114 943	112 157	122 277	95 432	107 602	107 602	115 975	104 354	112 313
CORPORATE SERVICES		-	-	-	-	-	-	6 672	1 949	2 049
COMMUNITY DEVELOPMENT		4 511	4 624	3 906	3 260	3 260	3 260	-	-	-
WATER SERVICES AUTHORITY		1 812	12 811	6 535	22 382	25 428	25 428	4 372	3 367	9 750
PROJECT MANAGEMENT UNIT		144 057	127 329	171 449	49 198	49 448	49 448	312 414	329 749	402 449
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
Total Revenue by	2	266 329	256 921	304 167	170 272	185 738	185 738	439 433	439 419	526 561
Expenditure by	1									
MUNICIPAL MANAGER & COU		20 733	20 492	19 523	22 921	22 921	22 921	33 780	25 612	27 555
BUDGET AND TREASURY OFF		40 889	11 390	10 605	13 429	13 429	13 429	15 755	17 340	19 077
CORPORATE SERVICES		10 839	11 929	11 665	18 626	19 226	19 226	23 441	25 707	28 186
COMMUNITY DEVELOPMENT		5 925	38 472	31 489	51 652	61 452	61 452	38 450	32 028	33 609
WATER SERVICES AUTHORITY		143 987	120 358	167 774	12 320	15 366	15 366	16 022	14 288	21 373
PROJECT MANAGEMENT UNIT		37 743	46 835	57 182	75 304	79 354	79 354	115 026	122 815	133 491
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
Total Expenditure	2	260 117	249 475	298 238	194 251	211 747	211 747	242 475	237 789	263 289
Surplus/(Deficit)	2	6 212	7 445	5 929	(23 980)	(26 010)	(26 010)	196 958	201 629	263 272

References

1. Insert 'Vote'; e.g. department, if different to standard classification structure
2. Must reconcile to Budgeted Financial Performance (revenue and expenditure)
3. Assign share in 'associate' to relevant Vote

DC26 Zululand - Table A4 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2005/06	2006/07	2007/08	Current Year 2008/09			2009/10 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2009/10	Budget Year +1 2010/11	Budget Year +2 2011/12
Revenue by Vote	1									
MUNICIPAL MANAGER & COUNCIL		1 007	-	-	-	-	-	-	-	-
MUNICIPAL MANAGER		1 007								
BUDGET AND TREASURY		114 943	112 157	122 277	95 432	107 602	107 602	115 975	104 354	112 313
FINANCE		114 943	112 157	122 277	95 432	107 602	107 602	115 975	104 354	112 313
CORPORATE SERVICES		-	-	-	-	-	-	6 672	1 949	2 049
ADMINISTRATION								-	-	-
AIRPORT								4 823	-	-
DISASTER MANAGEMENT								500	600	700
INDONSA								1 349	1 349	1 349
COMMUNITY DEVELOPMENT		4 511	4 624	3 906	3 260	3 260	3 260	-	-	-
MUNICIPAL HEALTH LED AND TOURISM		500			2 000	2 000	2 000			
COMMUNITY AND SOCIAL SERVICES		4 011	4 624	3 906	1 260	1 260	1 260			
WATER SERVICES AUTHORITY		1 812	12 811	6 535	22 382	25 428	25 428	4 372	3 367	9 750
WATER SERVICES AUTHORITY PLANNING		1 812	12 811	6 535	22 382	25 428	25 428	4 372	3 367	9 750
PROJECT MANAGEMENT		144 057	127 329	171 449	49 198	49 448	49 448	312 414	329 749	402 449
WATER AND PROJECT MANAGEMENT		144 057	127 329	171 449	44 859	45 109	45 109	306 737	323 720	396 067
WASTE WATER MANAGEMENT		-	-	-	4 339	4 339	4 339	5 677	6 029	6 382



Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year	6 212	11 625	5 929	0	0	0	0	196 958	201 629	263 272	

References

1. Classifications are revenue sources and expenditure type
2. Detail to be provided in Table SA1
3. Previously described as 'bad or doubtful debts' - amounts shown should reflect the change in the provision for debt impairment
4. Expenditure type components previously shown under repairs and maintenance should be allocated back to the originating expenditure group/item; e.g. employee costs
5. Repairs & maintenance detailed in Table A9 and Table SA34c
6. Contributions are funds provided by external organisations to assist with infrastructure development; e.g. developer contributions (detail to be provided in Table SA1)
7. Equity method
8. All materials not part of 'bulk' e.g. road making materials, pipe, cable etc.

DC26 Zululand - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2005/06	2006/07	2007/08	Current Year 2008/09				2009/10 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2009/10	Budget Year +1 2010/11	Budget Year +2 2011/12
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
MUNICIPAL MANAGER & COUNCIL		182	2 193	438	10 489	10 489	10 489	10 489	1 873	155	163
BUDGET AND TREASURY OFFICE		245	81	215	2 090	2 090	2 090	2 090	2 273	-	-
CORPORATE SERVICES		-	-	-	-	-	-	-	50	-	-
COMMUNITY DEVELOPMENT		-	-	3 362	-	-	-	-	187 042	201 474	263 109
WATER SERVICES AUTHORITY AND PLANNING		49	-	6	-	-	-	-	-	-	-
PROJECT MANAGEMENT UNIT		369	-	28	750	750	750	750	-	-	-
0		104	359	-	-	-	-	-	460	-	-
0		-	-	32	-	-	-	-	-	-	-
0		232 717	139 310	233 118	206 361	208 131	208 131	208 131	5 260	-	-
0		-	-	-	39 102	39 102	39 102	39 102	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	233 665	141 945	237 198	258 792	260 562	260 562	260 562	196 958	201 629	263 272
Single-year expenditure to be appropriated	2										
MUNICIPAL MANAGER & COUNCIL		-	-	-	-	-	-	-	-	-	-
BUDGET AND TREASURY OFFICE		-	-	-	-	-	-	-	-	-	-
CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
COMMUNITY DEVELOPMENT		-	-	-	-	-	-	-	-	-	-
WATER SERVICES AUTHORITY AND PLANNING		-	-	-	-	-	-	-	-	-	-
PROJECT MANAGEMENT UNIT		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Vote		233 665	141 945	237 198	258 792	260 562	260 562	260 562	196 958	201 629	263 272
Capital Expenditure - Standard											
Governance and administration		672	2 356	867	14 430	14 430	14 430	14 430	-	-	-
Executive and council		182	2 193	438	10 250	10 250	10 250	10 250	-	-	-
Budget and treasury office		245	81	215	2 090	2 090	2 090	2 090	-	-	-
Corporate services		245	81	215	2 090	2 090	2 090	2 090	-	-	-
Community and public safety		349	441	221	2 090	2 090	2 090	2 090	-	-	-
Community and social services		245	81	215	2 090	2 090	2 090	2 090	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		104	359	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	6	-	-	-	-	-	-	-
Economic and environmental services		-	-	3 362	-	-	-	-	-	-	-
Planning and development		-	-	3 362	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		232 717	139 310	233 118	225 912	227 682	227 682	227 682	-	-	-
Electricity		-	-	-	-	-	-	-	-	-	-
Water		151	-	233 118	206 361	208 131	208 131	208 131	-	-	-
Waste water management		232 566	139 310	-	19 551	19 551	19 551	19 551	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	233 737	142 108	237 567	242 432	244 202	244 202	244 202	-	-	-
Funded by:											
National Government		232 843	138 025	236 561	220 242	220 242	220 242	220 242	183 542	201 474	263 109
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	232 843	138 025	236 561	220 242	220 242	220 242	220 242	183 542	201 474	263 109
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		823	3 920	637	18 999	20 769	20 769	20 769	13 416	155	163
Total Capital Funding	7	233 665	141 945	237 198	239 241	241 011	241 011	241 011	196 958	201 629	263 272

References

1. Municipalities may choose to appropriate for capital expenditure for three years or for one year (if one year appropriation projected expenditure required for yr2 and yr3).
2. Include capital component of PPP unitary payment. Note that capital transfers are only appropriated to municipalities for the budget year

- 3. Capital expenditure by standard classification must reconcile to the appropriations by vote
- 4. Must reconcile to supporting table SA20 and to Budgeted Financial Performance (revenue and expenditure)
- 5. Must reconcile to Budgeted Financial Performance (revenue and expenditure)
- 6. Include finance leases and PPP capital funding component of unitary payment - total borrowing/repayments to reconcile to changes in Table SA17
- 7. Total Capital Funding must balance with Total Capital Expenditure
- 8. Include any capitalised interest (MFMA section 46) as part of relevant capital budget

	check balance	1.0	-1.0	1.0	19 551 000.0	19 551 000.0	19 551 000.0	19 551 000.0	-	-	-
--	---------------	-----	------	-----	--------------	--------------	--------------	--------------	---	---	---

Capital single-year expenditures	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	233 665	141 945	237 198	258 792	260 562	260 562	260 562	196 958	201 629	263 272	

DC26 Zululand - Table A6 Budgeted Financial Position

Description	Ref	2005/06	2006/07	2007/08	Current Year 2008/09				2009/10 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2009/10	Budget Year +1 2010/11	Budget Year +2 2011/12
ASSETS											
Current assets											
Cash		9 844	-	-							
Call Investment	1	94 888	120 426	166 109	66 221	-	66 221	66 221	67 738	46 866	17 842
Consumer debt	1	5 299	9 256	12 302	8 785	-	8 785	8 785	6 149	4 305	544
Other debtors		4 237	12 125	9 854	-	-	-	-	-	-	-
Current portion of long-term receivables		439	207	137	-	-	-	-	-	-	-
Inventory	2		1 175	-							
Total current assets		114 707	143 189	188 402	75 006	-	75 006	75 006	73 888	51 171	18 386
Non current assets											
Long-term receivables		188	854	855	-	-	-	-	-	-	-
Investments											
Investment property											
Investment in Associate											
Property, plant and equipment	3	7 989	7 186	6 278	239 241	-	239 241	239 241	414 388	605 936	856 044
Agricultural Biological Intangible											
Other non-current assets											
Total non current assets		8 177	8 039	7 133	239 241	-	239 241	239 241	414 388	605 936	856 044
TOTAL ASSETS		122 884	151 229	195 535	314 247	-	314 247	314 246	488 276	657 107	874 430
LIABILITIES											
Current liabilities											
Bank overdraft	1		1 234	1 609	-	-	-	-	-	-	-
Borrowing	4	803	908	1 031	-	-	-	-	-	-	-
Consumer deposits			1 548	1 030	1 133	-	1 133	1 133	1 247	1 371	1 508
Trade and other payables	4	26 414	29 604	30 852	-	-	-	-	-	-	-
Provisions		2 044	2 158	2 519	2 720	-	2 720	2 720	2 519	2 519	2 519
Total current liabilities		29 261	35 452	37 041	3 854	-	3 854	3 854	3 765	3 890	4 027
Non current liabilities											
Borrowing		7 186	6 278	5 247	4 216	-	4 216	4 216	3 185	2 154	1 123
Provisions		-	-	-	-	-	-	-	-	-	-
Total non current liabilities		7 186	6 278	5 247	4 216	-	4 216	4 216	3 185	2 154	1 123
TOTAL LIABILITIES		36 447	41 731	42 288	8 070	-	8 070	8 070	6 951	6 045	5 151
NET ASSETS	5	86 437	109 498	153 247	306 177	-	306 177	306 176	481 325	651 063	869 280
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		27 157	41 393	53 359	306 177	-	306 177	306 177	481 325	651 063	869 280
Reserves	4	59 280	68 105	99 888	-	-	-	-	-	-	-
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5	86 437	109 498	153 247	306 177	-	306 177	306 177	481 325	651 063	869 280

References

1. Detail to be provided in Table SA3

2. Include completed low cost housing to be transferred to beneficiaries within 12 months

3. Include 'Construction-work-in-progress' (disclosed separately in annual financial statements)

4. Detail to be provided in Table SA3. Includes reserves to be funded by statute.

5. Net assets must balance with Total Community Wealth/Equity

check balance - - - -466.51 - -478.51 -1 140.52 73.55 -504.77 -63.34

DC26 Zululand - Table A7 Budgeted Cash Flows

Description	Ref	2005/06	2006/07	2007/08	Current Year 2008/09				2009/10 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2009/10	Budget Year +1 2010/11	Budget Year +2 2011/12
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		55 236	23 350	50 594	15 836	15 836	15 836	15 836	18 509	19 453	20 348
Government -	1	228 828	230 120	268 318	374 625	381 721	381 721	381 721	358 824	401 936	488 151
Government -	1										
Interest		2 424	10 497	17 623	12 000	19 800	19 800	19 800	13 000	13 663	14 291
Dividends											
Payments											
Suppliers and employees		(91 529)	(102 269)	(126 125)	(141 914)	(141 914)	(141 914)	(141 914)	(154 918)	(160 644)	(180 225)
Finance charges		(1 763)	(1 763)	(3 391)	(732)	(732)	(732)	(732)	(595)	(439)	(263)
Transfers and	1										
NET CASH FROM/(USED) OPER		193 195	159 935	207 019	259 815	274 711	274 711	274 711	234 821	273 970	342 303
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		709	803	2 380	250	250	250	250	280	-	-
Decrease (increase) in non-curr		380	(652)	(2)							
Decrease (increase) other non-current receivables											
Decrease (increase) in non-current investments											
Payments											
Capital assets		(167 245)	(142 363)	(164 615)	(221 055)	(221 055)	(221 055)	(221 055)	(184 387)	(202 350)	(264 015)
NET CASH FROM/(USED) INVES		(166 157)	(142 212)	(162 237)	(220 805)	(220 805)	(220 805)	(220 805)	(184 107)	(202 350)	(264 015)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing											
Increase (decrease) in consumer deposits											
Payments											
Repayment of borrowing		(803)	(908)	(1 031)	(1 031)	(1 031)	(1 031)	(1 031)	-	-	-
NET CASH FROM/(USED) FINAN		(803)	(908)	(1 031)	(1 031)	(1 031)	(1 031)	(1 031)	-	-	-
NET INCREASE/ (DECREASE) IN		26 236	16 815	43 751	37 979	52 875	52 875	52 875	50 714	71 620	78 288
Cash/cash eq	2	78 496	104 732	121 547	165 298	203 277	203 277	203 277	256 151	306 866	378 486
Cash/cash eq	2	104 732	121 547	165 298	203 277	256 151	256 151	256 151	306 866	378 486	456 774

References

1. Local/District municipalities to include transfers from/to District/Local Municipalities

2. Cash equivalents includes investments with maturities of 3 months or less

Total receipts	287 575	264 118	338 913	402 711	417 607	417 607	417 607	417 607	390 613	435 052	522 791
Total payments	(260 537)	(246 395)	(294 131)	(363 701)	(363 701)	(363 701)	(363 701)	(363 701)	(339 899)	(363 432)	(444 503)
	27 039	17 722	44 782	39 010	53 906	53 906	53 906	53 906	50 714	71 620	78 288
Borrowings & investments & c.dep	-	-	-	-	-	-	-	-	-	-	-
Repayment of borrowing	(803)	(908)	(1 031)	(1 031)	(1 031)	(1 031)	(1 031)	(1 031)	-	-	-
	26 236	16 815	43 751	37 979	52 875	52 875	52 875	52 875	50 714	71 620	78 288
	-	-	-	-	0	0	0	0	-	-	-

DC26 Zululand - Table A9 Asset Management

Description	Ref	2005/06	2006/07	2007/08	Current Year 2008/09			2009/10 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2009/10	Budget Year +1 2010/11	Budget Year +2 2011/12
CAPITAL EXPENDITURE										
Total New As	1	233 665	141 945	93 132	239 241	241 011	241 011	196 958	201 629	263 272
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		232 717	139 310	92 624	220 242	220 242	220 242	183 542	201 474	263 109
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		949	2 634	508	18 999	20 769	20 769	13 416	155	163
Infrastructure		233 665	141 945	93 132	239 241	241 011	241 011	196 958	201 629	263 272
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other asset	6	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Renewa	2	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other asset	6	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Capital	4	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		232 717	139 310	92 624	220 242	220 242	220 242	183 542	201 474	263 109
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		949	2 634	508	18 999	20 769	20 769	13 416	155	163
Infrastructure		233 665	141 945	93 132	239 241	241 011	241 011	196 958	201 629	263 272
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL	2	233 665	141 945	93 132	239 241	241 011	241 011	196 958	201 629	263 272
ASSET REGISTER										
Infrastructure - Road transport	5									
Infrastructure - Electricity										
Infrastructure - Water		232 717	139 310	92 624	-	-	-	183 542	201 474	263 109
Infrastructure - Sanitation										
Infrastructure - Other										
Infrastructure		232 717	139 310	92 624	-	-	-	183 542	201 474	263 109
Community										
Heritage assets										
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		949	2 634	508	-	1 770	1 770	13 416	155	163
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
TOTAL ASSET	5	233 665	141 945	93 132	-	1 770	1 770	196 958	201 629	263 272

EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	3	-	-	-	-	-	-	30 432	32 674	34 085
Infrastructure - Road transport	-	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity	-	-	-	-	-	-	-	-	-	-
Infrastructure - Water	-	-	-	-	-	-	-	24 117	26 061	27 260
Infrastructure - Sanitation	-	-	-	-	-	-	-	-	-	-
Infrastructure - Other	-	-	-	-	-	-	-	2 010	2 011	2 011
Infrastructure	-	-	-	-	-	-	-	26 127	28 072	29 271
Community	-	-	-	-	-	-	-	1 500	1 577	1 649
Heritage assets	-	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-	-
Other asset	6, 7	-	-	-	-	-	-	2 806	3 026	3 165
TOTAL EXPENDITURE OTHER ITEMS		-	-	-	-	-	-	30 432	32 674	34 085
% of capital exp on renewal of assets		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Renewal of Existing Assets as a % of PPE		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M as a % of PPE		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	7.3%	5.4%	4.0%
Renewal and R&M as a % of PPE		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	15.0%	16.0%	13.0%

References

1. Detail of new assets provided in Table SA34a
2. Detail of renewal of existing assets provided in Table SA34b
3. Detail of Repairs and Maintenance by Asset Class provided in Table SA34c
4. Must reconcile to total capital expenditure on Budgeted Capital Expenditure
5. Must reconcile to 'Budgeted Financial Position' (written down value)
6. Donated/contributed and assets funded by finance leases to be allocated to the respective category
7. Including repairs and maintenance to agricultural, biological and intangible assets

balance to SFPos ##### ##### 86 853 869.00 ##### 1 770 000.00 ##### ##### ##### #####

Water (kilolitres per household per month)			6			6	6	6	6
Sanitation (kilolitres per household per month)									
Sanitation (Rand per household per month)									
Electricity (kwh per household per month)									
Refuse (average litres per week)									
Revenue cost of	9								
Property rates (R15 000 threshold rebate)									
Property rates (other exemptions, reductions and rebates)									
Water									
Sanitation									
Electricity/other energy									
Refuse									
Municipal Housing - rental rebates									
Housing - top 6									
Other									
Total revenue cost of free services provided (total social package)		-	-	-	-	-	-	-	-

References

1. Include services provided by another entity; e.g. Eskom
2. Stand distance <= 200m from dwelling
3. Stand distance > 200m from dwelling
4. Borehole, spring, rain-water tank etc.
5. Must agree to total number of households in municipal area
6. Include value of subsidy provided by municipality above provincial subsidy level
7. Show number of households receiving at least these levels of services completely free
8. Must reflect the cost to the municipality of providing the Free Basic Service
9. Reflect the cost to the municipality in terms of 'revenue foregone' of providing free services (note this will not equal 'Revenue Foregone' on SA1)

