

2017-2018

FINAL BUDGET UMKHANYAKUDE DISTRICT MUNICIPALITY



2017-2018 TO 2019-2020
MEDIUM TERM REVENUE AND
EXPENDITURE FRAMEWORK
2017-2018

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Abbreviations and Acronyms

AMR	Automated Meter Reading
BPC	Budget Planning Committee
CBD	Central Business District
CFO	Chief Financial Officer
CPI	Consumer Price Index
CRRF	Capital Replacement Reserve Fund
DBSA	Development Bank of South Africa
DoRA	Division of Revenue Act
DWA	Department of Water Affairs
EE	Employment Equity
EM	Executive Mayor
FBS	Free basic services
GAMAP	Generally Accepted Municipal Accounting Practice
GDP	Gross domestic product
GFS	Government Financial Statistics
GRAP	General Recognised Accounting Practice
HR	Human Resources
IDP	Integrated Development Plan
IT	Information Technology
kℓ	kilolitre
km	kilometre
KPA	Key Performance Area
KPI	Key Performance Indicator
kWh	kilowatt
ℓ	litre
LED	Local Economic Development
MEC	Member of the Executive Committee
MFMA	Municipal Financial Management Act
MIG	Municipal Infrastructure Grant
MPRA	Municipal Properties Rates Act
MSA	Municipal Systems Act
MTEF	Medium-term Expenditure Framework
MTREF	Medium-term Revenue and Expenditure Framework
NERSA	National Electricity Regulator South Africa
PMS	Performance Management System
PPE	Property Plant and Equipment
PPP	Public Private Partnership
RG	Restructuring Grant
RSC	Regional Services Council
SALGA	South African Local Government Association
SAPS	South African Police Service
SDBIP	Service Delivery Budget Implementation Plan



UMKHANYAKUDE DISTRICT MUNICIPALITY
MAYOR'S REPORT
FINAL BUDGET 2017-2018

PART 1 – ANNUAL 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 The more attention should be focused on an outdated and aging infrastructure that end up instigating huge losses of water and interrupt the services delivery to the community.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 final budget will be published and communicated to the community after the adoption by the council on the 31 May 2017.

Cllr T.S Mkhombo

The Mayor: UMkhanyakude District Municipality

The total consolidated operating revenue budget and capital budget for uMkhanyakude District Municipality is R656 million below is the summary.

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

DC27 Umkhanyakude - Table A1 Consolidated Budget Summary			
Description	2017/18 Medium Term Revenue & Expenditure Framework		
	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousands			
Total Revenue (excluding capital transfers and contributions)	398 457 000	446 059 000	485 712 000
Transfers and subsidies - capital	257 964 500	285 560 550	313 854 850
Total Revenue	656 421 500	731 620 550	799 566 850
Expenditure			
Total operating expenditure	3978 457 000	446 059 000	485 712 000
Total capital expenditure	257 964 500	285 560 550	313 854 850
	656 421 500	731 620 550	799 566 850
Surplus/Deficit	-	-	-

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

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

Consolidated Operating Final budget 2017-2018

DC27 Umkhanyakude - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)				
Description	Ref	2017/18 Medium Term Revenue & Expenditure Framework		
		Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1			
Revenue By Source				
Property rates	2	-	-	-
Service charges - electricity revenue	2	6 849	7 239	7 645
Service charges - water revenue	2	28 562	30 190	30 259
Service charges - sanitation revenue	2	258	272	288
Rental of facilities and equipment		137	145	153
Interest earned - external investments		4 256	4 499	4 751
Transfers and subsidies		346 343	390 975	429 164
Other revenue	2	12 052	12 738	13 452
Total Revenue (excluding capital transfers and contributions)		398 457	446 059	485 712
Expenditure By Type				
Employee related costs	2	136 793	144 560	152 625
Remuneration of councillors		8 940	9 387	9 857
Debt impairment	3	18 028	39 055	20 122
Depreciation & asset impairment	2	45 009	56 354	58 549
Finance charges		1 499	1 584	1 673
Bulk purchases	2	89 912	86 787	105 831
Other materials	8	35 330	38 631	62 392
Contracted services		24 355	25 971	28 649
Transfers and subsidies		-	-	-
Other expenditure	4, 5	38 590	43 730	46 013
Loss on disposal of PPE		-	-	-
Total Expenditure		398 457	446 059	485 712
Surplus/(Deficit)		(0)	(0)	-

Consolidated Capital Budget 2017-2018

Capital Grants			
Description	Draft Budget 2017-2018	Draft Budget year+1 2018-2019	Draft Budget year+2 2019-2020
Capital Grants			
MIG (excluding PMU)	207 964 500	220 560 550	233 854 850
Water Services Infrastructure Grant	50 000 000	65 000 000	80 000 000
Total capital grants	257 964 500	285 560 550	313 854 850

1.2 Council Resolution

Signed and attached

1.3 EXECUTIVE SUMMARY

1.3.1 Introduction

The final budget 2017-2018 proposed a total consolidated amount of R656 million which has been developed with an overall planning framework and includes programme and projects to achieve the municipality's strategic objectives. This final 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 R398 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 48 million. The overall budget for UMkhanyakude District Municipality is R656 million.

The entity (UMhlosinga Development) of UMkhanyakude has a budget of R11 million, when consolidating the parent municipality's budget it adds up to R656 million.

The Final 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 no longer 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 final 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

DC27 Umkhanyakude - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)						
Description	Ref	2017/18 Medium Term Revenue & Expenditure Framework				
		Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20		
R thousand	1					
Total Revenue (excluding capital transfers and contributions)		398 457	446 059	485 712		
Total Expenditure		398 457	446 059	485 712		
Surplus/(Deficit)		(0)	(0)	-		

The consolidated operating revenue for both parent municipality and the entity of the municipality is R398 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	2017/18 Medium Term Revenue & Expenditure Framework		
	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousands			
Financial Performance			
Property rates	–	–	–
Service charges	35 669	37 702	38 191
Investment revenue	4 256	4 499	4 751
Transfers recognised - operational	346 343	390 975	429 164
Other own revenue	12 190	12 883	13 606
	398 457	446 059	485 712
Total Revenue (excluding capital transfers 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 R35 million after the adjustment budget. In 2017/18 consolidated budget for service charges will increase to R35 million, R37 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 its 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 total 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 FINAL BUDGET 2017-2018			
Operating grants			
Description	Final Budget 2017-2018	Final Budget year +1 2018-2019	Final Budget year+2 2019-2020
Equitable Share	295,575,000.00	330,645,000.00	363,751,000.00
RCS Levies Replacement	34,445,000.00	45,009,000.00	48,978,000.00
FMG	1,250,000.00	1,000,000.00	1,260,000.00
Expanded Public Works Programme	1,008,000.00	-	-
PMU	10,945,500.00	11,608,450.00	12,308,150.00
Rural Road Assets Management System	2,619,000.00	2,713,000.00	2,867,000.00
Ingodini Study Grant	500,000.00	-	-
TOTAL OPERATING GRANTS	346,342,500.00	390,975,450.00	429,164,150.00

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

ANNEXURE B: Consumptions charges and tariffs				
UMkhanyakude District Municipality				
Water Tariffs for 2017/18				
	2016/2017		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	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
	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 ave consumption minimum		R 650.00
		Commercial 2x Ave consumption minimum		R 1 210.00

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 kℓ water per 30-day period will again be granted free of charge to all residents. The total number of household who receive the free basic services is 18702, and total kilolitres is 112212. The number of household without water will decrease, as the municipality will ensure that the water reaches the community target to reach 2017-2018.

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. This is in line with the approved ESKOM tariff increase of 2.2 percent approved by the National Energy Regulatory of South Africa (NERSA) for the 2017/2018 as stated in MFMA Circular 86. The billing amount will increase with 6.4 per cent in all, due to the increase in the electricity demand in the area of Ingwavuma and kwaMsane. The municipality considered the prior year trend and considered that during the mid-year assessment the electricity billing was behind as a result the municipality during the mid-year assessment was sitting at 36.1 percent instead of at least 50 percent.

It should be noted that given the magnitude of the tariff increase with 2.2 percent, it is expected to increase growth in electricity consumption, which will have a positive 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 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 main	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 k	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 Municipality			
Water Related Tariffs for 2017/2018			
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 rates	R18/kl + cost per km
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

1.4.5 Other Revenue

The other revenue has decrease as the municipality will be no longer receive the refund from Department of Water Affairs. The other revenue consist of the UMHlosinga Development Agent revenue as per Service Level Agreement from departments that will fund the entity.

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	2017/18 Medium Term Revenue & Expenditure Framework				
		Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20		
R thousand	1					
Expenditure By Type						
Employee related costs	2	136 793	144 560	152 625		
Remuneration of councillors		8 940	9 387	9 857		
Debt impairment	3	18 028	39 055	20 122		
Depreciation & asset impairment	2	45 009	56 354	58 549		
Finance charges		1 499	1 584	1 673		
Bulk purchases	2	89 912	86 787	105 831		
Other materials	8	35 330	38 631	62 392		
Contracted services		24 355	25 971	28 649		
Transfers and subsidies		-	-	-		
Other expenditure	4, 5	38 590	43 730	46 013		
Loss on disposal of PPE		-	-	-		
Total Expenditure		398 457	446 059	485 712		

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 R18 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 R45 million for the 2017-2018 financial and equates to 11 per cent of the total operating expenditure. It is the per cent of the increase of the comparative prior years assets increase. 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 R1.4 million has been provided for interest charges and interest on bank accounts for the municipality.

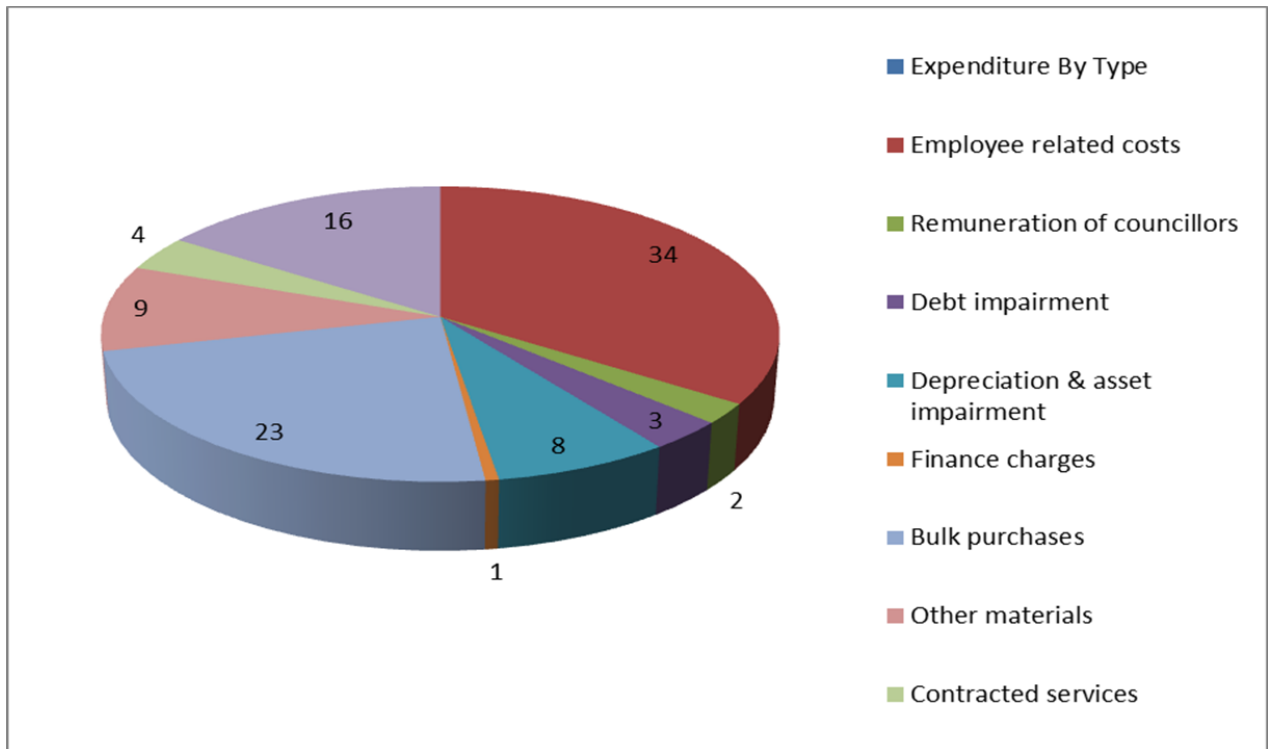
Bulk purchases are directly informed by the purchase of electricity from Eskom and water for water purification and reticulation. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

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 R35 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 Umkhanyakude - Table A5 Consolidated Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		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
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure - to be appropriated	2										
Vote 1 - COUNCIL SUPPORT		-	-	-	-	-	-	-	-	-	-
Vote 2 - BOARD 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		-	-	-	-	-	-	-	-	-	-
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]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure - to be appropriated	2										
Vote 1 - COUNCIL SUPPORT		-	-	-	-	-	-	-	-	-	-
Vote 2 - BOARD AND GENERAL		-	-	-	-	-	-	-	-	-	-
Vote 3 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 4 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 6 - THUSONG SERVICES CENTRE		-	-	-	-	-	-	-	-	-	-
Vote 7 - SOCIAL ECONOMIC DEVELOPMENT		-	-	-	-	16 925	16 925	16 925	-	-	-
Vote 8 - ELECTRICITY DEPARTMENT		-	-	-	-	-	-	-	-	-	-
Vote 9 - WATER SERVICES		-	-	-	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		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
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											
Governance and administration		-	-	-	-	-	-	-	-	-	-
Executive and council		-	-	-	-	-	-	-	-	-	-
Finance and administration		-	-	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		-	-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
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	267 517	267 517	267 517	257 965	285 561	313 855
Energy sources		-	-	-	-	-	-	-	-	-	-
Water management		255 188	119 099	229 683	216 597	216 597	216 597	216 597	199 821	223 804	248 375
Waste water management		5 869	9 274	1 656	50 920	50 920	50 920	50 920	58 144	61 757	65 479
Waste management		-	-	-	-	-	-	-	-	-	-
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
Funded by:											
National Government		255 188	119 099	231 339	267 517	267 517	267 517	267 517	257 965	285 561	313 855
Provincial Government		-	-	-	-	16 925	16 925	16 925	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		5 869	9 274	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	261 057	128 373	231 339	267 517	284 442	284 442	284 442	257 965	285 561	313 855
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
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	313 855

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										
Description	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
	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
R thousands										
Financial Performance										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	43 573	25 978	23 334	36 668	32 429	32 429	32 429	35 669	37 702	38 191
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	12 190	12 883	13 606
Total Revenue (excluding capital transfers and contributions)	337 898	278 778	370 314	380 789	379 104	379 104	379 104	398 457	446 059	485 712
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	6 953	6 721	6 446	7 459	7 459	7 459	7 459	8 940	9 387	9 857
Depreciation & asset impairment	28 109	28 160	36 515	28 204	28 204	28 204	28 204	45 009	56 354	58 549
Finance charges	978	1 135	2 352	1 049	2 120	2 120	2 120	1 499	1 584	1 673
Materials and bulk purchases	113 839	104 394	106 823	100 306	138 855	138 855	138 855	125 241	125 418	168 223
Transfers and grants	-	-	-	5 558	-	-	-	-	-	-
Other expenditure	210 464	136 334	161 657	104 487	74 435	74 435	74 435	80 974	108 756	94 785
Total Expenditure	470 258	401 075	446 584	374 808	379 105	379 105	379 105	398 457	446 059	485 712
Surplus/(Deficit)	(132 360)	(122 297)	(76 270)	5 982	(0)	(0)	(0)	(0)	(0)	-
Transfers and subsidies - capital (monetary allocations)	233 214	162 783	222 693	267 517	284 442	284 442	284 442	257 965	285 561	313 855
Contributions recognised - capital & contributed asset	-	-	-	-	-	-	-	121 637	-	-
Surplus/(Deficit) after capital transfers & contributions	100 854	40 486	146 423	273 499	284 442	284 442	284 442	379 601	285 560	313 855
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	100 854	40 486	146 423	273 499	284 442	284 442	284 442	379 601	285 560	313 855
Capital expenditure & funds sources										
Capital expenditure	261 057	128 373	231 339	267 517	16 925	284 442	284 442	257 965	285 561	313 855
Transfers recognised - capital	261 057	128 373	231 339	267 517	16 925	284 442	284 442	257 965	285 561	313 855
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-	-
Total sources of capital funds	261 057	128 373	231 339	267 517	16 925	284 442	284 442	257 965	285 561	313 855
Financial position										
Total current assets	142 308	144 934	301 794	(34 543)	10 205	102 261	10 205	363 009	352 505	382 260
Total non current assets	1 474 996	1 575 718	1 662 545	1 641 756	1 641 571	1 641 936	1 641 936	1 725 905	1 820 757	1 931 131
Total current liabilities	155 444	212 827	285 912	64 855	64 855	64 855	64 855	66 044	37 793	256 193
Total non current liabilities	12 686	12 808	13 091	7 751	7 751	7 751	7 751	7 528	7 128	6 728
Community wealth/Equity	1 449 174	1 495 017	1 665 335	1 534 606	-	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	(19 372)	276 686	275 637	259 180	379 671	400 920
Net cash from (used) investing	(261 837)	(128 476)	(231 339)	(267 517)	(16 925)	(284 442)	(284 442)	(257 965)	(285 561)	(313 855)
Net cash from (used) financing	12 092	(4 716)	(860)	(711)	(691)	(1 402)	(1 402)	(3 025)	(1 400)	(1 399)
Cash/cash equivalents at the year end	11 378	15 657	32 523	(54 695)	77 011	23 366	22 317	20 508	113 218	198 884
Cash backing/surplus reconciliation										
Cash and investments available	11 378	13 717	32 523	(79 476)	2 000	(79 476)	2 000	24 445	24 766	24 992
Application of cash and investments	104 762	166 261	130 102	31 563	63 006	29 930	57 243	(131 584)	(210 403)	(80 360)
Balance - surplus (shortfall)	(93 383)	(152 544)	(97 579)	(111 039)	(61 006)	(109 406)	(55 243)	156 028	235 169	105 352
Asset management										
Asset register summary (WDV)	-	-	365	184	-	365	-	-	-	-
Depreciation	28 109	28 160	36 515	28 204	28 204	28 204	-	45 009	56 354	58 549
Renewal of Existing Assets	-	-	-	-	-	-	-	257 965	285 561	313 855
Repairs and Maintenance	-	-	-	-	-	-	-	37 252	39 375	41 580
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	9 008	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
Households below minimum service level										
Water:	-	-	-	-	-	-	-	20	29	29
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	17	17	17
Refuse:	-	-	-	-	-	-	-	-	-	-

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)										
Functional Classification Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		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
R thousand										
Revenue - Functional										
<i>Governance and administration</i>		240 889	243 815	280 328	302 613	297 889	297 889	335 863	381 509	419 116
Executive and council		227 471	240 169	265 376	292 146	292 146	292 146	330 020	375 654	412 729
Finance and administration		13 418	3 645	14 952	10 467	5 743	5 743	5 843	5 855	6 387
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		6 098	1 735	102	55	55	55	-	-	-
Community and social services		6 098	1 735	102	55	55	55	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		13 867	7 251	58 182	40 160	47 438	47 438	25 917	26 849	28 404
Planning and development		13 867	7 251	58 182	40 160	47 438	47 438	25 917	26 849	28 404
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		310 258	188 761	31 646	37 960	33 721	33 721	36 677	37 702	38 191
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	29 570	30 190	30 259
Waste water management		37 257	848	430	516	242	242	258	272	288
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	571 112	441 561	370 258	380 789	379 104	379 104	398 456	446 060	485 712
Expenditure - Functional										
<i>Governance and administration</i>		229 129	171 766	239 203	143 916	155 962	155 962	159 795	179 783	188 585
Executive and council		128 868	38 619	132 792	19 975	23 799	23 799	28 484	27 714	29 042
Finance and administration		42 524	48 145	58 411	86 628	89 004	89 004	128 587	149 189	156 502
Internal audit		57 736	85 002	48 000	37 313	43 159	43 159	2 724	2 879	3 041
<i>Community and public safety</i>		-	19 028	18 029	18 184	18 928	18 928	21 676	22 681	23 951
Community and social services		-	19 028	18 029	18 184	18 928	18 928	20 982	21 948	23 177
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	694	733	774
<i>Economic and environmental services</i>		45 682	20 498	55 520	55 520	28 533	28 533	31 928	34 043	35 982
Planning and development		45 682	20 498	55 520	55 520	28 533	28 533	31 928	34 043	35 982
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		241 131	164 599	168 661	157 187	175 681	175 681	185 057	209 553	237 193
Energy sources		52 604	32 799	31 088	23 042	36 930	36 930	36 223	39 539	62 936
Water management		160 477	129 602	135 119	131 684	136 290	136 290	140 439	161 636	165 409
Waste water management		28 050	2 199	2 454	2 461	2 461	2 461	8 395	8 379	8 848
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	515 942	375 892	481 413	374 807	379 104	379 104	398 456	446 060	485 712
Surplus/(Deficit) for the year		55 170	65 670	(111 155)	5 982	0	0	-	-	-

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

DC27 Umkhanyakude - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)										
Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		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
Revenue by Vote										
Vote 1 - COUNCIL SUPPORT	1	-	-	-	-	-	-	-	-	-
Vote 2 - BOARD AND GENERAL		227 471	240 169	265 376	292 146	292 146	292 146	330 020	375 654	412 729
Vote 3 - FINANCIAL SERVICES		13 418	3 645	14 952	10 467	5 743	5 743	5 843	5 855	6 387
Vote 4 - CORPORATE SERVICES		6 098	-	56	-	-	-	-	-	-
Vote 5 - COMMUNITY SERVICES		-	1 587	102	-	-	-	-	-	-
Vote 6 - THUSONG SERVICES CENTRE		-	148	-	55	55	55	-	-	-
Vote 7 - SOCIAL ECONOMIC DEVELOPMENT		13 867	1 929	58 182	27 268	26 102	26 102	25 917	26 849	28 404
Vote 8 - ELECTRICITY DEPARTMENT		39 669	5 256	4 884	5 047	26 102	26 102	6 849	7 239	7 645
Vote 9 - WATER SERVICES		233 332	182 657	26 332	32 397	27 043	27 043	29 570	30 190	30 259
Vote 10 - SANITATION DEPARTMENT		37 257	848	430	516	242	242	258	272	288
Vote 11 - TECHNICAL SERVICES		-	5 321	-	12 892	21 336	21 336	-	-	-
Total Revenue by Vote	2	571 112	441 561	370 314	380 789	398 770	398 770	398 456	446 060	485 712
Expenditure by Vote to be appropriated										
Vote 1 - COUNCIL SUPPORT	1	6 953	8 840	19 203	10 012	10 017	10 017	14 553	15 097	15 886
Vote 2 - BOARD AND GENERAL		121 915	29 779	113 589	9 963	13 782	13 782	16 656	15 496	16 196
Vote 3 - FINANCIAL SERVICES		42 524	48 145	58 411	86 628	89 004	89 004	97 885	111 138	116 618
Vote 4 - CORPORATE SERVICES		57 736	85 002	48 000	37 313	43 159	43 159	30 701	38 051	39 885
Vote 5 - COMMUNITY SERVICES		-	17 788	18 029	16 746	17 490	17 490	21 676	22 681	23 951
Vote 6 - THUSONG SERVICES CENTRE		-	1 240	-	1 438	1 438	1 438	-	-	-
Vote 7 - SOCIAL ECONOMIC DEVELOPMENT		-	36 957	20 498	46 946	19 908	19 908	31 928	34 043	35 982
Vote 8 - ELECTRICITY DEPARTMENT		52 604	32 799	31 088	23 042	36 930	36 930	36 223	39 539	62 936
Vote 9 - WATER SERVICES		160 477	129 602	135 119	131 684	136 290	136 290	140 439	161 635	165 409
Vote 10 - SANITATION DEPARTMENT		28 050	2 199	2 454	2 461	2 461	2 461	8 395	8 379	8 848
Vote 11 - TECHNICAL SERVICES		-	8 725	-	8 574	8 625	8 625	-	-	-
Total Expenditure by Vote	2	470 259	401 076	446 391	374 807	379 104	379 104	398 457	446 059	485 712
Surplus/(Deficit) for the year	2	100 852	40 485	(76 077)	5 982	19 666	19 666	(0)	1	-

Table 12: Consolidated budgeted financial performance and revenue expenditure

DC27 Umkhanyakude - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		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
Revenue By Source											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	5 669	5 256	4 884	5 047	6 437	6 437	6 437	6 849	7 239	7 645
Service charges - water revenue	2	36 647	19 874	18 020	31 104	25 750	25 750	25 750	28 562	30 190	30 259
Service charges - sanitation revenue	2	1 257	848	430	516	242	242	242	258	272	288
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		107	33	67	94	129	129	129	137	145	153
Interest earned - external investments		6 709	1 428	12 612	3 772	4 000	4 000	4 000	4 256	4 499	4 751
Interest earned - outstanding debtors		4 462	-	-	4 995	-	-	-	-	-	-
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-
Licences and permits		-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-	-
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	37 082	37 082	37 082	12 052	12 738	13 452
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		337 898	278 778	370 314	380 789	379 104	379 104	379 104	398 457	446 059	485 712
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	18 028	39 055	20 122
Depreciation & asset impairment	2	28 109	28 160	36 515	28 204	28 204	28 204	28 204	45 009	56 354	58 549
Finance charges		978	1 135	2 352	1 049	2 120	2 120	2 120	1 499	1 584	1 673
Bulk purchases	2	77 569	69 403	73 601	64 692	81 830	81 830	81 830	89 912	86 787	105 831
Other materials	8	36 270	34 991	33 222	35 614	57 025	57 025	57 025	35 330	38 631	62 392
Contracted services		34 369	38 497	31 036	13 869	19 146	19 146	19 146	24 355	25 971	28 649
Transfers and subsidies		-	-	-	5 558	-	-	-	-	-	-
Other expenditure	4, 5	139 618	80 440	118 413	61 409	43 045	43 045	43 045	38 590	43 730	46 013
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Total Expenditure		470 258	401 075	446 584	374 808	379 105	379 105	379 105	398 457	446 059	485 712
Surplus/(Deficit)											
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(132 360)	(122 297)	(76 270)	5 982	(0)	(0)	(0)	(0)	(0)	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	233 214	162 783	222 693	267 517	284 442	284 442	284 442	257 965	285 561	313 855
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	121 637	-	-
Surplus/(Deficit) after capital transfers & contributions		100 854	40 486	146 423	273 499	284 442	284 442	284 442	379 601	285 560	313 855
Taxation		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		100 854	40 486	146 423	273 499	284 442	284 442	284 442	379 601	285 560	313 855
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		100 854	40 486	146 423	273 499	284 442	284 442	284 442	379 601	285 560	313 855
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		100 854	40 486	146 423	273 499	284 442	284 442	284 442	379 601	285 560	313 855

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

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		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											
<i>Multi-year expenditure to be appropriated</i>	2										
Vote 1 - COUNCIL SUPPORT		-	-	-	-	-	-	-	-	-	-
Vote 2 - BOARD 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		-	-	-	-	-	-	-	-	-	-
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]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
<i>Single-year expenditure to be appropriated</i>	2										
Vote 1 - COUNCIL SUPPORT		-	-	-	-	-	-	-	-	-	-
Vote 2 - BOARD AND GENERAL		-	-	-	-	-	-	-	-	-	-
Vote 3 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 4 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 6 - THUSONG SERVICES CENTRE		-	-	-	-	-	-	-	-	-	-
Vote 7 - SOCIAL ECONOMIC DEVELOPMENT		-	-	-	-	16 925	16 925	16 925	-	-	-
Vote 8 - ELECTRICITY DEPARTMENT		-	-	-	-	-	-	-	-	-	-
Vote 9 - WATER SERVICES		-	-	-	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		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
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											
<i>Governance and administration</i>											
Executive and council		-	-	-	-	-	-	-	-	-	-
Finance and administration		-	-	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>											
Community and social services		-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>											
Planning and development		-	-	-	-	16 925	16 925	16 925	-	-	-
Road transport		-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		261 057	128 373	231 339	267 517	267 517	267 517	267 517	257 965	285 561	313 855
Energy sources		-	-	-	-	-	-	-	-	-	-
Water management		255 188	119 099	229 683	216 597	216 597	216 597	216 597	199 821	223 804	248 375
Waste water management		5 869	9 274	1 656	50 920	50 920	50 920	50 920	58 144	61 757	65 479
Waste management		-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-
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
Funded by:											
National Government		255 188	119 099	231 339	267 517	267 517	267 517	267 517	257 965	285 561	313 855
Provincial Government		-	-	-	-	16 925	16 925	16 925	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		5 869	9 274	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	261 057	128 373	231 339	267 517	284 442	284 442	284 442	257 965	285 561	313 855
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
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	313 855

Table 14: Consolidated budgeted financial position

DC27 Umkhanyakude - Table A6 Consolidated Budgeted Financial Position

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		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
ASSETS											
Current assets											
Cash		10 664	12 696	32 523	(81 476)	(81 476)	(81 476)	(81 476)	22 317	22 517	22 617
Call investment deposits	1	715	1 021	-	2 000	2 000	2 000	2 000	2 128	2 249	2 375
Consumer debtors	1	13 571	18 527	86 088	8 205	8 205	8 205	8 205	166 972	175 433	185 257
Other debtors		30 517	25 705	46 258	36 668	36 668	36 668	36 668	39 668	40 668	40 668
Current portion of long-term receivables		-	-	-	-	-	-	-	-	-	-
Inventory	2	86 842	86 985	136 924	60	136 864	136 864	136 924	136 924	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	387 840
Non current assets											
Long-term receivables		-	-	-	-	-	-	-	-	-	-
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		-	-	-	-	-	-	-	-	-	-
Investment in Associate		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	1 474 996	1 575 718	1 661 593	1 641 571	1 641 571	1 641 571	1 641 571	1 733 566	1 837 615	1 948 629
Agricultural		-	-	-	-	-	-	-	-	-	-
Biological		-	-	-	-	-	-	-	-	-	-
Intangible		-	-	365	184	365	365	365	365	365	365
Other non-current assets		-	-	586	-	-	-	-	586	586	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	1 949 580
TOTAL ASSETS		1 617 304	1 720 652	1 964 338	1 607 213	1 744 197	1 744 197	1 744 257	2 102 526	2 216 357	2 337 420
LIABILITIES											
Current liabilities											
Bank overdraft	1	-	-	-	-	-	-	-	-	-	-
Borrowing	4	11 698	2 397	839	1 500	1 500	1 500	1 500	893	793	6 193
Consumer deposits		-	-	-	-	-	-	-	-	-	-
Trade and other payables	4	143 746	210 430	285 073	63 355	63 355	63 355	63 355	47 057	37 000	250 000
Provisions		-	-	-	-	-	-	-	-	-	-
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											
Borrowing		8 606	8 029	7 225	7 751	7 751	7 751	7 751	7 528	7 128	6 728
Provisions		4 080	4 779	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	72 606	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											
Accumulated Surplus/(Deficit)	4	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	-	-	-	-	-	-	-	-	-	-
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

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		
		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
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		-	-	-	-	-	-	-	-	-	-
Service charges		43 573	25 978	33 276	21 996	(8 561)	13 435	13 435	34 504	36 471	46 826
Other revenue		796	13 893	34 559	26 915	11 524	38 439	38 439	12 189	29 115	30 833
Government - operating	1	226 560	239 504	294 447	306 688	(2 516)	304 172	304 172	346 343	375 654	412 729
Government - capital	1	233 214	153 746	222 693	267 517	16 925	284 442	284 442	257 965	285 561	313 855
Interest		2 204	1 378	12 612	324	2 806	3 130	3 130	4 256	3 520	3 717
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(386 002)	(295 891)	(344 317)	(321 823)	(38 819)	(360 642)	(360 642)	(394 578)	(349 066)	(405 367)
Finance charges		(978)	(1 135)	(2 352)	(1 049)	(732)	(732)	(1 781)	(1 499)	(1 584)	(1 673)
Transfers and Grants	1	-	-	-	(5 558)	-	(5 558)	(5 558)	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		119 367	137 472	250 918	295 009	(19 372)	276 686	275 637	259 180	379 671	400 920
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		835	(300)	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		(398)	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		(262 275)	(128 176)	(231 339)	(267 517)	(16 925)	(284 442)	(284 442)	(257 965)	(285 561)	(313 855)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(261 837)	(128 476)	(231 339)	(267 517)	(16 925)	(284 442)	(284 442)	(257 965)	(285 561)	(313 855)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		(325)	(196)	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		4 522	-	-	-	20	20	20	21	22	23
Payments											
Repayment of borrowing		7 895	(4 521)	(860)	(711)	(711)	(1 422)	(1 422)	(3 046)	(1 422)	(1 422)
NET CASH FROM/(USED) FINANCING ACTIVITIES		12 092	(4 716)	(860)	(711)	(691)	(1 402)	(1 402)	(3 025)	(1 400)	(1 399)
NET INCREASE/ (DECREASE) IN CASH HELD		(130 379)	4 279	18 719	26 781	(36 988)	(9 158)	(10 207)	(1 809)	92 710	85 666
Cash/cash equivalents at the year begin:	2	141 757	11 378	13 805	(81 476)	113 999	32 523	32 523	22 317	20 508	113 218
Cash/cash equivalents at the year end:	2	11 378	15 657	32 523	(54 695)	77 011	23 366	22 317	20 508	113 218	198 884

Table 16: Consolidated cash backed reserves/accumulated surplus reconciliation

DC27 Umkhanyakude - 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		
		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
Cash and investments available											
Cash/cash equivalents	1	11 378	15 657	32 523	(54 695)	77 011	23 366	22 317	20 508	113 218	198 884
Other current investments > 12 months		0	(1 940)	-	(24 781)	(75 011)	(102 842)	(20 317)	3 937	(88 452)	(173 892)
Non current investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available		11 378	13 717	32 523	(79 476)	2 000	(79 476)	2 000	24 445	24 766	24 992
Application of cash and investments											
Unspent conditional transfers		21 851	39 698	34 385	-	-	-	-	15 151	-	0
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital	3	82 911	126 563	95 717	31 563	63 006	29 930	57 243	(146 735)	(210 403)	(80 360)
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments	4	-	-	-	-	-	-	-	-	-	-
Reserves to be transferred	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments		104 762	166 261	130 102	31 563	63 006	29 930	57 243	(131 584)	(210 403)	(80 360)
Surplus(shortfall)		(93 383)	(152 544)	(97 579)	(111 039)	(61 006)	(109 406)	(55 243)	156 028	235 169	105 352

Table 17: Consolidated assets management

DC27 Umkhanyakude - Table A9 Consolidated Asset Management

Description	Ref	2013/14 Audited Outcome	2014/15 Audited Outcome	2015/16 Audited Outcome	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
					Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
CAPITAL EXPENDITURE										
Total New Assets	1	-	-	-	-	-	-	257 965	285 561	313 855
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	257 965	285 561	313 855
Infrastructure		-	-	-	-	-	-	257 965	285 561	313 855
Total Renewals	2	-	-	-	-	-	-	257 965	285 561	313 855
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	199 821	223 804	248 375
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	58 144	61 757	65 479
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	257 965	285 561	313 855
Total Upgrades	6	-	-	-	-	-	-	30 009	31 720	33 496
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	30 009	31 720	33 496
Infrastructure		-	-	-	-	-	-	30 009	31 720	33 496
Water Supply Infrastructure		-	-	-	-	-	-	487 795	541 084	595 727
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	58 144	61 757	65 479
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	545 938	602 841	661 206
TOTAL CAPITAL EXPENDITURE		-	-	-	-	-	-	545 938	602 841	661 206
TOTAL ASSET	5	-	-	-	-	-	-	-	-	-
EXPENDITURE OTHER ITEMS										
Depreciation	7	-	-	-	-	-	-	45 009	56 354	58 549
Repairs and Maintenance	3	36 270	34 991	33 222	35 614	57 025	57 025	37 252	39 375	41 580
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	266	281	297
Water Supply Infrastructure		36 270	34 991	33 222	35 614	57 025	57 025	36 592	38 678	40 844
Infrastructure		36 270	34 991	33 222	35 614	57 025	57 025	36 858	38 959	41 141
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	394	416	439
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	394	416	439
TOTAL EXPENDITURE OTHER		36 270	34 991	33 222	35 614	57 025	57 025	82 261	95 729	100 130

Table 18: Consolidated basic service delivery measurement

DC27 Umkhanyakude - Table A10 Consolidated basic service delivery measurement										
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 medium term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Household services	1									
Water:										
Piped water inside dwelling		-	-	-	-	27 000	27 000	27 245	30 245	30 245
Piped water inside yard (but not inside dwelling)		-	-	-	-	42 000	42 000	42 691	45 691	45 691
Using public	2	-	-	-	-	30 000	30 000	30 836	37 013	37 013
Other water services	4	-	-	-	-	7 000	7 000	7 836	8 836	8 836
<i>Overall sub-total</i>		-	-	-	-	106 000	106 000	108 608	121 785	121 785
Using public	3	-	-	-	-	-	-	-	-	-
Other water services	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	23 950	23 950	20 000	28 950	28 950
<i>Overall sub-total</i>		-	-	-	-	23 950	23 950	20 000	28 950	28 950
Total number of connections	5	-	-	-	-	129 950	129 950	128 608	150 735	150 735
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		-	-	-	-	13 737	13 737	13 737	13 737	13 737
Flush toilet (with septic tank)		-	-	-	-	5 133	5 133	5 233	5 633	5 633
Chemical toilet		-	-	-	-	27 755	27 755	28 000	32 255	32 255
Pit toilet (ventilated)		-	-	-	-	37 275	37 275	37 525	39 525	39 525
Other toilet provisions (> min. 20 litres per day)		-	-	-	-	29 786	29 786	30 894	32 894	32 894
<i>Overall sub-total</i>		-	-	-	-	113 686	113 686	115 389	124 044	124 044
<i>Overall sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of connections	5	-	-	-	-	113 686	113 686	115 389	124 044	124 044
Energy:										
Electricity - prepaid (< min. 500kWh)		-	-	-	-	5 793	5 793	6 543	6 543	6 543
Other energy sources		-	-	-	-	10 615	10 615	10 012	10 012	10 012
<i>Overall sub-total</i>		-	-	-	-	16 408	16 408	16 555	16 555	16 555
Total number of connections	5	-	-	-	-	16 408	16 408	16 555	16 555	16 555
Cost of Free Basic Services										
Water (6 kilolitres per indigent person per month)	8	-	-	-	-	-	-	9 008	-	-
Total cost of FBS provided		-	-	-	-	-	-	9 008	-	-

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, performance 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 on consolidated 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 the budget	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 amend 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

DC27 Umkhanyakude - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)													
Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework			
				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 Development	Alignment of the organizational structure to a broader organizational strategy			36 647	13 917	38 891	27 280	27 280	27 280	295 575	330 645	363 751	
Basic Service Delivery	To provide basic service delivery			524 356	400 205	492 040	574 205	574 205	574 205	304 424	333 639	364 677	
Local Economic Development	Continuous 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			–	1 461	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	123 000	9 988	13 150	
				2 185	5 256	4 735	5 047	5 047	5 047				
Allocations to other priorities			2										
Total Revenue (excluding capital transfers and				1	571 288	441 561	573 019	647 014	663 547	663 547	778 058	731 620	799 567

Table 21: MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

DC27 Umkhanyakude - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)												
Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
				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 Development	Alignment of the organizational structure to a broader organizational strategy			57 736	34 991	32 900	36 663	36 663	36 663	22 684	24 550	25 814
Basic Service Delivery	To provide basic service delivery			121 915	124 331	135 491	127 745	127 745	127 745	220 559	246 646	262 976
Local Economic Development	Continuous 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 participation	Maintain good governance			241 131	167 239	143 792	160 868	165 165	165 165	36 439	39 410	55 630
Cross Cutting Intervention	Ensuring integrity and quality of physical environment underpinned by a coherent spatial			-	38 497	18 309	13 869	13 869	13 869	3 383	16 952	15 951
Total Expenditure			1	470 259	401 074	366 825	374 808	379 105	379 105	398 457	446 059	485 712

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

DC27 Umkhanyakude - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
				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 Development	Alignment of the organizational structure to a broader organizational strategy	A		-	13 917	7 755	-	-	-	-	-	-
Basic Service Delivery	To provide basic service delivery	B		255 188	400 205	172 912	217 262	217 262	217 262	199 821	223 804	248 375
Local Economic Development	Continuous improvement of local economy	C		-	848	44 520	4 000	4 000	4 000	-	-	-
Municipal Financial Viability	To provide stable financial management	D		-	1 461	-	-	-	-	-	-	-
Good Governance & public participation	Maintain good governance	E		5 869	19 874	26 986	26 986	26 986	26 986	58 144	61 757	65 479
Cross Cutting Intervention	Ensuring integrity and quality of physical environment underpinned by a coherent spatial	F		-	5 256	-	-	-	-	-	-	-
		G		-	-	-	-	-	-	-	-	-
		H										
		I										
		J										
		K										
		L										
		M										
		N										
		O										
		P										
Allocations to other priorities			3									
Total Capital Expenditure			1	261 057	441 561	252 173	248 248	248 248	248 248	257 965	285 561	313 855

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

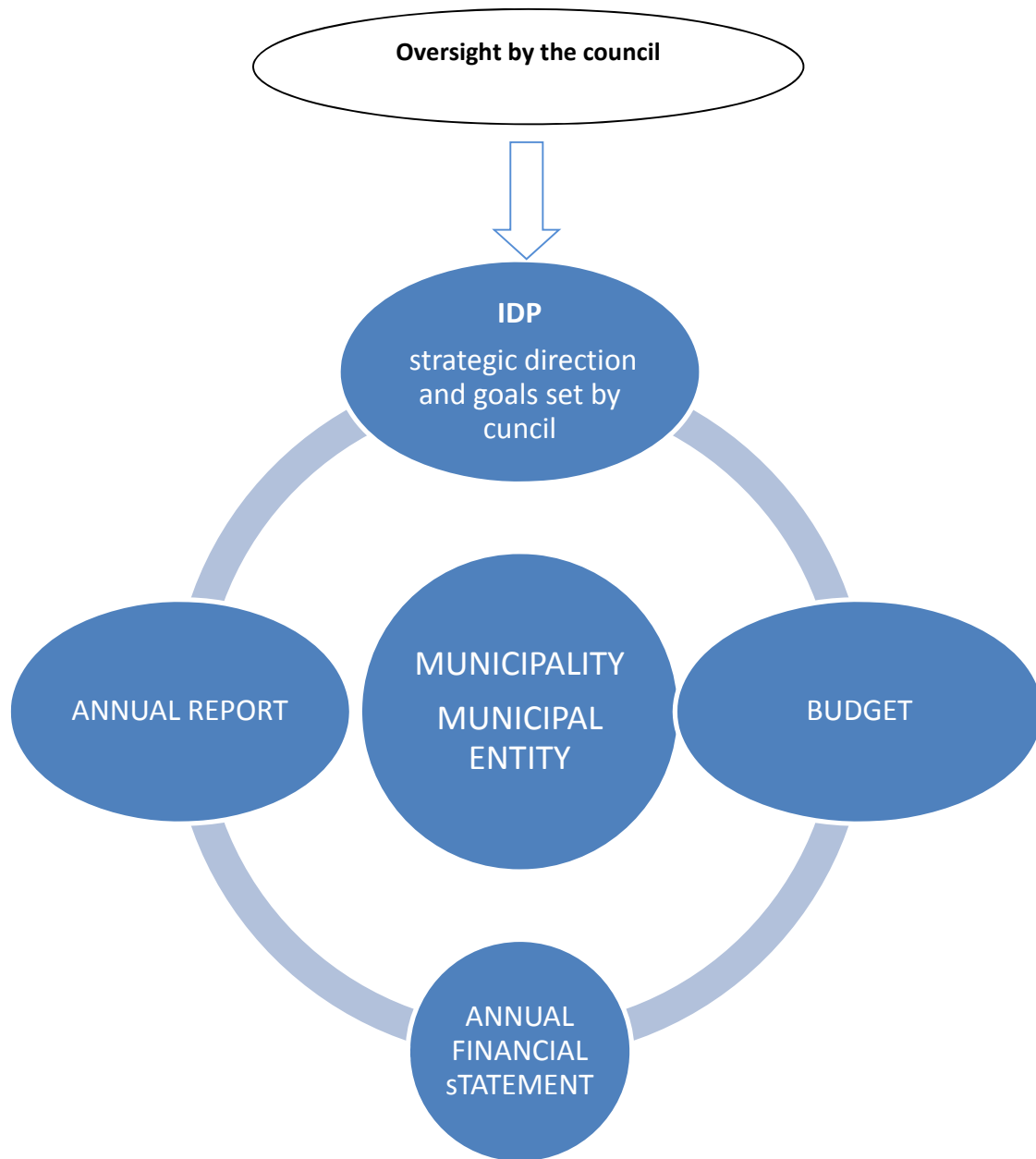


Figure 2: Planning, budgeting and reporting cycle

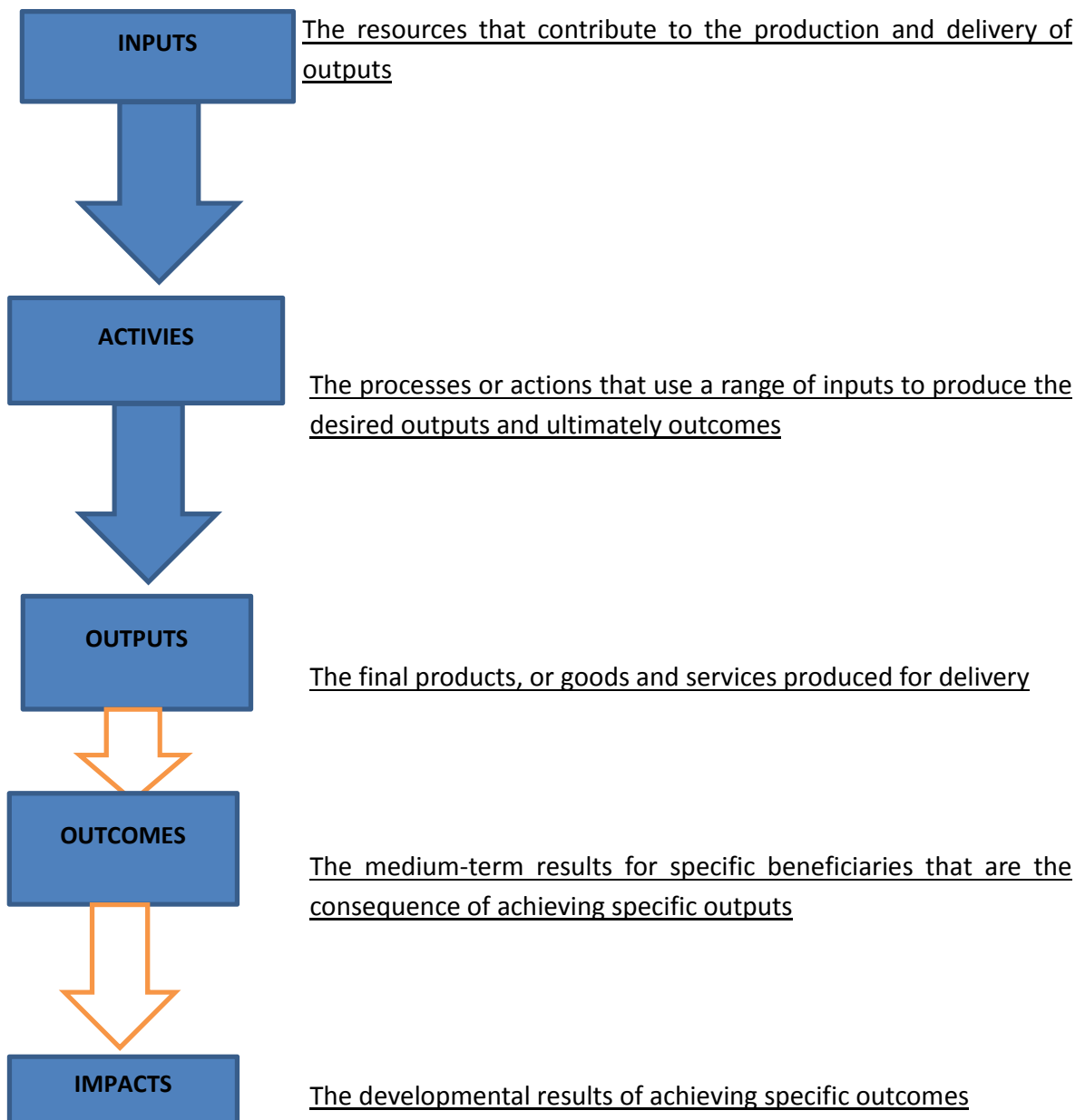
A performance management model can be defined as the grouping together of performance indicators, sometimes based on the type of indicator, into logical categories or groups (often called perspectives), as a means to enhance the ability of an organization to manage and analyse its performance. As such 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

DC27 Umkhanyakude - Supporting Table SA7 Measurable performance objectives

Description	Unit of measurement	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		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
Vote 1 - 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%	0.0%
Sub-function 1 - (name)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Basic Service Delivery</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		91.0%	90.0%	86.0%	89.0%	89.0%	89.0%	89.0%	89.0%	89.0%
Sub-function 2 - (name)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Municipal transformation & Institutional</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		6.0%	3.0%	5.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Sub-function 3 - (name)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Local Economic Development</i>		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%	0.0%
Sub-function 1 - (name)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Municipal Financial Viability</i>		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%	0.0%
<i>Insert measure/s description</i>		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%	0.0%	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%
<i>Cross Cutting Intervention</i>		1.0%	4.0%	7.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Vote 2 - 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%	0.0%
Sub-function 1 - (name)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Insert measure/s description</i>		0.0%	1.0%	1.0%	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%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Insert measure/s description</i>		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%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Insert measure/s description</i>		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%	0.0%
Sub-function 1 - (name)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Insert measure/s description</i>		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%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Insert measure/s description</i>		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%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Insert measure/s description</i>		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%
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%	0.0%
Sub-function 1 - (name)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Insert measure/s description</i>		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%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Insert measure/s description</i>		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%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Insert measure/s description</i>		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%	0.0%
Sub-function 1 - (name)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Insert measure/s description</i>		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%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Insert measure/s description</i>		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%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Insert measure/s description</i>		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%
And so on for the rest of the Votes		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

DC27 Umkhanyakude - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		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
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	-1.5%	1.4%	0.7%	0.5%	0.9%	0.9%	0.9%	0.9%	0.9%	0.8%
Capital Charges to Own Revenue	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%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure ex cl. transfers and grants and contributions	0.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	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%	0.0%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	0.9	0.7	1.1	(0.5)	1.6	1.6	1.6	7.7	10.0	1.5
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.9	0.7	1.1	(0.5)	1.6	1.6	1.6	7.7	10.0	1.5
Liquidity Ratio	Monetary Assets/Current Liabilities	0.1	0.1	0.1	(1.2)	(1.2)	(1.2)	(1.2)	0.5	0.7	0.1
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		99.1%	100.0%	142.6%	60.0%	41.4%	41.4%	41.4%	100.0%	100.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		100.0%	100.0%	142.6%	60.0%	41.4%	41.4%	41.4%	100.0%	100.0%	121.6%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	13.0%	15.9%	35.7%	11.8%	11.8%	11.8%	11.8%	52.0%	48.6%	46.5%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))										
Creditors to Cash and Investments		1071.3%	1090.4%	770.8%	-115.8%	283.9%	283.9%	283.9%	105.9%	41.7%	174.1%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
Water Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated										
	Total Volume Losses (kℓ)										
Employee costs	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	32.5%	44.6%	35.9%	33.5%	33.8%	33.8%	33.8%	34.4%	32.5%	31.4%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	35.8%	47.8%	42.9%	33.5%	33.8%	33.8%		34.6%	39.5%	36.7%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	10.7%	12.6%	9.0%	9.4%	15.0%	15.0%		9.4%	8.9%	8.6%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	8.6%	10.5%	10.5%	7.7%	8.0%	8.0%	8.0%	8.1%	7.7%	7.4%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	9.6	3.1	68.2	16.0	16.0	16.0	15.5	10.3	10.4	11.0
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	100.9%	170.1%	565.6%	122.1%	137.8%	137.8%	137.8%	596.5%	590.2%	584.3%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.4	0.6	1.2	(2.3)	0.9	0.9	0.9	1.7	3.2	4.8

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 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 consumer price index (CPI) has been taken to consideration;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity tariffs with 10 per cent and bulk water with 10 per cent;
- Depreciation calculation is based on the assumption that it will increase for 2017-2018 as it was understated on the adjustment budget.
- Remuneration of councillors is in terms of the Government Gazette on the Remuneration of Public Bearers Act.
- Employees related cost increased as per South African Local Government Bargain Council, CPI plus one percent;
- 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 will increase for 2017-2018.

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

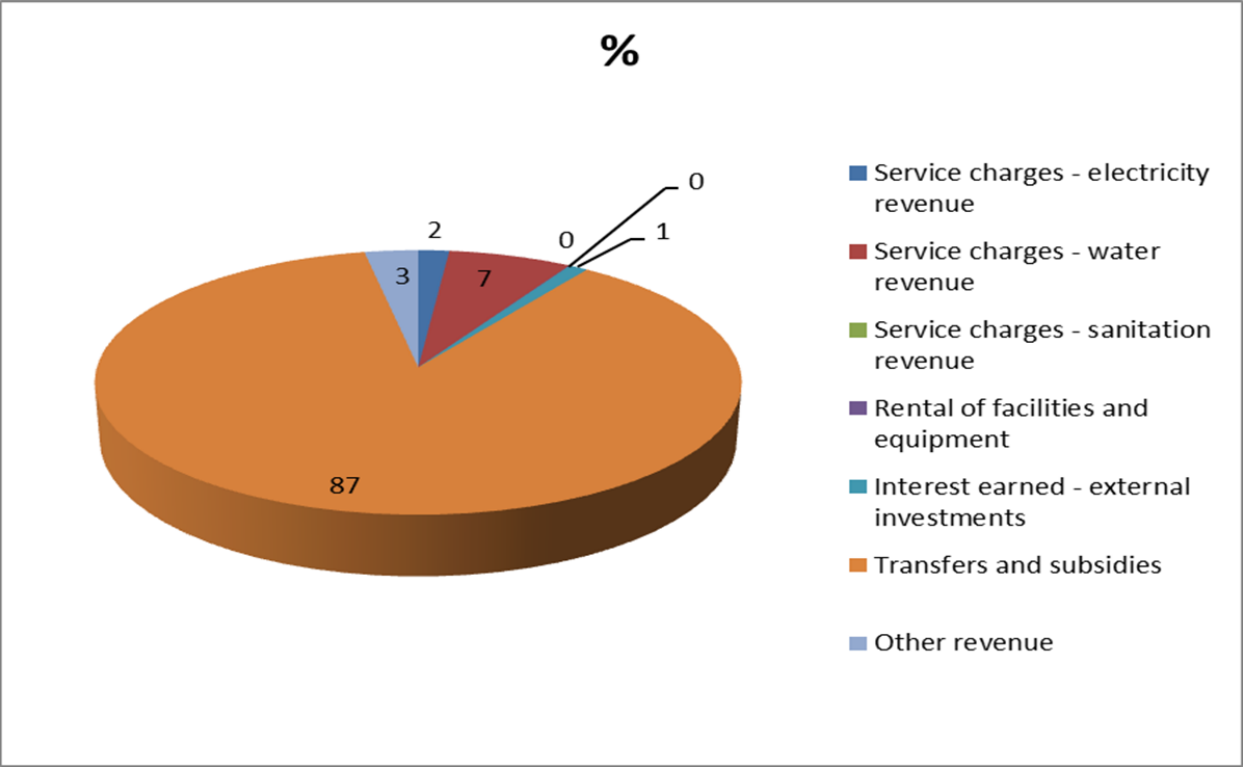
Table 25: Medium-term outlook: operating revenue

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

DC27 Umkhanyakude - Table A1 Consolidated Budget Summary											
Description	Ref	2013/14			Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		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
Revenue By Source											
Service charges - electricity revenue	2	5 669	5 256	4 884	5 047	6 437	6 437	6 437	6 849	7 239	7 645
Service charges - water revenue	2	36 647	19 874	18 020	31 104	25 750	25 750	25 750	28 562	30 190	30 259
Service charges - sanitation revenue	2	1 257	848	430	516	242	242	242	258	272	288
Rental of facilities and equipment		107	33	67	94	129	129	129	137	145	153
Interest earned - external investments		6 709	1 428	12 612	3 772	4 000	4 000	4 000	4 256	4 499	4 751
Interest earned - outstanding debtors		4 462	-	-	4 995	-	-	-	-	-	-
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	37 082	37 082	37 082	12 052	12 738	13 452
Total Revenue (excluding capital transfers and contributions)		337 898	278 778	370 314	380 789	379 104	379 104	379 104	398 457	446 059	485 712

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



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 Consolidated Budget Summary											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
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
Revenue By Source											
Service charges - electricity revenue	2	5 669	5 256	4 884	5 047	6 437	6 437	6 437	6 849	7 239	7 645
Service charges - water revenue	2	36 647	19 874	18 020	31 104	25 750	25 750	25 750	28 562	30 190	30 259
Service charges - sanitation revenue	2	1 257	848	430	516	242	242	242	258	272	288
Total Service Charges		43 573	25 978	23 334	36 668	32 429	32 429	32 429	35 669	37 702	38 191

Services charges relating to electricity, water and sanitation constitutes the revenue totalling R35.6 million for the 2017-2018 financial year and R37.7 million by 2017-2018, and increasing to R38.1 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 R4.7 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

Investment type	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		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
R thousand										
Parent municipality										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		715	1 021	-	2 000	2 000	2 000	2 128	2 249	2 375
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Municipal Bonds		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	715	1 021	-	2 000	2 000	2 000	2 128	2 249	2 375
Entities										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		-	-	-	-	-	-	-	-	-
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		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

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed Interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment
		Yrs/Months							
Parent municipality									
		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	0	0	0	0	0	0	
Municipality sub-total									
Entities									
		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	0	0	0	0	0	0	
Entities sub-total									
TOTAL INVESTMENTS AND INTEREST	1								

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	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		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
Capital Transfers and Grants										
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	166 020	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 Infrastructure Grant		-	-	-	70 371	70 371	70 371	50 000	65 000	80 000
nil		-	-	-	-	-	-	-	-	-
Expanded Public Works Programme(EPWP)		1 125	-	1 308	-	-	-	-	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
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	285 561	313 855

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

Figure 5: Medium-term outlook: capital revenue

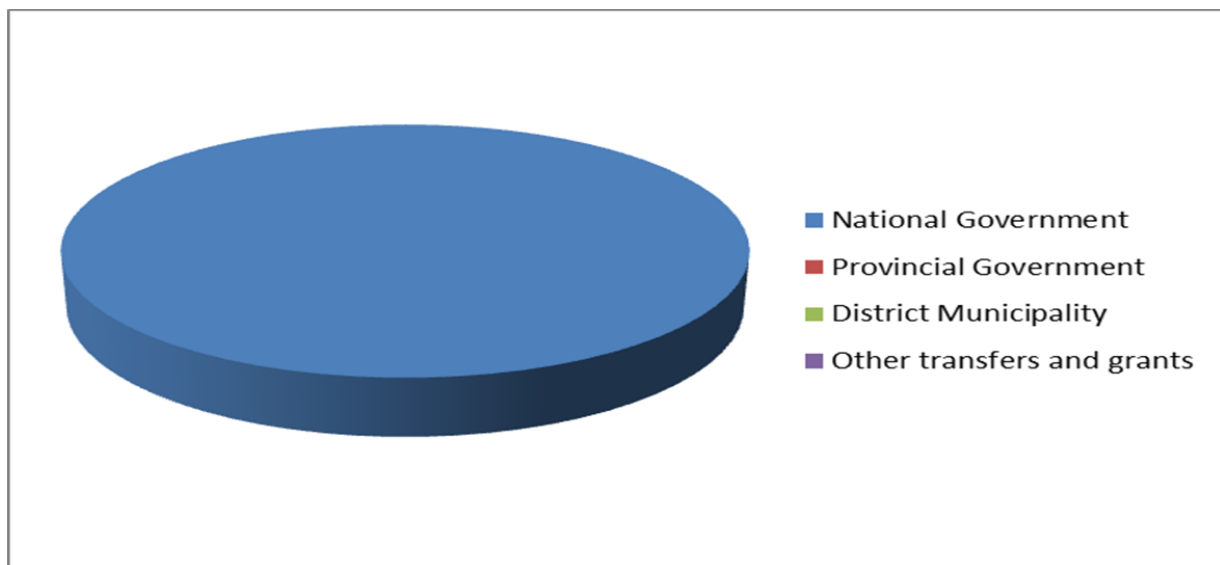


Table 30: MBRR SA 17 - Detail of borrowings

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

DC27 Umkhanyakude - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		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
R thousand										
Parent municipality										
Annuity and Bullet Loans		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		8 606	8 029	7 225	7 751	7 751	7 751	7 528	7 128	6 728
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
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 Bullet Loans		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
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										
Parent municipality										
Long-Term Loans (annuity/reducing balance)		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Entities										
Long-Term Loans (annuity/reducing balance)		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Unspent Borrowing	1	-	-	-	-	-	-	-	-	-

Figure 6: Growth in outstanding borrowings (long-term liabilities)

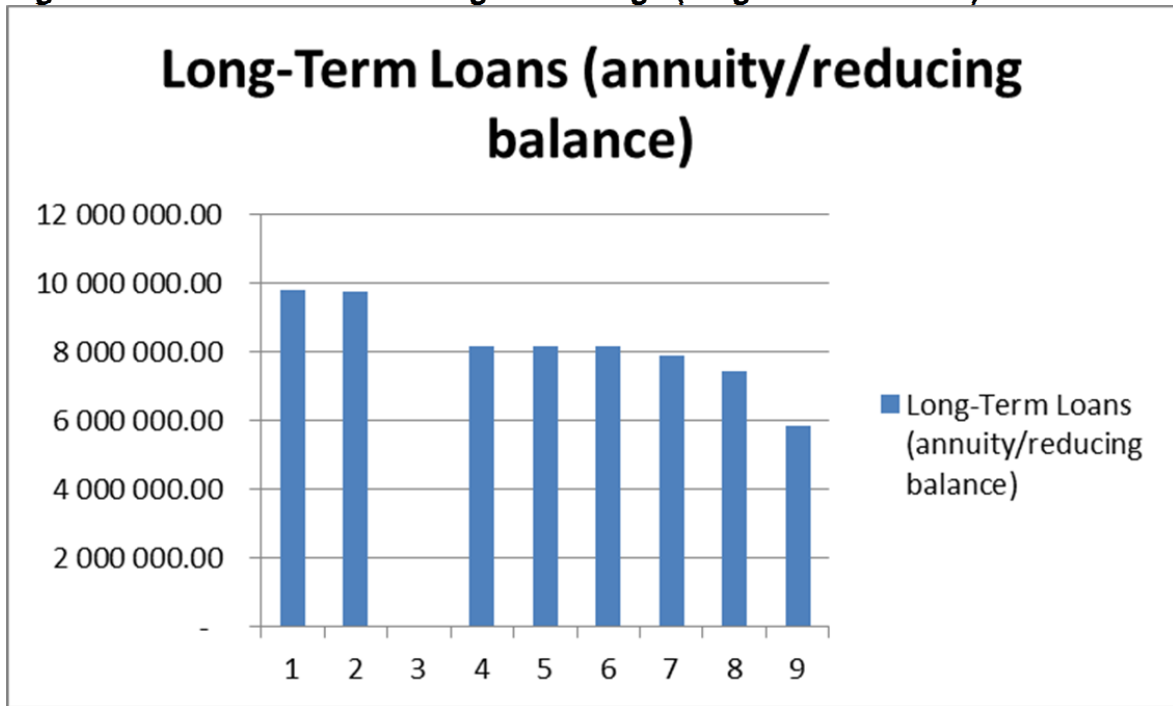


Table 31: MBRR SA 18 - Capital transfers and grant receipt

DC27 Umkhanyakude - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		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
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		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		-	-	5 200	-	-	-	-	-	-
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	12 308
Provincial Government:		-	-	-	-	-	-	500	-	-
		-	-	-	-	-	-	500	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other transfers/grants [PMU]		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
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 Consolidated Budgeted Cash Flows											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		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
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		-	-	-	-	-	-	-	-	-	-
Service charges		43 573	25 978	33 276	21 996	(8 561)	13 435	13 435	34 504	36 471	46 826
Other revenue		796	13 893	34 559	26 915	11 524	38 439	38 439	12 189	29 115	30 833
Government - operating	1	226 560	239 504	294 447	306 688	(2 516)	304 172	304 172	346 343	375 654	412 729
Government - capital	1	233 214	153 746	222 693	267 517	16 925	284 442	284 442	257 965	285 561	313 855
Interest		2 204	1 378	12 612	324	2 806	3 130	3 130	4 256	3 520	3 717
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(386 002)	(295 891)	(344 317)	(321 823)	(38 819)	(360 642)	(360 642)	(394 578)	(349 066)	(405 367)
Finance charges		(978)	(1 135)	(2 352)	(1 049)	(732)	(732)	(1 781)	(1 499)	(1 584)	(1 673)
Transfers and Grants	1	-	-	-	(5 558)	-	(5 558)	(5 558)	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		119 367	137 472	250 918	295 009	(19 372)	276 686	275 637	259 180	379 671	400 920
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		835	(300)	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		(398)	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		(262 275)	(128 176)	(231 339)	(267 517)	(16 925)	(284 442)	(284 442)	(257 965)	(285 561)	(313 855)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(261 837)	(128 476)	(231 339)	(267 517)	(16 925)	(284 442)	(284 442)	(257 965)	(285 561)	(313 855)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		(325)	(196)	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		4 522	-	-	-	20	20	20	21	22	23
Payments											
Repayment of borrowing		7 895	(4 521)	(860)	(711)	(711)	(1 422)	(1 422)	(3 046)	(1 422)	(1 422)
NET CASH FROM/(USED) FINANCING ACTIVITIES		12 092	(4 716)	(860)	(711)	(691)	(1 402)	(1 402)	(3 025)	(1 400)	(1 399)
NET INCREASE/ (DECREASE) IN CASH HELD		(130 379)	4 279	18 719	26 781	(36 988)	(9 158)	(10 207)	(1 809)	92 710	85 666
Cash/cash equivalents at the year begin:	2	141 757	11 378	13 805	(81 476)	113 999	32 523	32 523	22 317	20 508	113 218
Cash/cash equivalents at the year end:	2	11 378	15 657	32 523	(54 695)	77 011	23 366	22 317	20 508	113 218	198 884

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 reconciliation											
Description	Ref	2013/14 Audited Outcome	2014/15 Audited Outcome	2015/16 Audited Outcome	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
					Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Cash and investments available											
Cash/cash eq	1	11 378	15 657	32 523	(54 695)	77 011	23 366	22 317	20 508	113 218	198 884
Other current investments > \$		0	(1 940)	-	(24 781)	(75 011)	(102 842)	(20 317)	3 937	(88 452)	(173 892)
Non current eq	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available		11 378	13 717	32 523	(79 476)	2 000	(79 476)	2 000	24 445	24 766	24 992
Application of cash and investments											
Unspent conditional transfers		21 851	39 698	34 385	-	-	-	-	15 151	-	0
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory req	2										
Other working	3	82 911	126 563	95 717	31 563	63 006	29 930	57 243	(146 735)	(210 403)	(80 360)
Other provisions											
Long term inv	4	-	-	-	-	-	-	-	-	-	-
Reserves to	5										
Total Application of cash and i		104 762	166 261	130 102	31 563	63 006	29 930	57 243	(131 584)	(210 403)	(80 360)
Surplus(shortfall)		(93 383)	(152 544)	(97 579)	(111 039)	(61 006)	(109 406)	(55 243)	156 028	235 169	105 352

From the above table it can be seen that the cash and investments available total to 24.4 Million in the 2017-2018 financial year and 24.7 million by 2018-2019, 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.

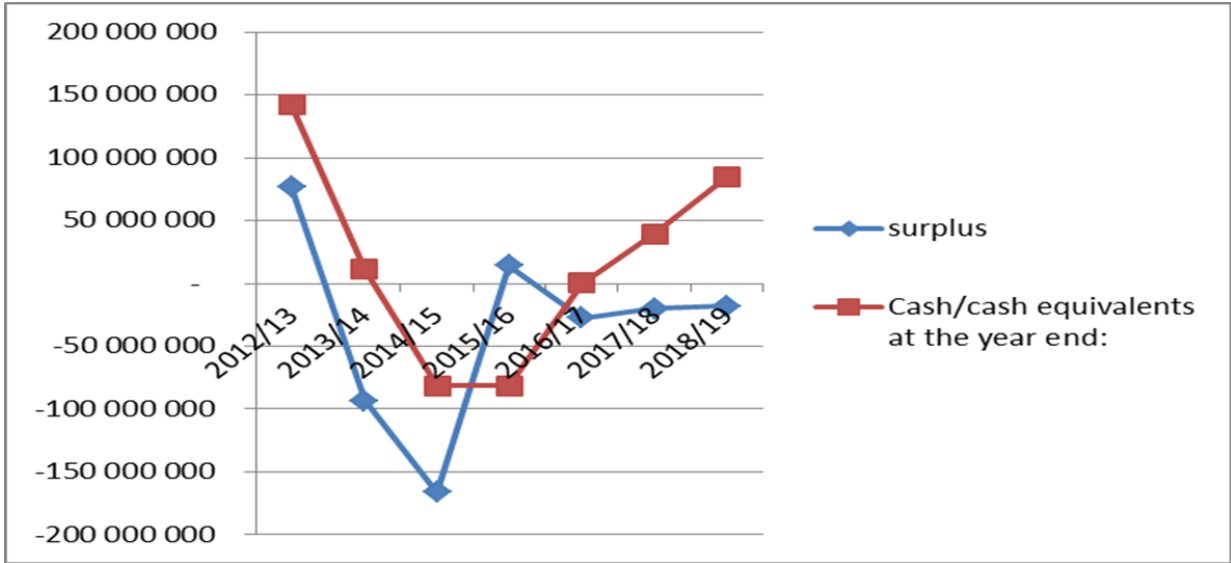
The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. High levels of debtor non-payment and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

DC27 Umkhanyakude Supporting Table SA10 Funding measurement												
Description	MFMA section	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
			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
Funding measures												
Cash/cash eq	18(1)b	1	11 378	15 657	32 523	(54 695)	77 011	23 366	22 317	20 508	113 218	198 884
Cash + invest	18(1)b	2	(93 383)	(152 544)	(97 579)	(111 039)	(61 006)	(109 406)	(55 243)	156 028	235 169	105 352
Cash year en	18(1)b	3	0,4	0,6	1,2	(2,3)	3,2	1,0	0,9	0,8	4,0	6,6
Surplus/(Defi	18(1)	4	100 854	40 486	146 423	273 499	284 442	284 442	284 442	379 601	285 560	313 855
Service char	18(1)a,(2)	5	N.A.	(46,4%)	(16,2%)	51,1%	(17,6%)	(6,0%)	(6,0%)	(6,0%)	(0,3%)	(4,7%)
Cash receipts	18(1)a,(2)	6	88,4%	99,9%	117,1%	70,8%	4,3%	74,5%	74,5%	97,6%	129,7%	149,9%
Debt impairm	18(1)a,(2)	7	83,7%	67,0%	52,3%	79,7%	37,8%	37,8%	37,8%	50,5%	103,6%	52,7%
Capital paym	18(1)c;19	8	0,0%	0,0%	0,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Borrowing re	18(1)c	9	0,1%	0,2%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Grants % of C	18(1)a	10								0,0%	0,0%	0,0%
Current cons	18(1)a	11	N.A.	0,3%	199,2%	(66,1%)	(81,7%)	446,9%	(81,7%)	0,0%	(5,4%)	15,5%
Long term re	18(1)a	12	N.A.	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
R&M % of Pr	20(1)(vi)	13	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	2,2%	2,2%	2,2%
Asset renewa	20(1)(vi)	14	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	100,0%	100,0%	100,0%

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 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 Umkhanyakude - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		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
EXPENDITURE:										
Operating expenditure of 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		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		-	-	5 200	-	-	-	-	-	-
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	-	-
PMU		85 115	-	10 521	10 376	10 376	10 376	10 946	11 608	12 308
RSC Levy Replacement		-	-	-	-	-	-	34 445	45 009	48 978
Provincial Government:		-	-	-	-	-	-	500	-	-
Ingodini Study		-	-	-	-	-	-	500	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other transfers/grants [PMU]		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants		281 011	232 002	283 287	307 581	305 065	305 065	346 343	390 975	429 164
Capital expenditure of Transfers and Grants										
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	166 020	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 Infrastructure Grant		-	-	-	70 371	70 371	70 371	50 000	65 000	80 000
nil		-	-	-	-	-	-	-	-	-
Expanded Public Works Programme(EPWP)		1 125	-	1 308	-	-	-	-	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		234 339	170 020	207 653	267 517	267 517	267 517	257 965	285 561	313 855
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		515 350	402 022	490 940	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

DC27 Umkhanyakude - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		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		-	-	-	-	-	-	-	-	-
Current year 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 liabilities		-	-	-	-	-	-	-	-	-
Provincial Government:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year 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		-	-	-	-	-	-	-	-	-
District Municipality:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
Other grant providers:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
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									
National Government:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		255 188	119 099	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	313 855
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
Provincial Government:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
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:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
Other grant providers:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
Total capital transfers and grants revenue		261 057	128 373	231 339	267 517	284 442	284 442	257 965	285 561	313 855
Total capital transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		542 068	360 375	515 726	575 498	589 907	589 907	604 307	676 536	743 019
TOTAL TRANSFERS AND GRANTS - CTBM		-	-	-	-	-	-	-	-	-

2.7 Councillor and employee benefits

Table 37: MBRR SA22 - Summary of councilor and staff benefits

DC27 Umkhanyakude - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		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
		R thousand								
Councillors (Political Office Bearers plus Other)	1	A	B	C	D	E	F	G	H	I
Basic Salaries and Wages		4 836	4 343	19 143	6 769	6 769	6 769	8 653	9 085	9 539
Pension and UIF Contributions		-	-	23	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	479	-	-	-	-	-	-
Cellphone Allowance		-	-	83	288	288	288	98	103	108
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		2 117	2 378	1	402	402	402	189	198	208
Sub Total - Councillors		6 953	6 721	19 729	7 459	7 459	7 459	8 940	9 386	9 855
% increase	4		(3.3%)	193.5%	(62.2%)	-	-	19.9%	5.0%	5.0%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		3 739	4 012	2 952	6 296	6 296	6 296	6 762	7 215	769
Pension and UIF Contributions		90	67	43	10	10	10	11	11	12
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	9	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	1 524	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	2 606	2 303	303	62	350	350	376	401	427
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		6 435	6 383	4 832	6 369	6 656	6 656	7 149	7 627	1 208
% increase	4		(0.8%)	(24.3%)	31.8%	4.5%	-	7.4%	6.7%	(84.2%)
Other Municipal Staff										
Basic Salaries and Wages		79 688	89 750	98 804	74 892	74 892	74 892	80 434	114 849	121 280
Pension and UIF Contributions		14 386	16 706	19 718	14 425	14 425	14 425	16 450	17 493	18 473
Medical Aid Contributions		-	-	-	4 055	4 055	4 055	4 355	4 604	4 861
Overtime		3 084	3 379	2 704	500	500	500	510	510	510
Performance Bonus		-	-	199	7 913	7 913	7 913	8 499	9 068	9 657
Motor Vehicle Allowance	3	-	-	6 792	3 694	3 694	3 694	3 697	4 193	4 428
Cellphone Allowance	3	-	-	-	251	251	251	269	285	301
Housing Allowances	3	1 160	1 495	2 002	88	88	88	94	100	105
Other benefits and allowances	3	8 385	6 619	731	2 106	2 106	2 106	453	479	506
Payments in lieu of leave		-	-	1 108	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	734	-	-	-	-	-	-
Sub Total - Other Municipal Staff		106 704	117 949	132 792	107 923	107 923	107 923	115 031	151 580	160 121
% increase	4		10.5%	12.6%	(18.7%)	-	-	6.6%	31.8%	5.6%
Total Parent Municipality		120 092	131 052	157 353	121 751	122 039	122 039	131 120	168 594	171 185
			9.1%	20.1%	(22.6%)	0.2%	-	7.4%	28.6%	1.5%
Board Members of Entities										
Basic Salaries and Wages		-	-	-	851	851	851	914	975	1 040
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Board Fees		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Board Members of Entities		-	-	-	851	851	851	914	975	1 040
% increase	4		-	-	-	-	-	7.5%	6.7%	6.6%
Senior Managers of Entities										
Basic Salaries and Wages		546	1 406	963	2 451	2 451	2 451	2 632	2 782	2 938
Pension and UIF Contributions		94	220	239	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	255	485	321	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Entities		895	2 112	1 523	2 451	2 451	2 451	2 632	2 782	2 938
% increase	4		136.0%	(37.2%)	60.9%	-	-	7.4%	5.7%	5.6%
Other Staff of Entities										
Basic Salaries and Wages		-	-	-	2 692	2 692	2 692	2 891	3 065	3 249
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-

Table 39: MBRR SA24 – Summary of personnel numbers

DC27 Umkhanyakude - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers Number	Ref	2015/16			Current Year 2016/17			Budget Year 2017/18		
		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)		29	5	24	29	5	24	31	5	24
Board Members of municipal entities	4	-	-	-	-	-	-	-	-	-
Municipal employees	5	-	-	-	-	-	-	-	-	-
Municipal Manager and Senior Managers	3	6	5	1	7	5	2	7	-	1
Other Managers	7	-	-	-	-	-	-	-	-	-
Professionals		385	346	27	384	344	28	391	344	28
<i>Finance</i>		69	62	5	68	61	5	68	61	5
<i>Spatial/town planning</i>		-	-	-	-	-	-	-	-	-
<i>Information Technology</i>		3	3	-	3	3	-	3	3	-
<i>Roads</i>		-	-	-	-	-	-	-	-	-
<i>Electricity</i>		5	5	-	5	4	1	5	4	1
<i>Water</i>		220	205	15	220	205	15	220	205	15
<i>Sanitation</i>		5	5	-	5	5	-	5	5	-
<i>Refuse</i>		-	-	-	-	-	-	-	-	-
<i>Other</i>		83	66	7	83	66	7	90	66	7
Technicians		-	-	-	-	-	-	-	-	-
<i>Finance</i>		-	-	-	-	-	-	-	-	-
<i>Spatial/town planning</i>		-	-	-	-	-	-	-	-	-
<i>Information Technology</i>		-	-	-	-	-	-	-	-	-
<i>Roads</i>		-	-	-	-	-	-	-	-	-
<i>Electricity</i>		-	-	-	-	-	-	-	-	-
<i>Water</i>		-	-	-	-	-	-	-	-	-
<i>Sanitation</i>		-	-	-	-	-	-	-	-	-
<i>Refuse</i>		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
Clerks (Clerical and administrative)		-	-	-	-	-	-	-	-	-
Service and sales workers		-	-	-	-	-	-	-	-	-
Skilled agricultural and fishery workers		-	-	-	-	-	-	-	-	-
Craft and related trades		-	-	-	-	-	-	-	-	-
Plant and Machine Operators		-	-	-	-	-	-	-	-	-
Elementary Occupations		-	-	-	-	-	-	-	-	-
TOTAL PERSONNEL NUMBERS	9	420	356	52	420	354	54	429	349	53
% increase						(0.6%)	3.8%	2.1%	(1.4%)	(1.9%)
Total municipal employees headcount	6, 10	-	-	-	-	-	-	-	-	-
Finance personnel headcount	8, 10	-	-	-	-	-	-	-	-	-
Human Resources personnel headcount	8, 10	-	-	-	-	-	-	-	-	-

2.9 Monthly targets for revenue, expenditure and cash flow

Table 40: MBRR SA25 - Budgeted monthly revenue and expenditure

DC27 Umkhanyakude - Supporting Table SA25 Consolidated budgeted monthly revenue and expenditure														medium term Revenue and Expenditure			
Description	Ref	Budget Year 2017/18												Expenditure			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
Revenue By Source																	
Property rates																	
Service charges - electricity		571	571	571	571	571	571	571	571	571	571	571	571	571	6,849	7,239	7,645
Service charges - water rev		2,380	2,380	2,380	2,380	2,380	2,380	2,380	2,380	2,380	2,380	2,380	2,380	2,380	28,562	30,190	30,259
Service charges - sanitation		22	22	22	22	22	22	22	22	22	22	22	22	21	258	272	288
Service charges - refuse rev		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equip		11	11	11	11	11	11	11	11	11	11	11	12	137	145	153	
Interest earned - external inv		355	355	355	355	355	355	355	355	355	355	355	355	4,256	4,499	4,751	
Interest earned - outstanding		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		115,281	-	-	-	115,281	-	-	-	115,280	-	-	-	501	346,343	390,975	429,164
Other revenue		988	988	988	988	988	988	988	988	988	988	988	1,184	12,052	12,738	13,452	
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding c		119,608	4,327	4,327	4,327	119,608	4,327	4,327	4,327	119,607	4,327	4,327	5,023	398,457	446,059	485,712	
Expenditure By Type																	
Employee related costs		11,399	11,399	11,399	11,399	11,399	11,399	11,399	11,399	11,399	11,399	11,399	11,400	136,793	144,560	152,625	
Remuneration of councillors		745	745	745	745	745	745	745	745	745	745	745	745	8,940	9,387	9,857	
Debt impairment		1,502	1,502	1,502	1,502	1,502	1,502	1,502	1,502	1,502	1,502	1,502	1,502	18,028	39,055	20,122	
Depreciation & asset impair		3,751	3,751	3,751	3,751	3,751	3,751	3,751	3,751	3,751	3,751	3,751	3,751	45,009	56,354	58,549	
Finance charges		125	125	125	125	125	125	125	125	125	125	125	125	1,499	1,584	1,673	
Bulk purchases		7,493	7,493	7,493	7,493	7,493	7,493	7,493	7,493	7,493	7,493	7,493	7,493	89,912	86,787	105,831	
Other materials		2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944	35,330	38,631	62,392	
Contracted services		1,857	1,857	1,857	1,857	1,857	1,857	1,857	1,857	1,857	1,857	1,857	3,925	24,355	25,971	28,649	
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure		3,388	3,388	3,388	3,388	3,388	3,388	3,388	3,388	3,388	3,388	3,388	1,321	38,590	43,730	46,013	
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		33,205	33,205	33,205	33,205	33,205	33,205	33,205	33,205	33,205	33,205	33,205	33,204	398,457	446,059	485,712	
Surplus/(Deficit)		86,403	(28,878)	(28,878)	(28,878)	86,403	(28,878)	(28,878)	(28,878)	86,402	(28,878)	(28,878)	(28,181)	(0)	(0)	-	
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		85,988	-	-	-	85,988	-	-	-	85,988	-	-	1	257,965	285,561	313,855	
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers and subsidies - c		40,546	-	-	-	40,546	-	-	-	40,546	-	-	(0)	121,637	-	-	
Surplus/(Deficit) after capital transfers & contributions		212,936	(28,878)	(28,878)	(28,878)	212,936	(28,878)	(28,878)	(28,878)	212,935	(28,878)	(28,878)	(28,181)	379,601	285,560	313,855	
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Share of surplus/(deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit)	1	212,936	(28,878)	(28,878)	(28,878)	212,936	(28,878)	(28,878)	(28,878)	212,935	(28,878)	(28,878)	(28,181)	379,601	285,560	313,855	

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

DC27 Umkhanyakude - Supporting Table SA26 Consolidated budgeted monthly revenue and expenditure (municipal vote)														Medium term revenue and expenditure				
Description	Ref	Budget Year 2017/18												Budget Year	Budget Year	Budget Year		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	2017/18	+1 2018/19	+2 2019/20		
Revenue by Vote																		
Vote 1 - COUNCIL SUPPORT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 2 - BOARD AND GENERAL		110,007	-	-	-	110,007	-	-	-	110,006	-	-	-	-	-	330,020	375,654	412,729
Vote 3 - FINANCIAL SERVICES		487	487	487	487	487	487	487	487	487	487	487	487	487	5,843	5,855	6,387	
Vote 4 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 5 - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 6 - THUSONG SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 7 - SOCIAL ECONOMIC DEVELOPMENT		2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,159	25,917	26,849	28,404		
Vote 8 - ELECTRICITY DEPARTMENT		571	571	571	571	571	571	571	571	571	571	571	571	6,849	7,239	7,645		
Vote 9 - WATER SERVICES		2,464	2,464	2,464	2,464	2,464	2,464	2,464	2,464	2,464	2,464	2,464	2,464	29,570	30,190	30,259		
Vote 10 - SANITATION DEPARTMENT		22	22	22	22	22	22	22	22	22	22	22	21	258	272	288		
Vote 11 - TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 12 - [NAME OF VOTE]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 13 - [NAME OF VOTE]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 14 - [NAME OF VOTE]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 15 - [NAME OF VOTE]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenue by Vote		115,710	5,703	5,703	5,703	115,710	5,703	5,703	5,703	115,709	5,703	5,703	5,703	398,456	446,060	485,712		
Expenditure by Vote to be appropriated																		
Vote 1 - COUNCIL SUPPORT		1,213	1,213	1,213	1,213	1,213	1,213	1,213	1,213	1,213	1,213	1,213	1,213	14,553	15,097	15,886		
Vote 2 - BOARD AND GENERAL		1,388	1,388	1,388	1,388	1,388	1,388	1,388	1,388	1,388	1,388	1,388	1,388	16,656	15,496	16,196		
Vote 3 - FINANCIAL SERVICES		8,157	8,157	8,157	8,157	8,157	8,157	8,157	8,157	8,157	8,157	8,157	8,157	97,885	111,138	116,618		
Vote 4 - CORPORATE SERVICES		2,558	2,558	2,558	2,558	2,558	2,558	2,558	2,558	2,558	2,558	2,558	2,559	30,701	38,051	39,885		
Vote 5 - COMMUNITY SERVICES		1,806	1,806	1,806	1,806	1,806	1,806	1,806	1,806	1,806	1,806	1,806	1,806	21,676	22,681	23,951		
Vote 6 - THUSONG SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Vote 7 - SOCIAL ECONOMIC DEVELOPMENT		2,661	2,661	2,661	2,661	2,661	2,661	2,661	2,661	2,661	2,661	2,661	2,661	31,928	34,043	35,982		
Vote 8 - ELECTRICITY DEPARTMENT		3,019	3,019	3,019	3,019	3,019	3,019	3,019	3,019	3,019	3,019	3,019	3,019	36,223	39,539	62,936		
Vote 9 - WATER SERVICES		11,703	11,703	11,703	11,703	11,703	11,703	11,703	11,703	11,703	11,703	11,703	11,703	140,439	161,635	165,409		
Vote 10 - SANITATION DEPARTMENT		700	700	700	700	700	700	700	700	700	700	700	700	8,395	8,379	8,848		
Vote 11 - TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Vote 12 - [NAME OF VOTE]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Vote 13 - [NAME OF VOTE]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Vote 14 - [NAME OF VOTE]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Vote 15 - [NAME OF VOTE]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total Expenditure by Vote		33,205	33,205	33,205	33,205	33,205	33,205	33,205	33,205	33,205	33,205	33,205	33,205	398,457	446,059	485,712		
Surplus/(Deficit) before assessment		82,505	(27,502)	(27,502)	(27,502)	82,505	(27,502)	(27,502)	(27,502)	82,504	(27,502)	(27,502)	(27,503)	(0)	1	-		
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Share of surplus/(deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Surplus/(Deficit)	1	82,505	(27,502)	(27,502)	(27,502)	82,505	(27,502)	(27,502)	(27,502)	82,504	(27,502)	(27,502)	(27,503)	(0)	1	-		

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

DC27 Umkhanyakude - Supporting Table SA27 Consolidated budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue - Functional																
<i>Governance and administration</i>		110,494	487	487	487	110,494	487	487	487	110,493	487	487	487	335,863	381,509	419,116
Executive and council		110,007				110,007				110,006				330,020	375,654	412,729
Finance and administration		487	487	487	487	487	487	487	487	487	487	487	487	5,843	5,855	6,387
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,159	25,917	26,849	28,404
Planning and development		2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,159	25,917	26,849	28,404
Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		3,056	3,056	3,056	3,056	3,056	3,056	3,056	3,056	3,056	3,056	3,056	3,056	36,677	37,702	38,191
Energy sources		571	571	571	571	571	571	571	571	571	571	571	571	6,849	7,239	7,645
Water management		2,464	2,464	2,464	2,464	2,464	2,464	2,464	2,464	2,464	2,464	2,464	2,464	29,570	30,190	30,259
Waste water management		22	22	22	22	22	22	22	22	22	22	22	21	268	272	288
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Functional		115,710	5,703	5,703	5,703	115,710	5,703	5,703	5,703	115,709	5,703	5,703	5,703	398,456	446,060	485,712
Expenditure - Functional																
<i>Governance and administration</i>		13,317	13,317	13,317	13,317	13,317	13,317	13,317	13,317	13,317	13,317	13,317	13,312	159,795	179,783	188,585
Executive and council		2,374	2,374	2,374	2,374	2,374	2,374	2,374	2,374	2,374	2,374	2,374	2,374	28,484	27,714	29,042
Finance and administration		10,716	10,716	10,716	10,716	10,716	10,716	10,716	10,716	10,716	10,716	10,716	10,711	128,587	149,189	156,502
Internal audit		227	227	227	227	227	227	227	227	227	227	227	227	2,724	2,879	3,041
<i>Community and public safety</i>		2,406	2,406	2,406	2,406	2,406	2,406	2,406	2,406	2,406	2,406	2,406	(4,794)	21,676	22,681	23,951
Community and social services		2,349	2,349	2,349	2,349	2,349	2,349	2,349	2,349	2,349	2,349	2,349	(4,851)	20,982	21,948	23,177
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		58	58	58	58	58	58	58	58	58	58	58	58	694	733	774
<i>Economic and environmental services</i>		2,661	2,661	2,661	2,661	2,661	2,661	2,661	2,661	2,661	2,661	2,661	2,661	31,928	34,043	35,982
Planning and development		2,661	2,661	2,661	2,661	2,661	2,661	2,661	2,661	2,661	2,661	2,661	2,661	31,928	34,043	35,982
Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		15,421	15,421	15,421	15,421	15,421	15,421	15,421	15,421	15,421	15,421	15,421	15,422	185,057	209,553	237,193
Energy sources		3,019	3,019	3,019	3,019	3,019	3,019	3,019	3,019	3,019	3,019	3,019	3,019	36,223	39,539	62,936
Water management		11,703	11,703	11,703	11,703	11,703	11,703	11,703	11,703	11,703	11,703	11,703	11,703	140,439	161,636	165,409
Waste water management		700	700	700	700	700	700	700	700	700	700	700	700	8,395	8,379	8,848
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional		33,805	33,805	33,805	33,805	33,805	33,805	33,805	33,805	33,805	33,805	33,805	26,601	398,456	446,060	485,712
Surplus/(Deficit) before assoc.		81,905	(28,102)	(28,102)	(28,102)	81,905	(28,102)	(28,102)	(28,102)	81,904	(28,102)	(28,102)	(20,898)	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	81,905	(28,102)	(28,102)	(28,102)	81,905	(28,102)	(28,102)	(28,102)	81,904	(28,102)	(28,102)	(20,898)	-	-	-

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

DC27 Umkhanyakude - Supporting Table SA28 Consolidated budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
Multi-year expenditure to be appropriated	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 1 - COUNCIL SUPPORT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - BOARD 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		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 1 - COUNCIL SUPPORT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - BOARD 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		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - WATER SERVICES		16 652	16 652	16 652	16 652	16 652	16 652	16 652	16 652	16 652	16 652	16 652	16 649	199 821	223 804	248 375	
Vote 10 - SANITATION DEPARTMENT		4 845	4 845	4 845	4 845	4 845	4 845	4 845	4 845	4 845	4 845	4 845	4 849	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]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	21 497	21 497	21 497	21 497	21 497	21 497	21 497	21 497	21 497	21 497	21 497	21 498	257 965	285 561	313 855	
Total Capital Expenditure	2	21 497	21 497	21 497	21 497	21 497	21 497	21 497	21 497	21 497	21 497	21 497	21 498	257 965	285 561	313 855	

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

DC27 Umkhanyakude - Supporting Table SA29 Consolidated budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
Capital Expenditure - Functional	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Governance and administration</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance and administration		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		21 497	21 497	21 497	21 497	21 497	21 497	21 497	21 497	21 497	21 497	21 497	21 497	257 965	285 561	313 855	
Energy sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water management		16 652	16 652	16 652	16 652	16 652	16 652	16 652	16 652	16 652	16 652	16 652	16 652	199 821	223 804	248 375	
Waste water management		4 845	4 845	4 845	4 845	4 845	4 845	4 845	4 845	4 845	4 845	4 845	4 849	58 144	61 757	65 479	
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	2	21 497	21 497	21 497	21 497	21 497	21 497	21 497	21 497	21 497	21 497	21 497	21 497	257 965	285 561	313 855	
Funded by:		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
National Government		85 988	-	-	-	85 988	-	-	-	85 988	-	-	(0)	257 965	285 561	313 855	
Provincial Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital		85 988	-	-	-	85 988	-	-	-	85 988	-	-	(0)	257 965	285 561	313 855	
Public contributions & donations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Funding		85 988	-	-	-	85 988	-	-	-	85 988	-	-	(0)	257 965	285 561	313 855	

Table 45: MBRR SA30 - Budgeted monthly cash flow

DC27 Umkhanyakude - Supporting Table SA30 Consolidated budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand															
Cash Receipts By Source															
Property rates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	571	571	571	571	571	571	571	571	571	571	571	571	6,849	7,239	15,957
Service charges - water revenue	2,283	2,283	2,283	2,283	2,283	2,283	2,283	2,283	2,283	2,283	2,283	3,447	28,562	28,960	30,581
Service charges - sanitation revenue	21	21	21	21	21	21	21	21	21	21	21	21	257	272	287
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	11	11	11	11	11	11	11	11	11	11	11	11	137	145	153
Interest earned - external investments	355	355	355	355	355	355	355	355	355	355	355	355	4,256	3,520	3,717
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operational	115,448	-	-	-	115,448	-	-	-	115,448	-	-	-	346,343	375,654	412,729
Other revenue	1,004	1,004	1,004	1,004	1,004	1,004	1,004	1,004	1,004	1,004	1,004	1,004	12,052	28,970	30,680
Cash Receipts by Source	119,693	4,246	4,246	4,246	119,693	4,246	4,246	4,246	119,693	4,246	4,246	5,410	398,456	444,761	494,105
Other Cash Flows by Source															
Transfer receipts - capital	85,988	-	-	-	85,988	-	-	-	85,988	-	-	(0)	257,965	285,561	313,855
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	21	21	22	23
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	205,681	4,246	4,246	4,246	205,681	4,246	4,246	4,246	205,681	4,246	4,246	5,431	656,442	730,343	807,983
Cash Payments by Type															
Employee related costs	11,399	11,399	11,399	11,399	11,399	11,399	11,399	11,399	11,399	11,399	11,399	11,400	136,793	144,560	152,625
Remuneration of councillors	745	745	745	745	745	745	745	745	745	745	745	745	8,940	9,387	9,857
Finance charges	125	125	125	125	125	125	125	125	125	125	125	125	1,499	1,584	1,673
Bulk purchases - Electricity	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,918	35,009	28,756	51,549
Bulk purchases - Water & Sewer	4,575	4,575	4,575	4,575	4,575	4,575	4,575	4,575	4,575	4,575	4,575	4,576	54,902	58,032	54,281
Other materials	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944	35,330	38,631	62,392
Contracted services	2,030	2,030	2,030	2,030	2,030	2,030	2,030	2,030	2,030	2,030	2,030	2,030	24,355	23,786	26,342
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	3,216	3,216	3,216	3,216	3,216	3,216	3,216	3,216	3,216	3,216	3,216	3,216	38,590	45,915	48,321
Cash Payments by Type	27,952	27,952	27,952	27,952	27,952	27,952	27,952	27,952	27,952	27,952	27,952	27,952	335,420	350,650	407,040
Other Cash Flows/Payments by Type															
Capital assets	21,497	21,497	21,497	21,497	21,497	21,497	21,497	21,497	21,497	21,497	21,497	21,497	257,965	285,561	313,855
Repayment of borrowing	160	160	725	160	160	160	160	160	725	160	160	160	3,046	1,422	1,422
Other Cash Flows/Payments	7,555	7,555	7,555	7,555	7,555	7,555	7,555	7,555	7,555	7,555	7,555	(22,445)	60,657	-	-
Total Cash Payments by Type	57,163	57,163	57,728	57,163	57,163	57,163	57,163	57,163	57,728	57,163	57,163	27,164	657,087	637,633	722,317
NET INCREASE/(DECREASE) IN CASH HELD	148,519	(52,917)	(53,482)	(52,917)	148,519	(52,917)	(52,917)	(52,917)	147,953	(52,917)	(52,917)	(21,733)	(645)	92,710	85,666
Cash/cash equivalents at the monthly year begin:	22,317	170,835	117,918	84,436	11,519	180,037	107,120	54,203	1,286	148,239	96,322	43,405	22,317	21,672	114,382
Cash/cash equivalents at the monthly year end:	170,835	117,918	64,436	11,519	160,037	107,120	54,203	1,286	149,239	96,322	43,405	21,672	21,672	114,382	200,048

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.

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

- 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 46: MBRR SA34a – Capital expenditure on new assets by assets class

DC27 Umkhanyakude - Supporting Table SA34a Consolidated capital expenditure on new assets by asset class

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		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
Capital expenditure on new assets by Asset Class/Sub-class	1									
Infrastructure		261 057	128 373	231 339	267 517	284 442	284 442	257 965	285 561	313 855
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		261 057	128 373	231 339	267 517	284 442	284 442	257 965	285 561	313 855
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		255 188	119 099	229 683	216 597	216 597	216 597	199 821	223 804	248 375
Distribution Points		5 869	9 274	1 656	50 920	67 845	67 845	58 144	61 757	65 479
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Halls		-	-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria		-	-	-	-	-	-	-	-	-
Police		-	-	-	-	-	-	-	-	-
Parls		-	-	-	-	-	-	-	-	-
Public Open Space		-	-	-	-	-	-	-	-	-
Nature Reserves		-	-	-	-	-	-	-	-	-
Public Ablution Facilities		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Stalls		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Airports		-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Monuments		-	-	-	-	-	-	-	-	-
Historic Buildings		-	-	-	-	-	-	-	-	-
Works of Art		-	-	-	-	-	-	-	-	-
Conservation Areas		-	-	-	-	-	-	-	-	-
Other Heritage		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Municipal Offices		-	-	-	-	-	-	-	-	-

Table 47 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

Table 48: MBRR SA35 - Future financial implications of the capital budget

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

Vote Description	Ref	2017/18 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Present value
R thousand								
Capital expenditure	1							
Vote 1 - COUNCIL SUPPORT		-	-	-				
Vote 2 - BOARD 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		-	-	-				
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]		-	-	-				
<i>List entity summary if applicable</i>								
Total Capital Expenditure		257 965	285 561	313 855	-	-	-	-
Future operational costs by vote	2							
Vote 1 - COUNCIL SUPPORT								
Vote 2 - BOARD 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								
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]								
Vote 15 - [NAME OF VOTE 15]								
<i>List entity summary if applicable</i>								
Total future operational costs		-	-	-	-	-	-	-
Future revenue by source	3							
Property rates								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Service charges - other								
Rental of facilities and equipment								
<i>List other revenues sources if applicable</i>								
<i>List entity summary if applicable</i>								
Total future revenue		-	-	-	-	-	-	-
Net Financial Implications		257 965	285 561	313 855	-	-	-	-

Table 49: MBRR SA36 - Detailed capital budget per municipal vote

Table 50: MBRR SA37 - Projects delayed from previous financial year

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 documents

Table 46: MBRR Table SA1 - Supporting detail to budgeted financial performance

Table 47: MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

DC27 Umkhanyakude - Supporting Table SA2 Consolidated Matrix Financial Performance Budget (revenue source/expenditure type & dept.)

Description	Ref	Vote 1 - COUNCIL SUPPORT	Vote 2 - BOARD AND GENERAL	Vote 3 - FINANCIAL SERVICES	Vote 4 - CORPORATE SERVICES	Vote 5 - COMMUNITY SERVICES	Vote 6 - THUSONG SERVICES CENTRE	Vote 7 - SOCIAL ECONOMIC DEVELOPME NT	Vote 8 - ELECTRICIT Y DEPARTMEN T	Vote 9 - WATER SERVICES	Vote 10 - SANITATION DEPARTMEN T	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]	Total
R thousand	1																
Revenue By Source																	
Property rates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	-	6 849	-	-	-	-	-	-	-	-	6 849
Service charges - water revenue		-	-	-	-	-	-	-	28 406	-	-	-	-	-	-	-	28 406
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	258	-	-	-	-	-	258
Service charges - refuse revenue		-	-	-	-	-	-	-	-	-	-	10 946	-	-	-	-	10 946
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned - external investments		-	-	7 677	-	-	-	-	-	-	-	-	-	-	-	-	7 677
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue		-	-	-	-	-	-	32 925	-	12 949	-	-	-	-	-	-	45 874
Transfers and subsidies		-	291 706	1 250	-	-	-	1 008	-	-	-	-	-	-	-	-	296 583
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		-	291 706	8 927	-	-	-	33 933	6 849	41 355	258	13 565	-	-	-	-	396 592
Expenditure By Type																	
Employees related costs		2 513	3 936	28 072	16 087	17 119	1 532	7 960	1 202	48 812	3 111	6 449	-	-	-	-	136 793
Remuneration of councillors		8 896	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8 896
Debt impairment		-	-	-	-	-	-	-	-	13 028	-	-	-	-	-	-	13 028
Depreciation & asset impairment		-	-	30 009	-	-	-	-	-	-	-	-	-	-	-	-	30 009
Finance charges		-	-	2 255	-	-	-	-	-	-	-	-	-	-	-	-	2 255
Bulk purchases		-	-	-	-	-	-	-	37 240	54 902	-	-	-	-	-	-	92 142
Other materials		-	-	-	394	-	-	-	266	36 592	-	-	-	-	-	-	37 252
Contracted services		-	-	1 093	13 959	-	-	-	-	-	-	-	-	-	-	-	15 052
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure		269	7 070	9 942	20 618	9 530	-	10 610	-	-	-	-	-	-	3 125	-	61 164
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		11 678	11 006	71 372	51 058	26 649	1 532	18 570	38 708	153 334	3 111	9 574	-	-	-	-	396 592
Surplus/(Deficit)		(11 678)	280 700	(62 444)	(51 058)	(26 649)	(1 532)	15 363	(31 859)	(111 979)	(2 853)	3 991	-	-	-	-	0
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		-	-	-	-	-	-	-	-	199 821	58 143	-	-	-	-	-	257 964
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	121 637	-	-	-	-	-	-	121 637
Surplus/(Deficit) after capital transfers & contributions		(11 678)	280 700	(62 444)	(51 058)	(26 649)	(1 532)	15 363	(31 859)	209 479	55 289	3 991	-	-	-	-	379 601

Table 48: MBRR Table SA3 – Supporting detail to Statement of Financial Position

DC27 Umkhanyakude - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		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
R thousand											
ASSETS											
Call investment deposits											
Call deposits		715	1 021	-	2 000	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 debtors		13 571	18 527	86 088	210 091	210 091	210 091	210 091	180 000	189 203	199 798
Less: Provision for debt impairment		-	-	-	(201 886)	(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	166 972	175 433	185 257
Debt impairment provision											
Balance at the beginning of the year		-	-	-	172 676	172 676	172 676	172 676	172 676	182 519	192 740
Contributions to the provision		-	-	-	29 209	29 209	29 209	29 209	30 009	31 719	33 495
Bad debts written off		-	-	-	-	-	-	-	-	-	-
Balance at end of year		-	-	-	201 886	201 886	201 886	201 886	202 686	214 238	226 235
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		1 474 996	1 575 718	1 661 593	1 669 776	1 669 776	1 669 776	1 669 776	1 769 963	1 876 160	1 988 729
Leases recognised as PPE	3	-	-	-	-	-	-	-	-	-	-
Less: Accumulated depreciation		-	-	-	28 204	28 204	28 204	28 204	36 397	38 545	40 100
Total Property, plant and equipment (PPE)	2	1 474 996	1 575 718	1 661 593	1 641 571	1 641 571	1 641 571	1 641 571	1 733 566	1 837 615	1 948 629
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)		9 682	1 500	-	-	-	-	-	-	-	-
Current portion of long-term liabilities		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 creditors		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		-	-	-	-	-	-	-	-	-	-
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 liabilities - Borrowing											
Borrowing	4	8 181	7 400	7 225	7 123	7 123	7 123	7 123	6 900	6 500	6 100
Finance leases (including PPP asset element)		425	629	628	628	628	628	628	628	628	628
Total Non current liabilities - Borrowing		8 606	8 029	7 225	7 751	7 751	7 751	7 751	7 528	7 128	6 728
Provisions - non-current											
Retirement benefits		-	-	-	-	-	-	-	-	-	-
List other major provision items		-	-	-	-	-	-	-	-	-	-
Refuse landfill site rehabilitation		-	-	-	-	-	-	-	-	-	-
Other		4 080	4 779	5 866	-	-	-	-	-	-	-
Total Provisions - non-current		4 080	4 779	5 866	-	-	-	-	-	-	-
CHANGES IN NET ASSETS											
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		-	-	-	1 683 807	1 744 257	1 744 257	1 744 257	2 047 047	2 171 436	2 274 499
Surplus/(Deficit)		100 854	40 121	146 423	273 499	284 442	284 442	284 442	379 601	285 560	313 855
Appropriations to Reserves		-	-	-	-	-	-	-	-	-	-
Transfers from Reserves		-	-	-	-	-	-	-	-	-	-
Depreciation offsets		-	-	-	-	-	-	-	-	-	-
Other adjustments		-	-	-	-	-	-	-	-	-	-
Accumulated Surplus/(Deficit)	1	100 854	40 121	146 423	1 957 306	2 028 699	2 028 699	2 028 699	2 426 648	2 456 996	2 588 354
Reserves											
Housing Development Fund		-	-	-	-	-	-	-	-	-	-
Capital replacement		-	-	-	-	-	-	-	-	-	-
Self-insurance		-	-	-	-	-	-	-	-	-	-
Other reserves		-	-	-	-	-	-	-	-	-	-
Revaluation		-	-	-	-	-	-	-	-	-	-
Total Reserves	2	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	100 854	40 121	146 423	1 957 306	2 028 699	2 028 699	2 028 699	2 426 648	2 456 996	2 588 354

Table 54: MBRR SA9 – Social, economic and demographic statistics and assumptions

DC27 Umkhanyakude - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref	Basis of calculation	2001 Census	2007 Survey	2011 Census	2012/14	2014/15	2015/16	Current Year 2016/17	2017/18 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Population												
Population			235846	235846	235846	235846	235846	235846	235846	235846	235846	235846
Females aged 5 - 14			215500	215500	215500	215500	215500	215500	215500	215500	215500	215500
Males aged 5 - 14			20510	20510	20510	20510	20510	20510	20510	20510	20510	20510
Females aged 15 - 34			265500	265500	265500	265500	265500	265500	265500	265500	265500	265500
Males aged 15 - 34			49831	49831	49831	49831	49831	49831	49831	49831	49831	49831
Unemployed			155000	155000	155000	155000	155000	155000	155000	155000	155000	155000
Monthly household income (no. of households)												
No income			105 000	105 000	105 000	105 000	105 000	105 000	105 000	105 000	105 000	105 000
R1 - R1 900			45 000	45 000	45 000	45 000	45 000	45 000	45 000	45 000	45 000	45 000
R1 901 - R3 200			4 500	4 500	4 500	4 500	4 500	4 500	4 500	4 500	4 500	4 500
R3 201 - R6 400			1 500	1 500	1 500	1 500	1 500	1 500	1 500	1 500	1 500	1 500
R6 401 - R12 800			800	800	800	800	800	800	800	800	800	800
R12 801 - R25 600			85	85	85	85	85	85	85	85	85	85
R25 601 - R51 200			85	85	85	85	85	85	85	85	85	85
R51 201 - R102 400			25	25	25	25	25	25	25	25	25	25
R102 401 - R204 800			18	18	18	18	18	18	18	18	18	18
R204 801 - R409 600			15	15	15	15	15	15	15	15	15	15
R409 601 - R819 200			5	5	5	5	5	5	5	5	5	5
R819 200 -												
Poverty profiles (no. of households)												
> R2 050 per household per month			13	13	13	13	13	13	13	13	13	13
less description												
Household (dwelling) types (000)												
Number of people in municipal area			628 848	628	628	628	628	628	628	628	628	628
Number of poor people in municipal area			105 000	105	105	105	105	105	105	105	105	105
Number of households in municipal area			628 848	628	628	628	628	628	628	628	628	628
Number of poor households in municipal area			105 000	105	105	105	105	105	105	105	105	105
Definition of poor household (R per month)			-1600	-1600	-1600	-1600	-1600	-1600	-1600	-1600	-1600	-1600
Housing statistics												
Formal												
Total number of households			48 226	48 226	48 226	48 226	48 226	48 226	48 226	48 226	48 226	48 226
Dwellings provided by municipality												
Dwellings provided by private sector												
Total free housing dwellings			48 226	48 226	48 226	48 226	48 226	48 226	48 226	48 226	48 226	48 226
Economic												
Inflation/outlook (CPI)						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest rate - borrowing						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest rate - investment						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Remuneration increase						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Consumption growth (electricity)						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Consumption growth (water)						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Collection rates												
Property tax/levy charges						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Rates of services & equipment						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest - debtor						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest - creditor						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Revenue from agency services						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Detail on the provision of municipal services for A10

Total municipal services	Ref	Basis of calculation	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year 2018/19	Budget Year 2019/20
Municipal service targets (000)											
Waste											
Piped water inside dwelling						27 000	27 000	27 000	30 245	30 245	30 245
Piped water inside yard (but not in dwelling)						42 000	42 000	42 000	45 691	45 691	45 691
Using public tap (at least min. service level)						30 000	30 000	30 000	37 013	37 013	37 013
Other water supply (at least min. service level)						186 000	186 000	186 000	121 785	121 785	121 785
Using public tap (< min. service level)											
Other water supply (< min. service level)											
No water supply						23 950	23 950	23 950	28 950	28 950	28 950
Below Minimum Service Level sub-total						23 950	23 950	23 950	28 950	28 950	28 950
Total number of households						159 950	159 950	159 950	159 950	159 950	159 950
Sanitation/Service Level											
Flush toilet (connected to sewerage)						13 737	13 737	13 737	13 737	13 737	13 737
Flush toilet (with septic tank)						5 133	5 133	5 133	5 633	5 633	5 633
Chemical toilet						27 775	27 775	27 775	32 225	32 225	32 225
PIE toilet (ventilated)						37 275	37 275	37 275	39 225	39 225	39 225
Other toilet provisions (> min. service level)						29 775	29 775	29 775	32 851	32 851	32 851
Below Minimum Service Level and Above sub-total						113 686	113 686	113 686	124 044	124 044	124 044
Bucket toilet											
Other toilet provisions (< min. service level)											
No toilet provisions											
Below Minimum Service Level sub-total											
Total number of households						113 686	113 686	113 686	124 044	124 044	124 044
Electricity											
Electricity (at least min. service level)											
Electricity - prepaid (min. service level)											
Below Minimum Service Level and Above sub-total											
Electricity (< min. service level)											
Electricity - prepaid (< min. service level)						5 793	5 793	5 793	6 543	6 543	6 543
Other energy sources						10 612	10 612	10 612	10 612	10 612	10 612
Below Minimum Service Level sub-total						16 405	16 405	16 405	17 155	17 155	17 155
Total number of households						16 405	16 405	16 405	17 155	17 155	17 155
Removal of waste											
Removed at least once a week											
Below Minimum Service Level and Above sub-total											
Removed less frequently than once a week											
Using communal refuse dump											
Using own refuse dump											
Other rubbish disposal											
No rubbish disposal											
Below Minimum Service Level sub-total											
Total number of households											

Municipal in-house services

Municipal in-house services	Ref	Basis of calculation	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year 2018/19	Budget Year 2019/20
Municipal service targets (000)											
Waste											
Piped water inside dwelling						27 000	27 000	27 000	30 245	30 245	30 245
Piped water inside yard (but not in dwelling)						42 000	42 000	42 000	45 691	45 691	45 691
Using public tap (at least min. service level)						30 000	30 000	30 000	37 013	37 013	37 013
Other water supply (at least min. service level)						186 000	186 000	186 000	121 785	121 785	121 785
Using public tap (< min. service level)											
Other water supply (< min. service level)											
No water supply						23 950	23 950	23 950	28 950	28 950	28 950
Below Minimum Service Level sub-total						23 950	23 950	23 950	28 950	28 950	28 950
Total number of households						159 950	159 950	159 950	159 950	159 950	159 950
Sanitation/Service Level											
Flush toilet (connected to sewerage)						13 737	13 737	13 737	13 737	13 737	13 737
Flush toilet (with septic tank)						5 133	5 133	5 133	5 633	5 633	5 633
Chemical toilet						27 775	27 775	27 775	32 225	32 225	32 225
PIE toilet (ventilated)						37 275	37 275	37 275	39 225	39 225	39 225
Other toilet provisions (> min. service level)						29 775	29 775	29 775	32 851	32 851	32 851
Below Minimum Service Level and Above sub-total						113 686	113 686	113 686	124 044	124 044	124 044
Bucket toilet											
Other toilet provisions (< min. service level)											
No toilet provisions											
Below Minimum Service Level sub-total											
Total number of households						113 686	113 686	113 686	124 044	124 044	124 044
Electricity											
Electricity (at least min. service level)											
Electricity - prepaid (min. service level)											
Below Minimum Service Level and Above sub-total											
Electricity (< min. service level)											
Electricity - prepaid (< min. service level)						5 793	5 793	5 793	6 543	6 543	

2.18 Municipal manager's quality certificate

Signed and attached