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29 March 2017

Enquiries: Office of the GM: Corporate Services

## COUNCIL COMMITTE RESOLUTION CERTIFICATE TO WHOM IT MAY CONCERN

This is to certify that the Full Council of UMkhanyakude District Municipality, in its meeting of 27 March 2017 resolved as follows regarding draft budget for 2017/2018 and budget related policies:

UDMC 053/17

DRAFT BUDGET FOR 2017/2018 AND BUDGET RELATED POLICIES

#### The Council resolved that:

- 1. The draft budget for 2017/2018 Financial Year be approved. (1.2)
  - Draft budget A-Schedule
  - Narrative report
- 2. The following budget related policies be approved:
- Budget Policy
- Virement Policy
- · Banking, cash management and investment policy
- Long term financial planning policy
- Supply Chain Management policy
- Credit control policy

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- Asset Management Policy
- Indigent Policy
- Tariffs Policy

Proposer: Cllr .S.W.Mzinyane Seconder: Cllr .T.S.Mkhombo

#### Approved & Signed by:

MR. M.E.NGONYAMA
ACTING MUNICIPAL MANAGER

MUNICIPAL MANAGER UMKHANYAKUDE DISTRICT MUNICIPALITY P. O. BOX 449 MKUZE 3965

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# UMKHANYAKUDE DISTRICT MUNICIPALITY MAYOR'S REPORT DRAFT BUDGET 2017-2018

#### PART 1 - ANNUAL DRAFT BUDGET

#### 1.1 Mayor's Report

UMkhanyakude District Municipality have limited financial resources to satisfy the unlimited needs of the people. Therefore as the municipality we need to use our financial resources wisely by eliminating non-priority items in our budget.

The council of the municipality have the responsibility to eradicate the high volume of the service delivery backlogs particularly in the infrastructure of the water and sanitation in the whole area of UMkhanyakude District. The more attention should be focused on an outdated and aging infrastructure that end up instigating huge losses of water and interrupt the services delivery to the community.

The municipality is faced with challenge of high unemployment rate with the high rate of indigent households, and this affect the debt collection of the municipality. Based on that from the portion of the equitable share the municipality will allocate the funds to free basic services to cater for the poor.

The budget for UMkhanyakude District is more focused on the services delivery strategic priorities that were approved by the council of the municipality, which are as following:

- Sanitation/sewerage
- Water crisis
- Environmental health
- Economic, Social or Community and Skill Development
- Revenue enhancement
- Spatial planning and development
- Communication and information Technology
- Good governance and clean audit
- Poverty eradication and food security

In order for the municipality to ensure the smooth implementation of the above mentioned strategic priority we need to device good communication techniques between the municipality, community and other stakeholders. This should include communicating the IDP, Budget, SDBIP, Performance reports/Annual Reports, setting of targets etc., to ensure that we are all striving for the same achievements.

UMkhanyakude District will ensure that all employees of the municipality are subscribed to Batho Pele principles. The 2017-2018 draft budget will be published and communicated to the community for their inputs for the adoption of the final annual budget by the 27 May 2017.

CIIr T.S Mkhombo

The Mayor: UMkhanyakude District Municipality



The total consolidated operating revenue budget and capital contribution budget for uMkhanyakude District Municipality is R 655 million below is the summary, the consolidated for operating expenditure and capital expenditure is R 654 million.

The summarised consolidated draft budget 2017-2018 for UMkhanyakude District Municipality:

Description R thousands	2017/18 Medium Term Revenue Budget Year 2017/18 Budget		et Year +2 2019/20
Total Revenue (excluding capital transfers and contributions)	397 091 831	444 617 493	485 810 148
Transfers and subsidies - capital	257 964 500	285 560 550	313 854 850
Total Revenue	655 056 331	730 178 043	799 664 998
Expenditure			
Total operating expenditure	397 091 831	444 617 493	485 810 148
Total capital expenditure	257 964 500	285 560 550	313 854 850
	655 056 331	730 178 043	799 664 998
Surplus/Deficit	•	-	-
	:		

## The following are the allocation-in-kind for UMkhanyakude as per Division of Revenue Act

Summary of Allocation- in -kind			
			Draft Budget 2017-
Allocations-In-Kind	Project name	Benefiting municipality	2018
	Pongolapoort Bulk		-
Regional Bulk Infrastructure Grant	Water Scheme	Jozini Local Municipality	119 000 000
	Dukuduku		
	Resettlement	Mtubatuba/Big Five Hlabisa LM	1000000
Regional Bulk Infrastructure Grant			120 000 000
Municiapal System Improvement Grant			1 637 000
	:	· ·	121 637 000



#### Consolidated Operating draft budget 2017-2018

DC27 Umkhanyakude - Table A1 Consolidated Budget Summary				
Description	2017/18 Medium Term Revenue & Expenditure Framework			
R thousands	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
Revenue By Source				
Service charges - electricity revenue	6 848 851	7 239 235	7 644 633	
Service charges - water revenue	27 397 568	28 959 229	30 580 946	
Service charges - sanitation revenue	257 805	272 500	287 760	
Rental of facilities and equipment	137 346	145 175	153 305	
Interest earned - external investments	4 256 000	4 498 592	4 750 513	
Transfers and subsidies	346 342 500	390 975 450	429 164 150	
Other revenue	11 851 761	12 527 311	13 228 841	
Total operating revenue	397 091 831	444 617 493	485 810 148	
Expenditure By Type			:	
Employee related costs	136 793 137	144 559 738	152 625 010	
Remuneration of councillors	8 940 305	9 387 320	9 856 686	
Debt impairment	13 027 524	13 770 093	14 541 219	
Depreciation & asset impairment	30 009 462	31 720 002	33 496 322	
Finance charges	2 255 721	2 383 924	2 517 424	
Bulk purchases	92 142 392	97 394 508	102 848 601	
Other materials	37 251 901	39 375 259	41 580 273	
Contracted services	15 050 917	15 908 819	16 799 713	
Other expenditure	61 620 472	90 117 829	111 544 900	
Total operating expenditure	397 091 831	444 617 493	485 810 148	
Surplus/ Deficit		-		

#### Capital Budget 2017-2018

Total capital grants	257 964 500	285 560 550	313854850
Water Services Infrastructure Grant	50 000 000	65 000 000	80 000 000
M/IG (excluding PM/U)	207 964 500	220 560 550	233 854 850
Capital Grants			
Description	Droft Budget 2017-2018	Droft Budget year+1 2018-2019	2020 2020
Caultal Proute	The factor of the state of the		Draft Budget year+2 2019-

#### 1.2 Council Resolution

#### 1.3 EXECUTIVE SUMMARY

#### 1.3.1 Introduction

The draft budget 2017-2018 proposed a total consolidated amount of R653 million which has been developed with an overall planning framework and includes programme and projects to achieve the municipality's strategic objectives. This draft budget is working towards appearing to the reality of the need of water in the community, addressing issues of unemployment, poverty, inequality and ensuring of rendering the sustainable services delivery to UMkhanyakude District.

An amount of R397 million has been allocated to the operational budget and the capital budget for the infrastructure is R 257 million. The projection for the service charges and other income included is R 46 million. The overall budget for UMkhanyakude District Municipality is R655 million.

The entity (UMhlosinga Development) of UMkhanyakude has a budget of R11 million, when consolidating the parent municipality's budget it adds up to R655 million.

The draft Medium-Term Revenue and Expenditure Frame Work is released for the consultation of the community, business, internal and external stakeholders, so they can have the influence in the area of UMkhanyakude. The budget enables the implementation of our goals as set out on the Integrated Development Plan.

#### 1.3.2 Strategic priorities for 2017-2018

The following are the Nine (9) key priority areas of uMkhanyakude District Municipality:

- Water
- Sanitation/Sewerage;
- Environmental Health;
- Economics, Social or Community and Skills Development
- Poverty eradication and Food Security;
- · Revenue enhancement;
- Spatial planning and development;
- Communication and Information Technology (IT); and
- Good Governance and Clean Administration.

The municipality has identified all of the above priorities and also the municipality's objectives and strategies that need to be addressed:

#### **OBJECTIVES AND STRATEGIES FOR 2017/2018 FINANCIAL YEAR**

#### KPA 1: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

#### **OBJECTIVES**

To ensure effective Organizational Performance Management System (PMS) --

To ensure effective integrated development planning (IDP)

To provide effective and efficient human resource management aimed at achieving a skilled workforce that is responsive to service delivery and change

To provide effective and efficient human resource management aimed at achieving a skilled workforce that is responsive to service delivery and change

To provide an effective and efficient system of managing records for preservation of institutional memory



Adherence to evolving technology

To ensure adherence to Occupational Health and Safety Act

To ensure effective and efficient administrative services

To ensure effective and efficient legal services

#### **STRATEGIES**

Council adoption of PMS

Council adoption of IDP

Council adoption of Human Resources Development Strategy

Council Adoption of Workplace Skills Plan

Council adoption of Employment Equity Plan

Conducting assessment on effectiveness of Records Management System

Conduct an assessment on effectiveness of provision of ICT services

Conduct Health and Safety Risk assessments

Conduct an assessment on provision of administrative support services

Conduct an assessment on provision of legal services

#### **KPA 2: BASIC SERVICE DELIVERY**

#### OBJECTIVE

To provide high quality infrastructure network to support improved quality of life and economic growth

#### **STRATEGIES**

Implementation of projects for all households to access basic water services supported by high quality infrastructure

Implementation of projects for all households to access basic sanitation services supported by high quality infrastructure

Ensure functional electricity services for Ingwavuma and KwaMsane areas

Planning and implementation of support programmes aimed at Improving coverage and quality of infrastructure within the District

#### **KPA 3: LOCAL ECONOMIC DEVELOPMENT**

#### **OBJECTIVE**

To expand district economic output and increase quantity and quality of employment opportunities

#### **STRATEGIES**

Conduct an assessment on the role of agricultural and forestry sector in district economic growth and employment creation

Conduct an assessment on the role of conservation and a diversified tourism sector in District economic growth

Increase in business skills levels of the district labour force

Conduct an assessment on improved quality of employment opportunities and income levels of employed population

Monitoring of UMDA's performance as per the Business Plan for operational budget

#### **KPA 4: FINANCIAL VIABILITY AND MANAGEMENT**

#### **OBJECTIVE**

To Implement Revenue Collection Strategy

To improve expenditure management

To Improve Financial Management

To Effectively Implement Supply Chain Management Regulations

#### **STRATEGIES**

Develop and implement cash flow management plans

Develop and implement cash and credit management plans

Develop a credible budget and report in accordance with the provisions of the MFMA

Development of a Procurement Plan

Assessment of service providers' performance

#### **KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION**

#### **OBJECTIVES**

To improve the quality of life and life expectancy for people living within UMkhanyakude District

To ensure excellence in governance and leadership

#### **STRATEGIES**

Implementation of Special Programmes

Implementation of Environmental Health Management Programmes

Functionality assessment of Risk management programmes

Functionality assessment of committees responsible for oversight in the Municipality

Regular public participation in municipal businesses

Functionality assessment of IGR programmes

Functionality assessment of Council committees and structures

#### **KPA 6: CROSS CUTTING INTERVENTIONS**

#### **OBJECTIVES**

To ensure integrity and quality of physical environment underpinned by a coherent spatial development pattern

To ensure functional and responsive Disaster Management Unit

National Treasury's MFMA Circular No. 85 and 86 was used to guide the compilation of the 2017-2018 draft MTREF.

#### **STRATEGIES**

Conduct an assessment of environmental integrity of the District and its resources

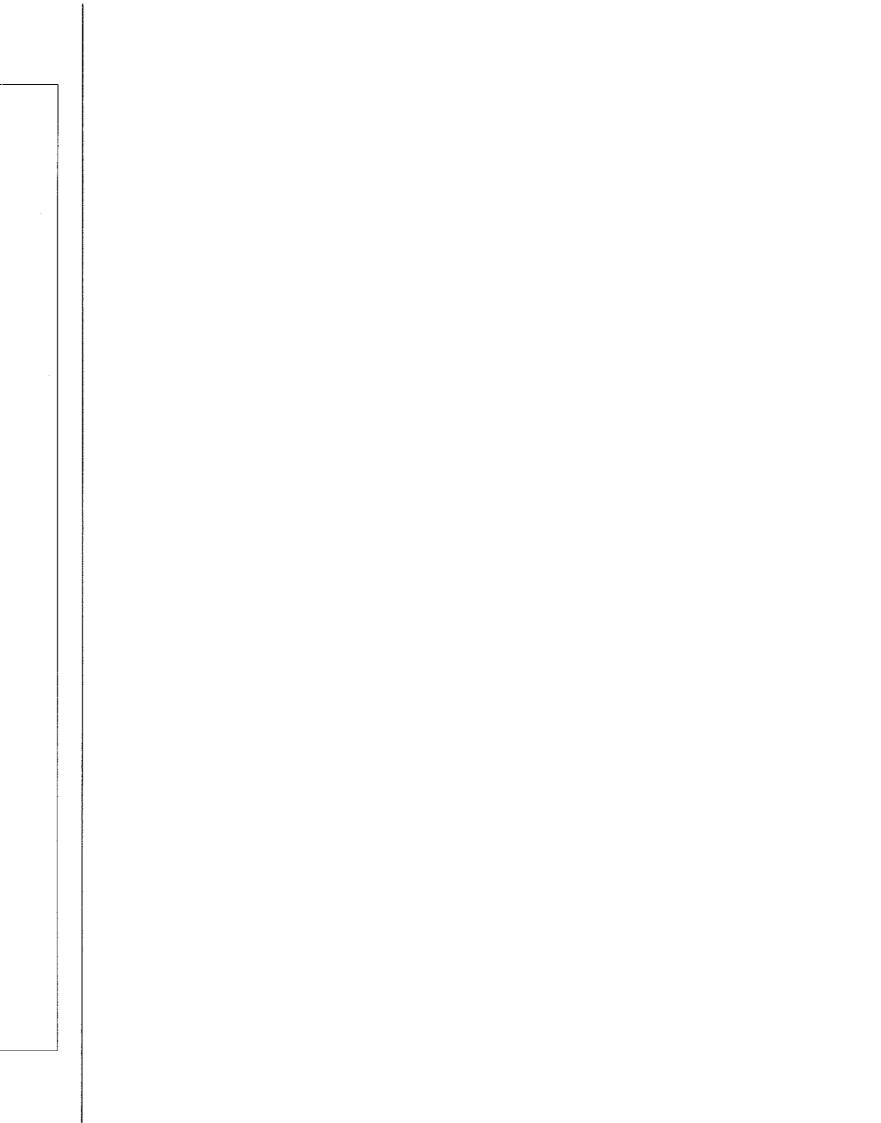
Implement a functionally structured spatial development pattern guided by identified nodes and corridors through an effective land use management system

Conduct an assessment on effectiveness of prevention, mitigation and response to Disasters within the District

#### 1.3.3 Challenges

The main challenges experienced during the compilation of the 2017-2018 draft MTREF can be summarised as follows:

- Aging and poorly maintained water, roads and electricity infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The on-going difficulties in the national and local economy;
- The high rate of unemployment within UMkhanyakude
- The high rate of indigent within UMkhanyakude



The increased cost of bulk water and electricity (due to tariff increases from Water and Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will nolonger be affordable;

Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies; and

Affordability of capital projects – original allocations had to be reduced and the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2017-2018 MTREF process

## 1.3.4 Budget principles and guidelines that directly informed the compilation of the 2017-2018 draft MTREF

The 2016-2017 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2017-2018 annual budget;

Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;

Tariff increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;

There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

The following table is a consolidated overview of the proposed 2017-2018 Medium-term Revenue and Expenditure Framework:



Table 1: Consolidated Overview of the 2017-2018 MTREF

Description		2017/18 Medium Te	erm Revenue & Expenditure Framework		
	Adjusted Budget	Budget Year	Budget Year +1	Budget Year +2	
R thousand	2016/17	2017/18	2018/19	2019/20	
Total Revenue (excluding capital					
transfers and contributions)	379 104	397 092	444 617	485 810	
Total Expenditure	379 104	397 092	444 617	485 810	
Surplus/ Deficit		_	:		
		:	:	:	

The consolidated operating revenue for both parent municipality and the entity of the municipality is R397 million, 4.7 per cent compared to adjustment budget for 2016-2017. For the two outer years, operational revenue will increase by 11 per cent and 9 per cent respectively, equating to a total revenue growth of R 32 million and R44 respectively over the MTREF consolidated.

Total consolidated operating expenditure for the 2017-2018 financial year has been appropriated at 1 per cent increase when compared to the 2016/17 Adjustments Budget and by 9 per cent and 9 per cent for each of the respective outer years of the MTREF.

The capital budget decrease with R26 million in the compared to adjustment budget 2016/17 financial year, then increased in 2017/18 with R 27 million and 2018/19 increased with R28 million

#### 1.4 Operating Revenue Framework

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

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

- National Treasury's guidelines and macroeconomic policy;
- · Growth in the municipality and continued economic development;
- Efficient revenue management
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- · 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 consolidated summary of the 2017-2018 MTREF (classified by main revenue source):

Table 2: Summary of revenue classified by main revenue source

DC27 Umkhanyakude - Table A1 Consolidated Budget Summary

Description	2013/14	2014/15	2015/16		Current Year 2016/17				edium Term F nditure Frame	
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Financial Performance										
Property rates	-	-	-	-	-	-	-	-	-	~
Service charges	43 573	25 978	23 334	36 668	32 429	32 429	32 429	34 504	36 471	38 513
Investment revenue	6 709	1 428	12 612	3 772	4 000	4 000	4 000	4 256	4 499	4 751
Transfers recognised - operational	281 011	237 422	299 771	307 981	305 465	305 465	305 465	346 343	390 975	429 164
Other own revenue	6 605	13 951	34 597	32 369	37 211	37 211	37 211	11 989	12 672	13 382
Total Revenue (excluding capital transfers	337 898	278 778	370 314	380 789	379 104	379 104	379 104	397 092	444 617	485 810
and contributions)										

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from services charges forms a significant percentage of the revenue basket for the municipality. Service charge revenues comprise of 8.7 per cent of the consolidated total revenue mix 2017/18. In the 2016/17 financial year, revenue

from services charges totalled R32 million after the adjustment budget. In 2017/18 consolidated budget for service charges will increases to R35 million, R36 million and R38 million in the respective financial years of the MTREF. A notable trend is the increase in the total percentage revenue generated from services charges which increases with 8 per cent in 2016/17 after the adjustment budget that was because during the adjustment budget the municipality calculated the adjustment figure based on the actual during that period. Now the municipality has increased it actual revenue and conventional revenue budget increased with 8 per cent of the total revenue. The outer year's percentage is 8 per cent in 2018/19. This growth can be mainly attributed to the increased share that the sale of electricity contributes to the total revenue mix, which in turn is due to rapid increases in the Eskom tariffs for bulk electricity.

Operating grants and transfers totals R346 million in the 2017-2018 financial year gazetted for UMkhanyakude District municipality, including the Provincial Grants of the entity (UMhlosinga Development Agency). Note that the year-on-year growth for the 2018/19 financial year is R44 million and then R33 million 2018/19 years. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term as gazetted in Division of Revenue Act bill:

**Table 3: Operating Transfers and Grant Receipts** 

UMKHANYAKUDE DISTRICT MUNICIPALITY DRAFT BUDGET 2017-2018								
Operating grants								
Description	Draft Budget 2017-2018	Draft Budget year+1 2018-2019	Draft Budget year+2 2019-2020					
Equitable share	295 575 000	330 645 000	363 751 000					
RCS Levies Replacement	34 445 000	45 009 000	48 978 000					
	330 020 000	375 654 000	412 729 000					
FMG	1 250 000	1 000 000	1 260 000					
Expanded Public Works Programme	1 008 000	-	- "					
PMU	10 945 500	11 608 450	12 308 150					
Rural Road Assets Management System Grant	2 619 000	2 713 000	2 867 000					
Ingondini Study Grant	500 000	-	-					
Total operating grants	346 342 500	390 975 450	429 164 150					

#### **Tariffs**

Tariff-setting is an essential and strategic part of the compilation of any budget. When charges will be revised, local economic conditions, input costs and the affordability of services will be taken into account to ensure the financial sustainability of the UMkhanyakude. The municipality is under the review of current tariffs, based on that only the tariffs for commercial as well as departments will increase with 10 per cent rates.

National Treasury continues to encourage municipalities to keep increases in tariffs and other charges as low as possible.

It must also be appreciated that the consumer price index, as measured by CPI, is a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc.

#### Table 4: Proposed Water Tariffs

PROPOSED CHARGES AND TARIFFS 2017-2018



ALTEAURE DI	Consumptions charges		District Municipality				
		vvater fair	er Tariffs for 2017/18				
	2016/2017	S Value S C S	Proposed 2017/2018				
Area	Description	Rate	Description	10% increase			
	Water	· · · · · · · · · · · · · · · · · · ·	Water				
All area in DC27	Residential	;	Residential				
	0-6	Free	0-6	Free			
	0-20	6.69	0-20	7.36			
	21-30	10.37	21-30	11,41			
	31-40	12.55	31-40	13.81			
	40-50	15.38	40-50	16.2			
	50>	19.87	50>	21.86			
	Commercial	:	Commercial				
	0-20		0-20	14.41			
***************************************	0-20		21-30	17.54			
	0-30	<del></del>	31-40	18.59			
	0-50		41-50	20.64			
	51>	22,51	<del></del>	24.76			
·							
	Government	·····	Government				
	0-20	13.1	0-20	14.41			
	0-30	15.94	21-30	17.54			
	0-40	16.89	31-40	18.59			
	0-50	18.76	41-50	20.64			
	51>	22.51	51>	24.76			
	Bulk			11.86			
Consumer deposit		Domestic 2x a	ve consumption minimum	R 650.0			
<u> </u>			Ave consumption minimum	R 1 210.0			

#### 1.4.1 Sale of water and impact on tariff increases

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

 Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;



- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2017. Better maintenance of infrastructure will ensure that the supply challenges are managed in future to ensure sustainability. A tariff increase of 10 per cent from 1 July 2017 for water is proposed for the commercials. In addition 6 kt water per 30-day period will again be granted free of charge to all residents.

A summary of the proposed tariffs for households (residential) and non-residential are as follows:

#### 1.4.2 Sale of electricity and impact on tariff increases

NERSA has announced the revised bulk electricity pricing structure. A 2.2 per cent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2017.

It should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity.

#### 1.4.2 Sanitation and impact on tariff increases

A tariff increase of 6.6 per cent for sanitation from 1 July 2017 is proposed. This is based on the input cost assumptions related to water. It should be noted that electricity costs contributes approximately 20 per cent of waste water treatment input costs, therefore the higher than 10 per cent for sanitation tariffs. The following factors also contribute to the proposed tariff increase:

- Sanitation charges are calculated according to the percentage water discharged as indicated in the table below;
- The total revenue expected to be generated from rendering this service amounts to R1.5 million for the 2017-2018 financial year.

	The state of the s			

The following table compares the current and proposed tariffs:

Table 5: Comparison between current sanitation charges and increases

Sanitation tariffs for 2017/2018						
Area	Description	Rates 2016/2017	Rates 2017/2018			
All Area on sewer ma	per flat/Dwelling	R1.78/kl consumed	R1.96/kl consumed			
	Conservancy tanks where service available	422.19	R 464.41			
	Conservancy tanks weekends/PH	R 636.51	R 700.16			
Discharges of sewer b	Per kl	R 26.01	R 28.61			

#### 1.4.5 Overall impact tariff increases on the household

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Table 6: Comparison between water charges and increases (domestic)

	UMkhanyakude District Muni	cipality	
	Water Related Tariffs for 201	7/2018	
Area	Description	Rates 2016/2017	Rates 2017/2018
water connection up to 25m	Domestic	0	R 1,500
all connection above 25mm	Domestic	actual cost + 10%	actual cost + 10%
water connection up to 25m	Commercial/other	R 2 000.00	R 2 200.00
special meter reading		R 225.00	R 247.50
prepaid meter		cost of meter + 10%	cost of meter + 10%
final reading disconnection		R 23.45	R 25.80
testing of a meter		R 508.91	R 559.80
tampering fee		R 1 407.12	R 1 547.82
Water Tanker service		Refer to commercial	ra R18/kl + cost per kn
Water tanker cost per km		R 19.45	R 21.40
Reconnection for non- payment		R193.48	R 121.83
water in unmetered area	per household	R 35.76	R 39.34
all other work			cost + 10%
administration costs			cost+10%
dishonored cheques			R 126.50

#### 1.5 Operating Expenditure Framework

The municipality's expenditure framework for the 2017-2018 budget and MTREF is informed by the following:

- The asset replacement 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 budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset management strategy
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and

The following table is a high level summary of the 2017-2018 budget and MTREF (classified per main type of operating expenditure):

Table 7: Summary of operating expenditure by standard classification item

DC27 Umkhanyakude - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2013/14	2014/15	2015/16		Current Ye	ar 2016/17			edium Term R nditure Frame	
, n		Audited	Audited	Audited	Original	Adjusted	Full Year	Pre-audit	Budget Year	Budget Year	Budget Year
R thousand		Outcome	Outcome	Outcome	Budget	Budget	Forecast	outcome	2017/18	+1 2018/19	+2 2019/20
Expenditure By Type						-					
Employee related costs	2	109 915	124 331	132 792	127 745	128 032	128 032	128 032	136 793	144 560	152 625
Remuneration of councillors		6 953	6 721	6 446	7 459	7 459	7 459	7 459	8 940	9 387	9 857
Debt impairment	3	36 477	17 396	12 209	29 209	12 244	12 244	12 244	13 028	13 770	14 541
Depreciation & asset impairment	2	28 109	28 160	36 515	28 204	28 204	28 204	28 204	30 009	31 720	33 496
Finance charges	- 1 1	978	1 135	2 352	1 049	2 120	2 120	2 120	2 255	2 384	2517
Bulk purchases	2	77 569	69 403	73 601	64 692	81 830	81 830	81 830	92 142	97 395	102 849
Other materials	8	36 270	34 991	33 222	35 614	57 025	57 025	. 57 025	37 252	39 375	41 583
Contracted services		34 369	38 497	31 036	13 869	19 146	19 146	19 146	15 052	15 909	16 800
Transfers and subsidies		-	365	-	5 558	_	-	-	-	-	-
Other expenditure	4, 5	139 618	80 440	118 413	61 409	43 045	43 045	43 045	61 620	90 118	111 545
Loss on disposal of PPE		_		-	-	-	-	-	-	-	
Total Expenditure		470 258	401 440	446 584	374 803	379 105	379 105	379 105	397 092	444 618	485 810

The budgeted allocation for employee related costs for the 2017-2018 financial year totals R136 million, which equals 34 per cent of the total operating expenditure the parent municipality. Based on MFMA circular number 86 guidelines the parent municipality increased the employees related cost with CPI rate plus 1 per cent. The total consolidated of employees related costs is R134 million for the parent and the entity of the municipality which is equal to 34 per cent of the consolidated operational expenditure budget. As part of the UMkhanyakude cost reprioritization and cash management strategy vacancies have been significantly rationalized downwards.

The cost associated with the remuneration of councillors 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) published in December 2016. The most recent proclamation in this regard has been taken into account in compiling the UMkhanyakude District budget.

The provision of debt impairment was determined based on the actual collection on monthly basis for the municipality and on the billing of debtors. The R13 million is set of against the billing provision on our revenue from receivables. The 7 per cent increase for outer years is based on the assumption of the increase of the receivables between

comparative prior years. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

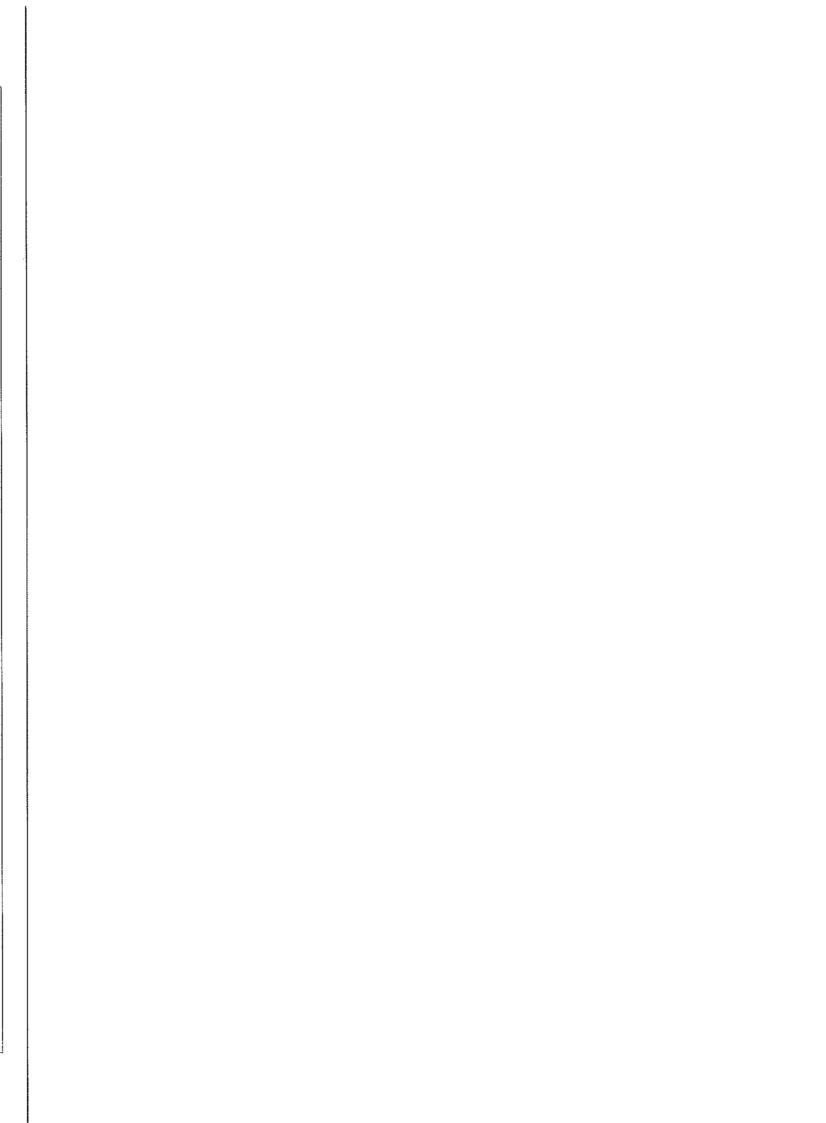
**Depreciation** is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R30 million for the 2017-2018 financial and equates to 8 per cent of the total operating expenditure. It is 8 per cent of the increase of the comparative prior years assets increase. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register. This has resulted in a significant increase in depreciation relative to previous years.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). The municipality was in a process of settling the long-term loan in 2016-2017 and is not intending to have a long-term borrowing in 2017-2018, but since it is not finalised an amount of R2 million has been provided for interest charges and interest on bank accounts for the municipality.

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

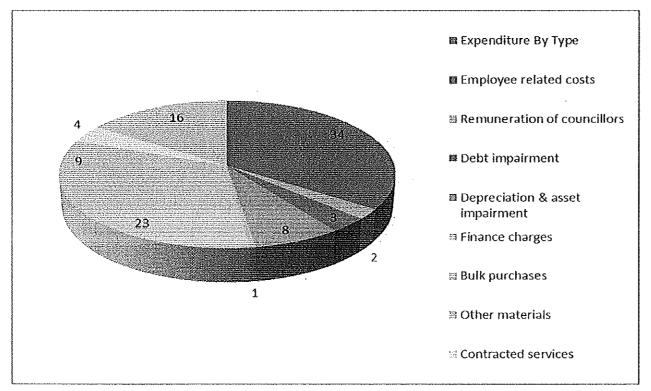
Other materials comprise of amongst others the purchase of fuel, diesel, materials for maintenance, repairs, cleaning materials and chemicals. In line with the municipality repairs and maintenance plan this group of expenditure has been prioritised to ensure sustainability of the UMkhanyakude's infrastructure.

Contracted services have been identified as a cost saving area for the municipality. As part of the compilation of the 2017-2018 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced. In the 2017-2018 financial year, this group of expenditure totals R15 million which equates 4 per cent, clearly demonstrating the application of cost efficiencies.



Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Growth has been limited to 15 per cent for 2017-2018 including the other expenditure of the entity.

Figure 1: Main operational expenditure categories for the 2017-2018 financial year



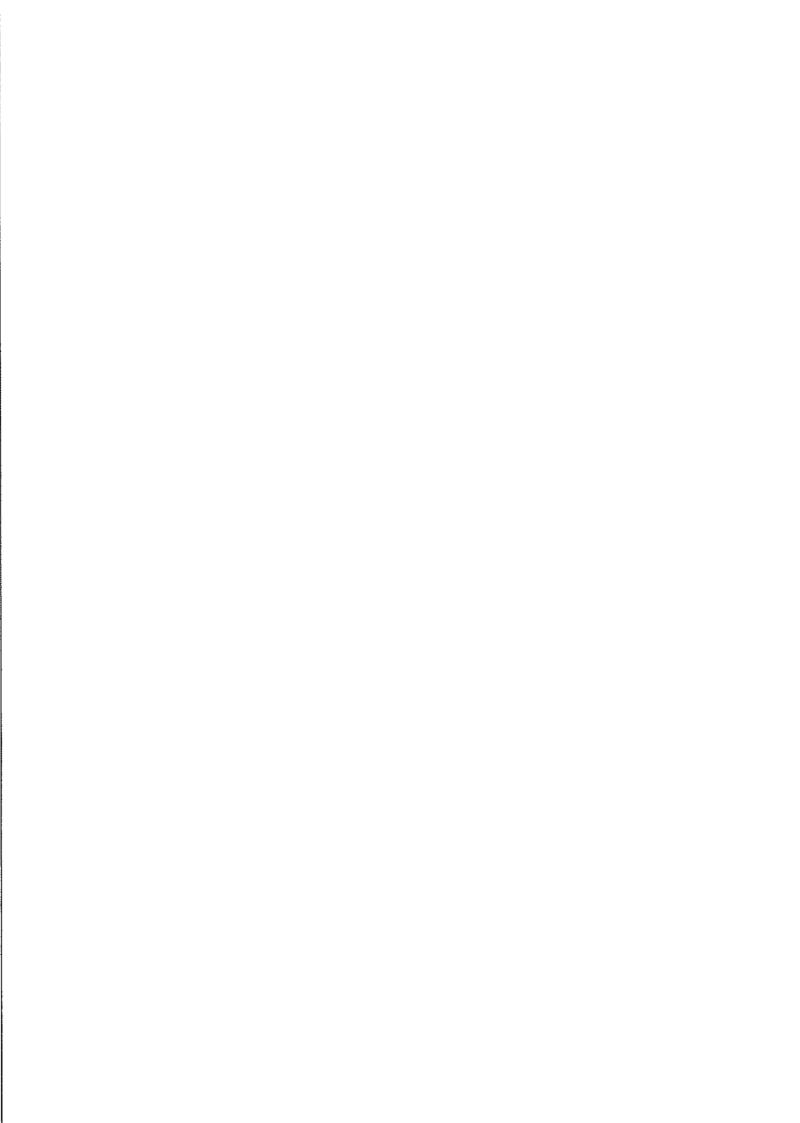
#### 1.6 Capital expenditure

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

Table 8: Capital budget per vote

DC27 Ilmkhanyakude -	Table A5 Consolidated Budgeted (	aoital Excenditure by	vote, functional classification and funding
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Yote Description	Ref		2014/15	2015/16	,	Current Ye			1	ledium Term R nditure Frame	
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital expenditure - Vote	Н	00.000	********								-
Multi-year expenditure to be appropriated	2										
Vote 1 - COUNCIL SUPPORT	ŀΙ	-	-	-	_	-	-	-	-	-	-
Vote 2 - BOARD AND GENERAL		- [	-	-	-	-	- 1	-	-	-	- 1
Vote 3 - FINANCIAL SERVICES		- 1	-	-	-	-	-	-		-	-
Vote 4 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 6 - THUSONG SERVICES CENTRE		-	-	-	- 1	-	-	-	-	-	-
Vota 7 - SOCIAL ECONOMIC DEVELOPMENT		~	-	-	- 1	-	-	-	-	-	-
Vota 8 - ELECTRICITY DEPARTMENT		-	-	- (	- 1	-	- 1	-	_	_	-
Vote 9 - WATER SERVICES		-	-	~	-	-	~	-	Į į	_	_
Vote 10 - SANITATION DEPARTMENT		-	_	-				_	_	_	_
Vota 11 - TECHNICAL SERVICES			_		[			_	_	_	_
Vote 12 - [NAME OF VOTE 12] Vote 13 - [NAME OF VOTE 13]		_		_	_	_	_	_	_		
Vote 14 - [NAME OF VOTE 14]		_	_	-	_	-	-	-	_		-
Vota 15 - [NAME OF VOTE 15]		_	-	_ :	-	-	_	-	-	- 1	i - I
Capital multi-year expenditure sub-total	7	-		-	-		-			_	
1 '	2										
Single-year expenditure to be appropriated	4				_	_	_	_	_	_	_
Vote 1 - COUNCIL SUPPORT Vote 2 - BOARD AND GENERAL		[ [	_	] []	_	_		_	_	_	_
Vote 3 - FINANCIAL SERVICES		[	´ -	_ [	[	_	_	_	_	_	-
Vota 4 - CORPORATE SERVICES		_	_		- 1	_	_	_	_	_	-
Vota 5 - COMMUNITY SERVICES		_	_		_	-	_	_	-	-	-
Vote 6 - THUSONG SERVICES CENTRE		-	_	- 1	- 1	_	-	_	-	-	-
Vota 7 - SOCIAL ECONOMIC DEVELOPMENT		-	-	_	-	18 925	16 925	16 925	-	-	1 -
Vote 8 - ELECTRICITY DEPARTMENT		-	_	-	_	-	-	_	-	-	-
Vote 9 - WATER SERVICES		-	-	_	216 597	218 597	216 597	216 597	199 821	223 804	243 375
Vote 10 - SANITATION DEPARTMENT		- 1	-	-	50 920	50 920	50 920	50 920	58 144	61 757	65 479
Yob 11 - TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-	[ -
Vote 12 - [NAME OF VOTE 12]	ĺ	- 1	-	-	-	-	-	-	-	_	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	_	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	_	-
Vote 15 - [NAME OF VOTE 15]	ļ		-		267 517	284 442	284 442	284 442	257 965	285 561	313 855
Capital single-year expenditure sub-total	1	-		<u> </u>		284 442	284 442	284 442	257 965	285 561	313 855
Total Capital Expenditure - Vote	<u> </u>	-	-		267 517	201 442	204 442	204 442	201 300	205-201	313633
Capital Expenditure - Functional											
Governance and administration	ı	] - [	-	-	-	-	-	-	-	-	-
Executive and council		- 1	-	- :	-	-	-	-	_	-	_
Finance and administration		_	_	_	_	_	_	_	_	-	
internal audit			-			-	_		1 _		
Community and public safety			_		[	[ [	_	_	]	-	1 _
Community and social services Sport and recreation		_	_		_	_	_	_	_	-	_
Public safety		_	_	_	[ _ [	_	_	-	-	_	_
Housing		_	_	_	-	-	-	-	-	-	-
Heath		-	-	_	-	-	-	-	-	_	-
Economic and environmental services		-	-	-	-	16 925	16 925	16 925	-		-
Planning and development		-	-	-	-	16 925	16 925	16 925	-	-	-
Road transport		-	-	-	-	- '	- '	-	-	-	-
Environmental protection		-	-	-	] -	-	-	-		-	_
Trading services	•	261 057	128 373	231 339	267 517	287 517	267 517	267 517	257 965	285 561	313 855
Energy sources		-		-			<b>.</b>			1	
Water management	1	255 188	119 099	229 683	216 597	216 597	216 597	216 597	1	ŧ	
Waste water management		5 889	9 274	1 656	50 920	50 920	50 920	50 920	58 144	1	65 479
Waste management		-	-	_	-	-	_	_	_	-	_
Other	1.	444.45-	400.070	224 222	207 517					<u> </u>	313 855
Total Capital Expenditure - Functional	3	261 057	128 373	231 339	267 517	284 442	284 442	284 442	257 965	200 301	313 033
Funded by:							l		1		
National Government		255 188	119 099	231 339	267 517	287 517	267 517	267 517	1	265 561	313 855
Provincial Government	1	-	-	-	-	16 925	16 925	16 925	F	-	_
District Municipally		1 -	-	_	-	-	_	-	-	-	-
		ŀ	1								
Other transfers and grants	-	5 869	9 274	-	-	-	-	L		ADE EAS	742 666
Transfers recognised - capital	4	5 869 261 057	128 373	231 339	267 517	284 442	284 442	284 442	257 965	1	313 855
Transfers recognised - capital Public contributions & donations	5	5 869 261 057	128 373		267 517	284 442	-	284 442 -	257 965 -	-	-
Transfers recognised - capital Public contributions & donations Borrowing	1	5 869 261 057	128 373 - -		267 517 - -	284 442 - -	284 442 - -	284 442 - -	257 965	1	£
Transfers recognised - capital Public contributions & donations	5	5 869 281 057  -	128 373	231 339	267 517	284 442	-	284 442 -	257 965 - - -	- - -	-



For 2017-2018 an amount of R257 million has been appropriated for the development of infrastructure which is the total capital budget. In the outer years this amount totals R265 million, and R313 million respectively for each of the financial years. Water receives the highest allocation



#### 1.7 Annual Budget tables

## Table 9: Consolidated Annual Budget Summary DC27 Umkhanyakude - Table A1 Consolidated Budget Summary

DC27 Umkhanyakude - Table A1 Consolid	iaceo Buage	t Summary						2017/10 11	edium Term 8	Parana 2
Description	2013/14	2014/15	2015/16		Current Ye			Expe	ndilure Frame	work
R thousands	Audited	Audited	Audited	Original	Adjusted	Full Year	Pre-audit		1 -	Budget Year
Financial Performance	Outcome	Outcome	Оиссоте	Budget	Budget	Forecast	outcome	2017/18	+1 2018/19	+2 2019/20
Property rates		_		_ 1	_	_	_	_	_	_
Service charges	43 573	25 978	23 334	36 568	32 429	32 429	32 429	. 34 504	36 471	38 513
Investment revenue	6 709	1 428	12 612	3 772	4 000	4 000	4 000	4 256	4 499	4 751
Transfers recognised - operational	281 011	237 422	299 771	307 981	305 465	305 465	305 485	346 343	390 975	429 164
Offier own revenue	6 605	13 951	34 597	32 369	37 211	37 211	37 211	11 969	12 672	13 382
Total Revenue (excluding capital transfers	337 893	278 778	370 314	380 789	379 104	379 104	379 104	397 092	444 617	485 810
and contributions)										
Employee costs	109 915	124 331	132 792	127 745	128 032	128 032	128 032	136 793	144 560	152 625
Remuneration of councillors Depreciation & asset impairment	6 953 28 109	6 721 28 160	6 448 36 515	7 459 28 204	7 459 28 204	7 459 28 204	7 459 28 204	8 940 30 009	9 387 31 720	9 857 33 496
Finance charges	978	1 135	2 352	1 049	2 120	2 120	2 120	2 255	2 384	2 517
Materials and bulk purchases	113 839	104 394	106 823	100 306	138 855	138 855	138 855	129 394	136 770	144 429
Transfers and grants	-	365	-	5 558	-	-	_	-	-	_
Other expenditure	210 464	136 334	161 657	104 487	74 435	74 435	74 435	89 700	119 797	142 886
Total Expenditure	470 258	401 440	446 584	374 808	379 105	379 105	379 105	397 092	444 618	485 810
Surplus/(Deficit)	(132 360)	(122 662)	(76 270):	5 982	(0)	(0)	(0)	(0)	(0)	0
Transfers and subsidies - capital (monetary allod Contributions recognised - capital & contributed a	233 214	162 783	222 693	267 517	284 442	284 442	284 442	257 965 121 637	285 561	313 855
Surplus/(Deficit) after capital transfers &	100 854	40 121	146 423	273 499	284 442	284 442	284 442	379 601	285 560	313 855
contributions	100 054	70 121	140 420	210 433	204 442	201 412	201 412	373 001	200,000	313 003
Share of surplus/ (defoid) of associate		_	_	_		_			_	_
Surplus/(Deficit) for the year	100 854	40 121	146 423	273 499	284 442	284 442	284 442	379 601	285 560	313 855
outpitua(oesiai) to the year	100 00.74	70 121	110 120	210 700	201 112	207 112	207 172	3,7 33.	200	31000
Capital expenditure & funds sources										
Capital expenditure	261 057	128 373	231 339	267 517	284 442	284 442	284 442	257 965	285 561	313 855
Transfers recognised - capital	261 057	128 373	231 339	267 517	284 442	284 442	284 442	257 965	285 561	313 855
Public contributions & donations	-	-		- 1	-	-	-	- 1	-	-
Borrowing	-	-	-	-	-	-	-		_	-
Internatly generated funds Total sources of capital funds	261 057	128 373	231 339	267 517	284 442	284 442	284 442	257 965	285 561	313 855
	251 431		201 005	20, 011	201 172	201 112	201 112	201 000	200,007	V10 000
Financial position Total current assets	142 308	144 934	301 794	(34 543)	102 261	102 261	102 321	368 009	377 790	387 840
Total non current assets	1 474 996	1 575 718	1 662 545	1 641 756	1 641 936	1 641 936	1 641 936	1 734 517	1 838 566	1 949 580
Total current fiabilities	155 444	212 827	285 912	64 855	64 855	64 855	64 855	47 950	37 793	256 193
Total non current fabilities	12 685	12 808	13 091	7 751	7 751	7 751	7 751	7 528	7 128	6 728
Community wealty Equity	1 449 174	1 495 017	1 865 335	1 534 606	1 671 591	1 671 591	1 671 651	2 047 047	2 171 436	2 274 499
Cash flows										
Net cash from (used) operating	119 367	137 472	250 918	295 009	275 637	275 637	275 637	403 121	331 194	370 187
Net cash from (used) investing	(261 837)	(128 476)	(231 339)	(267 517)	(284 442)	(284 442)	(284 442)	(379 602)	(285 561)	(313 855)
Net cash from (used) financing	12 092	(4 716)	(860)	(711)	(1 402)	(1 402)	(1 402)	(1 401)	(1 400)	(1 399)
Cashicash equivalents at the year end	11 378	15 657	32 523	(54 695)	22 317	22 317	22 317	44 434	88 567	143 601
Cash backing/surplus reconciliation										· · · · · · · · · · · · · · · · · · ·
Cash and investments available	11 378	13 717	32 523	(79 476)	(79 476)	(79 476)	(79 476)	24 445	24 766	24 992
Application of cash and investments	104 762	166 261	130 102	31 563	29 930	29 930	29 930	(271 718). 296 162	(251 406) 276 172	(88 034) 113 076
Balance - surptus (shortfall)	(93 383)	(152 544)	(97 579)	(111 039)	(109 406)	(109 406)	(109 406)	780 107	210 112	113 070
Asset management								[		
Asset register summary (WDV)	-	-	_	672 734	672 915 -	672 915 -	_	_	_	-
Depreciation Renewal of Existing Assets	261 057	128 373	231 339	267 517	267 517	267 517	267 517	257 965	285 561	313 855
Repairs and Maintenance	36 270	34 991	33 222	35 614	57 025	57 025	37 252	37 252	39 375	41 580
Free services						•				
Cost of Free Basic Services provided	_ [	_	_	_ ]	_		_		_	_
Revenue cost of free services provided	_	_	_	_ [	_	_	_	_	_	_
Households below minimum service level										-
V/ater:	-	-	· _	-	24	24	29	29	29	29
San'tation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	16	16	17	17	17	17
Refuse:	- 1	-	-	-	-	-	-	-	-	-

Table 10: Consolidated budget financial performance (Revenue and expenditure by standard classification)

DC27 Umkhanyakude - Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by functional classification)

DOZI UNIKITANYAKUDE - TADIE AZ CONSO	T	Daugotea	i iliuitolaz i Gi	TOTAL COLLEGE	orenae ana c	aponunuio.	o y ranonono			
Functional Classification Description	Ref	2013/14	2014/15	2015/16	Cu	rrent Year 2016	¥17		ledium Term R Indilure Frame	
		Audited	Audited	Audited	Original	Adjusted	Full Year	Budget Year	Budget Year	Budget Year
R thousand	1	Outcome	Outcome	Outcome	Budget	Budget	Forecast	2017/18	+1 2018/19	+2 2019/20
Revenue - Functional										
Governance and administration		240 889	243 815	280 384	302 613	297 889	297 889	303 252	338 439	372 185
Executive and council	1	227 471	240 169	265 376	292 146	292 146	292 146	295 575	330 645	363 751
Finance and administration	1	13 418	3 645	15 008	10 467	5 743	5 743	7 677	7 794	8 434
internal audit		-	-	-		- 1	_	_	l -	-
Community and public safety		6 098	1 735	102	55	55	55	-	-	-
Community and social services		6 098	1 735	102	55	55	55	-	- 1	-
Sport and recreation	l	-	- 1	-		- 1	-	-	-	_
Public safety	-		-	-	-	- 1	-	-	-	-
Housing		- 1	- 1	-	-	- 1	-	-		-
Heath			- 1	-	_	- 1	-	-	-	-
Economic and environmental services		13 867	7 251	58 182	40 160	47 438	47 438	58 328	61 163	51 862
Planning and development		13 867	7 251	58 182	40 160	47 438	47 438	58 328	61 163	61 862
Road transport		_	_	-	-	- :	-	-	-	-
Environmental protection		-	_	_			_	-	- 1	-
Trading services		310 258	188 761	31 646	37 960	33 737	33 737	35 512	36 471	38 513
Energy sources		39 669	5 256	4 884	5 047	6 437	6 437	6 849	7 239	7 645
Water management		233 332	182 657	26 332	32 397	27 043	27 043	28 406	28 959	30 581
Waste water management		37 257	848	430	516	258	258	258	272	288
Waste management		-	- 1	-	-	- :	_	_	-	-
Other	4	-	_	_	-	- 1	_	-	-	-
Total Revenue - Functional	2	571 112	441 561	370 314	380 789	379 120	379 120	397 092	436 072	472 581
Expenditure - Functional									İ	
Governance and administration	ļ	229 129	171 766	239 203	143 916	147 852	147 852	147 852	155 002	163 817
Executive and council		128 868	38 619	132 792	19 975	22 684	22 684	22 684	25 285	26 632
Finance and administration	1	100 261	133 147	106 411	123 941	125 168	125 168	125 168	129 717	137 185
Internal audit		-	- 1	- 1	-			-	-	-
Community and public safety		-	19 028	18 029	18 184	28 182	28 182	28 182	29 801	31 470
Community and social services	I	-	19 028	18 029	18 184	28 182	28 182	28 182	29 801	31 470
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety	1	-	-	-	-	-	-		-	-
Housing		-	-	~	-	-	-	-	-	-
Hea'th		-	-	-	-	<b>→</b>	-	-	-	-
Economic and environmental services		-	45 682	20 498	55 520	86 579	86 579	87 079	92 488	94 942
Planning and development		-	45 682	20 498	55 520	86 579	86 579	87 079	92 488	94 942
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	- 1	-	-	-	-	-
Trading services		241 131	164 599	168 661	157 187	133 980	133 980	133 980	158 782	182 332
Energy sources		52 604	32 799	31 088	23 042	38 442	38 442	38 442	40 640	42 916
Water management	1	160 477	129 602	135 119	131 684	93 225	93 225	93 225	115 699	136 837
Waste water management		28 050	2 199	2 454	2 461	2 313	2 313	2 313	2 443	2 579
Waste management	-	- 1	-	-	-	-	-	-	-	-
Other	4	-	_		-	-	-	-	-	-
Total Expenditure - Functional	3	470 259	401 076	446 391	374 807	396 593	396 593	397 093	436 072	472 561
Surplusi(Delicit) for the year		100 852	40 485	(78 077)	5 982	(17 473)	(17 473)	(0)	(0)	(0)

Table 11: Consolidated Budget Financial Performance (revenue and expenditure by municipal vote) 33

DC27 Umkhanyakude - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)

.

	_									•
Vote Description	Ref	2013/14	2014/15	2015/16	Cur	Current Year 2016/17	117	2017/18 M	2017/18 Medium Term Revenue & Expenditure Framework	evenue & work
							***************************************	and the state of t		,
R thousand		Audited	Andited	Andited	Original	Adjusted	Full Year	Budget Year	ш	Budget Year
		Outcome	Outcome	Outcome	Budget	Budget	Forecast	2017/18	+1 2018/19	+2 2019/20
Revenue by Vote	·									
Vote 1 - COUNCIL SUPPORT		1	1	ſ	1	1	ı	ı	1	1
Vote 2 - BOARD AND GENERAL		227 471	240 169	265 376	292 146	292 146	292 146	295 575	330 645	363 751
Vote 3 - FINANCIAL SERVICES		13 418	3 645	14 952	10 467	5 743	5 743	7 677	7 794	8 434
Vote 4 - CORPORATE SERVICES		860 9	ı	99	l	ı	I	1	1	1
Vote 5 - COMMUNITY SERVICES		ı	1 587	102	ı	ı	1	1	1	t
Vote 6 - THUSONG SERVICES CENTRE		J	148	1	55	55	55	I	ı	ı
Vote 7 - SOCIAL ECONOMIC DEVELOPMENT		13 867	1 929	58 182	27 268	26 102	26 102	47 382	49 554	49 554
Vote 8 - ELECTRICITY DEPARTMENT		39 669	5 256	4 884	5 047	6 437	6 437	6 849	7 239	7 645
Vote 9 - WATER SERVICES		233 332	182 657	26 332	32 397	27 043	27 043	28 406	28 959	30 581
Vote 10 - SANITATION DEPARTMENT		37 257	848	430	515	242	242	258	272	288
Vote 11 - TECHNICAL SERVICES		I	5 321	ı	12 892	21 336	21 336	10 946	11 608	12 308
Vote 12 - [NAME OF VOTE 12]		1	ı	I	***	I	I	1	ı	I
Vote 13 - [NAME OF VOTE 13]		I	1	ı	ı	1	į	I	1	ſ
Vote 14 - [NAME OF VOTE 14]		I	ı	2	1	I	1	1	ı	ı
Vote 15 - [NAME OF VOTE 15]		I	ı	1	ı	ı	1	1	ı	1
Total Revenue by Vote	2	571 112	441 561	370 314	380 789	379 104	379 104	397 092	436 072	472 561
Expenditure by Vote to be appropriated	۲									
Vote 1 - COUNCIL SUPPORT		6 953	8 840	19 203	10 012	10 017	10 017	11 678	12 275	12 907
Vote 2 - BOARD AND GENERAL		121 915	29 779	113 589	9 963	13 782.	13 782	11 006	13 010	13 725
Vote 3 - FINANCIAL SERVICES		42 524	48 145	58 411	86 628	89 004	89 004	88 729	90 307	95 568
Vote 4 - CORPORATE SERVICES		57 736	85 002	48 000	37 313	43 159	43 159	36 439	39 410	41 617
Vote 5 - COMMUNITY SERVICES		ı	17 788	18 029	16 746	17 490	17 490	26 662	28 194	29 773
Vote 6 - THUSONG SERVICES CENTRE		I	1 240	1	1 438	1 438	1 438	1 520	1 607	1 697
Vote 7 - SOCIAL ECONOMIC DEVELOPMENT		1	36 957	20 498	46 946	19 908	19 908	76 897	81 661	83 509
Vote 8 - ELECTRICITY DEPARTMENT		52 604	32 799	31 088	23 042	36 930	36 930	38 442	40 640	42 916
Vote 9 - WATER SERVICES		160 477	129 602	135 119	131 684	136 290	136 290	93 225	115 699	136 837
Vote 10 - SANITATION DEPARTMENT		28 050	2 199	2 454	2 461	2 461	2 461	2 313	2 443	2 579
Vote 11 - TECHNICAL SERVICES		1	8 725	ı	8 574	8 625	8 625	10 182	10 827	11 434
Vote 12 - [NAME OF VOTE 12]	·-·	ı	ı	i	J	I	1	J	ı	ł
Vote 13 - [NAME OF VOTE 13]		I	1	1	ı	1	1	ı	1	ı
Vote 14 - [NAME OF VOTE 14]		1	ı	i	1	I	1	1	ı	1
Vote 15 - [NAME OF VOTE 15]		I	ł	J	I	ı	ı	1	ŀ	1
Total Expenditure by Vote	2	470 259	401 076	446 391	374 807	379 104	379 104	397 093	436 072	472 561
Surplus/(Deficit) for the year	2	100 852	40 485	(76 077)	5 982	0	0	(0)	0	0)
					3					

Table 12: Consolidated budgeted financial performance and revenue expenditure DC27 Umkhanyakude - Table At Consolidated Budgeted Financial Performance (revenue and expenditure)

DC27 Umkhanyakude - Table A4 Consoli	date	d Budgeted	Financial Pe	rformance (re	evenue and e	expenditure)					
Description	Ref	2013/14	2014/15	2015/16		Current Ye	ar 2016/17		l	ledium Term R nditure Frame	- 1
R thousand	11	Audited	Audited	Audited	Original	Adjusted	Full Year	Pre-audit	Budget Year	Budget Year	Budget Year
n diodsaild	<u> </u>	Outcome	Outcome	Outcome	Budget	Budget	Forecast	outcome	2017/18	+1 2018/19	+2 2019/20
Revenue By Source											
Property rates	2	-	-	-	- :	-	_ ]	-	-	-	-
Service charges - electricity revenue	2	5 869	5 258	4 884	5 047	6 437	6 437	6 437	6 849	7 239	7 645
Service charges - water revenue	] 2	36 847	19 874	18 020	31 104	25 750	25 750	25 750	27 398	28 959	30 581
Service charges - sanitation revienue	2	1257	848	430	518	242	242	242	258	272	283
Service charges - refuse revenue	2	_	_	_		_	_	-	_		- 1
Service charges - ofter		_	_	_	_ '	_	_		_	_	- 1
Rental of facilities and equipment	1 1	107	33	67	94	129	129	129	137	145	153
Interest earned - external investments	1 1	6709	1 428	12 612	3772	4000	4 000	4 000	4 256	4 499	4 751
i e		4 462	, 420	,2412	4 995	-	-	-	7200	7,700	1
Interest earned - outstanding debtors		i :			4 890				_	_	
Dividends received		-		-		-	-		-	_	-
Fines, penaltes and furfeits	1	-	-	-	-	-	- 1	_	-	-	-
Licences and permits		-	-	-	-	-	-	- 1	-	-	- 1
Agency services	П	- 1	-	-	-	- 1		-	-	-	-
Transfers and subsidies		281 011	237 422	299 771	307 981	305 465	305 465	305 465	346 343	390 975	429 164
Other revenue	2	2 036	13 917	34 531	27 280	37 032	37 082	37 032	11 852	12 527	13 229
Gains on disposal of PPE		- 1	-	-	-	-		-	-	-	- 1
Total Revenue (excluding capital transfers	M	337 838	278 778	370 314	389 789	379 104	379 104	379 104	397 092	444 617	485 810
and contributions)	Н										
Expenditure By Type											
Employee related costs	2	109 915	124 331	132 792	127 745	128 032	128 032	128 032	136 793	144 560	152 625
Remuneration of councilors		6 953	6 721	6 446	7 459	7 459 :	7 459	7 459	8 940	9 387	9 857
Debt impairment	3	36 477	17 396	12 209	29 209	12 244	12 244	12 244	13 028	13 770	14 541
Depreciation & asset impairment	2	28 109	28 160	36 515	23 204	28 204	28 204	28 204	30 009	31 720	33 496
Finance charges		978	1 135	2 352	1 049	2 120	2 120	2 120	2 255	2 384	2 517
Bulk purchases	2	77 509	69 403	73 601	64 692		81 830	81 830	92 142	97 395	102 849
Other materials	8	36 270	34 991	33 222	35 614	57 025	57 025	57 025	37 252	39 375	41 580
Contracted services		34 369	38 497	31 036	13 869	19 146	19 146	19 146	15 052	15 909	16 800
Transfers and subsidies	l		365		5 558	-		-			
Other expenditure	4, 5	139 618	80 440	118 413	61 409	43 045	43 045	43 045	61 620	90 118	111 545
Loss on disposal of PPE	-	-	-	- 110 504	- 074 647	470.400	- 170 /00	270 (05	- 447.444	441.040	105 840
Total Expenditure	$\vdash$	470 258	401 440	446 584	374 898	379 105	379 105	379 105	397 092	444 518	485 810
Surplus/(Deficit) Transfers and subsidies - capital (monetary		(132 350)	(122 662)	(76 270)	5 982	(0)	(0)	(0)	(0)	(0)	0
allocations) (National / Provincial and District)		233 214	162 783	222 693	267 517	284 442	284 442	284 442	257 965	285 561	313 855
Transfers and subsidies - capital (monetary	1										[ ]
allocations) (National / Provincial Departmental	1	1			1				Ì		
Agencies, Households, Non-profit Institutions,									1		
Private Enterprises, Public Corporators, Higher	6	_	_	_	_ :	_	_	_	_	_	[ _ [
Transfers and subsidies - capital (in-kind - all)	ľ	_	_	_	-	_	_ :	_	121 637	_	
Surplus/(Delicit) after capital transfers &		100 854	40 121	146 423	273 499	284 442	284 442	284 442	379 501	285 560	313 855
contributions				/10		1					
Tacaton				_	_	_	_ :	_	_	-	<u> </u>
Surplusi(Deficit) after taxation		100 854	40 121	145 423	273 499	284 442	284 442	284 442	379 601	285 560	313 855
Attributable to minorities			-					-	-		-
Surplus/(Deficit) attributable to municipality		100 854	40 121	145 423	273 499	284 442	284 442	284 442	379 601	285 560	313 855
Share of surplus/ (defect) of associate	7		_ :			_	_		-	-	-
Surplus(Deficit) for the year		100 854	40 121	146 423	273 499	284 442	284 442	284 442	379 601	285 560	313 855
	L	111 301	1 12 121	1					1	1 344	

Table 13: Consolidated capital expenditure by vote standard classification and funding

DC27 Umkhanyakude - Table A5 Consolidated Budgeted Capital Expenditure by vote, functional classification and funding

Yote Description	Ref	2013/14	2014/15	2015/16		Current Ye	ar 2016/17		1	ledium Term R nditure Frame	
,,,,,		Audited	Audited	Audited	Original	Adjusted	Full Year	Pre-audit		Budget Year	
R thousand	1	Outcome	Outcome	Outcome	Budget	Budget	Forecast	outcome	2017/18	+1 2018/19	+2 2019/20
Capital expenditure - Yote											
Multi-year expenditure to be appropriated	2		1								
Vota 1 - COUNCIL SUPPORT		-	-	-	-	-	-	-	_	-	_
Vote 2 - BOARD AND GENERAL		~	-	· -	-	-		_	-	_	_
Vote 3 - FNANCIAL SERVICES		-	-	-	-	_	_	_		_	
Vote 4 - CORPORATE SERVICES	1 1	_	-		_	_ [	_ [	_	_	_	_
Vote 6 - COMMUNITY SERVICES Vote 6 - THUSONG SERVICES CENTRE		-	_ [ [	_ [		_ [	_	_	_	l -	_
Vota 7 - SOCIAL ECONOMIC DEVELOPMENT		_	_	_	_	_ }	_	_	_	_	_
Vote 8 - ELECTRICITY DEPARTMENT	ΙI	_		_	_	1	_	-	_	-	-
Vote 9 - WATER SERVICES		_	_	-	-	- 1		_	_	- 1	-
Vote 10 - SANITATION CEPARTMENT	H	_		-	-	- 1	- 1	-	-	-	-
Vote 11 - TECHNICAL SERVICES	H	_	_	-	-	-	-	-	_	-	-
Vota 12 - [NAME OF VOTE 12]		- 1	-	- 1	- 1	-		-	-	-	-
Vote 13 - [NAME OF VOTE 13]	1	- 1	-	1	-	-		-	-	-	-
Vote 14 - [NAIVE OF VOTE 14]	]	- 1	-	-	-	-	-	_	-	_	-
Vota 15 - [NAME OF VOTE 15]	]	-	-	-	-	-	-	-	_	<u> </u>	
Capital multi-year expenditure sub-total	7	-	-	-	,	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vota 1 - COUNCIL SUPPORT	[ ]		_	-	_	_	_	_	-	Ī -	-
Vote 2 - BOARD AND GENERAL		_	_		-	_ }	_	_	_	-	_
Vote 3 - FNANCIAL SERVICES		_ !	_	_	_	- 1	_	_	_	-	_
Vote 4 - CORPORATE SERVICES		_ !	_	_	-	_	_	_	_	-	-
Vote 5 - COMMUNITY SERVICES		- '	_	-	-	-	-	-		-	-
Vote 6 - THUSONG SERVICES CENTRE		-	-	_	-	_	- 1	_	-	-	-
Vota 7 - SOCIAL ECONOMIC DEVELOPMENT		_ :	_	_	-	16 925	16 925	18 925	-	-	-
Vote 8 - ELECTRICITY DEPARTMENT		- 1	- 1	- 1	-	-	-	-	-	-	-
Vota 9 - WATER SERVICES		- 1	-	-	216 597	216 597	216 597	216 597	199 821	223 804	248 375
Vote 10 - SANITATION DEPARTMENT		-	-	-	50 920	50 920	50 920	50 920	58 144	61 757	65 479
Vote 11 - TECHNICAL SERVICES	1	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	- 1	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	~	-	-	-	-	-	-	-
Yob 14 - [NAME OF VOTE 14]		-	-	-	-	-	- !	-	<b>-</b>	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-		-	-			
Capital single-year expenditure sub-total		-		-	267 517	284 442	284 442	284 442	257 965	285 561	313 855
Total Capital Expenditure - Vote		-			267 517	284 442	284 442	284 442	257 965	285 561	313 855
Capital Expenditure - Functional				] !					1		
Governance and administration		-	-	- 1	-	-		-		-	-
Executive and council	1	- 1	-	- 1	-	-	-	_	-	-	-
Finance and administration				-	- :	-	-	-	-	-	-
htemal audit		_	-	- 1	- :		-	-	-	-	-
Community and public safety		-	-	-	-	-	-	-	-	-	-
Community and social services		-	-	- :	-	-	-	-	_	-	-
Sport and recreation			-	-	-	- 1	-	-	-	_	-
Public safety		-	-	-	-	-	-	-	-	-	_
Housing		-	_	-	-	-	_	-	1 -	-	_
Health		-	_	-	-	46.025	16 925	16 925	1 -		_
Economic and environmental services		_	-	-	-	16 925 16 925	16 925	16 925	1		_
Planning and development	1	-	_	_	_	10.450	10 923	10 323	1 -	_	_
Road transport		_			_	]		]	_	_	-
Environmental protection		241.057	122 272			267 517		267 517	257 965	285 561	313 855
Trading services Energy sources		261 057	128 373	231 339	267 517	26/ 51/	1 201 211	201011		1 22 231	1
Energy sources Water management		255 188	119 099	229 683	216 597	218 597	216 597	216 597	199 821	223 804	248 375
water management Waste water management		5 869	9 274	1 656	50 920	50 920	50 920	50 920		£	65 479
Waste management		1	-	-	-	_		_	-	-	-
Other			_	-	_	_	-	-	_	-	-
Total Capital Expenditure - Functional	3	261 057	128 373	231 339	267 517	284 442	284 442	284 442	257 965	285 561	313 855
· · · · · · · · · · · · · · · · ·	1	<del>                                     </del>	1	1			<u> </u>	l	1		
Funded by:		255 (20	119 099	231 339	267 517	267 517	267 517	287 517	257 965	285 561	313 85
National Government	1	255 188	1	231 339	201 211	16 925	16 925	16 925	1	200.001	- 515 33
Provincial Government		_	<u> </u>	1 .	_	10.853	10 923	10 923	_	-	_
District Municipality		5 869	9 274			_	]		1 -	_	-
Other transfers and grants	4	261 057	128 373	231 339	267 517	284 442	284 442	284 442	1	285 551	313 85
Transfers recognised - capital Public contributions & donations	5	201 (5)	120 313	231 333	201 311		- 204	- 201712	- 20, 300	-	-
Borrowing -	8	_	_	_	_	_	_	_	-	-	-
	1	_	_	_	_	_	_	_	_	-	-
								1			
Internally generated funds Total Capital Funding	7	261 057	128 373	231 339	267 517	284 442	284 442	284 442	257 965	285 561	313 8

Table 14: Consolidated budgeted financial position
DC27 Umkhanyakude - Table AS Consolidated Budgeted Financial Position

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework			
D (1		Audited	Audited	Audited	Original	Adjusted	Full Year	Pre-audit	Budget Year	Budget Year	Budget Year
R thousand		Outcome	Outcome	Outcome	Budget	8udget	Forecast	outcome	2017/18	+1 201&/19	+2 2019/20
ASSETS											
Current assets									:		
Cash	i	10 664	12 696	32 523	(81 476)	(81 476)	(81 476)	(81 476)		22 517	22:617
Call trivestment deposits	- [1]	715	1021	-	2000 [	2 000	2 000	2 000	2 128	2 249	2 375
Consumer debiars	1	13 571	18 527	86 088	8 205	8 206	8 205	8 205	166 972	175 433	185 257
Other debtors		30 517	25 705	48 258	38 668 '	36 668	.36 668	36 668	39 668	40 668	40 668
Current portion of long-term receivables		-	-	-	-	: -	-	_			
bny enibry	2	86 842	86 935	138 924	60	136 864	136 864	138 924	138 924	136 924	136 924
Total current assets		142 308	144 934	301 794	(34 543)	102 261	102 261 :	102 321	368 009	377 790	337 840
Non current assets											
Long-term receivables			-	_	_					.	
Investments	1	-	_	_	- 1	-	- 1	-			
Investment property		-		_	. –	-	-	_			
Investment in Associate				- 1	_		_	-		.	
Property, plant and equipment	3	1 474 996	1 575 718	1 661 593	1 841 571	1 641 571	1 641 571	1 641 571	1733 556	1 837 615	1 948 629
Agricultural		-	_	- 1	_	-	- 1	_			
Biological		~	_ :	_ [	- 1	-	-	-			
hrangible	1	_	_	365	184 '	. 365	365	365	365	365	355
Other non-current assets	1	-	. –	586	- 1	-	- 1	-	588	588	586
Total non current assets	_	1 474 996	1 575 718	1 662 545	1 641 756	1 641 936	1 641 936	1 641 936	1 734 517	1 838 566	1 949 560
TOTAL ASSETS		1 617 304	1 720 652	1 964 338	1 607 213	1 744 197	1 744 197	1 744 257	2 102 528	2 216 357	2 337 420
LIABILITIES											
Current Habilities									]		
Bank overdraft	1										
Borrowing	4	11 693	2 397	839	1 500	1 500	1 500	1 500	693	793	6 193
Consumer deposits											
Trace and other pay ables	4	143 746	210 430	285 073	63 355	63 355	63 355	63 355	47 057	37 000	250 000
Provisions										İ	
Total current liabilities		155 444	212 827	285 912	64 855	64 855	64 855	64 855	47 950	37 793	256 193
Non current liabilities				<u>`</u>							
Borrowing		8 606	8 029	7 225	7 751	7 751	7 751	7 751	7 528	7 128	6 728
Provisions		4 080	4779	5 866		-	-	-			_
Total non current liabilities	-	12 686	12 808	13 091	7 751	7 751	7 751	7 751	7 528	7 128	6 728
TOTAL LIABILITIES		168 129	225 635	299 004	72 606	72 606	72 696	72 606	55 478	44 921	262 921
NET ASSETS	5	1 449 174	1 495 017	1 665 335	1 534 606	1 671 591	1 671 591	1 671 651	2 047 047	2 171 436	2 074 499
COMMUNITY WEALTH/EQUITY											
Accurated Surplus/(Defet)		1 449 174	1 495 017	1 665 335	1 534 606	1 671 591	1 671 591	1 671 651	2 047 047	2 171 436	2 274 499
Reserves	4	, ,,,,, ,,,,			- 1	-	- 14/14/1		1	1 2	
TOTAL COMMUNITY WEALTH/EQUITY	5	1 449 174	1 495 017	1 665 335	1 534 606	1 671 591	1 671 591	1 671 651	2 047 047	2 171 436	2 274 499
TOTAL COMMISSION TO TEACHER SOUTH	_ [ "	40 114		,							

Table 15: Consolidated budgeted cash flow DC27 Umkhanyakude - Table A7 Consolidated Budgeted Cash Flows

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework			
R thousand		Audited	Audited	Audited	Original	Adjusted	Full Year	Pre-audit	_	Budget Year	-
		Outcome	Outcome	Outcome	Sudget	Budget	Forecast	outcome	2017/18	+1 2018/19	+2 2019/20
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts							1		ļ	1	
Property rates		-		- 1	÷	-	· -	-	-	-	~
Service charges		43 573	25 978	33 276	21 996	13 435	13 435	13 435	34 504	36 471	46 826
Other tex eune		796	13 893	34 559	26 915	38 439	38 439	38 439	37 219	29 115	30 833
Government - operating	1	226 560	239 504	294 447	306 688	304 172	304 172	304 672	330 020	375 654	412 729
Government - capital	1	233 214	153 746	222 693	267 517	284 442	284 442	284 442	379 602	285 561	313 855
Interest		2 204	1 378	12 612	324	3 130	3 130	3 130	3 330	3 520	3717
Dividends	1	- 1	-		-	-	-	_	-	-	-
Payments		1								1 .	
Suppliers and employees		(386 002)	(295 891)	(344 317)	(321 823)	(360 642)	(360 642)	(361 142)	(379 299)	(396 743)	(435 255)
Finance charges		(978)	(† 135)	(2.352)	(1 049)	(1 781)	(1 781)	(1 781)	(2 255)	(2 384)	(2 517)
Transfers and Grants	1	-			(5 558)	(5 558)	(5 558)	(5 558)	-	_	-
NET CASH FROM/(USED) OPERATING ACTIVIT	ES	119 367	137 472	250 918	295 009	275 637	275 637	275 637	403 121	331 194	370 187
CASH FLOWS FROM INVESTING ACTIVITIES										)	
Receipts						:				1	
Proceeds on disposal of PPE	l	835	(300)	_	_		_	_	-	_	
Degrease (Increase) in non-current debtors		_		_	_	_	[	_	l -	_	-
Decrease (increase) other non-current receivable	s	(393)	_		_	_ '	_	_	_	_	_
Decrease (increase) in non-current investments	ĩ	(5.5)	_	_	_	_	_	_	_	_	
Payments										ŀ	
Capital assets		(262 275)	(128 176)	(231 339)	(267 517)	(284 442)	(284 442)	(284 442)	(379 602)	(285 561)	(313 855)
NET CASH FROM (USED) INVESTING ACTIVITIE	S	(261 837)	(128 476)	(231 339)	(267 517)	(284 442)	(284 442)	(234 442)			
		'		` '	· · · · · · · · · · · · · · · · · · ·		· ·				```
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts										1	ĺ
Short term loans		(227)	-	-	- 1	-	-	_	_	-	-
Borrowing long term/refnancing	1	(325)	(196)	-	- 1	- 20	20	20	21	22	23
horease (decrease) in consumer deposits		4 522	-	-	_	20	20	. 20		1 42	23
Payments		7 000		*****	g.,.)	(4.400)	(4 100)	£4 400V	(4.400)	(1.120)	(4.422)
Repayment of borrowing		7 896	(4 521)	(063)	(711)	(1 422)	(1 422)	(1 422)			
NET CASH FROM/(USED) FINANCING ACTIVIT	itS	12 092	(4 716)	(860)	(711)	(1 402)	(1 402)		······································	<del> </del>	<del>\ '</del>
NET INCREASE/ (DECREASE) IN CASH HELD		(130 379)	4 279	18 719	26 781	(10 207)	(10 207)	(10 207)		44 233	54 933
Cash/cash equivalents at the year begin;	2	141 757	11 378	13 805	(81 476)	32 523	32 523	32 523	22 317	44 434	88 667
Cash/cash equivalents at the year end:	2	11 378	15 657	32 523	(54 695)	22 317	22 317	22 317	44 434	88 667	143 601

Table 16: Consolidated cash backed reserves/accumulated surplus reconciliation

DC27 Umkhanvakude - Table A8 Consolidated Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework			
<u>L</u>		Audited	Audited	Audited	Original	Adjusted	Full Year	Pre-audit	Budget Year	Budget Year	Budget Year
R thousand		Outcome	Outcome	Outcome	Budget	Budget	Forecast	outcom e	2017/18	+1 2018/19	+2 2019/20
Cash and investments available	$\sqcap$										
Cash/cash equivalents at the year end	11	11 378	15 657	32 523	(54 695)	22 317	22 317	22 317	44 434	88 687	143 601
Other current investments > 90 days		0	(1 940)	-	(24 781)	(101 793)	(101 793)	(101 793)	(19 990)	(63 902)	(118 609)
Non current assets - Investments	[1]	-	-	-	-	-	-	-	_	-	-
Cash and investments available:		11 378	13 717	32 523	(79 476)	(79 476)	(79 476)	(79 476)	24 445	24 766	24 992
Application of cash and Investments	Т										
Unspent conditional transfers	1	21 851	39 668	34 385	-	-	_	-	-	-	0
Unspent borrowing		-	-	-		-	-		-	-	-
Statutory requirements	2										
Other working capital requirements	3	82 911	126 563	95 717	31 563	29 930	29 930	29 930	(271 718)	(251 406)	(88 084)
Other provisions				Į		1				Į	
Long term investments committed	4	-	-	-	-		-	-	-	_	-
Reserves to be backed by cash/investments	5					}			l		
Total Application of cash and Investments:		104 762	155 261	130 102	31 563	29 930	29 930	29 930	(275 718)		
Surplus(shortfall)		(93 383)	(152 544)	(97 579)	(111 039)	(109 406)	(109 406)	(109 406)	296 162	276 172	113 076

Table 17: Cons	solidated assets	management		
÷				
		39		

DC27 Umkhanyakude - Table A9 Consolidated Asset Management

DC27 Umkhanyakuda - Table A9 Consolidated A	1 3							2017/18 %	ledium Term R	evenue &
<b>Description</b>	Ref	2013/14	2014/15	2015/16		rrent Year 2016		Expe	nditure Frame	work
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	2017/18	#1 2018/19	+2 2019/20
CAPITAL EXPENDITURE Total New Assets	1	261 057	128 373	231 339	267 517	284 442	284 442	257 985	285 561	313 855
Roads Infrastructure Storm water Infrastructure		-	-	- 1	_	-	_	-	-	-
Electrical Infrastructure	1	-	_	-	_ 287 517	_ 284 442	284 442	_ 257 965	265 561	313 855
Water Supply Infrastructure Santation Infrastructure	11	261 057	128 373	231 339	207 517	204 442	-	-		-
Sold Waste Infrastructure Rai Infrastructure		-	_ [	- ]	-	_	_			_
Coastal Infrastructure Information and Communication Infrastructure		-	-		-	_	-	_	-	_
Infrastructure		261 057	128 373	231 339	267 517	284 442	284 442	257 965	285 561	313 855
Community Facilities Sport and Recreation Facilities		-	_ ]		_		-	<u> </u>		-
Community Assets Heritage Assets		-	_	=	_	_			-	
Revenue Generating Non-revenue Generating		_	-		- 1	-	_	1 :	-	-
Investment properties			-	= =	-		_		-	-
Operational Bullifugs Housing		-		_		_	_	-	_	_
Other Assets Biological or Guitivated Assets		-	_	_	-	-	-	-	_	-
Servitudes		-		-	-	-	-	_	_	-
Licences and Rights Intangible Assets		_	-			-	-	-		_
Computer Equipment Furniture and Office Equipment		-	-	-	-	-		_	-	-
Machinery and Equipment		-	-			_	_	-	_	_
Transport Assets Libraries		-	-	- 1	-	-	-	-		_
Zoo's, Marine and Non-biological Animals	2	261 057	128 373	231 339	287 517	267 517	287 517	257 985	285 561	313 855
Total Renewal of Existing Assets Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure Electrical Infrastructure		. <u>-</u>	-		- ·					
Water Supply Infrastructure Sentation Infrastructure		255 183 —	119 099	229 683	216 597	216 597	216 597	199 621	223 804	248 375
So'd Waste Infrastructure		6 8 6 9	9 274	1 656	50 920	50 920	50 920	58 144	61 757	65 479
Rai Infrastructure Coastal Infrastructure		-	-	_	_	-	_	-		-
Information and Communication Infrastructure Infrastructure		261 057	128 373	231 339	267 517	267 517	267 517	257 965	285 561	313 85:
Community Facilities Sport and Recreation Facilities		-		_	-	_	_	_	_	
Community Assets		-	-	-		-		-		_
Heritage Assets Revenue Generating		_	<u>-</u> -		_	-		-	-	-
Non-revenue Generating Investment properties				-		-	<u> </u>	<del>                                     </del>	-	
Operational Bulldings		_	-	-	-	-		-	-	_
Housing Other Assats		-	-		-	<del></del>	_	-	-	-
Biological or Cultivated Assets Servitides	1	_	-		-		_	_		-
Licences and Rights		-				-		<del></del>	-	<del> </del>
Intangible Assets Computer Equipment		-	_	-	_	- 1	-	_	-	-
Furniture and Office Equipment Machinery and Equipment		_	- 1	-	-	_		_		-
Transport Assets	ļ	- 1		<del>-</del> .		-		-	-	-
Libraries Zoo's, Marine and Non-biological Animals			-		-					
Total Upgrading of Existing Assets	5	28 109	28 160	36 515	28 204	28 204	28 204	30 009	31 720	33 49
Roads Infrastructure Storm water Infrastructure	ĺ			_	-	-	_	-	_	-
Electrical Infrastructura Water Supply Infrastructura		28 109	28 160	36 515	28 204	28 204	28 204	30 009	31 720	33 49
Sanitation Infrastructure		-	-	_	-	_		_		-
Solid Waste Infrastructure Rail Infrastructure		-	-	_	-	-	-	-	-	-
Coastal Infrastructure Information and Communication Infrastructure		-	_	_	_		_	_		_
Infrastructure Community Facilies		28 109	28 160	36 515	28 204	28 204	28 204	30 009	31 720	33 49
Sport and Recreation Factities	1		-		-					-
Community Assets Heritago Assets			-	_	-	-	-	} -	-	-
Revenue Generating Non-revenue Generating		_	_	_		-			_	-
Investment properties			<del>-</del>	_	_	_	-	=		-
Operational Buildings Housing						_		~	-	
Other Assets Biological or Cultivated Assets				_		-			-	
Servitodes		-	_	-	_	-	_		-	] -
Licences and Righ's Intangible Assets		_		_		-	-		-	-
Computer Equipment Furniture and Office Equipment	1		_	_	_	-		_	-	] :
Machinery and Equipment		-		-			_	_		1 :
Transport Assets Libraries	1	-	-	-	-	_	-	-	-	-
Zoo's, Marine and Non-biological Animals	١.			-	-			<u> </u>	<del> </del>	<del>                                     </del>
Total Capital Expenditure  Roads infrastructure	1	_	_	-	-	-	-	-	-	-
Storm water Infrastructura Electrical Infrastructura					_	-			_	
Water Supply Infrastructure		544 354	275 632	497 538	512 318	529 243	529 243	487 795	541 034	595 72
Sentation Infrastructure Solid Waste Infrastructure		5 869	9 274	1 656	50 920	50 920	50 920	58 144	61 757	65 47
Rai Infrastructure Cosstal Infrastructure		-	_	-	_	1 -	_	_	] [	
Information and Communication Infrastructure Infrastructure		550 223	284 906	499 194	563 238	580 163	580 163	545 934	602 841	661 2
Community Fac≛tes		-	-	-	-	-	-	-		
Sport and Recression Fac≅ties Community Assets		-	-	-	<del> </del> -	-	<del>                                     </del>	<del>                                     </del>	-	<del> </del> -
Heritage Assets Revenue Generating					_		_	_		
Non-revenue Generating			ļ <u>-</u>	40 -		-	<u> </u>	<u> </u>	<u> </u>	-
Investment properties Operatorial Buildings	-	-	-	-	-	-	-	_		
Housing Other Assets	-		-		=	-	<del>  -</del>	<del>  -</del>	<del></del>	1
Biological or Cultivated Assets Servitides	-	<del>  -</del>				<del> </del>	<del>-</del>		-	<del>                                     </del>
Eicences and Rights	}				1	-		=	-	
intangible Assets Computer Equipment		-	_		_	-	-	-	-	-
Furniture and Office Equipment		_ _	-		] :		-			:
Machinery and Equipment Transport Assets	ļ		-	-	-	-	-	-	-	
Libraries	1	1 ~	-	1 -	] -	1 -	-	1 -	[ -	t

100

Table 18: Consolidated basic service delivery measurement

DC27 Umkhanyakude - Table A10 Consolidated basic service delivery me		2013/14	2014/15	2015/16	Cal	uent Year 2016	/17		ediom Term R aditure Frame	
Description	Ref	Outcome	Outcome	Outcome	Original Budget	Adjusted Sudget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Household service largels	1									
Water:						27 000	27 000	30 245	30 245	30 245
Piped water inside dwelling  Development in interest for the size of a size of		_	1 1			42 000	42 000	30 245 45 691	45 691	45 691
Pped water inside yard (but not in dwe (ng) Using public tap (at least min service leve)	2	_	_	-		30 000	30 000	37 013	37 013	37 013
Oter water supply (at least min service level)	4	-	-	-	-	7 000	7 000	8 836	8 836	8 836
Minimum Service Level and Above sub-total		~		-	-	106 000	106 000	121 785	121 765	121 785
Using public tap (< min.service levie)	3	-	-	_	-	-	-	-	-	_
Other water supply (< min. service level)	4	-	-	- 1	-	23 950	23 950	28 950	28 950	28 950
No water supply  Below Minimum Service Level sub-total						23 550	23 950	28 950	28 950	28 950
Total number of households	5		-	-	-	129 950	129 950	150 735	150 735	150 735
Sanitation/securage:										
Flush bilet (comedied ib serverage)		_	_	_		13 737	13 737	13 737	13 737	13 737
Flush tolet (a th septo tark)		-	-	-	-	5 133	5 133	5 633	5 633	5 633
Chemical total		-	- '	_	- !	27 755	27 755	32 255	32 255	32 258
Pliblet (vertised)		-	-	-		37 275	37 275	39 525	39 525	39 525
Other bilet provisions (> min. service leve)			-			29 786 113 686	29 786 113 696	32 834 124 044	32 894 124 044	32 884 124 044
Minimum Service Level and Above sub-total  Bucket bilet	1 1	-	-	_		113 000	- 113 033	124 044	1270	-
Other bilet provisions (< min service leve)		_	-	-		_	_	_	-	-
No blet provisions		_	-	-	- [	- 1		-		
Below Minimum Service Level sub-total		_	-	-	-	-		-		
Total number of households	5	-	-	-	-	113 686	113 686	124 044	124 044	124 044
Energy.										ŀ
Eacticity (at least min service level)		-	-	-	-	-	~	-	-	-
Electricity - prepaid (min.service level)	1	-	-	-	1	-		-		
Minimum Service Level and Above sub-total		- 1	-	-	_	-	-		1 -	_
Besticity ( <min.service (<min.="" -="" besticity="" leve)="" leve)<="" prepaid="" service="" td=""><td></td><td>- 1</td><td>-</td><td>-</td><td>_ [</td><td>5 793</td><td>5 793</td><td>6.543</td><td>6 543</td><td>8 543</td></min.service>		- 1	-	-	_ [	5 793	5 793	6.543	6 543	8 543
Other energy sources  Charles of a min service even		_	_	-	-	10 615	10 615	10 012	10 012	10 012
Being Minimum Senice Level sub-lotal		_	_	-	-	16 418	16 408	16 555	16 555	16 555
Total number of households	5		-	-	_	16 408	16 403	16 555	16 555	16 \$55
Refuse:										
Removed at least once a week			-	_	_	_ '	~	_	-	-
Minitum Service Level and Above sub-total	Ι΄	-	-		-	_	-	-	-	-
Removed less frequenty than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	~	-	-	-	-	-	-
Using can retise dump		-	-	-	-	-	-	_	_	-
Other rubbish disposal	1	1 -	-	_	_	_	-	_	1 -	_
No rubbish disposal  Below Minimum Service Level sub-total			_					<del></del>	<del></del>	<del></del>
Total number of households	5	<u> </u>		-	_			-		
	+-	-						<del></del>		-
Households receiving Free Basic Service	7	1				_	_	_		
Water (6 kilotites per household per month)	1	-	-	_		-	_	_	1 ]	_
Sanitation (free minimum texel service)  Electricity/other energy (50kwh per household per month)	ĺ		_	-	_	_	_	_		_
Refuse (removed at least once a week)		_	-	-	_	-	-	-	_	-
Cost of Free Basic Services provided - Formal Settlements (RY00)	8	<b>†</b>							1	
Visiter (6 kZoZes per indigent household per month)	ľ	-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)	1	-	-	-	-	-	-	-	-	-
Secticity/offer energy (50%) per ladigent household per month)		-	-	-	_	-	-	-	-	-
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-		-
Cost of Free Basic Services provided - Informal Formal Settlements (RVW)  Total cost of FBS provided		<del>-</del>	-	-	-	<u> </u>	-	<u>-</u>	<u> </u>	-
	$\vdash$	<del> </del>		<del>                                     </del>	<del>                                     </del>	<del> </del>	<u> </u>	<del> </del>	<del></del>	1
Highest level of free service provided per household				_	_	_	_	_	_	_
Property rates (R value tireshold) Water (kilolites per household per month)	1	] -	_	_	] [		_	]	1 -	_
Santation (Molites per household per month)		-	_	_	_	-	-	_	-	-
Santation (Randiper household per morith)	ĺ	_	-	-	-	-	-	-	-	-
Bestricky (kein per household per month)		-	-	~	-	-	-	-	] -	-
Refuse (average litres par relek)		-	-	-	-	-	-	_	-	-
Revenue cost of subsidised services provided (RVXX)	9	1								
	-		1	1		1	1			
Properly rates (tariff adjustment) (impermissable values per section 17 of MPRA)	1	-	-	-	-	-	-	-	-	-
Property rates exemptions, reductions and rebates and impermissable values in						l				1
excess of section 17 of MPRA)		-	-	-	-	-	-	_	-	-
Vizze fin excess of 6 kilolities per indigent household per month)		-	-	-	_	-	-	-	-	-
San'aion (In excess of free sanitation service to Indigent households)		-	-	-	_	-	_	_	-	_
		-	-	-		-	_	1 -	_	_
Electricity father energy (in excess of 50 kmb per indigent household per month)	1	ł	1							
Refuse (in excess of one removal a week for indigent households)		-		-		-		_	_	_
Reiss (in excess of one removal a week for indigent households)  Municipal Housing - rental rebales		-	-	-	-	-	-	-	_	
Reise (in excess of one removal a week for indigent households)	6		i -	_	l	- - -	-	-	- - -	

## PART 2 – Supporting Documentation

#### 2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The budget process followed to compile the budget complies with legislation and good budget practices. 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;

The municipality's revenue and tariff setting strategies are to ensure that the cash resources needed to deliver services are available; and the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

#### 2.1.1 Budget Process overview

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

The Mayor tabled in Council the required budget time schedule on August 2016. Key dates applicable to the process were

Table 19: Schedule of key deadline for budget



# UMKHANYAKUDE DISTRICT MUNICIPALITY SCHEDULE OF KEY DEADLINE

SCHEDULE OF	KEY DEADLINE	
Description	Submission date	Legislature
Make public, perfomance agreements of S.57 (MSA) employees & submit to Council & MEC Local Government (within 14 days of approval of SDBIP)	30-Jul-17	MSA Section 57
Submit municipal audit file, AFS and performance report to AG	30-Aug-17	MFMA Section 126
Submit consolidated audit file, AFS and performance report to AG by 30 September	30-Sep-17	MFMA Section 126
Receive Audit Report onconsolidated AFS from AG	31-Dec-17	MFMA Section 126(3)
Submit adjustment budget 2017-2018 to Mayor, Provincial Treasury and National Treasury	25-Jan-18	MFMA Section 72
Table annual budget & supporting documents to council	29-Mar-18	MFMA Section 16 and 17
Public hearings on thebudget	20-24 May 2018	MFMA Section 23
Approval of the annual budget	30-May-18	MFMA Section 24(1)
Approval of the SDBIP by the Mayor	28-Jun-18	MFMA Section 53(1)
Submit approved budget to Cogta, Provincial Treasury and National Treasury	13-Jun-18	MFMA Section 24

The budget together with the IDP is reviewed annually as per Section 21 of the Municipal Finance Management Act no 56 of 2003 and S34 of the Municipal Systems Act no.32 of 2000. The Municipality has resolved in eliminating unnecessary expenditure, paying off creditors and maximizing debt recovery. This annual review is as a result of the relevant regulations and priorities which are reviewed from year to year.

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 IDP/Budget Process Plan was also formulated and adopted on August 2015 together with the District IDP Framework. The IDP/Budget Process Plan outlines in detail, the way in which the municipality embarked on its IDP and Budget processes from its commencement in July 2017 to its completion in June 2017. The IDP/Budget Process Plan outlines the time frames of scheduled events, structures involved and

their respective roles and responsibilities. All these plans were adopted in accordance with the relevant legal prescripts and have dictated the process to be followed for developing the IDP.

## 2.1.2 Key IDP Processes and Deliverables

- Setting the scene to manage the planning process and legal requirements in planning for the implementation of the integrated planning system;
- A Programme specifying time schedule that guide IDP and budget planning processes and various planning steps;
- Outlining appropriate mechanisms, processes and procedures on how the public, stakeholders, state organs can participate in the drafting of the IDP and formulation of the budget structures that will be used to ensure this participation;
- Indicate necessary organizational arrangements to ensure the successful implementation of the integrated development planning process;
- · Binding plans and planning requirements, i.e. policy and legislation; and
- Programme specifying how the process will be monitored in order to manage the progress of the IDP and budget processes.

The IDP has been taken into a business and financial planning process leading up to the 2017-2018 MTREF, based on the approved 2015-2017 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections

## 2.1.3 Financial Modeling and Key Planning Drivers

During the compilation of the 2017-2018 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2017-2018 MTREF:

- Growth within the municipality
- Priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2016/2017 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities

- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 85 and 86 has been taken into consideration in the planning and prioritisation process.

## 2.1.4 Community Consultation

The draft 2017-2018 MTREF will be tabled before Council on March 2017 for community consultation was published on the municipality's notice board, and hard copies were made available Local Municipality's offices, and advertised on the newspaper. All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Ward Committees utilised to facilitate the community consultation process from 18 to 22 April 2017, and included public briefing sessions. The applicable dates and venues will publish in all the newspapers and on average attendance of 200 was recorded per meeting. This is based on the previous year's process. This can be attributes to the additional initiatives that will be launch during the consultation process, including the specific targeting of our service charges payer. Individual sessions are scheduled with organised business and imbizo's were held to further ensure transparency and interaction. Other stakeholders that will be involved in the consultation are churches, non-governmental institutions and community-based organisations.

## 2.2 Overview of alignment of annual budget with Integrated Development Plan

A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

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

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

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

The IDP document has also been informed and is aligned to the following strategic documents and National and Provincial strategic objectives:

- The National Spatial Development Framework (NSDP);
- Medium Term Strategic Framework;
- Provincial Growth and Development Strategy;
- Municipal Turnaround Strategy; and

National Delivery Outcome Agreements

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP.

The following KPAs will inform the strategic direction of the Municipality 2017-2018:

- Good Governance and Community Participation
- · Service Delivery and Infrastructure Investment
- Local Economic Development
- Municipal Transformation and Institutional Development
- Municipal Financial Viability and Management
- Spatial Planning and Environmental Management

## 2.2.1 Strategic objectives

- Good Governance & Clean administration
- Accelerating the provision of basic infrastructure, particularly water, sanitation, electricity etc.
- Promotion of sustainable Environmental Health Services;
- Facilitating and Promotion of Economic Development through Agriculture and Tourism as key drivers;
- Promotion of Social and Community Development;
- Facilitating Skills Development;
- Implementation of Poverty eradication and Food Security programmes;
- · Revenue enhancement;
- Promotion of effective Communication and Information Technology (IT); and
- Facilitating Effective Environmental Planning & Management Services in the district
- And many more priority areas as outlined in details in the IDP.

Only a member or committee of a municipal council may introduce a proposal for amending the municipality's integrated development plan in the council. Any proposal for amending a municipality's integrated development plan must be accompanied by a memorandum setting out the reasons for the proposal.

An amendment to a municipality's integrated development plan would be adopted by a decision taken by a municipal council in accordance with the rules and orders of the Council. No amendment to a municipality's integrated development plan may be adopted by the municipal council unless:

- All the members of the council have been given reasonable notice;
- The proposed amendment has been published for public comment for a period of at least 21 days in a manner that allows the public an opportunity to make representations with regard to the proposed amendment

Should the intention to amendment the IDP emanate from the district, the municipality must:

- Consult all the five local municipalities in the area of the district municipality on the proposed amendment; and
- Take all comments submitted to it by the local municipalities in that area into account before it takes a final decision on the proposed amendment.

In case where a local municipality considers an amendment to its integrated development plan; such municipality must:

- Consult the UMkhanyakude District municipality on the proposed amendment;
   and
- Take all comments submitted to it by the district municipality into account before
  it takes a final decision on the proposed amendment.

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

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

The 2017-2018 MTREF has therefore been directly informed by the IDP revision process and the following tables provide reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

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

Strategic Objective	Supporting Table SA4 Rec	Goal Code	Ref	2013/14	2014/15	2015/16		rent Year 2016	157		edium Term R ndibure Frame	
				Audited	Audited	Audited	Original	Adjusted	Full Year	1 -		L.
R thousand	[			Outcome	Outcome	Outcome	Budget	Budget	Forecast	2017/18	+1 2018/19	+2 2019/20
Municipal Transformation &	Afgrment of the organizational			36 647	13917	38 891	27 280	27 280	27 280	295 575	330 645	363 751
Institutional Development	structure to a broader organizational strategy											
Basic Service Delivery	To provide basic service delivery			524 356	400 205	492 040	574 205	574 205	574 206	304 424	333 539	364 677
Local Economio Development	Confinueus improvement of local economy			1 257	848	874	516	516	516	47 382	49 554	49 554
Municipal Financial Viability	To provide stable financial management		١,	-	1 451	7 300	8 861	8 861	8 861	7 677	7 794	8 434
Good Governance & public participation	Maintain good governance			6 843	19 874	29 178	31 104	47 637	47 637	-	-	_
Cross Curing Intervention	Ensuring integrity and quality of physical environment underpinned by a coherent spatal			2 185	5 258	4 735	5 047	5 0.47	5 047	-	8 555	13 249
0	0	0		-	-	-	-	-	_	-	-	-
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0	0	0	1	_		-	-			-		<del></del>
Allocations to other prioriti			2			F70 5::-	****	440.615	202 517	455.000	720 /47	799 665
Total Revenue (excluding ca	apital transfers and contribut	ions)	1	571 288	441 561	573 019	647 014	653 547	663 547	655 058	730 187	1 133 00:

Table 21: MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure
DC27 Umkhanyakude - Supporting Table SAS Reconciliation of IDP strategic objectives and budget (operating expenditure)

DC27 Umkhanyakude - S	yakude - Supporting Table SAS Reconciliation of IDP strategic objectives and budget (operating expenditure)    Goal     2017/18 Medium Term Revenue &											
Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Cui	rent Year 2016	117	Ехре	anditure Frame	work
R thousand			rei	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	8udget Year +2 2019/20
Municipal Transformation &	Alignment of the organizational		$\vdash$	57 736	34 991	32 900	36 663	36 663	36 663	22 684	24 550	25 814
Institutional Development	structure to a broader organizational strategy										nativersitainintoni	
Basio Service Delivery	To provide basic service delivery			121 915	124 331	135 491	127 745	127 745	127 745	220 559	246 648	262 976
Local Economic Development	Continuess improvement of local economy			6 953	6 721	11 409	7 459	7 459	7 459	26 662	28 194	29 773
Municipal Financial Viability	To provide stable financial management			42 524	29 295	24 924	28 204	28 204	28 204	88 729	- 90 307	95 568
Good Governance & public partripation	Maintain good governance			241 131	167 239	143 792	160 868	160 868	160 868	36 439	39 410	55 630
Cross Cuting Intervention	Ensuring integrity and quality of physical environment underprinted by a coherent			-	38 497	18 309	13 869	13.869	13 869	2 019	15 SÌ1	16 050
										- A-A-A-A-A-A-A-A-A-A-A-A-A-A-A-A-A-A-A		
·		recovered tracks recovered tracks and the delice of the de										
	:										-	
Allocations to other prioriti Total Expenditure	ės		1	470 259	401 074	366 825	374 803	374 803	374 803	397 092	444 618	485 810

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

	Goal	Goal Code		2013/14	2014/15	2015/16	Cur	rent Year 2016	<b>₹17</b>		edium Term R nditure Frame	
R thousand			Ref	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Municipal Transformation & Institutional Devictorment	Afgrment of the organizational studius to a broader organizational strategy	A		-	13917	7 755	-		-	1		
Basic Service Delivery	To provide basic service delivery	В		255 168	400 206	172 912	217 262	217 262	217 262	199 821	223 804	248 375
Local Economic Development	Continueds improvement of local economy	С		_	848	44 520	4 000	4 000	4 000	-	-	
Nuncipal Financial Viability	To provide stable financial management	Đ		-	1 461	-'	-	. –	-			
Good Governance & public participation	Maintain good governance	E		5 869	19 874	26 986	26 996	26 986	26 986	58 144	61 7 <i>57</i>	65 479
Cross Cuting Intervention	Ensuring integrity and quality of physical environment underpinned by a coherent	F		-	5 256	-			-	-	-	-
	e. ż	G		-	-	-	-	-	-	-	-	-
		н										
		1							-			
		J		-								
		к										
-		L										
	American de la constanta de la constanta de la constanta de la constanta de la constanta de la constanta de la	М										
		И			Mary Mary Mary Mary Mary Mary Mary Mary							
:		0										
		Р			mary de de and effects of the following mary	E :						
Allocations to other priorit	des		3	261 057	441 561	252 173	245 248	248 248	248 249	257 985	285 561	313 8

## 2.3 Measurable performance objectives and indicators

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

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

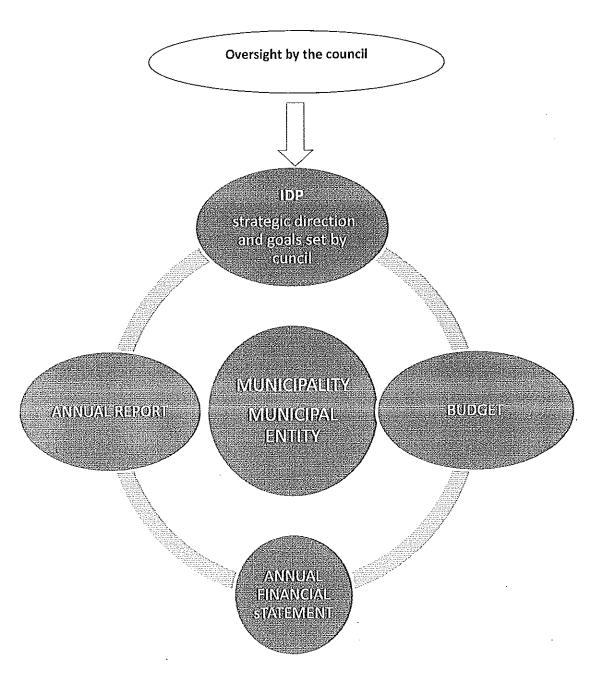


Figure 2: Planning, budgeting and reporting cycle

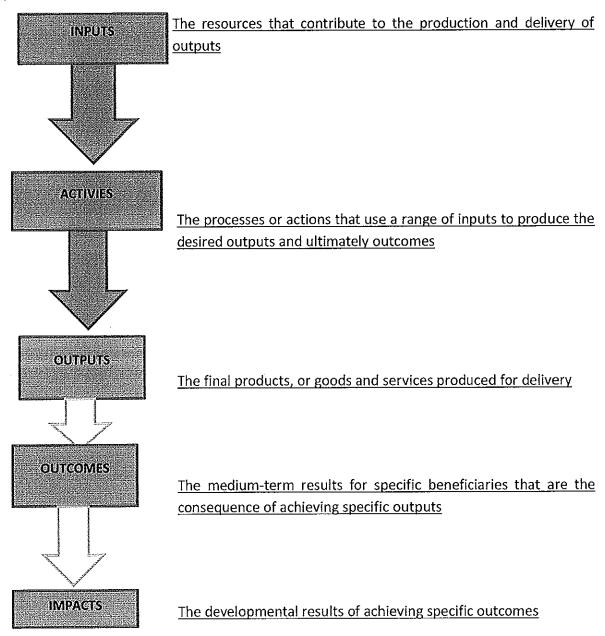
A performance management model can be defined as the grouping together of performance indicators, sometimes based on the type of indicator, into logical categories or groups (often called perspectives), as a means to enhance the ability of an organization to manage and analyse its performance. As such a model provides a common framework for what aspects of performance is going to be measured and managed. It further ensures that a balanced set of measures are employed that are not relying on only one facet of performance and therefore not presenting a holistic assessment of the performance of an organisation.

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

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

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

Figure 3: Definition of performance information concepts



The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

Table 23: MBRR Table SA7 - Measurable performance objectives

		2013/14	2014/15	2015/16	Cu.	rrent Year 201	€17	1	ledium Term R Enditure Frame	
Description	Unit of measurement	Audited	·Audited	Audited	Original	Adjusted	Full Year	Budget Year	Budget Year	Budget Year
		Outcome	Outcome	Outcome	Sudget	Budget	Forecast	2017/18	+1 2018/19	+2 2019/20
Yote I - vole name		0.0%	0.0%	0.0%	0.0%	0.0%	0.6%	0,0%	0.0%	0.0%
Function 1 - (name)		60.0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sub-function 1 - (name)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Basio Service Delivery		0.0%	0.0%	0.0%	0.0%	%0.0 ***	0.0%	80%	0.0%	0.0% 89.0%
		91.0%	90.0%	86.0%	89.0% 0.0%	89.0% 0.0%	89.0%	89.0%	89.0% 0.0%	0.0%
Sub-function 2 - (name)  Municipal Transformation & Institutional		0.0%	0.0% 0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
wonepai transientation a traductina		0.0% 6.0%	3.0%	5.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.6%
Sub-function 3 - (name)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Local Economic Development		0.0%	0.0%	0.0%	0.0%	0,0%	0.0%	0:0%	0.0%	0.0%
		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Function 2 - (name)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%
Sub-function 1 - (name)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%
Muricipal Financial Viability		0.0%	0.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sub-function 2 - (name)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%
Insert measure/s description		0.0%	0.0%	0.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
		0.0%	0.0%	0.0%	0.0%	0.0%	0.6%	0.0%	0.0%	60.0
Sub-function 3 - (name)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cross Cutting Intervention		1.0%	4.0%	7.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
		0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Vote 2 - yole name		0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Function 1 - (name)		0.6%	0.0%	0.0%	6,0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sub-function 1 - (name)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Insert measure/s description		0.0%	1.0% 0.0%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
A. 2		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sub-function 2 - (name) Insert measure/s description		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
mad resided out-peon		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sub-function 3 - (name)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Insert measure's description		0.0%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
-		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Function 2 - (name)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%
Sub-function 1 - (name)		0.0%	0.0%	0.0%	0.0%	0.6%	0.0%	0.0%	0.0%	0.0%
Insert measure/s description		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sub-function 2 - (name)		0.0%	0.0%	0.0%	0.6%	6:0%	0.0%	0.0%	0.0%	0.0%
Insert measure/s description		0.0%	0.0%	0.0%	0.0%	80.0	0.0%	0.0%	0.0%	0.0%
		0.0%	9.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sub-function 3 - (name)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Insert measure/s description		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	,	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	80.0	0.0%	0.0%
Vote 3 - vote name		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Function 1 - (name)		0.0%	0.0%	0.0% 0.0%	0.0%	0.0%	0.0%	0.0%	80.0	0.0%
Sub-function 1 - (name) Insert measure/s description		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
nsor necessor osserpton	1	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sub-function 2 - (name)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Inseri measure/s description		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%
Sub-function 3 - (name)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Insert measure/s description	İ	0.0%	0.0%	0.0%	0.0%	- 0.0%	0.0%	0.0%	0.0%	0.6%
	1	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Function 2 • (name)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%
Sub-function 1 - (name)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%
Insert measure/s description	1	0.0%	0.0%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%
		0.0%	0.0%	0.6%	0.6%	0.0%	0.0%	8.0%	0.6%	0.0%
Sub-function 2 -(name)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	6.0%	0.0%	0.0%
Insert measure/s description		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	]	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sub-function 3 - (name)		0.0%	0.0%	0.0%	0.0%	0.6%	0.6%	0.0%	0,0%	0.0%
Sub-function 3 - (name) Insert messure/s description		0.0% 0.0% 0.0%	0.0% 0.0% 20.0	0.0% 0.0% 0.0%	0.0%	0.0% 0.0%	0.0% 0.0% 0.0%	0.0%	0,0% 0,0% 0,0%	0.0%

The following table sets out the municipalities main performance objectives and benchmarks for the 2017-2018 MTREF.

Table 24: MBRR Table SA8 - Performance indicators and benchmarks

:		2013/14	2014/15	2015/16		Current Ye	ar 2016/17			edhom Term F nditure Frame	
Bescription of financial indicator	Basis of calculation	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year	Pre-audit outcome	8adget Year 2017/18	8udget Yezr +1 2018/19	Budget Yes +2 2019/20
forrowing Management											
Credit Raing					į						
Capital Charges to Operating Expenditure	Interest & Principal Paid (Operating Expendition	-1,5%	1.4%	0.7%	0.5%	0.9%	0.9%	0.9%	0.9%	0.9%	0.8%
	Finance charges & Repayment of borrowing /Own Revenue	-12 2%	13.7%	4.6%	2.4%	4.8%	4.8%	4.8%	7.2%	7.1%	7.0%
Bottowed funding of 'own' capital expenditure	Borrowing/Capital expenditive excl. transfers and grants and contributions	0.1%	0.2%	0.0%	0.0%	0.0%	0.6%	0.0%	0.6%	0.0%	0.0%
Safety of Capital								•			
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%	0.0%
.iquldity									,,	10.0	1
Current Ratio	Current assers/current liabilities	0.9	0.7	1.1	(0.5)	1.6	1.6	1.6	7.7		
Current Ratio adjusted for aged debtors	Current assets less debbrs > 90 days/current fabilifes	0.9	0.7	1.1	(0.5)	1.6	1.6	1.6	7.7	10.0	1
Liquidity Rašo	Monetary Assets/Current Liab@fes	0.1	0.1	0.1	(1.2)	(12)	(1.2)	(1.2)	0.5	0.7	0
Revenue Management						·			l		
Annual Debtors Collection Rate (Payment Level %)	Last 12 Whs Receipts Last 12 Whs Bong		99.1%	100.0%	142.6%	60.6%	41.4%	41.4%	41.4%	100.0%	100.6%
Current Debtors Collection Rate (Cash		100.0%	100.0%	142 6%	60.0%	41,4%	41.4%	41.4%	100 6%	100.0%	121.6%
receipts % of Ratepayer & Other revenue)	1										
Outstanding Debbrs to Revenue	Total Oustanding Debtors to Annual Revenue	13.0%	15.9%	35.7%	11.8%	11.8%	11.6%	11.6%	52.0%	43.6%	46 5%
Longstanding Debters Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management	j										
Creditors System Efficiency	% of Creditors Paid With Terms (within WEMA's 65(e))		:								
Creditors to Cash and Investments		1071.3%	1090.4%	770.8%	-115.8%	283 9%	283.9%	283.9%	1059%	41.7%	174.1%
del l. 37 . l	au au au au au au au au au au au au au a				}	1	1			1	
Other Indicators	Total Volume Losses (kW)										
Bectricky Distribution Losses (2)	Total Cost of Losses (Rand 1000)										
	% Volume (units purchased and generated less units sold/funits				ļ						
	purchased and generated			1	Ì		Į.		ĺ		1
	Total Volume Losses (kl)	•	}			1		<b>[</b>		1	1
				]			l				
Water Daiributon Losses (2)	Total Cost of Losses (Rand 1000)										
	yourse (units purchased and generated less units sold) funits purchased and generated	ماجستان إزجور فتاسيد			ļ						
Епрауев ссяз	Employee costs/(Total Revenue - capital	32.5%	44.6%	35.9%	33.5%	33.6%	33.8%	33.6%	34.4%	32.5%	31.4%
Remuneration	revenue) Total renumeration/(Total Revenue -	35.8%	47.8%	42.9%	33.5%	33 8%	33.6%		34.6%	39.5%	36 7 %
Repairs & Maintenance	capital revenue)  R&W/(Total Revenue excluding capital revenue)	10.7%	12.6%	9.0%	9.4%	15.0%	15 0%		9.4%	8.9%	36%
Finance charges & Depreciation	FCSO'(Total Revenus - capital revenus)	8.6%	10.5%	10.5%	7.7%	8.6%	8.0%	8.0%	8.1%	7.7%	7,4%
IDP requistion financial viability indicators											
i, Oebt coverage	(Total Operating Revenue - Operating Grants/Debt service payments due	9.6	3.1	63.2	160	16.0	16.0	15.5	10.3	10.4	1
ii.O/S Service Debtors to Revenue	within financial year) Total outsignding service debtors/arrual revenue received for services	100.9%	170.1%	565.6%	122.1%	137.6%	137,8%	137.6%	596 5%	5902%	584.33
ă, Costcoveraça	(Available cash + investments)/monthly fixed operatoral expenditure	0.4	0.6	1.2	(2.3	0 9	0.9	0.9	1.7	3.2	

#### 2.3.1 Performance indicators and benchmarks

#### Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and the municipality is not planning to have a long term borrowing in 2017-2018. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, UMkhanyakude District's borrowing strategy is primarily informed by the affordability of debt repayments.

#### Safety of Capital

The debt-to-equity ratio is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of loans, creditors, and overdraft and tax provisions as a percentage of funds and reserves. During the 2017-2018 financial year there is no ratio movement in the municipality

#### Liquidity

Current ratio is a measure of the current assets divided by the current liabilities and as a benchmark the municipality has set a limit of 1, hence at no point in time should this ratio be less than the liquidity ratio is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations.

#### Revenue Management

As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the

strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection.

## **Creditors Management**

The municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure the compliance to this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the municipality, which is expected to benefit the municipality in the form of more competitive pricing of tenders, as suppliers compete for the municipality's business.

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

The social package assists residents that have difficulty paying for services. The municipality is working on the implementation of the Indigent Policy of the municipality. With the exception of water, only registered indigents qualify for the free basic services.

In terms of the Municipality's indigent policy registered households are entitled to 6kl fee water. Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement). Note that the number of households in informal areas that receive free services and the cost of these services (e.g. the provision of water through stand pipes, water tankers, etc) are not taken into account in the table noted above.

#### Providing clean water and managing waste water

The municipality is the Water Services Authority for the entire municipality in terms of the Water Services Act, 1997 and acts as water services provider. The Department of Water Affairs conducts an annual performance rating of water treatment works, presenting a Blue Drop or Green Drop award respectively to potable water treatment works and waste water treatment works that meet certain criteria of excellence.

The following is briefly the main challenges facing the municipality in this regard:

- The infrastructure at most of the waste water treatment works is old and insufficient to treat the increased volumes of waste water to the necessary compliance standard;
- Shortage of skilled personnel makes proper operations and maintenance difficult;
- Electrical power supply to some of the plants is often interrupted which hampers the purification processes; and

The following are some of the steps that have been taken to address these challenges:

- Infrastructure shortcomings are being addressed through the capital budget in terms of an upgrade plan;
- The Water Division will embark on training programme, especially for operational personnel;
- The Electricity Division is to install dedicated power supply lines to the plants.

#### 2.4 Overview of budget related-policies

The municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies. The following policies were reviewed and approved in 2017-2018 by the council of UMkhanyakude District Municipality.

#### 2.4.1 Asset Management Policy

The objectives of this policy are to:

- Safeguard the assets of UMkhanyakude District Municipality and to ensure the effective and optimal use of its assets;
- Enhance a culture of accountability over assets;
- Ensure that effective internal controls are communicated to management and staff through clear and comprehensive written documentation; and

- To provide a formal set of financial procedures that can be implemented to ensure that UMkhanyakude District Municipality's fixed asset policies are achieved and are in compliance with generally recognised accounting practise (GRAP 17).
- A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure and the municipality's revenue base. Within the framework, the need for asset renewal was considered a priority and hence the capital programme was determined based on renewal of current assets versus new asset construction.
- Further, continued improvements in technology generally allows many assets to be renewed at a lesser 'real' cost than the original construction cost. Therefore, it is considered prudent to allow for a slightly lesser continual level of annual renewal than the average annual depreciation. The Asset Management policy, is therefore considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance and is utilised as a guide to the selection and prioritisation of individual capital projects. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

## 2.4.2 Supply Chain Management Policy

The Supply Chain Management Policy has been the reviewed and will be tabled to council with draft budget. The UMkhanyakude Municipality resolved in terms of section 111 of the Municipal Finance Management Act, No 56 of 2003, to have and implement a Supply Chain Management Policy that gives effect to section 217 of the Constitution; and Part 1 of Chapter 11 and other applicable provisions of the Act is fair, equitable, transparent, competitive and cost effective; complies with the Regulations; and any minimum norms and standards that may be prescribed in terms of section 168 of the Act, is consistent with other applicable legislation e.g. Broad Based Black Economic

Empowerment (BBBEE), does not undermine the objective for uniformity in Supply Chain Management Systems between organs of state in all spheres; and is consistent with national economic policy concerning the promotion of investments and doing business with the public sector, assign responsibility for the implementation of the policy to the Accounting Officer of the Municipality.

## 2.4.3 Expenditure management policy

In terms of section 65 of the MFMA, the accounting officer of each municipality is required to take all reasonable steps to ensure that the expenditure including the payments and financial documents thereof are properly controlled and managed. It is therefore against this background that expenditure, payments and financial documents management policy is developed and approved by the council.

## 2.4.4 Risk management framework and risk management policy

Risk management is recognised as an integral part of responsible management and the Institution therefore adopts a comprehensive approach to the management of risk. The features of this process are outlined in the Institution's Risk Management Framework. It is expected that all departments / sections, operations and processes will be subject to the risk management framework. It is the intention that these departments / sections will work together in a consistent and integrated manner, with the overall objective of reducing risk, as far as reasonably practicable.

Effective risk management is imperative to the Institution to fulfil its mandate, the service delivery expectations of the public and the performance expectations within the Institution.

#### 2.4.5 Indigent policy

The provision of basic services to the community is in a sustainable manner, within the financial means of Council and to provide procedures and guidelines for the subsidisation of service charges and rates to its indigent households, using a portion or the whole of the Equitable Share for this purpose.

Council also recognises that many of the residents can simply not afford to pay the required service charges and rates, and Council will endeavour to ensure affordability through. Setting rates and tariffs which will balance the economic viability of continued service delivery and determine appropriate service levels.

The following policies were tabled and approved by council during draft budget period

- Budget preparation and Implementation policy
- Supply Chain Management Policy
- SCM Delegations
- Cash Management and Investment Policy
- Tariff Policy
- Credit Control and Debts Collection policy; and
- Virements policy.

#### 2.5 Overview of budget assumptions

#### **External factors**

The economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the municipality's finances.

General inflation outlook and its impact on the municipal activities

The following factors have been taken into consideration in the compilation of the 2017-2018 MTREF:

National Government macro-economic targets;

- The general inflationary outlook and the impact on municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity with 6.6 per cent and bulk water with 8 per cent;
- Depreciation calculation is based on the assumption that it won't increase for 2017-2018 as it has been adjusted during the adjustment budget.
- The increase in the cost of remuneration. Employee related costs comprise 34 percent of total consolidated operating expenditure in the 2017-2018 MTREF.
- Debt impairment calculation is based on the assumption that it won't increase for 2017-2018 as it has been adjusted during the adjustment budget.

## Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. However, for simplicity the 2017-2018 MTREF is based on the assumption that all borrowings are undertaken using fixed interest rates for amortisation-style loans requiring both regular principal and interest payments.

#### Collection rate for revenue services

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

The following projects will assist in improving revenue collection:

- Data Cleansing
- Installation of meters

The rate of revenue collection is currently very low since the community of UMkhanyakude have a high rate of unemployment and indigent.

#### Growth or decline in tax base of the municipality

Debtor's revenue is assumed to increase at a rate that is influenced by the consumer debtor's collection rate, tariff/rate pricing, real growth rate of the municipality, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

#### Salary increases

The increase on salaries for 2017/2018 is based on the Bargaining Council salary agreement which is CPI plus 1 per cent. Therefore salaries for employees have been increased by 7,4 per cent.

## Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to

strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

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

It is estimated that a spending rate of at least 100 per cent is achieved on operating expenditure and 100 per cent on the capital programme for the 2017-2018 MTREF of which performance has been factored into the cash flow budget.

## 2.6 Overview of budget funding

Table 25: Medium-term outlook: operating revenue

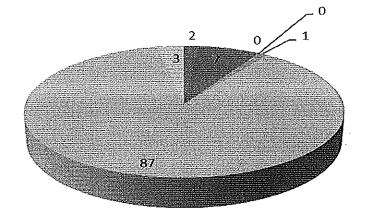
The following table is a breakdown of the operating revenue over the medium-term:

DC27 Umkhanyakude - Table A1 Consolida	ted Budget Summa	ry				
Description 20	17/18 Medium Terr	and the state of t	a and the second second of the second			
R thousands Bu	dget Year 2017/18		Budget Year +1	2018/19	Budget Year +2 201	19/20
Revenue By Source		%		%		%
Service charges - electricity revenue	6 848 851	2	7 239 235	2	7 644 633	2
Service charges - water revenue	27 397 568	7	28 959 229	7	30 580 946	6
Service charges - sanitation revenue	257 805	o	272 500	0	287 760	0
Rental of facilities and equipment	137 346	0	145 175	0	153 305	0
Interest earned - external investments	4 256 000	1	4 498 592	1	4 750 513	1
Transfers and subsidies	346 342 500	87	390 975 450	88	429 164 150	88
Other revenue	11 851 761	3	12 527 311	3	13 228 841	3
Total operating revenue	397 091 831	100	444 617 493	100	485 810 148	100

The following graph is a breakdown of the operational revenue per main category for the 2017-2018 financial year.

Figure 4: Breakdown of operating revenue over the 2017-2018 MTREF

%



- Service charges electricity revenue
- Service charges water revenue
- Service charges sanitation revenue
- Rental of facilities and equipment
- Transfers and subsidies
- ∃ Other revenue

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 the provision of goods and services such as water, electricity and sanitation. Operating and capital grants is from organs of state and other minor charges (such as new connection fees etc.)

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

- Growth in the UMkhanyakude and economic development;
- · Revenue management and enhancement;
- Improvement in collection rate for consumer revenue;
- · National Treasury guidelines;
- · Achievement of full cost recovery of specific user charges;
- And the ability to extend new services and obtain cost recovery levels.

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

The proposed tariff increases for the 2017-2018 MTREF on the different revenue categories are:

Table 26: Proposed tariff increases over the medium-term

DC27 Umkhanyakude - Table A1 Conso	lidated Budget Summary		
Description	2017/18 Medium Term R	evenue & Expenditu	re Framework
R thousands	Budget Year 2017/18	Budget Year +1 2018	Budget Year +2 2019/20
Revenue By Source			
Service charges - electricity revenue	6 848 851	7 239 235	7 644 633
Service charges - water revenue	27 397 568	28 959 229	30 580 946
Service charges - sanitation revenue	257 805	272 500	287 760
Total services charges	34 504 224	36 470 965	38 513 339

Services charges relating to electricity, water and sanitation constitutes the revenue totalling R34 million for the 2017-2018 financial year and R36 million by 2017-2018, and increasing to R38 million in 2017-2018.

Operational grants and subsidies consolidated amount to R 346 million (2017-2018), R390 million (2018-2019) and R429 million (2019-2020) for each of the respective

financial years of the MTREF operating revenue. It needs to be noted that in real terms the grants receipts from national government are growing rapidly over the MTREF for two outer years. The percentage of the total operational grants and transfers in relation to the total operating revenue is 87 per cent of services charges.

Investment revenue contributes marginally to the revenue base of the municipality with a budget allocation of R4.2 million, R4.4 million and R47 million for the respective three financial years of the 2017-2018 MTREF. It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

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

Table 27: MBRR SA 15 Investment particular by type

DC27 Umkhanyakude - Supporting Table SA15 Investment particulars by type

DOZI GIRARDIYANDO GOPPOTRING TOO		2013/14	2014/15	2015/16	Cur	rent Year 2016	117		edium Term R nditure Frame	
Investment type	Ref	Audited	Audited	Audited	Original	Adjusted	Full Year	Budget Year	Budget Year	Budget Year
		Outcome	Outcome	Outcome	Budget	Budget	Forecast	2017/18	+1 2018/19	+2 2019/20
R thousand										
Parent municipality										
Securities - National Government		-	-	-	-	-	_	_	-	-
Listed Corporate Bonds		-	- [	-	-	-	-		_ '	
Deposits - 8ank		715	1 021	-	2 000	2 000	2 000	2 128	2 249	2 375
Deposits - PubSc Investment Commissioners		-	-	-	- 1	-	-	_	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	_	-	-	-
Bankers Acceptance Certificates		-	- [	-	-	-	_	-	-	-
Negotable Certificates of Deposit - Banks		-	-	-	-	-	_	-	-	-
Guaranteed Endowment Policies (sinking)		-	_	- 1	-	-	_	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	_	-	-	-
Municipal Bonds		<b>→</b>		-	-	-	_	-	-	-
Municipality sub-total	1	715	1 021	-	2 000	2 000	2 000	2 128	2 249	2 375
Entities										
Securities - National Government		-	- 1	-	-	-	_	-	-	-
Listed Corporate Bonds	1	-	-	-	-	-	-	-	_	
Deposits - Bank		-	-	-	_	-	-	-	-	-
Deposits - Public Investment Commissioners	1	-	-	-	-	- 1	-	-	_	-
Deposits - Corporation for Public Deposits	1	_ :	-	-	~	-	_	-	_	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	_	-
Negotable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Poscies (sinking)		_	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Entities sub-total		-	-	-	-	-		-	-	_
Consolidated total:	T	715	1 021	-	2 000	2 000	2 000	2 128	2 249	2 375

Table 28: MBRR SA16 Investment particular maturity

DC27 Umkhanyakude - Supporting Table SA16 Investment particulars by maturity Capital Guarantee Variable or Fixed Commission Paid Commission Period of Interest Rate : Expiry date of Investments by Maturity la vestra écit Type of Investment (Yes/ No) interest rate (Rands) Recipient Investment YrsiMonths Name of Institution & Investment ID Parent municipality Munkipality sub-total Entitles TOTAL INVESTMENTS AND INTEREST

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity

## Table 29: Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2017-2018 medium-term capital programmes:

DC27 Umkhanyakude - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2013/14	2014/15	2015/16	Çur	rent Year 2016	/17	I .	edium Term R nditure Frame	
		Audited	Audited	Audited	Original	Adjusted	Full Year	Budget Year	Budget Year	Budget Year
R thousand		Outcome	Outcome	Outcome	Budget	Budget	Forecast	2017/18	+1 2018/19	+2 2019/20
Capital Transfers and Grants	ΠÌ									
National Government:		234 339	170 020	207 653	267 517	267 517	267 517	257 965	285 561	313 855
Municipal Infrastructure Grant (MIG)		233 214	156 020	199 898	197 146	197 146	197 146	207 965	220 561	233 855
Rural Assets Management		-	-	2 447	_	-	-	-	-	-
Rural Households Infrastructure		-	4 000	4 000	_	-	-	-	-	-
Water Services Infastructure Grant		-	-	~	70 371	70 371	70 371	50 000	65 000	80 000
ъ		-	-	~	_	-	-	-	-	-
Expanded Public Works Programme( EPWP)		1 125	-	1 308		-	-	-	-	_
Provincial Government:		-	-	-	_	-	. <b>-</b>		-	-
Other capital transfers/grants [insert	[									
description]		_	-	~		-	-	-	-	_
District Municipality:		-	_	-	-	-	-		-	-
[insert description]		-	-	-	-	-	_	-	-	-
			-	-	-	-	-	-	-	-
Other grant providers:		-	-		-	- ]	-	_	-	-
[insert description]		-	-	-	-	_		-	-	_
Total Capital Transfers and Grants	5	234 339	170 020	207 653	267 517	267 517	267 517	257 965	285 551	313 855

The above table is graphically represented as follows for the 2017-2018 financial year.

Figure 5: Medium-term outlook: capital revenue

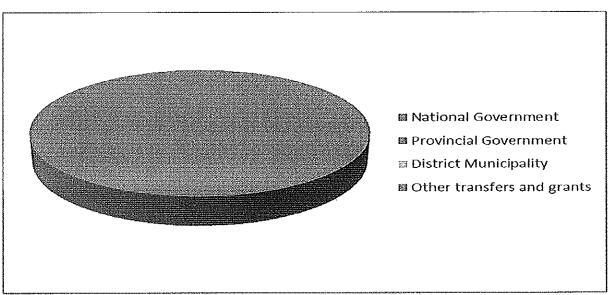


Table 30: MBRR SA 17 - Detail of borrowings

The municipality budgeted for 2017-2018 the outstanding loan with DBSA

DC27 Umkhanyakude - Supporting Table	9 SA17	Borrowing
--------------------------------------	--------	-----------

Borrowing - Categorised by type	Ref	2013/14	2014/15	2015/16	Cur	rent Year 2016	/17	2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited	Audited	Audited	Original	Adjusted	Full Year Forecast		Budget Year +1 2018/19	
	_	Outcome	Outcome	Outcome	Budget	Budget	- Folecast	2017/10	+1 2010/13	72 2013120
Parent municipality		_	_	_	_		_ :	_	-	_
Annuity and Bullet Loans Long-Term Loans (rion-annuity)	ļ	8 606	8 029	7 225	7 751	7 751	7 751	7 528	7 128	6 728
Local registered stock		-	_	-			_	. –	-	-
Instalment Credit		_	<del>-</del> -	_			_	-	-	-
Financial Leases		_	-	-	-	-		-	_	-
PPP Tabates		-	-	-	<b>-</b>	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds			- ]	-	-	-	-	-	_	-
Non-Marketatie Bonds			-	-		-	_	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	_	-	-	-
Other Securities			-	-	1	-	-	-	-	
Municipality sub-total	1	8 606	8 029	7 225	7 751	7 751	7 751	7 528	7 128	6 728
Entities										
Annuity and Builet Loans		-	-		- :	-	-	-	-	-
Long-Term Loans (non-annuity)			-	-	-	-	-	-	-	-
Local registered stock		-	-		-	-	-	-	-	-
Instalment Credit		-	-	-		-		-	-	-
Financial Leases		-	-	-	_	-	-	-	-	-
PPP liabilifes		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Suppfer		-	-	-		-	-	-	-	
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		~	-	-	-	_	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	~	-	-	-	-
Other Securifies		-	-			-	-			_
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	8 606	8 029	7 225	7 751	7 751	7 751	7 528	7 128	6 728
Unspent Borrowing - Categorised by type	Ι				·		[		1	
Parent municipality										
Long-Term Loans (annuity freducing balance)	ļ	-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock	ĺ	-	-	-	_	-	-	-	-	-
Instairment Credit		-			_	_		-		-
Financial Leases PPP liabilities		_	_	-	_	_			_	_
Finance Granted By Cap Equipment Supplier		_	_	_	_	_	-	-	-	-
Marketable Bonds		-	-	-	_	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
					1	<b>1</b>			1	
Bankers Acceptances		_	-	_	-	-	_	-		j
Financial derivatives		-		1 1	-		-	-	-	
	1	-		-	- - -		- - -	1	- -	- - -
Financial derivatives Officer Securifies Municipality sub-total	1	-					-			-
Financial derivatives Other Securités	1	-					-		-	1
Financial derivatives Offer Securities Municipality sub-total Entities	1	1			-	-	-	-	-	-
Financial derivatives Other Securities Municipality sub-total  Entities Long-Term Loans (annuity/reducing balance) Long-Term Loans (non-annuity) Local registered stock	1				-	-	-	-		
Financial derivatives Other Securities Municipality sub-total  Entities Long-Term Loans (annuity/reducing balance) Long-Term Loans (non-annuity) Local registered stock Instalment Credit	1				-	-	-	-	-	
Financial derivatives Other Securities Municipality sub-total  Entities Long-Term Loans (annuity/reducing balance) Long-Term Loans (non-annuity) Local registered stock Instalment Credit Financial Leases	1				-	-	-	-		
Financial derivatives Officer Securities Municipality sub-total  Entities Long-Term Loans (annuity/reducing balance) Long-Term Loans (non-annuity) Local registered stock Instairment Credit Financial Leases PPP Babilities	1					-	-			
Financial derivatives Other Securities Municipality sub-total  Entitios Long-Term Loans (annuity/reducing balance) Long-Term Loans (non-annuity) Local registered stock Instairment Credit Financial Leases	The state of the s		-			-	-	-		
Financial derivatives Officer Securities Municipality sub-total  Entities Long-Term Loans (annuity/reducing balance) Long-Term Loans (non-annuity) Local registered stock Instalment Credit Financial Leases PPP fiabities Finance Granted By Cap Equipment Supplier	de distance and descriptions of the second description of the second d		-					-		
Financial derivatives Other Securities Municipality sub-total  Entities Long-Term Loans (annuity/reducing balance) Long-Term Loans (non-annuity) Local registered stock Instalment Credit Financial Leases PPP Babities Finance Granted By Cap Equipment Supplier Marketable Bonds Bankers Acceptances	The distribution of the di		-		-					
Financial derivatives Other Securities Municipality sub-total  Entities Long-Term Loans (annuity/reducing balance) Long-Term Loans (non-annuity) Local registered stock Instalment Credit Financial Leases PPP Babilities Finance Granted By Cap Equipment Supplier Marketative Bonds Non-Marketative Bonds Bankers Acceptances Financial derivatives										
Financial derivatives Other Securities Municipality sub-total  Entities Long-Term Loans (annuity/reducing balance) Long-Term Loans (non-annuity) Local registered stock Instalment Credit Financial Leases PPP Babities Finance Granted By Cap Equipment Supplier Marketable Bonds Bankers Acceptances					-					

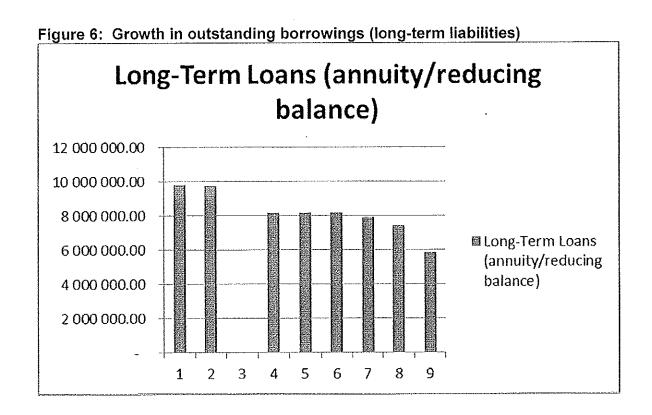


Table 31: MBRR SA 18 - Capital transfers and grant receipt

DC27 Himkhanyakuda - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2013/14	2014/15	2015/16	Cur	rent Year 2016	<i>ŧ</i> 17	2017/18 Medium Term Revenue & Expenditure Framework			
	li	Audited	Audited	Audited	Original	Adjusted	Full Year	Budget Year	Budget Year	Budget Year	
R thousand		Outcome	Outcome	Outcome	Budget	Budget	Forecast	2017/18	+1 2018/19	+2 2019/20	
RECEIPTS:	1, 2										
Operating Transfers and Grants											
National Government:		281 011	232 002	283 287	307 581	305 065	305 065	345 843	390 975	429 164	
Local Government Equitable Share	1 1	193 756	226 252	265 376	292 146	292 146	292 146	295 575	330 645	363 751	
Finance Management		1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 000	1 260	
Municipal Systems Improvement		890	934	940	_	_	_	-	-	-	
Water Services Operating Subsidy		_	_ 1	5 200	_	_	_	- 1	_	-	
Rural Assets management	[ [	_	2 440		2 516	_	-	2 619	2 713	2 867	
EPWP incentive		_	1 126	-	1 293	1 293	. 1 293	1 008	-	-	
RSC Levy Replacement		-	-	-	-	-	-	34 445	45 009	48 978	
Other transfers/grants [PMU]		85 115		10 521	10 376	10 376	10 376	10 946	11 608	12 303	
Provincial Government:		-	_	-	•	-		500	_		
I		_	-	-	-		-	500	-	- 1	
1		-	-	-	- 1	-	-	-	-	-	
· (		_	-	-	-		-	-	-	-	
		-	-	-		-	-	-	-	-	
Other transfers/grants [PMU]				-		-	-			-	
District Municipality:		-	_	-	-		-	-	-		
[insert description]		-	_	-	-			-	T -	-	
		-	_	-		_	-	-			
Other grant providers:			_	_	-	-	-	-	-	-	
[insert description]			-	-	_	_	-	-	_	_	
Total Operating Transfers and Grants	5	281 011	232 002	283 287	307 581	305 065	305 065	346 343	390 975	429 164	

## **Cash Flow Management**

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

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the actual collection rate of billed revenue.

Table 32: MBRR A7 - Budget cash flow statement

DC27 Umkhanyakude - Table A7 Consoli	i 1	1		******		Current Ye	2015H7	2017/18 Medium Term Revenue &			
Description	Ref	2013/14	2014/15	2015/16		Current re	ar zulorii	Expenditure Framework			
	1	Audited	Audited	Audited	Original	Adjusted	Full Year	Pre-audit	Budget Year		Budget Year
R thousand		Outcome	Outcome	Outcome	Budget	Budget	Forecast	outcome	2017/18	+1 2018/19	+2 2019/20
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts							-				
Property rates	1 1	-	- 1	- [	-	- 1	-	-	_		
Service charges		43 573	25 978	33 276	21 998	13 435	13 435	13 435	34 504	36 471	46 826
Other revenue	il	796	13 693	34 559	26 915	38 439	38 439	38 439	37 219	29 115	30 833
Government - operating	1	226 560	239 504	294 447	306,688	304 172	304 172	304 672	330 020	375 654	412 729
Government - capital	1	233 214	153 746	222 693	267 517	284 442	284 442	284 442	379 602	285 561	313 855
Interest		2 204	1 378	12 612	324	3 130	3 130	3 130	3 330	3 520	3 717
Dividends "	1	-	-		-	-	-	-	-		_
Payments									1	•	i
Suppliers and employees	1	(388 002)	(295 891)	(344 317)	(321 823)	(360 642)	(360 642)	(361 142)		(396 743)	(435 255
Finance charges		(978)	(1 135)	(2 352)	(1 049)	(1 781)	(1781)	(1 781)		(2 334)	(2 517
Transfers and Grants	[ 1 ]	-	-		(5 558)	(5 558)	(5 558)	(5 558)			
NET CASH FROM (USED) OPERATING ACTIVIT	TES	119 367	137 472	250 918	295 009	275 637	275 637	275 637	403 121	331 194	370 18
CASH FLOWS FROM INVESTING ACTIVITIES	П										
Receipts									ļ	•	1
Proceeds on disposal of PPE		835	(300)	- 1	_			-	-	-	_
Decrease (increase) in non-current debtors		_	`_`	_	-	_	-	-	-	ļ –	_
Degresse (increase) other non-current receivable	65	(398)	_ '	-	_			_	-	-	-
Decrease (increase) in non-current investments	ĭ		-		_	-	_	-	-	- 1	_
Payments											
Capital assets		(262 275)	(128 176)	(231 339)	(267 517)	(284 442)	(284 442)	(284 442)	(379 602)	(265 561)	(313 85)
NET CASH FROM (USED) INVESTING ACTIVITI	ĖS	(261 837)	(128 476)		(267 517)	(284 442)	(284 442)	(284 442)	(379 602)	(285 561)	(313 85
CASH FLOWS FROM FINANCING ACTIVITIES											1
Receipts	1				1			ĺ		}	1
Short term loans	1	1 _ !			_	_		_	-	_	-
Sorrowing long term/refnancing		(325)	(196)	_		_	i _	l -	_	_	-
increase (decrease) in consumer deposits		4 522	\	_	_	20	20	20	21	22	2
Payments	1	} ~~~~		_	1	]		- ·	1	1	
	1	7 895	(4 521)	(860)	(711)	(1 422)	(† 422)	(1 422)	(1 422)	(1 422)	(1 42
Repayment of borrowing NET CASH FROM/(USED) FINANCING ACTIVIT	I DES	12 092	(4 715)	(660)	(711)		(1 402)				
	1	<del></del>	<del></del>				<del></del>	<del>}</del>	` <del>`</del>	44 233	54 93
NET INCREASE/ (DECREASE) IN CASH HELD	1	(130 379)		18 719	26 781	(10 207)		ŧ .	'1	44 233	88 66
Cash/cash equivalents at the year begin:	2	141 757	11 378	13 805	(81 476)		32 523	32 523		88 567	E
Cashicash equivalents at the year end:	2	11 378	15 657	32 523	(54 695)	22 317	22 317	22 317	44 434	66 65/	143 60

In the 2017-2018 the various cost efficiencies and savings have been realised to ensure the municipality could meet its operational expenditure commitments. In addition the municipality undertook an extensive debt collection process to boost cash levels but due to unemployment and indigent community of UMkhanyakude we did not succeed in increasing cash collection. These initiatives and interventions have translated into a positive cash position for the municipality and it is projected that cash and cash equivalents on hand will decrease to zero by the financial year end.

## Cash Backed Reserves/Accumulated Surplus Reconciliation

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

 What are the predicted cash and investments that are available at the end of the budget year?

- How are those funds used?
- What is the net funds available or funding shortfall?

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

Table 33: MBRR A8 - Cash backed reserves/accumulated surplus reconciliation

DC27 Umkhanyakude - Table A8 Consolidated Cash backed reserves/accumulated surplus reconcillation 2017/18 Medium Term Revenue & 2013/14 2014/15 2015/16 Current Year 2016/17 Description Expenditure Framework Budget Year Audited Audited Original Adjusted **Full Year** Pre-audit Budget Year Budget Year Audited R thousand +2 2019/20 Forecast outcome 2017/18 +1 2018/19 Outcome Outcome Budget Budget Outcome Cash and Investments available 143 501 44 434 88 687 11 378 32 523 (54 695) 22 317 22 317 22 317 Cash/cash equivalents at the year end (63 902) (118 609) (19 990) (1 940) (24 781) (101 793) [101 793] (101 793) Other current investments > 90 days Non current assets - Investments 24 445 24 992 24 7£A (79 476) 11 378 13 717 32 523 (79 478) (79 476) (79 476) Cash and investments available: Application of cash and investments 21 851 39 698 34 385 Unspent conditional transfers Unspent borrowing Statutory requirements (271 718) (83 084) 3 95 717 31 563 29 930 29 930 29 930 (251 406) 82 911 126 563 Other working capital requirements Other provisions Long term investments committed Reserves to be backed by cash avestments (271 718) (251 406) 31 563 29 930 29 930 166 261 130 102 29 930 Total Application of cash and investments: (111 039) (109 406) (93 383) (152 544) (97 579) Surplus(shortfall)

From the above table it can be seen that the cash and investments available total to zero in the 2017-2018 financial year and progressively increase to R39million by 2017-2018, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

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

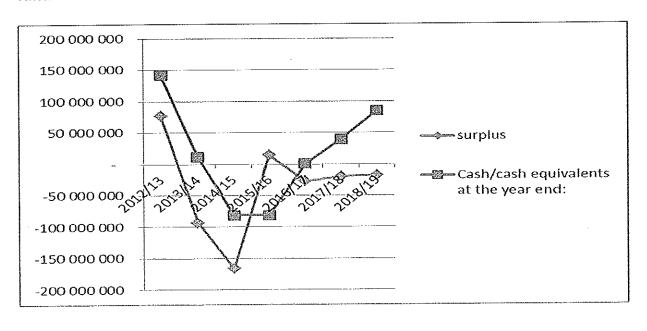
The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. High levels of debtor non-payment and receipt delays will have a greater requirement for working capital.

Any underperformance in relation to collections could place upward pressure on the ability of the municipality to meet its creditor obligations.

Long term investments consist primarily of the sinking funds for the repayment of future borrowings. The sinking fund value is held within long term investments and must be 'held to maturity' and is not available for spending.

The following graph supplies an analysis of the trends relating cash and cash equivalents and the cash backed reserves/accumulated funds reconciliation over a seven year perspective.

Figure 7: Cash and cash equivalents/cash backed reserves and accumulated funds



## Cash and cash equivalents / Cash backed reserves and accumulated funds

Funding compliance measurement

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

Table 34: MBRR SA10 - Funding compliance measurement

18(1)b 18(1)b 18(1)b 18(1)b	1 2 3	Audited Outcome 11 378 (93 383)	Audited Outcome 15 657	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit	Budget Year 2017/18	Budget Year +1 2018/19	
18(1)6 18(1)6	_	11 378			Budget	Budget	Forecast	outcome	2017/18		
18(1)6 18(1)6	_		15 667						20,,,,,	+1 ZVI & 19	+2 2019/20
18(1)6 18(1)6	_		15 657			İ				44.457	(12.52)
18(1)6	_	193 3331		32 523	(54 635)	22 317	22 317	22 317	44 434	88 667	143 601
	રા	(30,000)	(152 544)	(97 579)	(111 039)	(109 405)	(109 406)	(109 406)		276 172	113 076
40445	ا تا	0.4	0.6	1.2	(23)	0.9	0.9	0.9	1.7	3.2	4.8
18(1)	4	100 854	40 121	146 423	273 499	284 442	284 442	284 442	379 601	285 560	313 555
8(1)2,(2)	5	NA	(45.4%)	(16 2%)	51,1%	(17.6%)	(8 0%)	(6.059)	0.4%	(0.3%)	0.4%)
ε(1)a,(2)	6	88.4%	99.9%	117.1%	70.8%	74.5%	74.5%	74.5%	154.3%	133.5%	149.6%
8(1)a,(2)	7	83.7%	67.0%	52.3%	79.7%	37.5%	37.8%	37.6%	37.8%	37.8%	37.8%
8(1)c;19	8	0.0%	0.0%	0.0%	100.0%	100.0%	100.0%	100.0%	147.2%	100.0%	100.0%
18(1):	9	0.1%	0.2%	0.0%	0.6%	0.0%	0.0%		0.0%	0.0%	0.0%
18(1)a	10	569.53						041.000	0.0%	0.0%	0.0%
18(1):a	11	NA.	0.3%	199.2%	(86.193)	0.0%	0.0%	0.0%	360.5%	4.6%	4.5%
18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
20(1)(VI)	13	2.5%	2.2%	2.0%	2.2%	3.5%	3.5%	23%	21%	2.1%	2.1%
	ı	0.0%	0.0%	0.0%	100,0%	94.0%	94.0%	0.0%	100.0%	100.0%	100.0%
18 18 18 18 20	c(1); s(1); s(1); c(1); (iv)(1)	(1)c 9 (1)a 10 (1)a 11 (1)a 12	(1)c 9 0.1% (1)a 10 (1)a 11 NA (1)a 12 NA (1)(v) 13 2.5%	(1)0 9 0.1% 0.2% (1)1 10 0.3% (1)2 11 NA 0.3% (1)3 12 NA 0.0% (1)(v) 13 2.5% 2.2%	(1): 9 0.1% 0.2% 0.0% (1): 10 0.0% (1): 11 NA 0.3% 199.2% (1): 12 NA 0.9% 0.0% (1): 13 2.5% 2.2% 2.0%	(1): 9 0.1% 0.2% 0.0% 0.6% (1): 10 10 10 10 10 10 10 10 10 10 10 10 10	(1):     9     0.1%     0.2%     0.0%     0.0%     0.0%       (1):     10           (1):     11     NA     0.3%     199.2%     (%.1%)     0.0%       ((1):     12     NA     0.0%     0.0%     0.0%     0.0%       ((1):     13     2.5%     2.2%     2.6%     2.2%     3.5%	(1):     9     0.1%     0.2%     0.0%     0.0%     0.0%     0.0%       (1):     10     0.0%     0.0%     0.0%     0.0%     0.0%       (1):     11     11A     0.3%     199.2%     (%.1%)     0.0%     0.0%     0.0%       (1):     12     NA     0.0%     0.0%     0.0%     0.0%     0.0%     0.0%       (1):     13     2.5%     2.2%     2.0%     2.2%     3.5%     3.5%			

#### Cash/cash equivalent position

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

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year.

## Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

## Monthly average payments covered by cash or cash equivalents

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

## Surplus/deficit excluding depreciation offsets

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

# Service charge revenue as a percentage increase less macro inflation target

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

the economy and a reduction in consumption patterns. This trend will have to be carefully monitored and managed with the implementation of the budget.

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

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

## Capital payments of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It can be seen that a no per cent timing discount has been factored into the cash position forecasted over the entire financial year. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

Borrowing as a percentage of capital expenditure (excluding transfers and contributions)

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

# Transfers/grants revenue of Government transfers/grants available

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

## Repairs and maintenance expenditure level

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

## Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project.

# 2.6 Expenditure on grants and reconciliations of unspent funds

Table 35: MBRR SA19 - Expenditure on transfers and grant programmes

DC27 Umkhanyakuda	. Supporting Table	SA19 Expenditure on	transfers and grant programm	1e

Application   Continue   Contin	Description	Ref	2013/14	2014/15	2015/16	Cur	rent Year 2016	/17		edium Term R nditure Frame	
National Government	R thousand		· ·	1	- 1				1 -		Budget Year +2 2019/20
National dovernment   281 011   222 002   283 287   307 581   305 665   305 665   345 843   399 975   429   420	EXPENDITURE:	1	- Outcome	- Cattorill							
National Government   Satisfied   222 082   283 287   307 551   305 065   305 085   345 481   399 975   429   420   42					.						
193 765   226 259   265 376   222 146   222 146   285 146   285 146   330 645   330		ļ	281 011	232 002	283 287	307 581	305 065	305 085	345 843	390 975	429 164
Finance Management  Municipal Systems improvement  Monicipal Infrastructure  Monicipal Infrastructure of Transfers and Grant  Monicipal Infrastructure Grant Monicipal Infrastructure  Monicipal Infrastructure Grant Monicipal Infrastructure  Monicipal Infrastructure Grant Monicipal Infrastructure  Monicipal		į									363 751
Noncipal Systems Improvement   880   334   540		l							1 250	1000	1 260
Water Services Operating Subsidy   -	=				940	_	_	_	-	-	-
Capital expenditure of Transfers and Grants   Capital expenditure of Transfers   Cap	· · · · · ·		: 1		5 200		-	_	_	-	-
EPVP   Incentive				2 440		2 516	_	_	2 619	2 713	2 867
PAIU   RSC Levy Replacement   85 115   - 10 521   10 376   10 37	•			1 126	-	1 293	1 293	1 293	1 008	-	-
Provincial Government:	1		85 115	_	10 521	10 376	10 376	10 376	10 946	11 603	12 308
Other transfers/grants [PMU]  District Municipality:				-	-		<del>.</del>		34 445	45 009	48 978
Other transfers/grants  PMU	Provincial Government:		-	_	-	_	-	_	500	-	-
Other transfers/grants  PMU				-	-	-	-	-	500	-	-
Other transfers/grants [PMU]  District Municipality:			- 1	_	-	- 1			-	-	-
Other transfers/grants  PMU	j		-	-	-		-		-	i	-
District Municipality:			-	-	-	-	-	1	l .	-	-
Provincial Government:	Offer transfers/grants (PMU)		-		-	-				-	
Other grant providers: [insert description]  Total operating expenditure of Transfers and Grant  Total operating expenditure of Transfers and Grant  Total operating expenditure of Transfers and Grant  Septial expenditure of Transfers and Grants  National Government:  Municipal infrastructure Grant (IAIG)  Rural Assets Management  Pural Households Infrastructure Grant  In   Expanded Public Works Programme(EPWP)  Provincial Government:  Other capital transfers/grants [insert description]  Other grant providers:  [insert description]	District Municipality:		-	-	-		-	} <u> </u>	1		-
Other grant providers:	[insert description]		ł	ŧ	1	1 1		l .	1	1	_
Total operating expenditure of Transfers and Grant   281 011   232 002   283 287   307 581   305 065   305 065   346 343   390 975   426	•				-	-				ļ <u>-</u>	ļ <u>-</u>
Total operating expenditure of Transfers and Grant   281 011   232 002   283 287   307 581   305 085   305 085   346 343   390 975   428	Other grant providers:							L		1	
National Government:   234 339   170 020   207 653   267 517   267 517   257 945   285 581   313	[insert description]		i .	ŧ	_	1 :	!	1	E .	}	
National Government:   234 339   170 020   207 653   267 517   267 517   257 955   285 581   313   314   339   3214   168 020   199 898   197 146   197 146   197 146   207 965   220 561   233   244   247   24	Total operating expenditure of Transfers and G	rant	281 011	232 002	283 287	307 581	305 065	305 065	346 343	390 975	429 164
National Government:   234 339   170 020   207 853   267 517   267 517   257 985   285 581   313   314   166 020   199 898   197 146   197 146   207 965   220 561   233   214   166 020   199 898   197 146   197 146   207 965   220 561   233   214   166 020   199 898   197 146   197 146   207 965   220 561   233   247	Gapital expenditure of Transfers and Grants	Γ									
Municipal Infrastructure Grant (MIG)   233 214   168 020   199 893   197 146   197 146   207 965   220 561   233 214   168 020   199 893   197 146   197 146   207 965   220 561   233 214   168 020   199 893   197 146   197 146   207 965   220 561   233 214   168 020   199 893   197 146   197 146   207 965   220 561   233 214   168 020   199 893   197 146   197 146   207 965   220 561   233 214   168 020   199 893   197 146   197 146   197 146   207 965   220 561   233 214   168 020   197 146   197 146   197 146   207 965   220 561   233 214   168 020   197 146   197 146   197 146   207 965   220 561   233 214   168 020   197 146   197 1	•		234 339	170 020	207 653	267 517	267 517	267 517	257 985	285 561	313 855
Rual Asses Management				1	ŧ	197 146		197 146	207 965	220 561	233 855
Rural Households Infrastructure				_	1	-	_	_	_	-	-
Water Services Infastructure Grant			l _	4 000	i .	_	-	_	-	-	-
Name			- 1	E	_	70 371	70 371	70 371	50,000	65 000	80 000
Expanded Public Works Programme (EPWP)			-	-	_	_	-	-	-	-	-
Provincial Government:  Other capital transfers/grants [insert description]  District Municipality: [insert description]  Other grant providers:  [insert description]			1 125	-	1 308			_			<u> </u>
Other capital transfersigrants [insert description]  District Municipality:	Provincial Government:		_	-	_	_	-	-	-	-	-
District Municipality:  [insert description]  Other grant providers:  [insert description]	Other capital transfers/grants [insert										
[insert description]  Other grant providers:	District Municipality:		_		_	_	_	_	-	_	-
[insert description]											
Total capital expenditure of Transfers and Grants 234 339 170 020 207 653 267 517 267 517 267 517 257 965 285 561 31			-	-	_	-	-		-	-	-
	Total capital expenditure of Transfers and Gra	nts	234 339	170 020	207 653	267 517	267 517	267 517	257 965	285 561	313 85
TOTAL EXPENDITURE OF TRANSFERS AND GRAN 515 350 402 022 490 940 575 098 572 582 572 582 604 307 676 536 74		1	515 250	403 033	100 000	575 098	572 582	572 582	604 307	676 536	743 019

Table 36: MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

B 0 0 7 11 11 1 1 1 1	A 15 T. L.I. C 10/	Managalliation of transform	grant receipts and unspent funds
III.77 IImknanvakiine -	SUODODING TABLE SAZU	i Reconcination di transteis.	. Glant tecents and anobent mines

Description	Ref	2013/14	2014/15	2015/16	Cur	rent Year 2016	117		edium Term R nditure Frame	
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Operating transfers and grants:	1,3			•						
National Government:										
Balance unspent at beginning of the year		- [	-	- 1	-	-	-	-		-
Current y ear receipts		281 011	232 002	283 287	307 581	305 065	305 065	345 843	390 975	429 164
Conditions met - transferred to revenue		281 011	232 002	283 287	307 581	305 065	305 065	345 843	390 975	429 164
Conditions still to be met - transferred to Eablities		-	-		- 1	-	-	-		-
Provincial Government:				}						
Balance unspent at beginning of the year			-	- 1	-	-			-	_
Current y ear receipts		-	-	1 100	400	400	400	500	-	
Conditions met - transferred to revenue		-	-	1 100	400	400	400	500	-	-
Conditions still to be met - transferred to liabilities		-	-	-	- 1	-	-	-	-	-
District Municipality:										
Balance unspent at beginning of the year		- 1	-	-	-	-	_	- 1	-	_
Current year receipts		-	-	-	-	- 1		<u> </u>		
Conditions met - transferred to revenue		_	-	-	-	-		-	•	
Conditions still to be met - transferred to liabilities	ł		-	_	-	-	-	-	_	-
Other grant providers:	1							1		[
Balance unspent at beginning of the year		-	-	~	-	-	-	-	-	-
Current year receipts	ŀ	-	-		-		-			-
Conditions met - transferred to revenue		-	_	-		-	•		-	
Conditions still to be met - transferred to liabilities	į.	-	<b>→</b>	-	-	-	-		-	<u> </u>
Total operating transfers and grants revenue		281 011	232 002	284 387	307 981	305 465	305 465	346 343	390 975	429 164
Total operating transfers and grants - CTBM	2	-	-	-		-				
Capital transfers and grants:	1,3				:	İ				1
National Government								Í		
Balance unspent at beginning of the year	1	_	_	_	_	- 1	-	-	_	-
Current year receips		255 188	\$19 099	231 339	267 517	267 517	267 517	257 965	285 561	313 855
Conditions met - transferred to revenue		255 188	119 099	231 339	267 517	267 517	267 517	257 965	285 561	313 85
Conditions still to be met - transferred to liabilities				_	_	-		-	-	
Provincial Government:								1	1	
Balance unspent at beginning of the year	1	_	-	→ <sup>1</sup>	-	-	-	1 -	-	-
Current year receipts		5 869	9 274	-	_	16 925	16 925	-	_	-
Conditions met - transferred to revenue		5 869	9 274	_		16 925	16 925	-	-	-
Conditions still to be met - transferred to liabilities		_	_	-		-	-	-	-	-
District Municipality:		1						]	1	1
Balance unspent at beginning of the year	1	_	_	_	_	- 1	-	-	-	-
Current y ear receipts	1	_	-	-	-	j - '	_	-	-	-
Conditions met - transferred to revenue			-			<del>-</del>	-	-	_	
Conditions still to be met - transferred to Fabilities	s			_	_	_				
Other grant providers:		1			1		<u> </u>	İ	<u> </u>	
Balance unspent at beginning of the year		-	-	<b>j</b> -	-	-	-	-	-	-
Current year receipts		_	-	<b>-</b>	-	-	-	-		
Conditions met - transferred to revenue		-		-		-	-	-	-	
Conditions still to be met - transferred to Pabilities	s	<u> </u>	-	-		-	-	-	-	-
Total capital transfers and grants revenue	1	261 057	128 373	231 339	267 517	284 442	284 442	257 965	285 561	313 85
Total capital transfers and grants - CTBM	2		-	_	_		<del>-</del>	-	-	-
	Ť	<del> </del>	ļ	<del> </del>	636.400	£00 000	E00 007	504 207	676 536	743 019
TOTAL TRANSFERS AND GRANTS REVENUE	<u> </u>	542 068	360 375	515 726	575 498	589 907	589 907	604 307	8/0 330	143 01
TOTAL TRANSFERS AND GRANTS - CTBM	1			_				1	1	<u></u>

		·

DC27 Umkhanyakude - Supporting Tabl Summary of Employee and Councillor remuneration	Ref		2014/15	2015/16		rent Year 2016	/17		ledium Term R nditure Frame	
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget \ +2 2019/
Councille of Political Office Passage also Office	[1]	A	В	С	D	ε	F	G	H	1
Councillors (Political Office Bearers plus Other Basic Salaries and Wages	(m)	4 836	4 343	19 143	6 769	6 769	6 769	8 653	9 085	9
Pension and UIF Contributions		-	-	23	-	-	-	-	-	
Medical Aid Contributions		-	-	-	-	-	-	-	-	
Motor Vehicle Aflow ance		-	-	479		-	-	-		
Cerphone Allowance		-	-	83	288	288	288	93	103	
Housing Allowances		- 2 117	- 2 378	- 1	- 402	- 402	402	189	198	
Ofter benefits and afowances Note Total • Councillors		6 953	6 721	19 729	7 459 1	7 459	7 459	8 940	9 386	9
% Increase	4	0 333	(3.3%)	193.5%	(62.2%)		-	19.9%	5.0%	,
	2		,		, , ,					
Senior Managers of the Municipality  8asic Salaries and Wages	~	3 739	4 012	2 952	6 296	6 296	6 296	6 762	7 215	
Pension and UiF Contributors		90	67	43	10	10	10	11	11	]
Medical Aid Contributors	1	-	-	-	_	-		-	-	
Overtme -		-	-	-	-	-	-	-	-	ŀ
Performance Bonus			-	9	-	-	-	-	-	1
Mobr Vehicle Allow ance	3	-		1 524	-	-	-	-	-	1
Celohone Allowance	3	-	-	-	_	-	-	-	_	
Housing Allowances	3	2 606	2 203	303	- 62	350	- 350	- 376	401	
Other benefits and allowances	3	2 606	2 303	303	62	250	350	3/0	401	
Payments in feu of leave Long service awards		_	-	_	-	_	_	_	_	
Long service awaros  Post-retirement benefit obligations	6	_	_		 	-	-	-	_	1
Sub Total - Senior Managers of Municipality		6 435	6 383	4 832	6 359	6 656	6 656	7 149	7 627	-
% increase	4		(0.8%)	(24.3%)	31.8%	4,5%	-	7.4%	6.7%	(8
			, , , , ,	· ''					}	`
Other Municipal Staff Basic Salaries and Waoes		79 688	89 750	98 804	74 892	74 892	74 892	80 434	114 849	12
Pension and UF Contributions		14 386	16 706	19 718	14 425	14 425	14 425	16 450	17 493	18
Medical Aid Contributors		-	-	-	4 055	4 055	4 055	4 355	4 604	
Overime		3 084	3 379	2 704	500	500	500	510	510	'
Performance Bonus	1	-	-	199	7 913	7 913	7 913	8 499	9 063	!
Motor Vehicle Allow ance	3	-	-	6 792	3 694	3 694	3 694	3 967	4 193	1 '
Celiphone Allow ance	3	-	-	-	251	251	251	269	285	
Housing Allow ances	3	1 160	1 495	2 002	88	88	88	94	100	
Other benefits and allow ances	3	8 385	6 619	731	2 106	2 106	2 106	453	479	1
Payments in feu of leave	ŀ	-	-	1 108	-	-	-	-	-	1
Long service awards		-	-	- 734	-	-	_	_	_	
Postrefrement beneft obligations Sub-Total • Other Municipal Staff	6	106 704	117 949	132 792	107 923	107 923	107 923	115 031	151 580	16
% increase	4	100 107	10.5%	12.6%	(18.7%)		-	6.6%	31.8%	"
Total Parent Municipality		120 092	131 052 9.1%	157 353 20.1%	121 751	122 039 0.2%	122 039	131 120 7.4%	168 594 28.6%	17
			9.170	20.173	(22.6%)	V.278	_	1.*"	20.07	
Board Members of Entities					0.04	0.54	054		A75	
Basic Salaries and Wages	İ	-	-	-	851	851	851	914	975	1
Pension and UIF Contributors		_	-	~	-	-	_	_	-	
Medical Aid Contributors Overtime		-	-	_	_	-		]	_	
Performance Bonus		_	_	_		_		_		
Mobr Vehicle Allowance	3		_		_	_	_	_	_	
Celphone Allowance	3	-	_	_	_	_	_	_		
Housing Allowances	3	-	_	-	_	-	_	-	_	
Other benefits and allowances	3	_	_	-	-	-	-	-	-	
Board Fees		-	-	-		-	_	-	-	
Payments in feu of leave		-	-	-	~	-	-	-	-	
Long service awards		-	-	-	-	-	-	-	_	
Post-refrement benefit obligations	6		-	_	-	-	-	-		
Sub Total - Board Members of Entities % increase	4		1	7	851	851 -	851 	914 7.5%	975 6.7%	
Senior Managers of Entities			Ĭ							
Basic Salaries and Wages		546	1 406	963	2 451	2 451	2 451	2 632	2 782	,
Persion and U.F Contributions		94	220	239		-	-	1 -	-	
Medical Aid Contributions		-	-	-	-	- 1	-	-	-	
Overtme		-	-	_	-	-	→	-	-	
Performance Bonus	1.	_	-	-	-	-	-	-	_	
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	_	
Ceiphone Allowance	3	_	-	-	-		-		_	
Housing Atomances	3	255	485	321	_	_	_	_		
Other benefits and allowances	١٥	255	485	321	] -		_		] [	1
Payments in feu of leave Long service awards			_	E .	_		_		]	
Long service awards Post-refrement benefit obligations	6	_	-	į	-	l -	_		1 _	1
Postretrement beneat obligations Sub-Total - Senior Managers of Entities	"	895	2 112	1 523	2 451	2 451	2 451	2 632	2 782	<del></del>
% increase	- 4	1 000	136.0%	(85%)	60.9%	1		7,4%	1	1
Other Staff of Entitles			-	85						
Basic Salaries and Wages		-	-		2 692	2 592	2 692	2 891	3 065	
Pension and UF Contributions		-	-	1	-	-	-	-	-	
	1	_	_	ī		_		_	_	í
Medical Aid Contributions Overdone	1	-	]	1	Į.	1	_	] _	_	ì

Table 38: MBRR SA23 - Salaries, allowances and benefits (political office bearers/councilors/ senior managers)
DC27 Umkhanyakude - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref		Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
		No.				DOMES	Belletike	_
Rand per annum				1.				2.
Councillors	3							
Speaker	4		661 129	-	28 800		570,200,000	689 929
Chief Whip	1		619 811	-	28 800		yannani.	648 611
Executive Mayor			826 414	-	28 800			855 214
Deputy Executive Mayor			661 129	-	_			661 129
Executive Committee			1 239 622				1. V - 2	1 239 622
Total for all other councillors	İ		4 663 103	-	189 000	V. 100 100 100 100 100 100 100 100 100 10		4 852 103
Total Councillors	8		8 671 208	-	275 400			8 946 608
Out - November 1 Invitation like	5							
Senior Managers of the Municipality	٦		0.40.404	11 000	244 200	ŀ	TETTOR SAN FOLK	1 202 070
Municipal Manager (MM)			846 191	11 589	344 290	-		
Chief Finance Officer		ļ	781 107	12 258	344 290	-		1 137 655
			-	-	-	-		-
	Ì		_	-	-	-		-
	1		-		-	-		-
			-	-	-	-		-
List of each offical with packages >= senior manager			200 011	44.070	200 700		NAME AND SHOULE FAST	1 165 479
Head of Department: Corporate			828 644	11 070	325 765	_		
Head of Department Technical		Į	828 644	11 117	325 765			1 165 526
Head of Department PED			828 644	10 925	325 765	-		1 165 33
Head of Department: Community			828 644	10 960	325 765	-	A A A A Light A A A A A A A A A A	1 165 369
			-	_	-			_
			_		_			_
		1	_	_	_			_
			Į	_	_			_
			-	l .	_	_		_
			-	-	_	_		_
			_	-		_		_
•					_			_
Total Senior Managers of the Municipality	8, 10	-	4 941 874	67 919	1 991 640	-		7 001 433
	Ι.,							
A Heading for Each Entity  List each member of board by designation	6,7		-					
Esteach member of opaid by designation		_	_	_	_		waasa,gij	_
		-	_	_	-	_		
		_		_	_	_		_
	1	_	_		_	_		
		_	_	_	_	_		_
		l _	_	_	_	-		-
•		_	_	_	_	_		_
		l	_	_	_	_		_
		_	_	_	_	_		_
		_	_	_	_	-		_
		_		_	_	_		
			_	_	_	1 -		_
		] _	_					_
				_	_	]		
		-	_	-	1 .			_
		_	_	_		_		_
Total for municipal entities	8, 10		-	-		-		-
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	-	13 613 082	67 919	2 267 040	-		15 948 04

Table 39: MBRR SA24 – Summary of personnel numbers DC27 Umkhanyakude - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref		2015/16		Cuz	rent Year 201	6/17	Bu	dget Year 201	7/18
Number	1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)	1	29	5	24	29	5	24	31	5	24
Board Members of municipal entities	4	-	-	-	-	-	-	-	-	-
Municipal employees	5	-	-	-	-		-	-	-	
Muricipal Manager and Senior Managers	3	6	5	1	7	5	2	7	~	1
Office Managers	7	-	-	i -		-	-	-	-	-
Professionals		385	346	27	384	344	28	391	344	28
Finance		69	62	5	68	61	5	63	61	5
Spatial/town planning		-	-	-	-	-	-	-	-	
Information Technology		3	3	-	3	3	-	3	3	-
Roads		-	-	-	_	- 1	-	_	-	-
Electricity		5	5	-	5	4	1:	5	4	1
Water		220	205	15	220	205	15	220	205	15
Sanitation	1	5	5	-	5	5	-	5	5	-
Refuse		-	_		-	-	-	-	-	-
Other		83	66	7	83	66	7	90	56	7
Technicians		_	-	_	_	-		-	-	_
Finance	1	-	_	-	-	-	j -	-	-	-
Spatia/Town planning	}	_	-	-	-	-	-	-	-	-
Information Technology		-	-	l -	-	-	i -	-	_	-
Roads	1	_	_	_	_	-	i –	_	-	- 1
Electricity	1	-	_	-	_	_	-	-	_	_
Water	1	_	-	-	-	-		-	-	- 1
Sanitation	1		_	_	_	-	-	_	-	-
Refuse	1	_		_	-	-	_	-	-	-
Other	1		_	_	_	l' -	_	-	- 1	] -
Clerks (Clerical and administrative)	1	-	_	-	-	_	-	_	_	- 1
Service and sales workers	1	_	_	-	_	-	-	_	-	-
Skilled agricultural and fishery workers		_	_	_	_	-	_	_	_	_
Craft and related trades	1	_		_	_	_	-	-	_	-
Plant and Machine Operators		_	· -	_		i –	1 -	_	_	_
Eementary Occupations	ļ	_	_	_	_	-	- 1	-	-	-
TOTAL PERSONNEL HUMBERS	9	420	356	52	420	354	54	429	349	53
% Increase	1		<b>—</b>		-	(0.6%)	3.8%	2.1%	(1.4%)	(1.9%)
Total municipal employees headcount	6, 10	_	_	-	_		-	_		_
Finance personnel headcount	8, 10			_		- 1		_	_	_
Human Resources personnel headcount	8, 10		_	_	_	_	_	_	_	-
Lighted Mesonines becomes treasured	1"."	I	<u> </u>			I		1		ł

# 2.9 Monthly targets for revenue, expenditure and cash flow Table 40: MBRR SA25 - Budgeted monthly revenue and expenditure

DC27 Umkhanyakude - Supporting Tabl Description	Ref						Budget Ye	er 2017/13						Nedium Terc	a Revenue and Francework	ಕ್ಷಿ ಕ್ಷಾಪ್ತ್ರಿಸ್ಟ್ ಕ್ಷ್ಮಿಸ್ಟ್
														B 4		Budget Year
R figureard	$\  \ $	July	August	Sept	October	Nateuper	December	January .	February	Verch	At-ril	Wey	,tine	Budget Year 2017/18	80dget Year +1 2018/19	+2 2019/20
Revenue By Source	П															
Property rates	1													[ <del>.</del>		
Service charges - electricity revenue	1	571	571)	571	571	571	571	5/1	571	571	571	571	571	6.849	7 239	7 645
Savice charges - water reverse	1 !	2 283	2 283	2 283	2 283	2 283	2 283	2 233 .	2 283	2 283	2 233	2 283	2 285	27 363	28 959	30 581
Sayica d'arges - sanistion revenue		22	22	22	22	22	22	22	22	22	22	22	21	253	272	288
Savice charges - refuse ravenue	1	- }	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Savica d'arges - ofter	1 1	- 1	- ]	-	-		-	-	-	-	- 1	- 1	-	-		I
Renal of facilities and equipment	H	11	11	11	11	15	11	11	11	11	11	11	12	137	145	153
hibresteemed - exismal investments	H	355	355	355	356	355	356	365	355	356	355	355	355	4 256	4 499	4 751
hieresteamed - outstanding debtors	Ιŧ	1	-	-	-	-	-	-	- 1	-		-	-	-	-	-
Dividends received	ll		- 1	-	-	-	- 1	-	-	-	- 1	-	-	) -	-	-
Fires, peraltes and fortets	1	- ]	-	-	-	-	- :	-	-	-	-		-	] -	1 -	-
Licences and permits	1	-	-	- 1	-	-		-	-	-	- 1	- 1	-	-	-	-
Agency services	l	-	-	-	-	-			-	-		-	-	-	] -	-
Transfers and subsidies	}	115 281	-	-	-	115 281	[ -	- 1	-	115 280	-	-	501	345 343	390 975	429 154
Other revenue	łΙ	988	988	983	988	958	968	983	988	583	968	988	834	11 852	12 527	13 229
Gains on disposal of PPE	1 1	- [	-	- 1	-	-	-	- '	-	-	- 1	-	-	1 -	l	-
Total Revenue (encluding capital transfers and	(con	119 510	4 229	4 229	4 229	119 513	4 229	4 229	4 223	119 509	4 229	4 223	4 727	397 C92	444 617	455 810
Expenditure By Type	1 1															1
Employee related costs		11 399	11 399	11 369	11 3:9	11 329	11 359	11 359	1t 399	11 329	11 399	11 309	11 400	136 733	144 560	152 625
Remuneration of councillors	}	745	745	745	745	745	745	745	745	745	745	745	745	8 540	9 337	9 857
Debtingament	ΙI	1 066	1 (65	1 686	1 056	1 063	1 066	1 036	1 086	1 088	1 086	1 086	1 682	13 023	13770	14 541
Depreciation & asset impeirment		2 501	2 501	2 531	2 5 1	2 501	2 571	2 501	2 501	2 501	2 501 :	2 501	2 453	30,009	31 720	33 496
Frecedaçes		183	188	188	188	153	1,83	168	168	158	183	183	153	2 255	2 364	2 517
Bulk purchases	Ιŧ	7 679	7 679	7 673	7 679	7 879	7 €79	7 679	7 679	7 679	7 673	7 679	7 879	92 142	97 395	
Of er caleries	il	3 104	3 104	3 104	3 104	3 104	3 1/34	3 104	3 154	3 104	3 104	3 104	3 104	37 252	39 375	41 560
Contracted services	! !	1 254	1 254	1 254	1254	1 254	1254	1254	1 254	1 254	1 254	1 254	1 254	15 052	15 909	16 800
Transfers and subsidies		_	-		-	-	-	-	-	- 1	-		-	-	1 -	-
Other expenditure	l	5 093	5 093	5 093	5 093	5 093	5 093	5 093	5 033	5 093	5 093	5 093	5 594	61 620	90 118	111 545
Loss on disposal of PPE	ll	-	-	_	-	-	-	-	-	-	- 1	-	-	-		-
Total Expenditure	1 1	33 660	33 (50	33 (6)	33 657	33 (6)	33 (60)	33 (60	33 650	33 (60	33 (45)	33 050	33 544	397 092	444 613	435 810
Surplus (Deficit)	H	85 451	(28 823	(23 820)	(23 820)	85 451	(28 820)	(23 823)	(23 823)	86 450	(23 820)	(23 820)	(25 517)	6	1	
Transparent subsides - cools (more any	1					i	Ì	ŀ		1	1			1	Ì	1
alocators) (Hatorel / Provincial and District	1 1	85 998	_ ;	_ :		85 983	-	l _	_	85.98	_	_ `	1 1	257 985	285 561	313 855
Transfers and subsidies - capital (non-tary	1 1						1	l .							1	į.
					l	1	Ī	ŀ						1		1
afocators) (National / Provincial Departmental	H				ł		l	ļ	1					1	l	ł
Agencies, Households, Novembliths (Liters)	1 1				Ī	1	1	}	1		i		[	1	1	ļ
Private Enterprises, Public Corporators, Higher	H		ł		f	ŀ	İ	i		ļ			ļ	1		1
Educational Institutions)	l		-	-	-	-	1 -	-	-		-	-	-		-	-
Transfers and subsidies - capital (militid - all)	L	40 546	-	-	-	40 546	-	-	-	40 543	-	-	0	121 697		
Survius Defail atte capital transfers &		212 994	(23 820)	(23 823)	£23 820	212 994	(28 820)	@3 823	(28 820)	212 993	(28 820)	(28 820)	(28 615	373 631	285 560	313 555
contributors	1	112 354	120 020	hea però	1 "23"	1	1 20000	,,	[	[		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	] ,	1	1	
Taxaton	i I	-	-	-	-	-	-	-	-	-	-	-	1 -	-	-	-
Alfributable to colororities	1 1	-	-	-	-	-	-	-	-	-	-	-	-	1 -	-	1 -
Share of surplus/ (deficit of assessed)	1	-	-	_	] -	-	-	-	-	-	-	-	1 -		-	
Sarchis (Defoit)	13	212 994	(28 823	(23 820)	(23 827	212 934	(25 820)	[25 823]	(23 823)	212 933	(28 820)	(23 823)	(28 815	379 601	255 560	313 855

Table 41: MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

Descripcion	Ref				_		Budget Ye	er 2017/18						Medium Terr	Revenue and Fractienoria	Eccenditure
Rithousand		July	August	Sect.	October	November	December	January	February	Wardh	April	Wzy	hme	Budget Year 2017/15	Budget Year +1 2018/19	Budget Yea +2 2019/20
Revenue by Vota	$\Box$															
Vota 1 - COUNCI, SUPPORT	1 1	ļ											-			
Vote 2 - 80ARD AND GENERAL	1 1	93 525	- 1	-	- :	93 525	-		- 1	93 525	-	-	-	295 575	330 645	363 75
V/表 3 - FNANCXL SERVICES	1 1	1 304	536	536	535	536	538	536	536	536	536	536	1 018	7 677	7 794	8 43
VOH: 4 - CORPORATE SERVICES	1 1	-	-	-	_	-	-			-	-	-	-		-	-
VL=5 - COMMUNITY SERVICES	1 1	-	- [	-	-	- :	- 1	-	-	-	-	-	-	-	-	-
Vote 6 - THU SOM'S SERVICES CENTRE	1 1	-	- 1	-	-	- :	-	- 1	- 1	-	-	-	_			
You 7 - SOCIAL ECONOMIC DEVELOPMENT	1 1	26 824	1 624	1 824	1 824	1824	1 824	1 824	1 824	1 824	1 824	1 824	2 324	47 382	49 554	49 55
Vote 8 - BLECTRICATY DEPARTMENT	1 1	571	571	571	571	571	. 571	571	Ş1ŧ	571	571	571	571	6 843	7 239	764
Yor 9 - YATER SERVICES	1 1	2 367	2 367	2 367	2 387	2 367	2 367	2 3:7	2 357	2 347	2 357	2 367	2 367	28 406	28 959	30 68
V走 10 - SAMMATION DEPARTMENT	1 1	22 :	22	22	22	22	22	22	22	22	22	22:	21	258	272	26
Web 11 - TECHNICAL SERVICES	Ιi	3 643	-	-	-	3 649	-	-	-	3 643	-	-	(1)	10 545	11 668	12 30
Vote 12 - (NAME OF VOTE 12)		-	- 1	-	-	-	-	-	_	- 1	- :	-	-	-		-
Vote 13 - PIAME OF VOTE 13	1 1	-	- [	-	-	-	-	-	-	-	- :	-	-	-	-	-
Vote 14 - PUALVE OF VOTE 14	1		-	- 1	-	-	- 1	- 1	-	- 1	[ - i	-	-	1 -	-	_
Vote 15 - PLASTE OF VOITE 15	1 1	-		- 1	-	-	-	-		-						
Total Revenue by Vote	1 [	133 250	5 319	5 319	5 319	107 492	5 319	5 319	5 313	107 492	5 319	5 317	6 300	397 092	435 072	472.56
Expensiture by Vote to be appropriated	11													1	į	ł
Vote 1 - COUNCIL SUPPORT	1 1	973	973	973	973	973	973	973	973	973	973	973	973	11 678	12 275	12 90
Yole 2 - 804RD AND GENERAL	1 1	917	917	917	517	917	917	917	917	917	917	917	917	11 006	13010	1372
YOU 3 - FRANCIAL SERVICES	1 1	7 364	7354	7 394	7 354	7 334	7 394	7 354	7364	7 394	7394	7 394	7 364	88 729	90 307	95 56
Value 4 - CORPORATE SERVICES	1 1	3 037	3 037	3 637	3 837	3 037	3 097	3 037	3 637	3 037	3 037	3 697	3 037	36 439	39 410	41 61
Volid - COMMUNITY SERVICES	1 1	222	222	272	222	222	222	222	222	222	222	222	24 222	26 662	28 194	2977
Vote 6 - THUSOING SERVICES CENTRE		t27	127	127	127	127	127	<b>†27</b>	127	127	127	t27	127	1 520	1 607	1 69
Vite 7 - SOCIAL ECONOMIC DEVELOPMENT	1 1	6 366	6 366	5 365	6356	636	6 366	6 366	6:363	6366	6366	6 366	8 867	76 897	81 661	83.50
V:±8 - ELECTRORY DEPARTMENT	1 1	3 204	3204	3 204	3 204	3 204	3 204	3 204	3"204	3 204	3 234	3 204	3 203	38 442	40640	42 91
Vote 9 - WATER SERVICES		7 769	7769	7 769	7.789	7769	7 769	7 769	7789	7769	7 769	7 769	7 759		115 699	136 83
VOIE 10 - SANITATION DEPARTMENT	1	193	193	133	193	193	193	153	193	193	193	193.	193		2 443	2.57
Vote 11 - TECHNICAL SERVICES	1	649	849	849	849	849	849	859	849	849	849	849	849	10 182	10 827	11 43
Vote 12 - PLAME OF VOTE 12]		-	- 1		[ -	1 -	-	-	-	-	-	_	-	1 -	-	-
Vote 13 - PLANE OF VOTE 13		-	-	-	-	-	-	-	-	<b>!</b> -	-	- 1	-	-	-	-
Vote 14 - [NAME OF VOTE 14]	1 1	-	1 - 1	-	-	-	-	-	-	-	-	-	_	1 -	-	
Vote 15 - DIANE OF VOTE 15]	1	-		-	-			-		-			-	<u> </u>	<u> </u>	
Total Expenditure by Yoke	1.1	31 049	31 C43	31 049	31 049	31 043	31 C49	31 049	31 049	31 049	31 043	31 049	55 549	1	435 072	472 55
Surplus (Defoil) before assoc.	П	102 211	(25 731)	(25 731)	(25 731)	78 443	(25 731)	(25 731)	(25 731)	75 443	(25 731)	(25 731)	(43 249)	1 69	(7)	·
Tax ation		-		_	-	-	- 1	-	-	-	-		-	-	-	-
Atributable to minorities			] -	-	1 -	-	-	-	- 1	- !	-	ļ - ·	-	1 -	-	[ -
Share of surplusificities of associate		-	-	-	-	-	-	ļ -	-	-	-	-				
Surplum (Deficit)	11	102 211	66 730	(25 731)	(25 731)	76 443	(25 731)	(25 731)	(25 731)	76 443	(25 731)	(25 731)	(49 249)	3 (3	(9	

# Table 42: MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

Description	Ref						Budget Ye	er 2017/18						# 60,3 II 16 L	Revenue and Framework	<u> С</u>
		I			0-1-1	Naveraber	Occurter	inner	February	Varch	April	¥24	June		Budget Year	
R thousand	11	July	August	Sept	October	Naveraber	Decert cer	savery.	recrusty	¥301	74111	2.7	20/15	2017/13	+1 2018/19	+2 2019/20
Revenue - Functional	П		1							99 051	536	536	1 018	303 252	338 439	372 185
Governance and administration	11	99 829	538	538	536	99 061	536	536	536	98 525	359		1013	295 575	330 645	363.75
Executive and council	1 !	93 525	-	~. j	-	93 525		536	536	535	535	536	1 013	7 677	7.794	8 43
Finanțe and administration		1 324	536	536	536	535	536		330	339	2.7	333	1013	'`"		
rieval aviit	1	-	-	-	-	-	-	_	- 1	_	- 1	- 1	_	l .	_	_
Community and public safety		-	- 1	- 1	-	-	-		-	-	- [	- 1	_	_ :	_	-
Community and social services	1 1	-	-	-	-	-	-	-	~		_ [	- 1		[	_	_
Sport and recreation	1 1	-	-	-	_	-	i I	-	_	-	- [	- 1		]	_	_
Public szély		-	-	-	-	-	-	-	_		-	_ [	_	_	-	_
Housing	11	-	-	-	-	-	-				- [	_	_	1 _		_
He2.fb	11	-		2 432	2 432	2 432	2 432	2 432	. 2 432	2 432	2 432	2 432	2 931	58 323	61 153	61.86
Economic and environmental services	11	31 (8)	2 432				2432	2432	2 432	2 432	2432	2 432	2 931	58 323	61 163	61.65
Plenning and development		31 080	2.432	2 432	Z 432	2 432		2 432	2-32	2432		177		1		_
Road transport	1 1	-	- 1	_	_	_	-	_	1		_		_	-	_	_
ಕ್ಷೀಗರಗಳ ಜನಕ್ಕಳು	1 1	-		2 959	2 \$59	2 959	2 559	2 559	2 959	2 9 5 9	2 559	2 959	2 959	35 512	36 471	33 51
Trading services	1	2 959	2 \$59	2909. 571	2 539	571	571	253 571	571	771	571	571	571	5.849	7 239	764
Erany sources	11	571	<b>ទ</b> ្ធវ		2367	2367	2367	2 387	239	2 357	2 367	2 367	2 367	28 406	28 559	30 58
Valer management	11	2 35.7	2 387	2 367	2 35.1	2307	23.7	23.1	22	22	22	22	21	258	272	28
Ayese wings cost-agament		22	22	22	-		- "	- 72		-		-		1	-	
Visite management		- 1	-		1 1	_	1 1	-	1 -		_	_ [	_	l -		-
Other		-	-		<u> </u>	104 452	5 927	5 927	5 927	104 452	5 927	5 927	6 908	397 092	435 072	472 56
Total Revenue - Functional		133 868	5 927	5 927	5 927	104 452	3 251	350	3571	104 406	7=27	3321	0.00	1 371 472		
Expensiture - Functional	ł I	İ			ł		ŀ						12 321	147 852	155 002	163.81
Governmence and administration	1	12 321	12 321	12 321	12 321	12 321	12 321	12 321	12 321	12 321	12 321	12 321	. 189	22 684	75 785	26.63
Executy e and council		1890	1820	1 290	1890	1 890	1890	1 890	1 200	1890	1 829 10 431	1 830 °	10 431	125 168	129 717	137 18
Finance and administration		12 455	19 431	10 431	10 431	10 431	10 431	19.431	10 431	10 431	10 431	19 421	10 431	123 155	123717	134 10
internal austi		- 1		-	-								2 343	28 192	29.601	31 47
Community and public safety		2 349	2 349	2 349	2343	2 343	2 349	2 349	2349	2 343	2 349	2 349	2 343	28 192	29 831	31 47
Community and social senices		2 349	2 349	2 343	2 349	2343	2 349	2 349	2 349	2 349	2 343	2.349	2 369	20152	(367)	314
Sport and recreation		-		- '	-	-	-	-	_	-	1 -1	-	-	1 -	_	
Public salely		-		- '	-	-	-	-	-	-		-	-	1 ~	1 -	]
Housing		-	-	-	-	-	-	-	-	-	-	_	-	_	1 -	
Health	1	1 -	-	-	-				]	-	7 215	7 215 [	7715	87 073	92 458	54.94
Economic and environmental services		7 215	7 215	7 215	7 215	7 245	7 2/5	7 215	7 215	7 215 7 215	7 215	7 215	7715		92.455	94 94
Parning and development	1	7 215	7 215	7 215	7 215	7 215	7 215	7 215	7 215	7 215	1,512	7 213	7.713	91 619	72 ~30	7.7
Road tarsport	-		i l		}	į.	1						_	! [	1 [	. ا
Environmental protection					1		1		44.00	44.00	11 165	11 165	11 165	ł	158 782	182 33
Trading services		11 155	11 165	11 155	11 165			11 165 3 254	11 155 3 254	11 155 3 204	3 204	3 204	3 203			42 91
Eregy sources	i	3 204	3 204	3 204	3 204		3 204	7 769	7 769	1769	7 752	7 769	7 769		1	136 83
Vister maragement		7769	7 763	7 769	7 7 69		7 789 193	1 169		1 163	193	193			2 443	257
Västa mater menagement	-	153	193	193	193	193	193	[ R3	183	183	[ '*']	.23	l '2	1	1	1 -
Yeste menagement	1		1		[		}	ļ	1	1	<b>i</b> l		_	1 -	_	
Other	- 1					33 043	33 C49	33 049	33 043	33 049	33.049	33 043	33 549	397 093	435 072	472.55
Total Expenditure - Functional		33 643	33 043	33 043	33 043	33 049	13 (43	33 (49	33 049						L	
Surplus (Defort) before assoc.	$\top$	100 813	(27 123)	(27 123)	(27 123	71 402	(27 123)	(27 123	(27 123)	71 402	(27 123)	(27 123)	(25 641	n e	e e	
Share of surplus/ (deficit) of associate				l			<u> </u>		<u> </u>	<u> </u>			-			ļ <u>.</u>
Surplus/Defoti	1	100 813	27 123	(27 123)	127 123	71 422	(27 123	27 123	(27 123)	71 472	(27 123)	(27 123)	(25 641	1 0	45	

Table 43: MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

Description	Ref						Bಬರವುದ Ye	ar 2017/18						Medium Term	Framework	•
Rthouseni		Acy	Aogust	S∉çt	October	Nov.	Dec.	iznosty	Feb.	Varch	April	H24	Juna	Budget Year 2017/18	8udget Year +1 2018/19	Budget Yea +2 2019/20
Multi-year expenditure to be appropriated	11					$\neg \neg$										
Vote 1 - COUNCIL SUPPORT		-	- 1	- }	- 1	-	- 1	-	-	-	- 1	- '	-	] - [	-	-
V表 2~80ARD AVD GENERAL	Ιŀ	-	- ]	- 1	-	~-	- 1	-	-	-	-1	-	-	1 -	-	_
Vote 3 - FINANCIAL SERVICES	Ιŀ	-	- 1	-	-	-	- 1	- 1	-	- ]	-	-	-	- 1	-	-
Vota 4 - CORPORATE SERVICES	ΙI	-	- 1	-	-	-		-	-	-	-	-	-	1 - 1	-	-
Vote 5 - COMMUNATY SERVICES	ΙI	-		-	- 1	-	-	- 1	-	-	-	-	-	] -	-	-
Vote 6 - THUSON'S SERVICES CENTRE	iΙ	-	- 1	- ]	-	-	-	-	-	-	- 1	-	-	-	-	-
Wat 7 - SOCAL ECONOLIC DEVELOPMENT	]	-	-	-	-	-	-	-	-	-	- 1	-	-		-	-
Vote 8 - SLECTROTTY DEPARTMENT	ΙI	-	-	-	_	-	-	-	-	-	-	-	-		-	-
Vote 9 - WATER SERVICES		-	-	-	- 1	-	-	-	-	-	- 1	-	-		-	-
Vote 10 - SANITATION DEPARTMENT		- 1	- 1	-	- 1	-	-	- ]	-	-	-	-	-	-	-	-
Vote 11 - TECHTICAL SERVICES	1 1	-	-	-	-	- [	_	- 1	-	-	- [	-	-	l - i	-	
Vote 12 - DIAME OF VOTE 12]	1 1	-	-	-	-	- 1	-	-	- 1	- [	- 1	-	-	-	-	
Vote 13 - DIAME OF VOTE 13	1 1	_	-	-	-	- 1	-	- 1	-	- 1	-		-	-	-	
Vote 14 - (7)(AVE OF VOTE 14)	Ιİ	_	_	-	- 1	- 1	_		-	- 1	-	_	-	-	-	
Yes 15 - BLAME OF YOTE 15	11	_	_	-	_	_ 1	_	- 1	- 1	-	-	_	-	- 1	-	] .
istoble sufficient expension left per	1		- 1	-	-		-	-	-	- 1	-	-		-	-	-
ingle-year expenditive to be appropriated	11					1				. 1	ĺ					
Web 1 - COUNCIL SUPPORT	1 1	-	-	-	_	_	-	-	- 1	-	-	-	-	-	-	٠.
Vite 2 - BOARD AND GENERAL	Ιſ	_	_	-	-	_	_	-	- 1	_ [	-	-	-	-	-	١.
Vote 3 - F1L44CVL SERVICES	Η	_	_	_	_	_ [	- 1	-	-	_ 1	_	-	-	-	-	١ .
Wite 4 - CORPORATE SERVICES	Ιİ	_	_	_	_ [	_ 1	-	-	-	- 1		_	-		-	
N-2-5 - COMMUNITY SERVICES	Η	_	_	_	_	_ 1	_ :	_	- 1	- 1	_ [	_	-	- 1	-	
Wat 6 - THUSONG SERVICES CENTRE	Η	_	_	_	-	_		_ [	- 1	_ [	_ [	_	_		-	
V-87 - SOCIAL ECONOMIC DEVELOPMENT	Η	_	_		-	_	_	_	-	-	_ [	_	-	_ :	-	Ι.
Was 8 - ELECTRICITY DEPARTMENT	Η	_	_	_	-	_	_	_	-	-	_ }	_	-	<b>j</b> - 1	-	
Water Services	iΙ	16 652	15 652	15 652	15.652	18 652	15 652	15 652	18 652	15 652	16 652	15 662	16 643	199 821	223 804	243 3
VOE TO - SANITATION DEPARTURIT	1 1	4 845	4 845	4 815	4 645	4 645	4 845	4 845	4 845	4 845	4 845	4 845	4 843	58 141	81 757	65 47
Vota 11 - TECHNICAL SERVICES	1 [	_ :				-	_	_		_	_	- 1	_	1 -	_	
Vole 12 - P&AME OF VOTE 12]		_	_ [	_		- 1	_	_	_	_	- [	_ [	_		_	-
Vote 13 - PRAME OF VOTE 13	1	_	_ [	_			_	_	_	_	-	_ {	_	-	-	
Yot 14-DIANE OF YOTE 14			<u> </u>	_	[		_	_		_	- 1	_ ]	_			
VC= 15-DIAME OF VOTE 15		_	ا آ	_	]	_	-	_		_	_ [	_ 1	_		-	
Popital single-year expenditure sub-latal	12	21 437	21 497	21 497	21 497	21 497	21 497	21 497	21 497	21 437	21 437	21 437	21 433	257 965	285 561	313 65
capital single-year expenditure sus-extail lotal Capital Expenditure	12	21 437	21 497	21 497	21 427	21 437	21 497	21 497	21 437	21 437	21 497	21 497	21 433	257 965		313 85

Table 44: MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

Description	Ref			•			Budget Ye	er 2017/13							Revenue an: Framework	
R thousand		Judy	Argust	Sept	October	Nov.	Dec.	January	Feò.	Varch	lingA	Vej	Juna	8:>dget Year 2017/18	8udget Year +1 2018/13	Budget Year +2 2019/20
Capital Expensions - Functional	11								_							
Governance and administration	11	-	-		-	-	-	-	-	-	-	-	-	-	-	-
Executive and councit	11	-	-	- 1	-	-	-	-	- 1	-	- [	- 1	-	-	-	-
Firence and administration	11	-	-		-	-	-	-	- [	-	- [	-	-	-	-	-
internal audit		-	-	-	-	- [	-	-	- [	-	- ]	-	-	-	-	-
Community and public safety		-	-	-	-	- j	- 1	-	- 1	-	- [	- 1	-	-	-	-
Community and social services	11	-	-	-	-	-	- 1	-	- 1	-	-	-	-	-	-	j -
Spot and recreation		-	-	-	-	-	-	-	- 1	-	-	- 1	-	-	-	-
Public saffy		- 1	- 1	-	-	-	-	-	-	-	-	-	-	-	-	-
Ho.sng		-	- 1	-	-	-	-	-	-	-	-	-	-	-	-	1 -
Hesith		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services	- 1 1	-	-		-	-	-	-	-	-	-	-	-	-	-	-
Pizming and development		- 1	- 1	- 1	-	-	-	-	-	-	-	-	-	-	-	-
Road harsport		-	-	- :	-	-	-	-	-	-	- [	-	-	-	-	-
Evicated protection	- 1 - 1	-	-	-	-	- 1	-	- 1	-	-	- 1		-	-	-	-
Trading services	- 1 - 1	21 #37	21 497	21 437	21 497	21 497	21 497	24 497	21 437	21 497	21 497	21 427	21 437	257 955	265 561	313 555
Every sources	11	-	-	-		- 1	- 1		-	-	- 1	- '	-	1 -	-	-
Vikiter management	11	15 652	16 €\$2	16 652	18 552	15 652 °	15 652	16 652	16 652	15 652	18 652	15 652	15 652	199 821	223 834	243 375
Vaste water management		4 845	4 845	4 845	4 845	4 845	4 645	4 845	4 845	4 845	4 845	4 845	4 84\$	58 144	61 757	65 479
Vector management		- :	-	-		-	-	-			- 1	-	-	-	-	-
Other		-	- :	-	- '	-		-	- '	-	-	-	-	-	<u> </u>	-
Total Capital Expenditure - Functional	2	21 497	21 497	21 437	21 437	21 437	21 197	21 497	21 497	21 437	21 437	21 497	21 427	257 965	285 561	313 555
Funded by:	1 1															l
National Government		85 588	_	-		85 983	_	-	-	85.⊹63	-	-	(2)	257 965	285 561	313 855
Province Government		- 1	-	-	-	-	_	-	-	-	-	- 1	-	-	-	-
District Municipally		-		-	-	-	-	- :	-	-	-	-	_	-	-	i -
Otes teretas and grants	1 1	_	-	_	-	_	-	-	-	-	-	-	_	-	-	-
Transfers recognised - capital		85 968	-	-	-	85 988	-	- :	-	85 953	-	-	(47)	257 955	255 561	313 855
Public contributions & densitions		-	-	- :	-	-	-	- :	-	-	-	-	_	-	-	-
Borrow'ng		_	-	- 1	-	-	-	- 1		-	-	-	-	-	-	-
Internally generated funds		_	-	_	-	-	-	-	- 1	-	-	-	-	i -	-	-
Total Capital Funding	Ti	85 983	-		-	85 583	-	_		85 538	-		er.	257 955	285 561	313 855

Table 45: MBRR SA30 - Budgeted monthly cash flow

OC27 Um/hanyatude - Supporting Table MONTHLY CASH FLOWS				<del></del> -		Budget Ye	er 2017/18						Medium Term	Revenue and Frazzework	Espenditure
R thousand	July	August	Sept	October	November	December	January	February	March	April	Vay	3.00	Budget Year 2017/18	Budget Year +1 2015/19	Budget Year +2 2019/20
Cash Receipts By Source					-						1		1		
Property rates	-	-	-	-		- 1	_	-	-	-	- ]	-	-	-	-
Service charges - electricity reviews	571	571	571	57.1	571	571	571	571	571	571	571	571	6 849	7 239	15957
Service charges - a ateritevierue	2 233	2 283	2 283	2 283	2 283	2 283	2 283	2 283	2 233	2 283	2 283	2 283	27 398	28 950	33.581
Savice charges - sentation reviews	21	21	21	21	21	21	21	21	21	21	21	21	257	212	227
Service charges - refuse revenue	- 1	~		-	-	-	-	-	-	-	-	-	-	-	-
Service charges - other	- 1	-	-	-	-	-		-	-	- }	- [	-	-	-	-
Rental of bodies and equipment	11	15	11	11	11	11	- 11	11	it	វា	<b>11</b>	11	137	145	153
regard-eardiveres	273	278	278	278	- 278	278	218	278	278	278	278	278	3 330	3 520	3717
interest earned - outstanding debtors	-	-	-	-	-	-		-	~	-	-	-	- '	-	-
Ovidends received	- 1	-	-	_	-	-	-	-	- :	-	- [	-	-	-	-
Fines, peralties and forfeits	-	- 1	- 1	-	-	-	- 1	-	-	-	-	-	-	-	-
Liberces and permits	-	- 1		-	-	-	~		- :	-	- 1	-	-	-	
Agency services	-	-	-	_	-	-	-	- :	- :	-	- [	-	-	-	-
Transfer receipts - operational	119 027	-	_	-	110 007	-	-	-	110 007	-	- 1	(0)	330,020	375 654	412 723
Other revenue	3 090	3.090	3,090	3 090	3 (9)	3 090	3 690	3 030	3 090	3 090	3 090	3 090	37 032	28 970	33 680
Cash Receipts by Source	116 261	6 255	6 255	6 255	115 251	6 255	8 255	5 255	115 261	6 255	6 255	8 254	435 074	444 761	494 105
Other Cash Flows by Source	127 625	_	_	_	125 988	_	_	_	125 933	_	_	(2)	379 632	285 561	313 855
Transfer receipts - capital	127 023	_	-	_	123 300		_	_				·			
Transfers and subsidies - copied (moretary				ĺ							ļ			1	
a locations) (Retional / Provincial Departmental				}	1	1	·		i .		ļ		1		
Agencies, Households, Non-profit halfutions,				}							-			l	
Private Enterprises, Public Corporators, Higher		İ							[		- 1		l		
Educatoral institutors) & Transiers and				1	1	·					- 1		i		_
s.bsides - capital (n+ind - all)	-	-	-	-	-		_	-	-	_		_	1 1	_	1
Proceeds on disposal of PPE	- :	-	-	_	1 -	_	-	-	-		- 1	_		_	]
Statters kers	-	_	-	_	1 -	_	_	_		-	- 1	_	_		_
Barrowing large learning straining depose is a consumer depose in consumer depose is	-		_		_	_	-	_	_	_ ]	-	21	21	22	23
Decrease (increase) in non-current det-fors	_		_	-		-	-		-	-	-	-	-	-	-
Decrease (novesse) ofter non-ourset receivable	_	_ [	~	_	-	-	-	-		-	- 1	-	-	-	-
Decrease (natesse) in ren-outert investments	-	- 1	-		<b>i</b> -	I	_	-	_		-		-		
Total Cash Receipts by Source	243 853	6 255	5 255	6 255	242 243	5 255	6 255	6 255	242 249	6 255	5 255	6 275	784 895	730 343	837 983
Cash Payments by Type								Ì						ļ	
Exployee related costs	12 233	12 233	12 233	12,233	12 233	12 233	12 233	12 233	12 233	12 233	12 233	12 233	146 793	144 560	152 625
Returned to a councilors	745	745	745	745	745	745	745	745	745	745	745	745	6428	9 387	9 857
Finance changes	158	158	158	183	183	158	153	183	183	188	153	153	2 255	2 384	2 517
8.rk purchases - Eechicky	3 103	3 103	3 103	3 103	3 103	3 103	3 103	3 103	3 193	3 103	3 103	3 103	37 240	33 363	41 567
Bulk purphases - Vieler & Sewer	5 419	5 409	5 409	5 409	5 429	5 439	5 409	5 409	5 409	5 409	5 439	5 409	64 902	58 032	61 282
Oter neteries	3 104	3 104	3 104	3 104		3 104	3 164	3 104	3 (04	3:04	3 104	6 104	40 252	33 375	41 580
Contracted services	1 254	1 254	1 254	1 254	1 254	1 254	1254	1 254	1 254	1 254	1 254	6 254	20.651	15 923	16 800
Transfers and grants - other municipatities	_	1	-	_	1 -	_		_	1 -	- 1	-		-	-	-
Travers adgres - de	_		_	_	1 -		1 -			_	-	-	-	-	-
Oter expenditue	5 093	5 093	5 023	5 093	5 093	5 093	5 093	5 093	5 093	5 093	5 033	5 064	81 120	92 118	111 545
Cash Payments by Type	31 129	31 129	31 129	31 129		31 129	31 129	31 129	31 129	31 129	31 129	33 131	381 554	399 127	437 773
· · · · · ·	4, .22	]	""	"				1	1				{		
Other Cash Flows Payments by Type					7,	31 634	31 634	31 634	31 634	31 634	31 534	31 634	379 602	285 561	313 655
C3රා.පු ස84.2	31 634	31 634	31 634	31 634	1	J	ı	31 034	711	31 034	31 924	31 234	1422	1422	1
Repay then tof bottowing	-	-	711	-	-	-	-	-	/m	_	-	_	1922	1 1422	1 ""
Otar Cash Flows Payments	-		-	-	<u> </u>	-	62 763	62 763	63 474	62 763	62 763	70 764	762 578	535 110	753 049
Total Cash Payments by Type	62 763	62 763	63 474		-	62 763				-			<del>  `-</del>		
NET INCREASE (DECREASE) IN CASH HELD Cas Wash equiver's at the monthly ear begin.	181 123 22 317	(56 508) 203 450	(57 219) 145 932		1		(56 508) 156 182	(56 508) 99 673		(56 508) 221 540	(56 506) (65 432	(64 489) 168 924	22 118	44 233 44 434	54 933 83 667

# 2.10 Annual budgets and SDBIPs – internal departments Water Services Department – Vote 9

The department is primarily responsible for the distribution of potable water within the municipal boundary, which includes the purification of raw water, maintenance of the reticulation network and implementation of the departmental capital programme.

Table 46: Water Services Department - operating revenue by source, expenditure by type and total capital expenditure

Description		Current ye	ar 2016/17			2017-2018 MTREF	
R thousand	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget year 2017/18	Budget year +1 2018/19	Budget year +2 2019/20
Revenue By Source			1				l
Service charges - water revenue	31 103 981	25 749 594	25 749 594	25 749 594	27 397 568	28 959 229	30 580 946
Total Revenue water revenue	31 103 981	25 749 594	25 749 594	25 749 594	27 397 568	28 959 229	30 580 946
Expenditure By Type		:	<u> </u>				
Employee related costs	45 442 565	45 442 565	45 442 565	45 442 565	48 812 043	52 326 510	55 413 774
Debtimpairment	29 209 422	28 204 382	28 204 382	28 204 382	13 027 524	13 770 093	14 541 219
Bulk purchases	64 692 397	64 692 397	81 829 709	81 829 709	81 829 709	97 394 508	102 848 601
Other materials	35 613 729	57 025 010	57 025 010	57 025 010	37 251 901	39 375 259	41 580 273
Total expenditure	174 958 113	195 364 354	212 501 666	212 501 666	180 921 177	202 866 370	214 383 867
Surplus/Deficit	-143 854 132	-169 614 760	-186 752 072	-186 752 072	-153 523 609	-173 907 141	-183 802 920

- There are currently no unfilled positions in the top management structure of the Water Services Department. As part of the performance objectives for the 2017-2018 financial year, the expansion of the functional water demand management unit will require an amendment to the departmental organogram and the subsequent filling of vacancies.
- Significant capital projects to be undertaken over the medium term includes, amongst others:
- Expansion of the bulk reservoir supply
- · Replacement and upgrading of deficient reticulation infrastructure; and
- Purification plant upgrades.

The departmental strategy is ensuring the economic value and useful life of the water reticulation network and infrastructure is maintained. To this end, the medium-term expenditure framework provides for operational repairs and maintenance.

### 2.11 Contracts having future budgetary implications

In terms of the municipality's Supply Chain Management Policy, The accounting officer may procure consulting services provided that any Treasury guidelines in respect of consulting services are taken into account when such procurements are made. Consultancy services must be procured through competitive bids if the value of the contract exceeds R 200 000 (VAT included); or the duration period of the contract exceeds one year. In addition to any requirements prescribed by this policy for competitive bids, bidders must furnish particulars of all consultancy services provided to an organ of state in the last five years; and any similar consultancy services provided to an organ of state in the last five years.

### 2.12 Capital expenditure details

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

The following three tables present details of the municipality's capital expenditure programme, firstly on new assets, then the repairs and maintenance

Table 47: MBRR	SA34a – Capital expe	nditure on new	assets by assets c	ass	
		·			
		•			
•					

DC27 Unit basyzireds - Supporting Table SA34a Consolidated capital expenditure on new assets by asset class MilitareSun fern Levence & Ref 2013.14 Correct Year 2015-17 Description 251415 2515.15 Erpen filtere Fram recek Budget Year Budget Year Budget Year Austes Audies Awited Af)usted Fell Year R thousand 11 2515/19 12 2515/29 2517/15 Quites to a Orteone 0.46:01 Bodget Rudget Forecast Capital expenditure on row assets by Asset Class Sa-254 442 284 442 257 955 313 656 297 517 <u>Infrastructura</u> Roads Effest Alice 128 373 231 333 251 65 Read Structures State Com Captel Spares Som water Infestructure Drawaya Collection Stom water Consysted Karato Feercal tite turbe hy Sæteot HV Setoro Street HV Transmission Corductors W/New orks (VNetratio Capital Spaces and Supply Infrastructure Dams and Weins 231 339 257 517 24 402 284 447 257 955 255 <del>5</del>61 313 655 2107 128 373 Reservoirs Purp States
Water Treatment Waris
But Varis 26 188 5 689 113 099 3 274 ZZ9 683 1 556 21659 223 604 215 597 216.59 133 821 243375 Dirition 50 320 67 8 45 £786 53 144 61 75Z 65 479 Distribution Points PRV Strice Capte Speni Santaion Irlantatura A->Sixon Resources Wate Weller Tempera Works Outled Sewers Total Facilities Capital Spares Said Name of STATE Land # Siles # <u>Hara</u> Tractor Sisters # Hara Processing Facilities Weste Drop-off Points Warte Committee Facilities Railrimitate Pad Lives Red Structures Rail Furnium Brainage Collector Storm with Corveyance K-120 W/Stateors LV Nero arts Capital Spares Cost bistature Sand Puncs Averages Captal Spares Figure aton and Communication Effect active Dan Cortes Can Layers Distribution Layers Cookel Scares Community Assets Hais Certes Crestes Chica Cara Cartes FreiAndsleves Stations Testing Stations Viscons Galeres Destres Librarios Centrales Crandida Polica Public Coart Scace Natura Recentes
PLEIC Attacher Facilities ¥=423 \$'5'5 Alectric Arpora Fan Parke Sus Terrirais Captal Spares Sport and Repressor Facilities Indoor Footbas Oundoor Facilities Capital Spares Apriles Apriles Hatting Buildings Yests of As Consension Assa Color Hintage -----96 Payante Generativa Improved Property
Unimproved Property
Dominations Generally

Imposed Property
Uningst, ed Property
Other assets

Table 48 MBRR SA34b	- Capital expenditu	re on the renewal of	existing assets by	asset class
		·		

DC27 Umkhanyakude - Supporting Table	Ref	2013/14	2014/15	2015/16		rent Year 2018		2017/18 61	edium Term R nditure Frame	
		Audited	Audited	Audited	Originat	Adjusted	Full Year	Budget Year	Budget Year	Budget Year
R thousand Capital expenditure on renewal of existing asse	1 Its by	Outcome	Outcome	Outcome	Budget	Budget	Forecast	2017/18	+1 2018/19	+2 2019/20
<u>infrastructure</u>		281 057	128 373	231 339	287 517	287 517	287 517	257 <u>965</u>	285 561	313 855
Roads Infastructure  Roads		- -	- -	- -	-	·	- 1	-	-	_
Road Structures		_	_ _	-	_	_	-	_	_	-
Road Furntura Captel Spares		-	-	_	-		-	-	-	-
Storm water Infrastructure		-	-	-	-	_	_	_	-	1
Drainage Co≅ection Storm water Conveyance		_	_	_	_	- 1	-	-	-	-
Alteruation		-	-	_	-	-	_	_		
Electrical Intrastructure  Power Plants		_	_		-	_	-	_	-	-
HV Substations			-	-	_	-	-			_
HV Switching Station HV Transmission Conductors		-	-	-	-	-	- 1	-	-	-
MV Substations		_	_	- 1	-	_ [			-	<del>-</del>
MV Switching Stations MV Hetworks		-	-	-	-	- 1	-	-	-	-
LV Networks				_	-		_	_	-	-
Capital Spares Water Supply Infrastructure	1	255 188	119 099	229 683	216 597	216 597	216 597	199 821	223 804	248 375
Dams and Weirs				-	_	-		_		
Boreholes Reservoirs		_	-	-	-	-	- :	-	-	-
Pump Stations		_		- :		_	_	_	- -	_
Water Troatment Works Bu'k Mains		_		-	_	-	-	_		
Distribution	1	255 188	119 099	229 683	216 597	216 597 —	216 597 —	199 821	223 804	248 375
Distribution Points PRV Stations	1	_	_	-	-	_	-	-	-	-
Capital Spares				- '		-	-	-	_	-
Sacration Infrastructure Pump Station			_	- :	-	-	-	-	-	-
Reticulation		_	_	-		_	-	-	_ _	_
Waste Water Treatment Works Outfall Sewers		_			_		-	_	-	-
Tolet Facilies	1	_	_	_	_	_	-	-		
Capital Spares Solid Waste Infrastructure		5 869	9 274	1 656	50 920	50 920	50 920	58 144	61 757	65 479
Lendfül Sites		-	- 0.034	1 656	- 50 920	- 50 920	 50 920	- 58 144	61 757	- 65 479
Weste Transfer Stations Waste Processing Facilities		5 869	9 274	- 1636	30 920	50 320	- 30 320	-	-	-
Weste Drop-off Points		-	-	-	-	_	-	_		_
Wasta Separation Facilities Electricity Generation Facilities	1	_		-	_			_	_	-
Capital Spares		-	-	-		-			_	-
Rei hfastucture Rai Lines	ı					_	_	_	_	-
Rei Structures		1 -	-	-	_	-	-	_	_	
Rail Furniture Drainage Co5ection		-	_			_	_	_	_	-
Storm water Conveyance		-	-	-	-	-	_		_	
Altenuation MV Substations		_			_	_			_	_
LV Networks		-	-	-	_	_	-	-	-	-
Capital Spares Coastal Infrastructure			_	-		_			_	-
Sand Pumps	ı	-	-	-	-	_	-	_	_	-
Piers Revelments		_	1 -	_		_	_		_	-
Promenades		-	-	-	-	-	_	-	_	-
Capital Spares information and Communication infrastructure	-	_		] -	_		_		-	-
Data Centres		-	-	_	_		_		_	_
Core Layers Distribution Layers		_				-	-	_	] -	-
Capital Spares		_	-	-	-	-	-	-	-	-
Community Assets								-	<u>-</u>	-
Community Facតិខែន Hals						_	=	-	-	_
Centras Crèches			-		_	-	-	=		_
CFn'cs/Care Centres Fire/Ambulance Stations		_		-			_			_
Testing Stations		-	-	-				_		_
Museums Galeries	١	_		=	_	-	=			1 -
Theatres Libraries		_					-	-	_	1 -
Cemeteries/Cremetoria Palce		_			_		_	=		-
Puris		-	_	_		_	_	-		_
Public Open Space Nature Reserves		_	-	-		=		_	_	-
Pubse Ablution Facilities Markets		_		-	i -		-	-		-
Stats Abattoirs		-			_				_	] -
Almorts Tavi Ranks/Bus Terminals		_			_		_			
Captal Spares		-	-	-			_	_	-	] -
Sport and Recreation Facilities Indoor Facilities		_					_	-	-	-
Outdoor FacAties		-	-	-		_	_		-	-
Ceptal Spares		_	_	_		1			}	
Heritago assets Monuments				_		_	_	-	_	-
Historic Buildings			_			_	_			_
Works of Art Conservation Areas				<u> </u>	=			<del>  -</del>		
Otter Herrage			1	90		1	_	_	_	_
Revenue Generating		_	<del>-</del>	=	-	-	<del> </del>	-	<del>  -</del> -	-
Improved Property		_	-	-	_		-	_	-	_
Unimproved Property Non-rovenue Generaling		_		_	_		-	-		-
Improved Property	ł	1		_	_		-	_		1 -

Table 49: MBRR SA35 - Future financial impl	ications of the capital budget	

DC27 Umkhanyakude - Supporting Table SA35 Consolidated future financial implications of the capital budget

Vote Description	Ref		edium Term R nditure Frame	I		Fore	casts	
R thousand		Budget Year	Budget Year	Budget Year	Forecast	Forecast	Forecast	Present
( III) USBII U		2017/18	+1 2018/19	+2 2019/20	2020/21	2021/22	2022/23	value
Capital expenditure	1							
Vote 1 - COUNCIL SUPPORT		-	-	-				
Vote 2 - BOARD AND GENERAL		-	-					
Vote 3 - FINANCIAL SERVICES		-	-	-				
Vote 4 - CORPORATE SERVICES	1	-	-	-				
Vote 5 - COMMUNITY SERVICES		-	-	-				
Vote 6 - THUSONG SERVICES CENTRE		- '	-	-				
Vote 7 - SOCIAL ECONOMIC DEVELOPMENT		-	-	-				
Vote 8 - ELECTRICITY DEPARTMENT		<del>-</del> .	_					
Vote 9 - WATER SERVICES		199 821	223 804	248 375				
Vote 10 - SANITATION DEPARTMENT		58 144	61 757	65 479				
Vote 11 - TECHNICAL SERVICES		-	-	-				
Vote 12 - [NAME OF VOTE 12]		-	-	-				
Vote 13 - [NAME OF VOTE 13]		~	-	-				
Vote 14 - [NAME OF VOTE 14]		_	-	-				
Vote 15 - [NAME OF VOTE 15]		-	_	-				
List entity summary if applicable								
Total Capital Expenditure		257 965	285 561	313 855	- 1	-	-	
Future operational costs by vote	2							
Vote 1 - COUNCIL SUPPORT					-			
Vote 2 - 80ARD AND GENERAL								
Vote 3 - FINANCIAL SERVICES								
Vote 4 - CORPORATE SERVICES								
Vote 5 - COMMUNITY SERVICES				***************************************				
Vote 6 - THUSONG SERVICES CENTRE								
Vote 7 - SOCIAL ECONOMIC DEVELOPMENT								
Vote 8 - ELECTRICITY DEPARTMENT	1							
Vote 9 - WATER SERVICES								
Vote 10 - SANITATION DEPARTMENT				•				
Vote 11 - TECHNICAL SERVICES								
Vote 12 - [NAME OF VOTE 12]		[						
Vote 13 - [NAME OF VOTE 13]								
Vote 14 - [NAME OF VOTE 14]			1					
Vote 15 - [NAME OF VOTE 15]								
List entity summary if app@cable	1							
Total future operational costs	1	-	-	-	-	-	-	
Future revenue by source	3							
Property rates	1	1						
Service charges - electricity revenue				1				
Service charges - water revenue			]					
Service charges - sanitation revenue								
Service charges - refuse revenue								
Service charges - other								
Rental of facilities and equipment						1		
remail of contess and adolphions							1	
List other revenues sources if annicable							T	
List other revenues sources if appscable List entity summary if appscable		1					1	
List other revenues sources if app5cable List entity summary if app5cable Total future revenue					_	_		

Table 50: MBRR SA36 - Detailed capital budget per municipal vote

Municipal Vota/Capital project	Ref		ĝ	Individually Approved	Abact Class	Arrest Sub-Clean	GPS so-ordinates		Prior year outcomes	utaomes	2017/10 Me. Expens	2017/10 Medium Yerm Revanua & Expenditure Framework	vanua & ork	Project information	товійоп
R thousand	Program/Project description	Project Goal number code	Doal code	•	ð	a		Total Project Estimate	Audited Outsome 2013/18	Current Year 2016/17 Full Year	Budget Year   Budget Year   Budget Year   2017/16 +2 2018/19 +2 2018/20	Budget Year +1 2018/19	Budget Year +2 2019/20	Ward location	New or renewal
Parent municipality: Lat all capital projects grouped by Municipal Vote	unialped Voice														
1	Hisbias Mandlaker		_	¥8	Water Supply (mrashuolure			174 \$16	,	ı	7 059	•		Seg Five Mebles	٥
Waler	Huhluve Water Phase 1			¥œ	Water Supply Infrestructure			46.816	7	•	,	,	t	leizhi	Đ
Weight	Kwegobe Community Water Schema(Nationgwa Malobant)			Yes	Water Supply Infrastructure			400 184	•	t	900 99	42 560	42 560 Jozini	Jozof	
Waler	Menguzi Sov of the Sea Waler Schome	_		Yes	Water Supply Infrastructure			148 040	1	•	88 82	21 280	21 280	21 280 Umhlobuy alingana	
Water	Mikuzo waser Trasmant upgradu & Refurbahment			Yes	Witter Supply Infrastructura			37 910	,	k	12 500	13 300	13 300 Jezun	llizar	
A	Albertan walst remedial			Yes	Water Suppy Infrestructure			137 802		ı	30 367	22 33	32 31	32 311 Mubauba	
Water	Jozeni Regionel CW35			Yes	Water Supply Infrastructure			265 877	1	ŀ	36 000	37.240	37 240 Jozini	Jozini	
Wister	Shomula water upgrade			Yes	Water Supply Infrastructure			207 052	,	3	,	•	,	· Big Five Hoolen	
Water	Bhobazs Maene Gravity mela project - drought		_	Yes	Water Supply Infrastructure			3 9 1 3	1	t	3 913	4 163	4 18	4 143 Mubatuba	٥
Weter	Rehabultation of existing Shamula water scheme		_	Yes	Water Supply Infrastructure			727 237	i	;	485	5	376	516 Jozina	
Water	Ingever ums Boroholes (Drought)			Yes	Water Supply Infrasirusture			2 500	,	1	•	ı	,		
Water	Huhluwe Weder Phese 2 (Drought)			Yes	Water Supply Infrastructure			5 270	3	•	i	)	,	Sig Five Hables	_
Water	Rehabilitation of extering Jazzini weder softeme			#B/	Water Supply intrastructure			5 146	7	1	ı	1	,	Jozini	٥
Waler	Rohabilluton of existing Ubombo Water scheme		_	Yot	Water Supply Intrastructure			199 9	1	1	198	623	8	S20 Juzini	
Sanlason	Ingredering of plantation			Yes	Sanitation Infrastructure			142 569	٠	1	8 4	37 363	37 390 Jozin	Joseph	
Santesos	Muba VaP sunitation		_	Yes	Sanitation Infrastructure			877.88	,		16 000	19 152	10 152	10 152 Albabrators	
Serieus	Thumbalabu santados:			Yos	Sanitation Infrastructure			100 010	•	•	s B60	2 320	2 320	Jozeni	_
-															· · · · · · · · · · · · · · · · · · ·
											100	207 270	not noo		
Parent Capital expanditure	1										200 702	20/02	A15 (W		
Enditos:															
List all capital projects grouped by Entity	ntity														
Ently A Motor project &									•		•			_	
C replied black			_											_	
Entity B Electricity project B															
									1		,	ľ	-		
Entity Capital expanditure	***************************************						***************************************			***************************************	380 290	243,768	213 7AB		
Total Capital expenditure											Mai Par	1			

Table 51: MBRR SA37 - Projects delayed from previous financial year

	Rof.				3	- 4 - 4   Property   1 - 4 - 4 - 4 - 4 - 4 - 4 - 4 - 4 - 4 -	Provious	Current Year 2016/17	ar 2016/17	ZU1//15 IIII Expo	2017/15 Regium term Kovenue & Expenditure Framowork	vendo o. vork
Municipal Vota/Capital project	1,2	Project name	Project number	Ausoi Class	Assot Sub-Class	4 4	complete	Original Budgot	Full Year Forecast	Budget Year 2017/18	Full Year Budget Year Budget Year Budget Year Forecast 2017/18 +1 2018/19 +2 2019/20	Budgot Year +2 2019/20
R thousand							Your					
Parent municipality: List all capital projects grouped by Municipal Vole	od Vole			Examples	Examples							
		1/4		nla	n/a	n/a	0	ſ	1	1	ι	1
	of a			1/2	n/a	מקה	0	1	t	ŀ	1	,
	, P			1/2	nla	6/0	0	ı	3	1	1	t
	ž			rdo	υļα	a/u	0	1	ι	3	ι	•
	0,0			170	17/3	9/0	0	1	1	1	i	\$
	0/0		_	n/a	nla	n/a	•	1	ı		1	1
	u/u				n/a	n/a	-	1	ι	ı	₹	
Entitioe: List all cupilal projects grouped by Municipal Entry	oal Entity	The state of the s										
Early Name	n/a			n'a	n/a	n <sub>l</sub> ra	0	1	,	1	,	1
Project name	6,0			r/a	th/ti	n/a	0	1	1	1	ı	•
	3			ri⁄u	npu	nşu	٥	ı	1	r	1	1
	a/a			17/4	n/a	10/10	0	ι	•	ı	ı	•
	n/a			Na	n⁄a	n/a	0	1	ł	ı	1	1
	2,0			n/a	10/4	17/0	0	1	1	•	,	t

		 		-	
	•				
					i
		·			
			-		
į					
i e					

### 2.13 Legislation compliance status

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

- In year reporting
- Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance.
- Internship programme. The municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. Of the five interns one has been appointed permanently from December 2012. The remaining three interns has been extended their contract to April 2017, two interns have been appointed to have five interns.
- 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.
- Service Delivery and Implementation Plan. The detail SDBIP document is at a draft stage and will be finalised after approval of the 2017/17 MTREF in May 2017.
- Annual Report. Annual report is compiled in terms of the MFMA and National Treasury requirements.

2.14	Other supporting d	ocuments		
	o and o anjoin and an			
		•		

Table 52: MBR	R Table SA1 - S	upportina del	ail to budgete	d financial per	formance
		apperang are			•
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DC27 Umkhanyakuda - Supporting Tabla SA1 Sup		2013/14	2014/15	2015/16		Current Ye	par 2016/17		2017/18 Medium Term Revenue & Expenditure Framework					
Description	Ref	Audited	Audited	Audited	Original	Adjusted	Full Year	Pre-audit outcome		Hudget Year +1 2016/19				
thousand		Outcome	Outcome	Outcome	Budget	Budget	Forecast	outcome	2017/18	+1 2016/19	12 20187			
REVENUE ITEMS: Property rates	6													
Total Property Rales Sees Reverse Foregoes (exemptions, reductions and														
sebates and impermissable values in excess of														
Section 17 of UPRA)  Net Property Rates		-	_			-	-		-	<del> </del>	<b>-</b>			
Sarvice charges - electricity revenue	6										,			
Total Service charges - electricity reverse Sees Reverse Foregons (In ercess of 50 Feh per		5 663	5 256	4 884	5 047	6 437	6 437	6 437	6 849	7 239	<b>'</b>			
indigent household per month)		04 - 54 - 54 - 54 - 54				mayayaya sa es a			NA SACOLINA CARO	Language Carlo				
less Cost of Free Basis Services (50 keh per Indigent household per month)														
Net Service charges - electricity revenue		5 669	5 256	4 854	5 847	8 437	6.437	6 437	6 249	7 259	1			
Service charges - water revenue Total Service charges - water revenue	6	36 647	19 874	18 929	31 104	25 750	25 750	25 750	27 393	28 959	30			
less Reverse Foregore (In excess of 6 Molites pur Indigent household per month)														
less Cost of Free Basis Services (6 Nichtes per											7			
Indigenthousehold per month) Net Service charges - water revenue		38 647	19 874	18 620	31 184	25 750	25 750	25 750	27 398	28 959	33			
Service charges - sanitation revenue							ĺ							
Total Service charges - sentation revenue  Sus Revenue Foregone (In exctss of the sentation		1 257	848	430	516	242	242	242	258	272	1			
service to indigent households)			,											
less Cost of Free Basis Services (free sanjudon service to Indigent households)	l				#20 #24 B				74442					
Net Service charges - sanitation revenue		1 257	843	430	516	242	242	242	253	272				
Service charges - refusa revenue Tool refusa renoval reverua	6					1			]	İ	1			
Total landfil revenue  Less Revunas Faragore (in excess of one removal a									1					
neck to indigent households)										l				
less Cost of Free Basis Services (removed once a seek to indigent households)						-16772								
Net Service charges - refuse revenue		-			-		-	-	-	-				
Other Revenue by source Fuel Levy		_	_	_ :	_	_	_	-	_	_				
H3		_	-	-	_		_	-		_				
NII Connection fees		-	30	10 34 216	_	10 963	10 960	10 990	-	-	1			
Department of Water Refund Umhtosinga revienue		_	13 008 700	119	26 668	25 702	25 702	25 702	11 661	12 326	13			
Tender Sales Other Revenue		2 036	123 55	95 90	179 233	179 240	179 240	179 240	191	201				
		_	* - -	-	_		] [	_	] [		}			
	3	-	-	-	_	_	-	-	_	-				
Total 'Other' Revenue	1	2 036	13 917	34 531	27 280	37 082	37 082	37 682	11 852	12 527	13			
EXPENDITURE ITEMS:		-								[				
Employee related costs  Basic Salaries and Wages	2	81 426	93 762	98 804	102 249	102 249	102 249	102 249	109 816	116 075				
Pension and UF Contributions  Weddeal Aid Contributions		14 475	16 773	731 19718	15.410 4.065	15 410 4 055	15 410 4 055	15 410 4 055	16 550 4 355	17 493 4 604	18			
Overtima Peripmanca Bonus		3084	3 379	2704	500	503	500	500	537	537	1			
Motor Vehicle Allowance	-	5818	7 242	6 792	3 694 251	3 694 251	3 624 251	3 684 251	3 967 269	4 193 285	4			
Celiphone Allowance Housing Allowances	1	1 160	1 436	2 002	83	83	[ 89	83	94	100	1			
Other benefts and afour ances Payments in feu of leave		2 951	1 631	199 1 108	1 498	1 786	1 785	1 786	1 206	1273	1			
Long service awards Post-retrement benefit obligations		_	-	734		_	1 :	_		-				
sub-total	5	109 915	124 331	132 792	127 745	128 032	128 032	128 032	136 793	144 563	152			
Total Employees related costs	1	109 915	124 331	132 792	127 745	128 032	128 032	128 032	138 793	144 560	152			
Contributions recognised - capital List contributions by contract		_	-	[	İ			ļ			}			
Est compense by covere		-	- -											
		] -	-			1								
			-								1			
Total Contributions recognised - expital	1	_		-	-		_	-	-	-				
Depreciation & asset impairment Depreciation of Property, Plant & Equipment		28 109	23 160	35515	28 204	28 204	28 204	23 204	30 009	31 720	33			
Lease amorts aton Casesal asset imperment		-				. –		1 -		_				
Degreciation resulting from revaluation of PPE Total Depreciation & asset Impairment	10	28 109	28 160	38 515	28 204	28 204	28 204	28 204	30 629	31 720	33			
Bulk purchases	l									50,500	l			
Electricity Bulk Purchases Water Bulk Purchases		27 592 49 977	31 572 37 831	29 794 43 907	13 092 51 600	35 000 46 830	45 830	35 000 45 830	54 902	58 032	61			
Total bulk purchases	1	77 569	69 433	73 631	84 692	81 830	81 835	81 830	92 142	97 395	102			
Transfers and grants  Cash tension and grants		_	385	_	5 558	_	-	-	_	_				
Non-cash transfers and grants	1.		365		5 558	-	<del>-</del>	-	-	<del> </del>	<u> </u>			
Total transfers and grants  Contracted services	1	-	363	1 -	3 338	_	-	_	-	_				
Contracted Services		34 369	33 497	1893	-		-	_	13 959	14 754	15			
Consulation less Insurance			_	688	750		1 027	1 027	1 093	1 155	1			
Fiest Management Vaticia fina		-		778 370	_	-	-		ŀ					
Phytocopies and office equipment Ceix/ar and data services		-	-	1 477 2 594	13 119	18 119	18 119	18 119	1					
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Communication	-	-	-	807	-	-	_	-						
Security services School residion programme		_	-	2 333 17 540		_	_	] :						
other services		] -		503	_	-		_	1					
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# Table 53: MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

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Service charges - electricity revenue	1	_	-	-	] -	[ -	-	-	5843	23 436	-			· ·	-:	1 1	29
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tel Esperaflura		11 523	11 008	71 372		25 643	1 532	18 570	38.738	153 334	3 111	P 574		-	-	-	339
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Table 54: MBRR Table SA3 – Supporting detail to Statement of Financial Position

Description	Ref	2013/14	2014/15	2015/16		Current Ye	ar 2016/17		4	edium Term R nditure Frame	
Description	Ke	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	8udget Year +1 2018/19	Budget Year +2 2019/20
R thousand									ļ		
ASSETS Call investment deposits											
Call deposits		715	1 021	_	2000	2 000	2 000	2 000	2 128	2 249	2 375
Other current investments		-	-	-	-	-	-	-			-
Total Call investment deposits	2	715	1 021	-	2 000	2 000	2 000	2 000	2 128	2 249	2 375
Consumer debtors											
Consumer debitors		13 571	18 527	86 088	210 091	210 091	210 091	210 091	180 000	189 203	199 793
Less: Provision for debt impairment		-	-		(201 866)	(201 886)	(201 886)	(201 886)	(13 028)	(13 770)	(14 541
Total Consumer debtors	2	13 571	18 527	86 088	8 205	8 205	8 205	8 205	168 972	175 433	185 257
Debt impairment provision										100.515	400 740
Balance at the beginning of the year			ļ		172 676	172 676 29 209	172 676 29 209	172 676 29 209	172 676 30 009	182 519 31 719	192 740 33 495
Contributions to the provision					29 209	28 208	29 209	5a 50a	20 009	21.19	33 487
Bad debts written of Balance at end of year			_		201 886	201 886	201 836	201 886	202 656	214 238	226 235
•							_,,,,,,,			j., <b>23, 1</b>	
Property, plant and equipment (PPE)  PPE at costivatuation (exict. finance leases)		1 474 996	1 575 718	1 661 593	1 669 776	1 669 776	1 689 776	1 669 776	1 769 963	1 876 160	1 938 729
Leases recognised as PPE	3	1 474 330	10/01/0	1001000	-	1000170	1003770	10001110	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	1 010 100	1 000 100
Less: Accumulated depreciation					28 204	28 204	28 204	23 204	36 397	38 545	46 100
Total Property, plant and equipment (PPE)	2	1 474 996	1 575 718	1 561 593	1 641 571	1 641 571	1 641 571	1 641 571	1 733 568	1 837 615	1 948 629
LIABILITIES	Н										
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)		9 682	1 500	_	_	_	-	-	<u> </u>		
Current portion of long-term labilities		2 016	897	839	1 500	1 500	1 500	1.500	893	793	6 193
Total Current liabilities - Borrowing		11 698	2 397	839	1 500	1 500	1 500	1 500	893	793	6 193
Trade and other payables											
Trade and other credibrs		121 895	170 732	250 688	63 355	63 355	63 355	63 355	47 057	37 000	250 000
Unspent conditional transfers		21 851	39 698	34 385	-	-	-	_	-	-	0
VAT		-	_	_	-	-	-	-	-	- 4144	-
Total Trade and other payables	2	143 746	210 430	285 073	63 355	63 355	63 355	63 355	47 057	37 000	250 000
Non current Habilities - Borrowing					!					4.544	2.00
Borrowing	4	8 181	7 400 629	7 225	7 123	7 123 628	7 123 628	7 123 628	8 900 628	6 500 628	6 100 628
Finance leases (including PPP asset element)  Total Non current Habilities • Borrowing		425 8 606	8 029	7 225	628 7 751	7 751	7 751	7 751	7 528	7 128	6 728
		• • • • • • • • • • • • • • • • • • • •	0025	, 220	7 101	1 101	1 101	, , , , ,		, 120	1 122
Provisions - non-current Refrement benefits			_	_	_	-	_	_	_	_	_
List other major provision items		_	_	_		_	_		-	_	
Refuse landfill site rehabilitation		-	-	-	-	-	_	_	-	-	-
Other		4 080	4 779	5 886	- 1	- 1	-	-	-	-	-
Total Provisions - non-current		4 060	4 779	5 866	<b>→</b>			-	-	-	-
CHANGES IN NET ASSETS	T										
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		-		- :	1 683 807	1 744 257	1 744 257	1 744 257	2 047 047	2 171 436	2 274 499
GRAP adjustments		-	-	-	-	-	-	-	-	-	-
Restated balance		-	_	l	1 683 807	1 744 257	1 744 257	1 744 257	2 047 047	2 171 436	2 274 499
Surplus/(Defcit)		100 854	40 121	148 423	273 499	284 442	284 442	284 442	379 601	285 560	313 855
Appropriations to Reserves Transfers from Reserves	1	_	1	-	-	_	-	-	_	-	
Transiers from Reserves Depreciation offsets	1	_	_		_	_	_	_	-		_
Oher adjustments		-	_		-	-	_ ]	_	_	-	-
Accumulated Surplus/(Deficit)	1	100 854	40 121	145 423	1 957 306	2 028 899	2 028 699	2 028 699	2 426 648	2 456 996	2 588 354
Reserves	1									-	
Housing Development Fund	l	-	-	-	-	-	-	-	-	-	-
Capital replacement		-	-	-	-	-	-	-	-	-	_
Serinsurance			-		-	. <u>-</u>	-	_	]	_	_
Offier reserves Revaluation		_	_	_	_	_		_	_	_	-
Citier reserves Revaluation Total Reserves	2	1	_ 	-	-	i	-	-	-	Į.	-

Table 55: MBRR SA9 – Social, economic and demographic statistics and assumptions	

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Emiliary PO John Programme April 5 - 16 Made popul 5 - 16 Made popul 5 - 16 Made popul 5 - 16 John Personal St. 24 Uses aged 15 - 24 Uses aged 15 - 24 Uses aged 15 - 26 John Political Po	-				97.5988 21.5500 95.713 24.5503 4.657 155003	\$95649 715500 96313 265007 44617 155000	601666 711500 96019 96530 47001 166000	845-649 915800 96015 265500 46611 186000	9 miles 915500 26015 26050 26015 26050 46000	\$25644 \$15644 \$16646 \$25646 \$16646 \$16646	6256-005 1270-005 1270-005 1250-005 1250-005 1250-005	625949 @5246 @5246 @52649 625949 @6449
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Transfer specifies, in a . of the season of	17											
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Table 56: MBRR SA32 – List of external mechanisms

DC27 Umkhanyakude - Supporting Table SA32 List of external mechanisms

External mechanism		Period of agreement 1.	Service provided	Expiry date of service delivery	Monetary value of agreement 2
Name of organisation	Mths	Number	·	agreement or contract	R thousand
N/A		0	N/A	N/A	
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N/A		0	N/A	N/A	-
N/A		0	N/A	N/A	_
N/A		0	N/A	N/A	-
N/A		0	N/A	N/A	_
N/A		0	N/A	N/A	_
N/A		0	N/A	N/A	_
N/A		0	N/A	N/A	_
N/A		0	N/A	N/A	_

## 2.18 Municipal manager's quality certificate



## Municipal manager's quality certificate

I <u>Mgezeni Enock Ngonyama</u> acting municipal manager of UMkhanyakude District Municipality, hereby certify that the draft 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 draft budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name: M.E. NGONYAMA

Municipal Manager of UMkhanyakude District Municipality (DC27)

Signature:

Date: 31/03/2017

Print Name: MGEZENI ENOCK NGONYAMA

Chief Financial Officer of UMkhanyakude District Municipality (DC27)

Signature: Mws0.

Date: 31/03/2017