

2018-2019

# DRAFT BUDGET UMKHANYAKUDE DISTRICT MUNICIPALITY



2018-2019 TO 2020-2021  
MEDIUM TERM REVENUE AND  
EXPENDITURE FRAMEWORK  
2018-2019

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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**  
**DRAFT BUDGET 2018-2019**

## **PART 1 – ANNUAL DRAFT BUDGET**

### **1.1 Mayor’s Report**

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

This Council have the responsibility to eradicate the high volume of service delivery backlogs particularly in the infrastructure (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 The more attention should be focused on an outdated and aging infrastructure that end up instigating huge losses of water and interrupt the services delivery to the community.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 District Municipality developed a DGDP through the assistance by KZN COGTA and the DGDP is zooming in into the strategic direction up to year 2035 which focusses on linking the IDP with the National and Provincial planning imperatives. In order for the District Municipality to deliver meaningfully on its mandate it have focused on the alignment of the PGDS and UMkhanyakude DGDP, which is summarised as following:

<b>PGDS Strategic Goals</b>	<b>DGDP Strategic Goals</b>
1. Inclusive Economic Growth	1. Expanded District Economic output and increased quantity and quality of employment opportunities
2. Human Resource Development	2. Enhanced quality of district human resources



3. Human and Community Development	3. Improved quality of life and life expectancy
4. Strategic Infrastructure	4. High quality infrastructure network to support improved quality of life and economic growth
5. Environmental Sustainability	5. District characterised by integrity and quality of its physical environment and underpinned by a coherent spatial development
6. Governance and Policy	6. Excellence in governance and leadership
7. Spatial Equity	7. District characterised by integrity and quality of its physical environment and underpinned by a coherent spatial development

This budget is more focused on the services delivery strategic priorities that were approved by Council. Furthermore, the Strategic Agenda of the IDP and the budget is guided by the six KPA's which are:

- Municipal Transformation and Institutional Development
- Basic Service Delivery and Infrastructure development
- Local Economic Development
- Municipal Financial Viability and Management
- Good Governance and Public Participation
- Cross Cutting Interventions

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 2018-2019 draft budget will be published and communicated to the community for their inputs for the adoption of the final annual budget by the 30 May 2018.

The total consolidated operating revenue budget and capital contribution budget for uMkhanyakude District Municipality is R 703 million below is the summary, the consolidated for operating expenditure and capital expenditure is R 703 million.

***The summarised consolidated draft budget 2018-2019 for UMkhanyakude District Municipality:***

Description	2018/19 Medium Term Revenue & Expenditure Framework		
	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Rands</b>			
Total Revenue (excluding capital transfers and contributions)	437 862 004	475 319 491	522 022 549
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	254 859 100	279 630 050	283 396 450
Internally generated funds	11 200 000	-	-
<b>Total Revenue</b>	<b>703 921 104</b>	<b>754 949 541</b>	<b>805 418 999</b>
<b>Expenditure</b>			
Total Expenditure- operational	437 862 004	475 319 491	522 022 549
Total Expenditure- capital	266 059 100	279 630 050	283 396 450
	<b>703 921 104</b>	<b>754 949 541</b>	<b>805 418 999</b>
Surplus/(Deficit)	-	-	-

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

2018/19 Medium Term Revenue & Expenditure Framework			
Schedule 6B Grant In-kind			
Description	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Pongolapoort Bulk Water Scheme (Jozini)	30 000 000		

**Consolidated Operating draft budget 2018-2019**

2018/19 Medium Term Revenue & Expenditure Framework			
DC27 Umkhanyakude - Table A1 Consolidated Budget Summary			
Description	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Rands</b>			
<b>Revenue By Source</b>	-	-	-
Service charges - electricity revenue	10 000 000	10 700 000	11 449 000
Service charges - water revenue	26 509 104	28 364 741	30 350 273
Service charges - sanitation revenue	640 000	684 800	732 736
Rental of facilities and equipment	90 000	96 300	103 041
Interest earned - external investments	5 000 000	5 350 000	5 724 500
Transfers and subsidies	395 612 900	430 112 950	473 651 550
Other revenue	10 000	10 700	11 449
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>437 862 004</b>	<b>475 319 491</b>	<b>522 022 549</b>
<b>Expenditure By Type</b>			
Employee related costs	154 540 072	166 594 197	179 588 545
Remuneration of councillors	9 387 321	9 856 687	10 349 522
Debt impairment	5 000 000	5 350 000	5 724 500
Depreciation & asset impairment	35 000 000	37 450 000	40 071 500
Finance charges	1 498 863	1 603 784	1 716 048
Bulk purchases	106 000 000	111 724 000	117 868 820
Other materials	24 935 000	26 680 450	28 548 082
Contracted services	61 954 000	65 967 580	70 265 949
Transfers and subsidies	-	-	-
Other expenditure	39 546 748	50 092 793	67 889 584
Loss on disposal of PPE			
<b>Total Expenditure</b>	<b>437 862 004</b>	<b>475 319 491</b>	<b>522 022 549</b>
<i>Surplus/(Deficit)</i>	-	-	-

## **Capital Budget 2018-2019**

<b>Capital Grants Budget 2018-2019</b>			
<b>Account</b>	<b>Draft Budget 2018-2019</b>	<b>Draft Budget 2019-2020</b>	<b>Draft Budget 2020-2021</b>
Municipal Infrastructure Grant (excluding PMU)	199 859 100	199 630 050	198 996 450
Water Service Infrastructure Grant	55 000 000	80 000 000	84 400 000
<b>Total capital grants</b>	<b>254 859 100</b>	<b>279 630 050</b>	<b>283 396 450</b>

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**Cllr T.S Mkhombo**

**The Mayor: UMkhanyakude District Municipality**

## **1.2 Council Resolution**

## **1.3 EXECUTIVE SUMMARY**

### **1.3.1 Introduction**

For the 2018/2019 and the MTREF the Municipality is budgeting for a no surplus or no deficit. This is characterised by cash backing of Depreciation and other non-cash flow provisions. The intention for a no deficit nor surplus budgeting is to target establishment of positive reserves for the municipality which can in future years be utilised to fund capital replacements.

The draft budget for the 2018-2019 proposed a total consolidated amount of R703 million which has been developed with an overall planning framework and includes programme and projects to achieve the municipality's strategic objectives. An amount of R437 million has been allocated to the operational budget and the capital budget for the infrastructure is R 254 million. The projection for the service charges and other income included is R 37 million. The overall budget for UMkhanyakude District Municipality is 703 million.

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

### **1.3.2 Strategic priorities for 2018-2019**

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 2018/2019 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 2018-2019 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 2018-2019 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 2018-2019 MTREF process

#### **1.3.4 Budget principles and guidelines that directly informed the compilation of the 2018-2019 draft MTREF**

The 2017-2018 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 2018-2019 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 2018-2019 Medium-term Revenue and Expenditure Framework:

#### **Consolidated Overview of the 2018-2019 MTREF**

The consolidated operating revenue for both parent municipality and the entity of the municipality is R437 million, 5.4 per cent compared to the adjustment budget for 2017-2018. For the two outer years, operational revenue will increase 8 per cent and 9 per cent respectively, equating to a total revenue growth of R 38 million and R47 respectively over the MTREF consolidated.

Total consolidated operating expenditure for the 2018-2019 financial year has been appropriated at 1 per cent increase when compared to the 2017/18 Adjustments Budget and by 9 per cent and 9 per cent for each of the respective outer years of the MTREF.

The capital budget decreased with R27-million when compared to adjustment budget for 2017/18 financial year, and an increase of R13-million in the 2019/20 financial year, and a R4-million increase in the 2020/21 financial year.

#### **1.4 Operating Revenue Framework**

In order the Municipality to continue improving the quality of services provided to the citizens it needs to generate 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 2018-2019 MTREF (classified by main revenue source):

**Table 1: Summary of revenue classified by main revenue source**

DC27 Umkhanyakude - Table A1 Consolidated Budget Summary

Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands										
<b>Financial Performance</b>										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	25 978	23 334	19 542	35 669	25 780	25 780	25 780	37 149	39 750	42 532
Investment revenue	1 428	12 612	5 305	4 256	4 562	4 562	4 562	5 000	5 350	5 725
Transfers recognised - operational	237 422	299 771	326 160	346 343	328 343	328 343	328 343	395 613	430 113	473 652
Other own revenue	13 951	34 597	16 427	12 190	9 888	9 888	9 888	100	107	114
Total Revenue (excluding capital transfers and contributions)	278 778	370 314	367 433	398 457	368 573	368 573	368 573	437 862	475 319	522 023

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 service charges results to a significant percentage of revenue basket for the municipality. 8.7 per cent of the consolidated total revenue mix for 2018/19 is from Service Charges. For the 2018/19 financial year, consolidated budget for service charges will increase from R25.8-million to R37.1-million (2018/19), R39.8-million (2019/20) and R42.5-million (2020/21) respectively in the MTREF. A notable increase in the revenue generated from services charges which increases with 8 per cent in 2017/18 after the adjustment budget is due to the adjustment budget that is calculated based on the actual during that period. Now the municipality has increased its actual revenue and conventional revenue budget increased with 4 per cent of the total revenue. 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.

Excluded from other revenue is Interest charges from arrear debtors. The council has decided to re-instate the interest from non-paying service providers with effect from 01 July 2018. The Council and Administration will embark on a strong customer education aimed at instilling the good culture of paying for services. A large number of Communities

which in the past were not receiving clean water will in 2018/2019 start to receive water and hence the education is proposed.

Operating grants and transfers totals to R395-million in the 2018-2019 financial year as gazetted for UMkhanyakude District Municipality, excluding the Provincial Grants of the entity (UMhlosinga Development Agency). Note that the year-on-year growth for the 2018/19 financial year is R67 million and then R35 million 2019/20 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 2: Operating Transfers and Capital grants**

<b>UMKHANYAKUDE DISTRICT MUNICIPALITY</b>			
<b>DRAFT BUDGET 2018-2019</b>			
<b>CAPITAL AND OPERATIONAL GRANTS</b>			
<b>Account</b>	<b>Draft Budget 2018-2019</b>	<b>Draft Budget 2019-2020</b>	<b>Draft Budget 2020-2021</b>
Equitable Share	329 739 000	362 257 000	399 094 000
RSC Levies Replacement	45 009 000	48 978 000	53 239 000
<b>Total Equitable Share</b>	<b>374 748 000</b>	<b>411 235 000</b>	<b>452 333 000</b>
Finance Management Grant	1 000 000	1 465 000	1 897 000
Municipal Infrastructure Grant (excluding PMU)	199 859 100	199 630 050	198 996 450
Water Service Infrastructure Grant	55 000 000	80 000 000	84 400 000
Rural Assets Management Grant	2 624 000	2 780 000	2 941 000
Expanded Public Works Programme	3 022 000		
PMU	10 518 900	10 747 950	11 381 550
Dukuduku Forest Environmental Management Framework	1 000 000	1 050 000	1 108 000
Mkuze Airport	2 000 000	2 100 000	2 216 000
Tourism Strategy	700 000	735 000	775 000
Spatial Development Framework Support			1 000 000
	<b>650 472 000</b>	<b>709 743 000</b>	<b>757 048 000</b>

## 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 3: Proposed Water Tariffs**

**PROPOSED CONSUMPTION CHARGES AND TARIFFS FOR THE 2018/2019 FINANCIAL YEAR**

UMkhanyakude District Municipality				
Water Tariffs for 2017/18				
2016/2017		PROPOSED 2017/2018		
Area	Description	Rate	Description	10% increase
	<b>Water</b>		<b>Water</b>	
<b>All area in DC27</b>	<b>Residential</b>		<b>Residential</b>	
	0-6	Free	0-6	Free
	7-20	6.69	7-20	7.36
	21-30	10.37	21-30	11.41
	31-40	12.55	31-40	13.81
	40-50	15.38	40-50	16.20
	50>	19.87	50>	21.86
	<b>Commercial</b>		<b>Commercial</b>	
	0-20	13.10	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
	<b>Government</b>		<b>Government</b>	
	0-20	13.10	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
Consumer deposit		Domestic 2x ave consumption minimum		R 650.00
		Commercial 2x Ave consumption minimum		R 1210.00

<b>UMkhanyakude District Municipality</b>			
<b>Water Related Tariffs for 2017/2018</b>			
Area	Description	Rates 2016/2017	Rates 2017/2018
water connection up to 25m	domestic	0.00	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			R25/kl + cost per km
Water tanker cost per km		R19.45	R21.40
Reconnection for non-payment		R193.48	R 121.83
water in unmetered area	per household	R35.76	R0.00
all other work			cost + 10%
administration costs			cost+10%
dishonored cheques			R126.50
<b>Sanitation tariffs for 2017/2018</b>			
Area	Description	Rates 2016/2017	Rates 2017/2018
All Area on sewer mains	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 by tanker	Per kl	R26.01	R28.61
<b>Other tariffs for letting municipal property</b>			
Area	Description	Rates 2016/2017	Rates 2017/2018
Guest house	Rate per person per night	R 300.00	R 700.00
Park homes	Per month	R 700.00	R 1 400.00
Thusong Centre offices	Rate per square meter	R 80.00	R 88.00

The Bulk water tariff has been eradicated and single property will be metered individually. With the unmetered tariff charge eradicated for the 2018/2019 financial year.

#### **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; The full calculation is being performed to fully reflect on cost coverage.
- 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.

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

NERSA has announced the revised bulk electricity pricing structure. A 6.84 percent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2018.

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

#### **1.4.2 Sanitation and impact on tariff increases**

A tariff increases of 10 per cent for sanitation from 1 July 2018 is proposed. This is based on the input cost assumptions related to water. It should be noted that electricity costs contribute approximately 20 per cent of waste water treatment input costs, therefore the 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 R640 000.00 for the 2018-2019, R685 000.00 for the 2019/2020 and R733 000.00 for the 2020/21 financial years respectively.

#### **1.5 Operating Expenditure Framework**

The municipality's expenditure framework for the 2018-2019 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 2018-2019 budget and MTREF (classified per main type of operating expenditure):

**Table 4: Summary of operating expenditure by standard classification item**

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

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Expenditure By Type</b>											
Employee related costs	2	124 331	132 792	140 608	136 793	143 358	143 358	143 358	154 540	166 594	179 589
Remuneration of councillors		6 721	6 446	6 874	8 940	8 940	8 940	8 940	9 387	9 857	10 350
Debt impairment	3	17 396	12 209	5 263	18 028	18 028	18 028	18 028	5 000	5 350	5 725
Depreciation & asset impairment	2	28 160	36 515	37 911	45 009	38 291	38 291	38 291	35 000	37 450	40 072
Finance charges		1 135	2 352	1 424	1 499	941	941	941	1 499	1 604	1 716
Bulk purchases	2	69 403	73 601	80 930	89 912	89 912	89 912	89 912	106 000	111 724	117 869
Other materials	8	34 991	33 222	70 858	35 330	31 493	31 493	31 493	24 935	26 680	28 548
Contracted services		38 497	31 036	46 427	24 355	38 462	38 462	38 462	61 954	65 968	70 266
Transfers and subsidies		365	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	80 440	118 413	47 308	38 590	43 648	43 648	43 648	39 547	50 093	67 890
Loss on disposal of PPE											
<b>Total Expenditure</b>		<b>401 440</b>	<b>446 585</b>	<b>437 603</b>	<b>398 457</b>	<b>413 074</b>	<b>413 074</b>	<b>413 074</b>	<b>437 862</b>	<b>475 319</b>	<b>522 023</b>

**The budgeted allocation for employee related costs** for the 2018-2019 financial year totals R154 million, which equals 35 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 R154 million for the parent and the entity of the municipality which is equal to 35 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 2017. The most recent proclamation in this regard has been taken into account in compiling the UMkhanyakude District budget.

Councillors Remuneration calculation 2018-2019		
UMkhanyakude District Municipality: Grade 4		
Allocation of number of points for uMkhanyakude District Municipality		
The number of points allocated for the total municipal income of a municipality		
DC 27 Total income range between R10million and R50 million, number of point allocated as per Gazettee No.: 38608 is 16.67 points		
Allocation of number of points for total population		
The number of points allocated for the total population within uMkhanyakude municipality is 41.67 points as the total population for Umkhanyakude District is 625 847		
Determination of grade of municipal council		
	Points	Grade
Total income points	16.67	
Total population points	41.67	
	58.34	4
According to the Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998), Gazettee No. 38608 section 4(a), uMkhanyakude District Municipality is Grade 4 as it ranges between 50.01 to 66.67		
Council Remuneration Workings		
	2017-2018	2018-2019
Council Remuneration	Rands	calculation including 5%
3400/3410/01/0101 (Councillors Allowances - Councillors - Council Support)	4 663 103.00	4 896 258.15
3400/3420/01/0101 (Councillors Allowances - Exco Members - Council Support)	1 221 439.00	1 282 510.95
3400/3430/01/0101 (Councillors Allowance - Mayor - Council Support)	826 414.00	867 734.70
3400/3440/01/0101 (Councillors Allowances - Cellphone Allowance - Council Support)	98 280.00	103 194.00
3400/3450/01/0101 (Councillors Allowances - S&T- Council Support)	189 000.00	198 450.00
	1 942 070.00	2 039 173.50
	8 940 306.00	9 387 321.30

**The provision of debt impairment**, at present we are compiling a full report on debtor profiling which will assist projecting the debtor impairment for the 2018/2019 financial year. This exercise will be completed by 31 May 2018 and will be factored in the calculation of debtor impairment provision. The figure included in the draft budget as the provision for debt impairment is based on the audited actual debtor impairment for the 2016/2017 and is not based on full calculation or assumptions. The R5 million is set off 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. We have cash backed this provision.

**Depreciation** is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R35 million for the 2018-2019 financial and equates to 8 per cent of the total operating expenditure. It is 8 per cent of the increase of the comparative prior years assets increase. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register. This has resulted in a significant increase in depreciation relative to previous years. 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. We have cash backed this provision.

**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 2017-2018 and is not intending to have a long-term borrowing in 2018-2019, but since it is not finalised an amount of R2 million has been provided for interest charges and interest on bank accounts for the municipality.

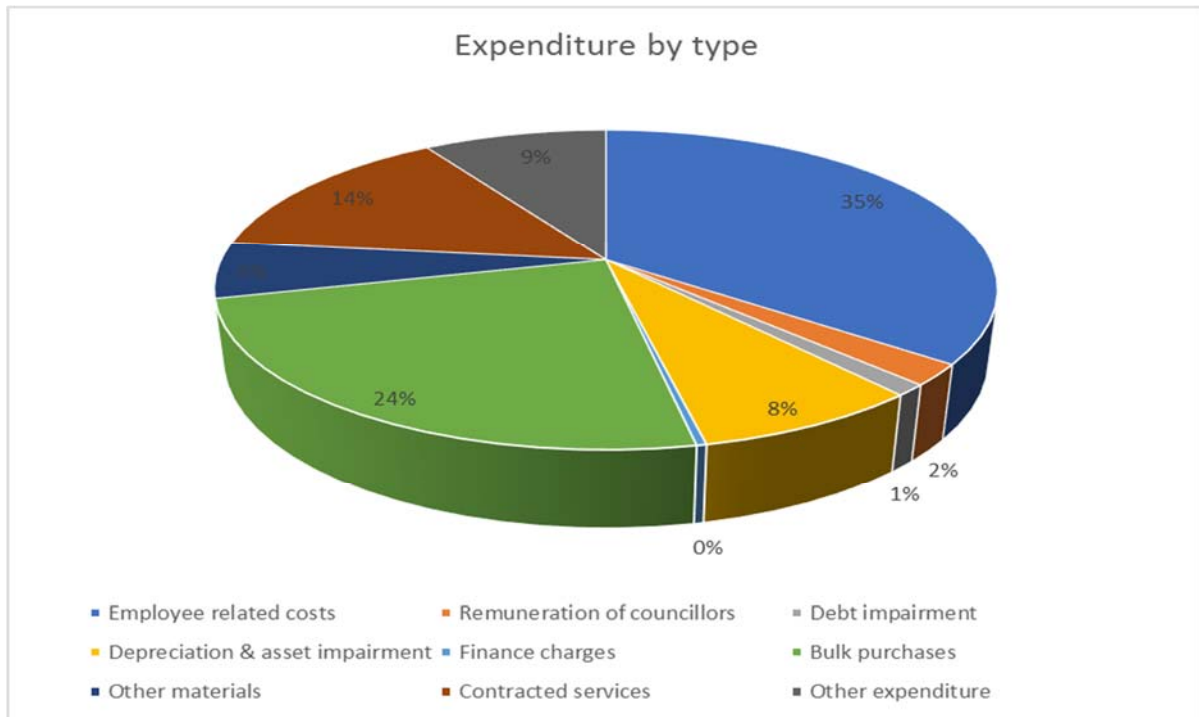
**Bulk purchases** are directly informed by the purchase of electricity from Eskom and water for water purification and reticulation. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

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

**Contracted services** have been identified as a cost saving area for the municipality. As part of the compilation of the 2018-2019 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced. In the 2018-2019 financial year, this group of expenditure totals R61 million which equates 13 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 8 per cent for 2018-2019 including the other expenditure of the entity.

**Figure 1: Main operational expenditure categories for the 2018-2019 financial year**



### 1.6 Capital expenditure

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

**Table 5: Capital budget per vote**

Vote Description	Ref	2016/17	Current Year 2017/18		2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1						
<u>Capital expenditure - Vote</u>							
<u>Multi-year expenditure to be appropriated</u>	2						
<u>Single-year expenditure to be appropriated</u>	2						
Vote 1 - COUNCIL SUPPORT		-	-	700	3 500	-	-
Vote 4 - CORPORATE SERVICES		-	-	-	7 700	-	-
Vote 9 - WATER SERVICES		188 894	199 821	241 786	167 709	179 449	192 010
Vote 10 - SANITATION DEPARTMENT		40 376	58 144	51 480	87 150	100 181	145 368
Capital single-year expenditure sub-total		229 270	257 965	293 966	266 059	279 630	337 378
Total Capital Expenditure - Vote		229 270	257 965	293 966	266 059	279 630	337 378
<u>Capital Expenditure - Functional</u>							
<i>Governance and administration</i>		-	-	700	11 200	-	-
Executive and council		-	-	700	3 500	-	-
Finance and administration		-	-	-	7 700	-	-
<i>Trading services</i>		229 270	257 965	296 362	254 859	279 630	283 396
Energy sources		-	-	-	-	-	-
Water management		188 894	199 821	244 882	167 709	179 449	192 010
Waste water management		40 376	58 144	51 480	87 150	100 181	91 386
Waste management		-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-
Total Capital Expenditure - Functional	3	229 270	257 965	297 062	266 059	279 630	283 396
<u>Funded by:</u>							
National Government		229 270	114 789	261 060	254 859	279 630	283 396
Other transfers and grants		-	-	-	-	-	-
Transfers recognised - capital	4	229 270	114 789	261 060	254 859	279 630	283 396
Public contributions & donations	5	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-
Internally generated funds		-	-	32 905	11 200	-	-
Total Capital Funding	7	229 270	114 789	293 966	266 059	279 630	283 396

For 2018-2019 an amount of R254.8 million has been appropriated for the development of infrastructure which is the total capital budget. R11.2 million has been allocated for movable assets of the municipality. In the outer years this amount totals R279 million, and R313 million respectively for each of the financial years. Water service infrastructure receives the highest allocation of R167 million and R87 million for waste water management infrastructure.



## 1.7 Annual Budget tables

### Table 6: Consolidated Annual Budget Summary

Choose name from list - Table A1 Budget Summary

Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	25 978	23 334	19 542	35 669	25 780	25 780	25 780	37 149	39 750	42 532
Investment revenue	1 428	12 612	5 305	4 256	4 562	4 562	4 562	5 000	5 350	5 725
Transfers recognised - operational	237 422	299 771	326 160	346 343	328 343	328 343	328 343	395 613	430 113	473 652
Other own revenue	13 951	34 597	16 427	12 190	9 888	9 888	9 888	100	107	114
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>278 778</b>	<b>370 314</b>	<b>367 433</b>	<b>398 457</b>	<b>368 573</b>	<b>368 573</b>	<b>368 573</b>	<b>437 862</b>	<b>475 319</b>	<b>522 023</b>
Employee costs	124 331	132 792	140 608	136 793	143 358	143 358	143 358	154 540	166 594	179 589
Remuneration of councillors	6 721	6 446	6 874	8 940	8 940	8 940	8 940	9 387	9 857	10 350
Depreciation & asset impairment	28 160	36 515	37 911	45 009	38 291	38 291	38 291	35 000	37 450	40 072
Finance charges	1 135	2 352	1 424	1 499	941	941	941	1 499	1 604	1 716
Materials and bulk purchases	104 394	106 823	151 787	125 241	121 405	121 405	121 405	130 935	138 404	146 417
Transfers and grants	365	-	-	-	-	-	-	-	-	-
Other expenditure	136 334	161 658	98 998	80 974	100 138	100 138	100 138	106 501	121 410	143 880
<b>Total Expenditure</b>	<b>401 440</b>	<b>446 585</b>	<b>437 603</b>	<b>398 457</b>	<b>413 074</b>	<b>413 074</b>	<b>413 074</b>	<b>437 862</b>	<b>475 319</b>	<b>522 023</b>
<b>Surplus/(Deficit)</b>	<b>(122 662)</b>	<b>(76 270)</b>	<b>(70 170)</b>	<b>(0)</b>	<b>(44 501)</b>	<b>(44 501)</b>	<b>(44 501)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Transfers and subsidies - capital (monetary allocation)	162 783	222 693	230 277	257 965	293 266	293 266	293 266	266 059	279 630	283 396
Contributions recognised - capital & contributed assets	-	-	-	121 637	121 637	121 637	121 637	30 000	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>40 121</b>	<b>146 423</b>	<b>160 107</b>	<b>379 601</b>	<b>370 401</b>	<b>370 401</b>	<b>370 401</b>	<b>296 059</b>	<b>279 630</b>	<b>283 396</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>40 121</b>	<b>146 423</b>	<b>160 107</b>	<b>379 601</b>	<b>370 401</b>	<b>370 401</b>	<b>370 401</b>	<b>296 059</b>	<b>279 630</b>	<b>283 396</b>
<b>Capital expenditure &amp; funds sources</b>										
Capital expenditure	128 373	231 339	229 270	257 965	297 062	297 062	297 062	266 059	279 630	283 396
Transfers recognised - capital	128 373	231 339	229 270	114 789	139 779	261 060	261 060	254 859	279 630	283 396
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	32 905	32 905	32 905	11 200	-	-
<b>Total sources of capital funds</b>	<b>128 373</b>	<b>231 339</b>	<b>229 270</b>	<b>114 789</b>	<b>172 684</b>	<b>293 966</b>	<b>293 966</b>	<b>266 059</b>	<b>279 630</b>	<b>283 396</b>
<b>Financial position</b>										
Total current assets	144 934	301 794	289 006	381 036	381 036	381 036	381 036	539 761	539 761	539 761
Total non current assets	1 575 718	1 662 545	1 829 634	1 724 954	1 724 954	1 724 954	1 724 954	1 793 746	1 791 296	1 788 675
Total current liabilities	212 827	285 912	324 437	66 044	66 044	66 044	66 044	166 087	70 087	70 087
Total non current liabilities	12 808	13 091	12 719	7 528	7 528	7 528	7 528	14 070	13 312	12 554
Community wealth/Equity	1 495 017	1 665 335	1 781 484	2 032 418	2 032 418	2 032 418	2 032 418	2 153 350	2 247 658	2 245 795
<b>Cash flows</b>										
Net cash from (used) operating	137 472	250 918	237 680	259 180	280 920	280 920	280 920	253 130	309 763	315 455
Net cash from (used) investing	(128 476)	(231 339)	(232 551)	(257 965)	(285 874)	(285 874)	(285 874)	(259 859)	(279 630)	(283 396)
Net cash from (used) financing	(4 716)	(860)	(854)	(3 025)	(1 443)	(1 443)	(1 443)	(1 499)	(1 604)	(1 716)
Cash/cash equivalents at the year end	15 657	32 523	36 798	34 989	28 228	28 228	28 228	26 398	54 927	85 270
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	13 717	32 523	36 798	24 445	24 445	24 445	24 445	36 798	36 798	36 798
Application of cash and investments	166 261	130 102	222 226	(149 173)	(502 694)	(502 694)	(502 694)	(341 489)	(408 343)	(377 364)
<b>Balance - surplus (shortfall)</b>	<b>(152 544)</b>	<b>(97 579)</b>	<b>(185 428)</b>	<b>173 617</b>	<b>527 138</b>	<b>527 138</b>	<b>527 138</b>	<b>378 287</b>	<b>445 141</b>	<b>414 162</b>
<b>Asset management</b>										
Asset register summary (WDV)	-	-	-	-	-	-	-	266 059	279 630	283 396
Depreciation	28 160	36 515	37 911	30 009	30 009	30 009	30 009	35 000	37 450	40 072
Renewal of Existing Assets	128 373	231 339	-	-	-	-	-	-	-	-
Repairs and Maintenance	34 991	33 222	70 858	35 330	35 330	35 330	35 330	24 935	26 680	28 548
<b>Free services</b>										
Cost of Free Basic Services provided	-	-	-	9 008	9 008	9 008	5 200	5 200	5 200	5 200
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
<b>Households below minimum service level</b>										
Water:	-	-	-	20	20	20	29	29	29	29
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	17	17	17	17
Refuse:	-	-	-	-	-	-	-	-	-	-

**Table 7: 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	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Revenue - Functional</b>	<b>1</b>									
<i>Governance and administration</i>		243 815	280 384	322 993	335 863	322 176	322 176	380 848	418 157	460 069
Executive and council		240 169	265 376	292 147	330 020	314 616	314 616	374 748	411 235	452 333
Finance and administration		3 645	15 008	30 846	5 843	7 560	7 560	6 100	6 922	7 736
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		1 735	102	-	-	-	-	-	-	-
Community and social services		1 735	102	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		7 251	58 182	24 899	25 917	19 609	19 609	19 865	17 413	19 422
Planning and development		7 251	58 182	24 899	25 917	19 609	19 609	19 865	17 413	19 422
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		188 761	31 646	249 819	36 677	26 787	26 787	37 149	39 750	42 532
Energy sources		5 256	4 884	5 262	6 849	6 092	6 092	10 000	10 700	11 449
Water management		182 657	26 332	244 048	29 570	20 092	20 092	26 509	28 365	30 350
Waste water management		848	430	508	258	603	603	640	685	733
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	<b>4</b>	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>2</b>	<b>441 561</b>	<b>370 314</b>	<b>597 710</b>	<b>398 456</b>	<b>368 572</b>	<b>368 572</b>	<b>437 862</b>	<b>475 319</b>	<b>522 023</b>
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		171 766	239 203	260 571	159 795	172 502	172 502	123 235	149 222	185 467
Executive and council		38 619	132 792	185 285	28 484	27 468	27 468	24 571	31 933	43 189
Finance and administration		133 147	106 411	75 287	128 587	143 602	143 602	96 164	114 789	139 779
Internal audit		-	-	-	2 724	1 432	1 432	2 500	2 500	2 500
<i>Community and public safety</i>		19 028	18 029	555	21 676	26 905	26 905	45 807	51 525	54 892
Community and social services		19 028	18 029	555	20 982	26 211	26 211	45 307	49 525	50 892
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	694	694	694	500	2 000	4 000
<i>Economic and environmental services</i>		45 682	20 498	6 212	31 928	39 005	39 005	28 454	37 233	53 481
Planning and development		45 682	20 498	6 212	31 928	39 005	39 005	28 454	37 233	53 481
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		164 599	168 661	170 265	185 057	174 661	174 661	240 366	237 340	228 182
Energy sources		32 799	31 088	39 555	36 223	31 071	31 071	31 000	32 674	34 471
Water management		129 602	135 119	130 710	140 439	136 695	136 695	199 884	194 233	182 301
Waste water management		2 199	2 454	-	8 395	6 895	6 895	9 482	10 433	11 410
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	<b>4</b>	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>401 076</b>	<b>446 391</b>	<b>437 603</b>	<b>398 456</b>	<b>413 073</b>	<b>413 073</b>	<b>437 862</b>	<b>475 320</b>	<b>522 022</b>
<b>Surplus/(Deficit) for the year</b>		<b>40 485</b>	<b>(76 077)</b>	<b>160 107</b>	<b>-</b>	<b>(44 501)</b>	<b>(44 501)</b>	<b>-</b>	<b>(0)</b>	<b>0</b>

**Table 8: 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	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>										
<b>Revenue by Vote</b>	1									
Vote 1 - COUNCIL SUPPORT		-	-	-	-	-	-	-	-	-
Vote 2 - BOARD AND GENERAL		240 169	265 376	292 147	330 020	314 616	314 616	374 748	411 235	452 333
Vote 3 - FINANCIAL SERVICES		3 645	14 952	30 846	5 843	5 974	5 974	6 100	6 922	7 736
Vote 4 - CORPORATE SERVICES		-	56	-	-	1 586	1 586	-	-	-
Vote 5 - COMMUNITY SERVICES		1 587	102	-	-	-	-	-	-	-
Vote 6 - THUSONG SERVICES CENTRE		148	-	-	-	-	-	-	-	-
Vote 7 - SOCIAL ECONOMIC DEVELOPMENT		1 929	58 182	24 899	25 917	22 704	22 704	19 865	17 413	19 422
Vote 8 - ELECTRICITY DEPARTMENT		5 256	4 884	5 262	6 849	6 092	6 092	10 000	10 700	11 449
Vote 9 - WATER SERVICES		182 657	26 332	244 048	29 570	16 996	16 996	26 509	28 365	30 350
Vote 10 - SANITATION DEPARTMENT		848	430	508	258	603	603	640	685	733
Vote 11 - TECHNICAL SERVICES		5 321	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>441 561</b>	<b>370 314</b>	<b>597 710</b>	<b>398 456</b>	<b>368 572</b>	<b>368 572</b>	<b>437 862</b>	<b>475 319</b>	<b>522 023</b>
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - COUNCIL SUPPORT		8 840	19 203	6 874	14 553	14 353	14 353	11 440	10 058	10 762
Vote 2 - BOARD AND GENERAL		29 779	113 589	178 410	16 656	14 548	14 548	15 631	24 375	34 926
Vote 3 - FINANCIAL SERVICES		48 145	58 411	51 371	80 521	83 391	83 391	29 634	31 791	42 617
Vote 4 - CORPORATE SERVICES		85 002	48 000	23 916	48 066	60 211	60 211	66 530	82 997	97 162
Vote 5 - COMMUNITY SERVICES		17 788	18 029	555	21 676	26 905	26 905	45 807	51 525	54 892
Vote 6 - THUSONG SERVICES CENTRE		1 240	-	-	-	-	-	-	-	-
Vote 7 - SOCIAL ECONOMIC DEVELOPMENT		36 957	20 498	6 212	31 928	39 005	39 005	28 454	37 233	53 481
Vote 8 - ELECTRICITY DEPARTMENT		32 799	31 088	39 555	36 223	31 071	31 071	31 000	32 674	34 471
Vote 9 - WATER SERVICES		129 602	135 119	130 710	140 439	136 695	136 695	199 884	194 233	182 301
Vote 10 - SANITATION DEPARTMENT		2 199	2 454	-	8 395	6 895	6 895	9 482	10 433	11 410
Vote 11 - TECHNICAL SERVICES		8 725	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>401 076</b>	<b>446 391</b>	<b>437 603</b>	<b>398 457</b>	<b>413 073</b>	<b>413 073</b>	<b>437 862</b>	<b>475 320</b>	<b>522 022</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>40 485</b>	<b>(76 077)</b>	<b>160 107</b>	<b>(0)</b>	<b>(44 501)</b>	<b>(44 501)</b>	<b>-</b>	<b>(0)</b>	<b>0</b>

**Table 9: Consolidated budgeted financial performance and revenue expenditure**

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

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Revenue By Source</b>											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	5 256	4 884	5 262	6 849	6 092	6 092	6 092	10 000	10 700	11 449
Service charges - water revenue	2	19 874	18 020	13 771	28 562	19 084	19 084	19 084	26 509	28 365	30 350
Service charges - sanitation revenue	2	848	430	508	258	603	603	603	640	685	733
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		33	67	56	137	82	82	82	90	96	103
Interest earned - external investments		1 428	12 612	5 305	4 256	4 562	4 562	4 562	5 000	5 350	5 725
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-	-
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-
Licences and permits		-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		237 422	299 771	326 160	346 343	328 343	328 343	328 343	395 613	430 113	473 652
Other revenue	2	13 917	34 531	16 370	12 052	8 306	8 306	8 306	10	11	11
Gains on disposal of PPE		-	-	-	-	1 500	1 500	1 500	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>278 778</b>	<b>370 314</b>	<b>367 433</b>	<b>398 457</b>	<b>368 573</b>	<b>368 573</b>	<b>368 573</b>	<b>437 862</b>	<b>475 319</b>	<b>522 023</b>
<b>Expenditure By Type</b>											
Employee related costs	2	124 331	132 792	140 608	136 793	143 358	143 358	143 358	154 540	166 594	179 589
Remuneration of councillors		6 721	6 446	6 874	8 940	8 940	8 940	8 940	9 387	9 857	10 350
Debt impairment	3	17 396	12 209	5 263	18 028	18 028	18 028	18 028	5 000	5 350	5 725
Depreciation & asset impairment	2	28 160	36 515	37 911	45 009	38 291	38 291	38 291	35 000	37 450	40 072
Finance charges		1 135	2 352	1 424	1 499	941	941	941	1 499	1 604	1 716
Bulk purchases	2	69 403	73 601	80 930	89 912	89 912	89 912	89 912	106 000	111 724	117 869
Other materials	8	34 991	33 222	70 858	35 330	31 493	31 493	31 493	24 935	26 680	28 548
Contracted services		38 497	31 036	46 427	24 355	38 462	38 462	38 462	61 954	65 968	70 266
Transfers and subsidies		365	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	80 440	118 413	47 308	38 590	43 648	43 648	43 648	39 547	50 093	67 890
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>401 440</b>	<b>446 585</b>	<b>437 603</b>	<b>398 457</b>	<b>413 074</b>	<b>413 074</b>	<b>413 074</b>	<b>437 862</b>	<b>475 319</b>	<b>522 023</b>
<b>Surplus/(Deficit)</b>											
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(122 662)	(76 270)	(70 170)	(0)	(44 501)	(44 501)	(44 501)	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		162 783	222 693	230 277	257 965	293 266	293 266	293 266	266 059	279 630	283 396
Transfers and subsidies - capital (in-kind - all)	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		40 121	146 423	160 107	379 601	370 401	370 401	370 401	296 059	279 630	283 396
Taxation		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		40 121	146 423	160 107	379 601	370 401	370 401	370 401	296 059	279 630	283 396
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		40 121	146 423	160 107	379 601	370 401	370 401	370 401	296 059	279 630	283 396
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>		<b>40 121</b>	<b>146 423</b>	<b>160 107</b>	<b>379 601</b>	<b>370 401</b>	<b>370 401</b>	<b>370 401</b>	<b>296 059</b>	<b>279 630</b>	<b>283 396</b>

**Table 10: 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	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
<b>Capital expenditure - Vote</b>											
<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		-	-	-	-	700	700	700	3 500	-	-
Vote 2 - BOARD AND GENERAL		-	-	-	-	-	-	-	-	-	-
Vote 3 - FINANCIAL SERVICES		-	-	-	-	-	-	-	7 700	-	-
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		119 099	229 683	188 894	199 821	241 786	241 786	241 786	167 709	179 449	192 010
Vote 10 - SANITATION DEPARTMENT		9 274	1 656	40 376	58 144	51 480	51 480	51 480	87 150	100 181	145 368
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		128 373	231 339	229 270	257 965	293 966	293 966	293 966	266 059	279 630	337 378
<b>Total Capital Expenditure - Vote</b>		128 373	231 339	229 270	257 965	293 966	293 966	293 966	266 059	279 630	337 378
<b>Capital Expenditure - Functional</b>											
<i>Governance and administration</i>						700	700	700	11 200	-	-
Executive and council		-	-	-	-	700	700	700	3 500	-	-
Finance and administration		-	-	-	-	-	-	-	7 700	-	-
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>		128 373	231 339	229 270	257 965	296 362	296 362	296 362	254 859	279 630	283 396
Energy sources		-	-	-	-	-	-	-	-	-	-
Water management		119 099	229 683	188 894	199 821	244 882	244 882	244 882	167 709	179 449	192 010
Waste water management		9 274	1 656	40 376	58 144	51 480	51 480	51 480	87 150	100 181	91 386
Waste management		-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	3	128 373	231 339	229 270	257 965	297 062	297 062	297 062	266 059	279 630	283 396
<b>Funded by:</b>											
National Government		119 099	231 339	229 270	114 789	139 779	261 060	261 060	254 859	279 630	283 396
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		9 274	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	128 373	231 339	229 270	114 789	139 779	261 060	261 060	254 859	279 630	283 396
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	-	32 905	32 905	32 905	11 200	-	-
<b>Total Capital Funding</b>	7	128 373	231 339	229 270	114 789	172 684	293 966	293 966	266 059	279 630	283 396

**Table 11: Consolidated budgeted financial position**

DC27 Umkhanyakude - Table A6 Consolidated Budgeted Financial Position

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>ASSETS</b>											
<b>Current assets</b>											
Cash		12 696	32 523	36 798	22 317	22 317	22 317	22 317	36 798	36 798	36 798
Call investment deposits	1	1 021	-	-	2 128	2 128	2 128	2 128	-	-	-
Consumer debtors	1	18 527	86 088	65 721	180 000	180 000	180 000	180 000	189 058	189 058	189 058
Other debtors		25 705	46 258	61 641	39 668	39 668	39 668	39 668	184 104	184 104	184 104
Current portion of long-term receivables		-	-	-	-	-	-	-	4 955	4 955	4 955
Inventory	2	86 985	136 924	124 846	136 924	136 924	136 924	136 924	124 846	124 846	124 846
<b>Total current assets</b>		<b>144 934</b>	<b>301 794</b>	<b>289 006</b>	<b>381 036</b>	<b>381 036</b>	<b>381 036</b>	<b>381 036</b>	<b>539 761</b>	<b>539 761</b>	<b>539 761</b>
<b>Non current assets</b>											
Long-term receivables		-	-	-	-	-	-	-	-	-	-
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		-	-	-	-	-	-	-	-	-	-
Investment in Associate		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	1 575 718	1 661 593	1 828 746	1 724 954	1 724 954	1 724 954	1 724 954	1 793 746	1 791 296	1 788 675
Agricultural		-	-	-	-	-	-	-	-	-	-
Biological		-	-	-	-	-	-	-	-	-	-
Intangible		-	365	302	-	-	-	-	-	-	-
Other non-current assets		-	586	586	-	-	-	-	-	-	-
<b>Total non current assets</b>		<b>1 575 718</b>	<b>1 662 545</b>	<b>1 829 634</b>	<b>1 724 954</b>	<b>1 724 954</b>	<b>1 724 954</b>	<b>1 724 954</b>	<b>1 793 746</b>	<b>1 791 296</b>	<b>1 788 675</b>
<b>TOTAL ASSETS</b>		<b>1 720 652</b>	<b>1 964 338</b>	<b>2 118 640</b>	<b>2 105 990</b>	<b>2 105 990</b>	<b>2 105 990</b>	<b>2 105 990</b>	<b>2 333 507</b>	<b>2 331 057</b>	<b>2 328 436</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	1	-	-	-	-	-	-	-	-	-	-
Borrowing	4	2 397	839	1 003	893	893	893	893	1 499	1 499	1 499
Consumer deposits		-	-	1 378	-	-	-	-	-	-	-
Trade and other payables	4	210 430	285 073	322 056	65 151	65 151	65 151	65 151	164 588	68 588	68 588
Provisions		-	-	-	-	-	-	-	-	-	-
<b>Total current liabilities</b>		<b>212 827</b>	<b>285 912</b>	<b>324 437</b>	<b>66 044</b>	<b>66 044</b>	<b>66 044</b>	<b>66 044</b>	<b>166 087</b>	<b>70 087</b>	<b>70 087</b>
<b>Non current liabilities</b>											
Borrowing		8 029	7 225	6 207	7 528	7 528	7 528	7 528	7 558	6 800	6 042
Provisions		4 779	5 866	6 512	-	-	-	-	6 512	6 512	6 512
<b>Total non current liabilities</b>		<b>12 808</b>	<b>13 091</b>	<b>12 719</b>	<b>7 528</b>	<b>7 528</b>	<b>7 528</b>	<b>7 528</b>	<b>14 070</b>	<b>13 312</b>	<b>12 554</b>
<b>TOTAL LIABILITIES</b>		<b>225 635</b>	<b>299 004</b>	<b>337 157</b>	<b>73 572</b>	<b>73 572</b>	<b>73 572</b>	<b>73 572</b>	<b>180 157</b>	<b>83 399</b>	<b>82 641</b>
<b>NET ASSETS</b>	5	<b>1 495 017</b>	<b>1 665 335</b>	<b>1 781 484</b>	<b>2 032 418</b>	<b>2 032 418</b>	<b>2 032 418</b>	<b>2 032 418</b>	<b>2 153 350</b>	<b>2 247 658</b>	<b>2 245 795</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)	4	1 495 017	1 665 335	1 781 484	2 032 418	2 032 418	2 032 418	2 032 418	2 153 350	2 247 658	2 245 795
Reserves		-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>1 495 017</b>	<b>1 665 335</b>	<b>1 781 484</b>	<b>2 032 418</b>	<b>2 032 418</b>	<b>2 032 418</b>	<b>2 032 418</b>	<b>2 153 350</b>	<b>2 247 658</b>	<b>2 245 795</b>

**Table 12: Consolidated budgeted cash flow**

DC27 Umkhanyakude - Table A7 Consolidated Budgeted Cash Flows

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		-	-	-	-	-	-	-	-	-	-
Service charges		25 978	33 276	16 064	34 504	15 204	15 204	15 204	55 420	57 082	58 795
Other revenue		13 893	34 559	12 129	12 189	73 120	73 120	73 120	100	107	114
Government - operating	1	239 504	294 447	372 190	346 343	328 343	328 343	328 343	395 613	430 113	473 652
Government - capital	1	153 746	222 693	230 277	257 965	257 965	257 965	257 965	254 859	279 630	283 396
Interest		1 378	12 612	5 305	4 256	2 365	2 365	2 365	5 000	5 350	5 725
Dividends		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Suppliers and employees		(295 891)	(344 317)	(397 505)	(394 578)	(394 578)	(394 578)	(394 578)	(456 363)	(460 916)	(504 511)
Finance charges		(1 135)	(2 352)	(781)	(1 499)	(1 499)	(1 499)	(1 499)	(1 499)	(1 604)	(1 716)
Transfers and Grants	1	-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>137 472</b>	<b>250 918</b>	<b>237 680</b>	<b>259 180</b>	<b>280 920</b>	<b>280 920</b>	<b>280 920</b>	<b>253 130</b>	<b>309 763</b>	<b>315 455</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		(300)	-	(23)	-	1 200	1 200	1 200	200	-	-
Decrease (increase) in non-current debtors		-	-	-	-	-	-	-	6 000	-	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Capital assets		(128 176)	(231 339)	(232 528)	(257 965)	(287 074)	(287 074)	(287 074)	(266 059)	(279 630)	(283 396)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(128 476)</b>	<b>(231 339)</b>	<b>(232 551)</b>	<b>(257 965)</b>	<b>(285 874)</b>	<b>(285 874)</b>	<b>(285 874)</b>	<b>(259 859)</b>	<b>(279 630)</b>	<b>(283 396)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		(196)	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	21	42	42	42	-	-	-
<b>Payments</b>											
Repayment of borrowing		(4 521)	(860)	(854)	(3 046)	(1 485)	(1 485)	(1 485)	(1 499)	(1 604)	(1 716)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(4 716)</b>	<b>(860)</b>	<b>(854)</b>	<b>(3 025)</b>	<b>(1 443)</b>	<b>(1 443)</b>	<b>(1 443)</b>	<b>(1 499)</b>	<b>(1 604)</b>	<b>(1 716)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>4 279</b>	<b>18 719</b>	<b>4 275</b>	<b>(1 809)</b>	<b>(6 397)</b>	<b>(6 397)</b>	<b>(6 397)</b>	<b>(8 228)</b>	<b>28 529</b>	<b>30 343</b>
Cash/cash equivalents at the year begin:	2	11 378	13 805	32 523	36 798	34 626	34 626	34 626	34 626	26 398	54 927
Cash/cash equivalents at the year end:	2	15 657	32 523	36 798	34 989	28 228	28 228	28 228	26 398	54 927	85 270

**Table 13: Consolidated cash backed reserves/accumulated surplus reconciliation**

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

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	15 657	32 523	36 798	34 989	28 228	28 228	28 228	26 398	54 927	85 270
Other current investments > 90 days		(1 940)	-	0	(10 544)	(3 784)	(3 784)	(3 784)	10 400	(18 129)	(48 472)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>13 717</b>	<b>32 523</b>	<b>36 798</b>	<b>24 445</b>	<b>24 445</b>	<b>24 445</b>	<b>24 445</b>	<b>36 798</b>	<b>36 798</b>	<b>36 798</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		39 698	34 385	72 996	15 151	15 151	15 151	15 151	15 036	15 036	15 036
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	42 609	50 000	60 000
Other working capital requirements	3	126 563	95 717	149 231	(164 324)	(517 845)	(517 845)	(517 845)	(406 645)	(481 890)	(461 911)
Other provisions		-	-	-	-	-	-	-	7 512	8 512	9 512
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>166 261</b>	<b>130 102</b>	<b>222 226</b>	<b>(149 173)</b>	<b>(502 694)</b>	<b>(502 694)</b>	<b>(502 694)</b>	<b>(341 489)</b>	<b>(408 343)</b>	<b>(377 364)</b>
<b>Surplus(shortfall)</b>		<b>(152 544)</b>	<b>(97 579)</b>	<b>(185 428)</b>	<b>173 617</b>	<b>527 138</b>	<b>527 138</b>	<b>527 138</b>	<b>378 287</b>	<b>445 141</b>	<b>414 162</b>

**Table 14: Consolidated assets management**



DC27 Umkhanyakude - Table A9 Consolidated Asset Management

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>										
<b>CAPITAL EXPENDITURE</b>										
<b>Total New Assets</b>	1	128 373	231 339	-	257 965	290 170	290 170	11 200	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		128 373	231 339	-	257 965	290 170	290 170	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>128 373</b>	<b>231 339</b>	<b>-</b>	<b>257 965</b>	<b>290 170</b>	<b>290 170</b>	<b>-</b>	<b>-</b>	<b>-</b>
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Heritage Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings		-	-	-	-	-	-	2 500	-	-
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 500</b>	<b>-</b>	<b>-</b>
<b>Biological or Cultivated Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Computer Equipment		-	-	-	-	-	-	500	-	-
Furniture and Office Equipment		-	-	-	-	-	-	2 000	-	-
Machinery and Equipment		-	-	-	-	-	-	2 200	-	-
Transport Assets		-	-	-	-	-	-	4 000	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>Total Renewal of Existing Assets</b>	2	128 373	231 339	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		119 099	229 683	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		9 274	1 656	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>128 373</b>	<b>231 339</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Heritage Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Biological or Cultivated Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>Total Upgrading of Existing Assets</b>	6	28 160	36 515	70 858	30 009	30 009	30 009	24 935	26 680	28 548
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	1 484	-	-	-	-	-	-
Water Supply Infrastructure		28 160	36 515	68 199	30 009	30 009	30 009	24 935	26 680	28 548
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>28 160</b>	<b>36 515</b>	<b>69 683</b>	<b>30 009</b>	<b>30 009</b>	<b>30 009</b>	<b>24 935</b>	<b>26 680</b>	<b>28 548</b>
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Heritage Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings		-	-	572	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		<b>-</b>	<b>-</b>	<b>572</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Biological or Cultivated Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	602	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	4	-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	1 484	-	-	-	-	-	-
Water Supply Infrastructure		275 632	497 538	68 199	287 974	320 179	320 179	24 935	26 680	28 548
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		9 274	1 656	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>284 906</b>	<b>499 194</b>	<b>69 683</b>	<b>287 974</b>	<b>320 179</b>	<b>320 179</b>	<b>24 935</b>	<b>26 680</b>	<b>28 548</b>
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Heritage Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings		-	-	572	-	-	-	2 500	-	-
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		<b>-</b>	<b>-</b>	<b>572</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 500</b>	<b>-</b>	<b>-</b>
<b>Biological or Cultivated Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Computer Equipment		-	-	-	-	-	-	500	-	-
Furniture and Office Equipment		-	-	-	-	-	-	2 000	-	-
Machinery and Equipment		-	-	-	-	-	-	2 200	-	-
Transport Assets		-	-	602	-	-	-	4 000	-	-
Libraries		-	-	-	-	-	-	-	-	-

**Table 15: Consolidated basic service delivery measurement**

DC27 Umkhanyakude - Table A10 Consolidated basic service delivery measurement

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Household service targets</b>	1									
<u>Water:</u>										
Piped water inside dwelling		-	-	-	27 245	27 245	27 245	30 245	30 245	30 245
Piped water inside yard (but not in dwelling)		-	-	-	42 691	42 691	42 691	45 691	45 691	45 691
Using public tap (at least min.service level)	2	-	-	-	30 836	30 836	30 836	37 013	37 013	37 013
Other water supply (at least min.service level)	4	-	-	-	7 836	7 836	7 836	8 836	8 836	8 836
<i>Minimum Service Level and Above sub-total</i>		-	-	-	108 608	108 608	108 608	121 785	121 785	121 785
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	20 000	20 000	20 000	28 950	28 950	28 950
<i>Below Minimum Service Level sub-total</i>		-	-	-	20 000	20 000	20 000	28 950	28 950	28 950
<b>Total number of households</b>	5	-	-	-	128 608	128 608	128 608	150 735	150 735	150 735
<u>Sanitation/sewerage:</u>										
Flush toilet (connected to sewerage)		-	-	-	13 737	13 737	13 737	13 737	13 737	13 737
Flush toilet (with septic tank)		-	-	-	5 233	5 233	5 233	5 633	5 633	5 633
Chemical toilet		-	-	-	28 000	28 000	28 000	32 255	32 255	32 255
Pit toilet (ventilated)		-	-	-	37 525	37 525	37 525	39 525	39 525	39 525
Other toilet provisions (> min.service level)		-	-	-	30 894	30 894	30 894	32 894	32 894	32 894
<i>Minimum Service Level and Above sub-total</i>		-	-	-	115 389	115 389	115 389	124 044	124 044	124 044
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	115 389	115 389	115 389	124 044	124 044	124 044
<u>Energy:</u>										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)		-	-	-	-	-	-	6 543	6 543	6 543
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	10 012	10 012	10 012
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	16 555	16 555	16 555
<b>Total number of households</b>	5	-	-	-	-	-	-	16 555	16 555	16 555
<u>Refuse:</u>										
Removed at least once a week		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Formal Settlements (R000)</b>	8									
Water (6 kilolitres per indigent household per month)		-	-	-	9 008	9 008	9 008	5 200	5 200	5 200
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R000)</b>										
<b>Total cost of FBS provided</b>		-	-	-	9 008	9 008	9 008	5 200	5 200	5 200
<b>Highest level of free service provided per household</b>										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
<b>Revenue cost of subsidised services provided (R'000)</b>	9									
Property rates (tariff adjustment) ( impermissable values per section 17 of MPRA)										
Property rates exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA)										
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates										
Housing - top structure subsidies	6									
Other										
<b>Total revenue cost of subsidised services provided</b>		-	-	-	-	-	-	-	-	-

## **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 2017. Key dates applicable to the process were

**Table 16: Schedule of key deadline for budget**

		
<b>UMKHANYAKUDE DISTRICT MUNICIPALITY</b> <b>SCHEDULE OF KEY DEADLINE</b>		
<b>SCHEDULE OF KEY DEADLINE</b>		
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-18	MSA Section 57
Submit municipal audit file, AFS and performance report to AG	30-Aug-18	MFMA Section 126
Submit consolidated audit file, AFS and performance report to AG by 30 September	30-Sep-18	MFMA Section 126
Receive Audit Report on consolidated AFS from AG	31-Dec-18	MFMA Section 126(3)
Submit adjustment budget 2017-2018 to Mayor, Provincial Treasury and National Treasury	25-Jan-19	MFMA Section 72
Table annual budget & supporting documents to council	29-Mar-19	MFMA Section 16 and 17
Public hearings on the budget	20-24 May 2019	MFMA Section 23
Approval of the annual budget	30-May-19	MFMA Section 24(1)
Approval of the SDBIP by the Mayor	28-Jun-19	MFMA Section 53(1)
Submit approved budget to Cogta, Provincial Treasury and National Treasury	13-Jun-19	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 2018 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 2018 to its completion in June 2019. 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 2018-2019 MTREF, based on the approved 2018-2019 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 2018-2019 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 2018-2019 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 2017/2018 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 89 and 91 has been taken into consideration in the planning and prioritisation process.

#### **2.1.4 Community Consultation**

The draft 2018-2019 MTREF will be tabled before Council on March 2018 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 2018, 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 2018-2019:

- 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 2018-2019 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 17: 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	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand												
Municipal Transformation & Institutional Development	Alignment of the organizational structure to a broader organizational strategy			13 917	38 891	24 899	25 917	22 704	22 704	19 865	17 413	19 422
Basic Service Delivery	To provide basic service delivery			400 205	492 040	550 112	326 343	302 237	302 237	337 599	371 485	452 290
Local Economic Development	Continuous improvement of local economy			848	874	–	516	516	516	770	770	770
Municipal Financial Viability	To provide stable financial management			1 461	7 300	30 846	5 843	5 974	5 974	6 100	6 922	7 736
Good Governance & public participation	Maintain good governance			19 874	29 178	24 899	25 917	22 704	22 704	19 865	17 413	19 422
Cross Cutting Intervention	Ensuring integrity and quality of physical environment underpinned by a coherent spatial			5 256	4 735		14 437	14 437	14 437	53 663	61 317	22 383
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	441 561	573 019	630 755	398 973	368 573	368 573	437 862	475 319	522 023

**Table 18: 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	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
R thousand													
Municipal Transformation & Institutional Development	Alignment of the organizational structure to a broader organizational strategy			34 991	32 900	6 874	14 553	14 353	14 353	11 440	10 058	10 762	
Basic Service Delivery	To provide basic service delivery			124 331	135 491	170 265	185 057	174 661	174 661	240 366	288 546	282 728	
Local Economic Development	Continuos improvement of local economy			6 721	11 409	6 767	53 604	65 910	65 910	74 261	88 758	108 373	
Municipal Financial Viability	To provide stable financial management			29 295	24 924	51 371	80 521	83 391	83 391	29 634	31 791	42 617	
Good Governance & public participation	Maintain good governance			167 239	143 792	178 410	16 656	14 548	14 548	52 527	24 375	34 926	
Cross Cutting Intervention	Ensuring integrity and quality of physical environment underpinned by a coherent spatial			38 497	18 309	51 371	48 066	60 211	60 211	29 634	31 791	42 617	
Alllocations to other priorities													
<b>Total Expenditure</b>				1	401 074	366 825	465 059	398 457	413 073	413 073	437 863	475 320	522 023

**Table 19: MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure**

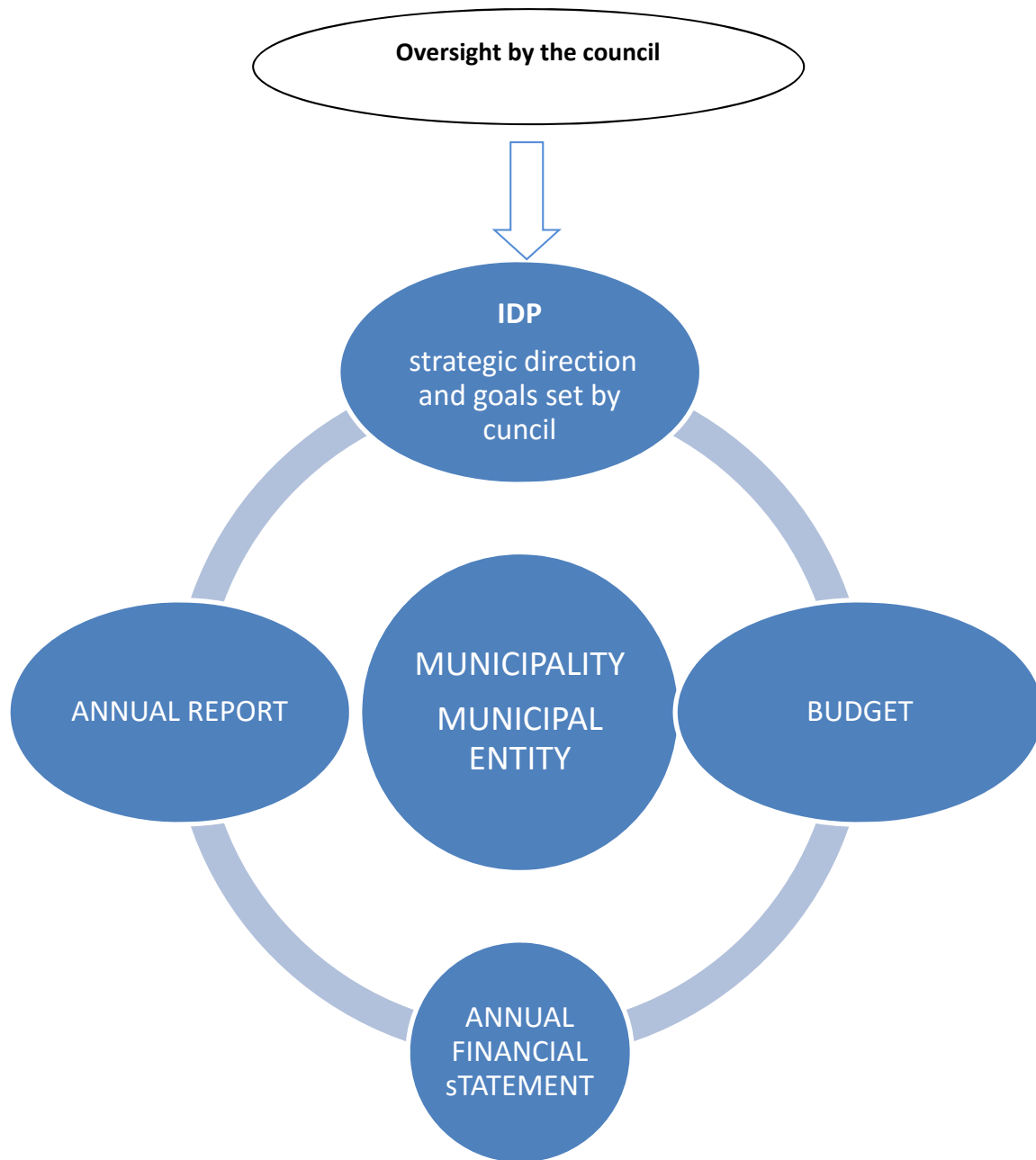
DC27 Umkhanyakude - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand												
Municipal Transformation & Institutional Development	Alignment of the organizational structure to a broader organizational strategy	A		13 917	7 755	-	-	700	700	3 500	-	-
Basic Service Delivery	To provide basic service delivery	B		400 205	172 912	229 270	257 965	293 266	293 266	254 859	279 630	337 378
Local Economic Development	Continuous improvement of local economy	C		848	44 520	-	-	-	-	-	-	-
Municipal Financial Viability	To provide stable financial management	D		1 461	-	-	-	-	-	-	-	-
Good Governance & public participation	Maintain good governance	E		19 874	26 986	-	-	-	-	7 700	-	-
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	441 561	252 173	229 270	257 965	293 966	293 966	266 059	279 630	337 378

### **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**

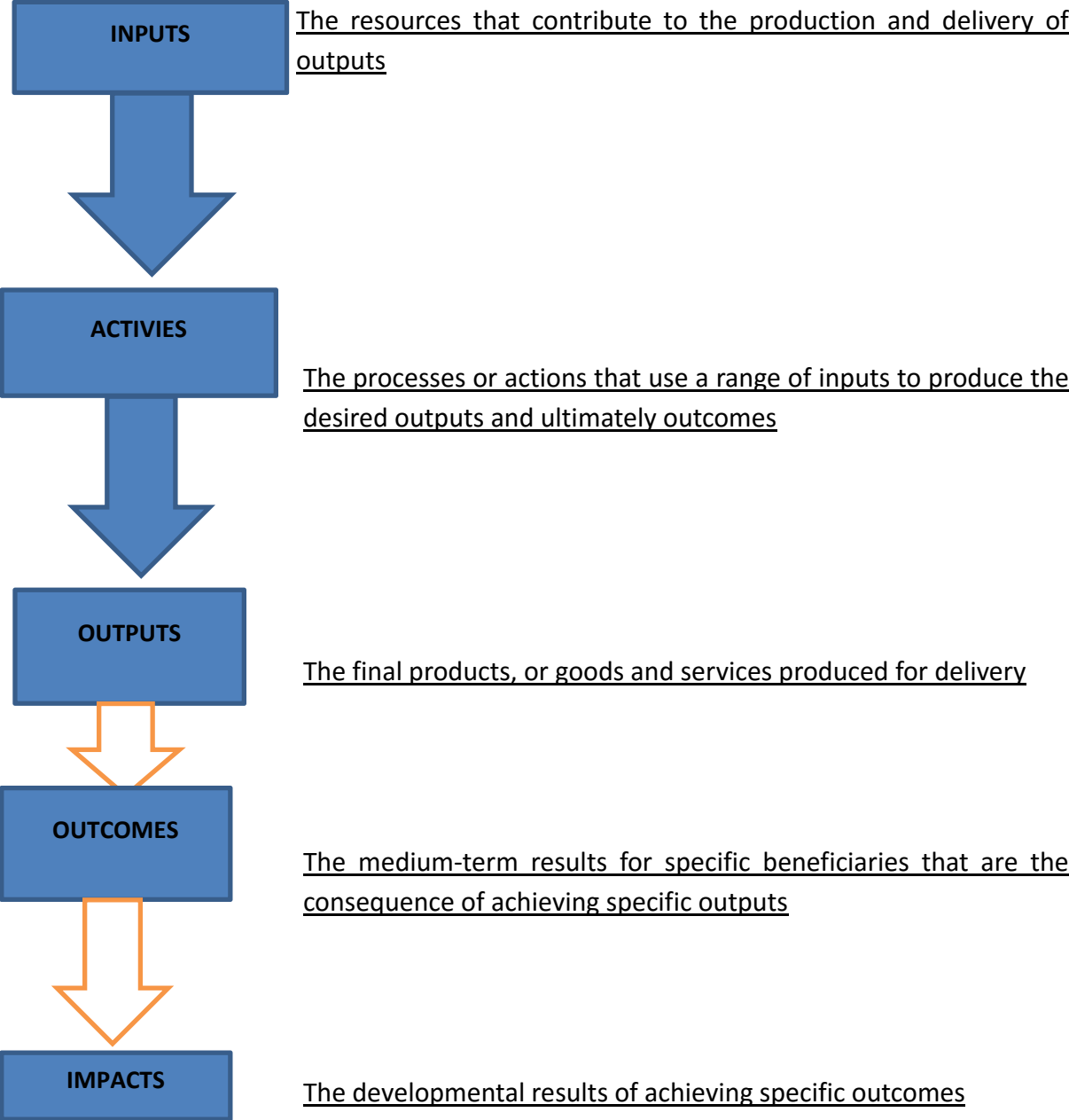
A performance management model can be defined as the grouping together of performance indicators, sometimes based on the type of indicator, into logical categories or groups (often called perspectives), as a means to enhance the ability of an organization to manage and analyse its performance. As such 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 20: MBRR Table SA7 - Measurable performance objectives**

DC27 Umkhanyakude - Supporting Table SA7 Measurable performance objectives

Description	Unit of measurement	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Vote 1 - vote name</b>		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%
		90.0%	86.0%	86.0%	90.0%	86.0%	86.0%	90.0%	86.0%	86.0%
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 &amp; Institutional Development</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		3.0%	5.0%	5.0%	3.0%	5.0%	5.0%	3.0%	5.0%	5.0%
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%	1.0%	1.0%	0.0%	1.0%	1.0%	0.0%	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%	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>Cross Cutting Intervention</i>		4.0%	7.0%	7.0%	4.0%	7.0%	7.0%	4.0%	7.0%	7.0%
		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Vote 2 - vote name</b>		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>		1.0%	1.0%	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%	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%
<b>Vote 3 - vote name</b>		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 2018-2019 MTREF.

**Table 21: MBRR Table SA8 - Performance indicators and benchmarks**

DC27 Umkhanyakude - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Borrowing Management</b>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	1.4%	0.7%	0.5%	1.1%	0.6%	0.6%	0.6%	0.7%	0.7%	0.7%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	13.7%	4.6%	5.5%	8.7%	6.0%	6.0%	6.0%	7.1%	7.1%	7.1%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Safety of Capital</b>											
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%
<b>Liquidity</b>											
Current Ratio	Current assets/current liabilities	0.7	1.1	0.9	5.8	5.8	5.8	5.8	3.2	7.7	7.7
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.7	1.1	0.9	5.8	5.8	5.8	5.8	3.2	7.7	7.7
Liquidity Ratio	Monetary Assets/Current Liabilities	0.1	0.1	0.1	0.4	0.4	0.4	0.4	0.2	0.5	0.5
<b>Revenue Management</b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		100.0%	142.6%	82.2%	96.7%	59.0%	59.0%	59.0%	165.3%	143.6%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		100.0%	142.6%	82.2%	96.7%	59.0%	59.0%	59.0%	149.2%	143.6%	138.2%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	15.9%	35.7%	34.7%	55.1%	59.6%	59.6%	59.6%	86.4%	79.6%	72.4%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<b>Creditors Management</b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))										
Creditors to Cash and Investments		1090.4%	770.8%	676.8%	142.9%	177.1%	177.1%	177.1%	566.5%	97.5%	62.8%
<b>Other Indicators</b>											
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 (kt)										
	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)	44.6%	35.9%	38.3%	34.3%	38.9%	38.9%	38.9%	35.3%	35.0%	34.4%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	47.8%	42.9%	0.0%	34.5%	0.0%	0.0%		0.0%	0.0%	0.0%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	12.6%	9.0%	19.3%	8.9%	9.6%	9.6%		5.7%	5.6%	5.5%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	10.5%	10.5%	10.7%	11.7%	10.6%	10.6%	10.6%	8.3%	8.2%	8.0%
<b>IDP regulation financial viability indicators</b>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	3.1	11.5	5.7	13.5	13.5	13.5	6.2	6.1	6.1	6.5
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	170.1%	565.6%	649.9%	613.5%	849.4%	849.4%	849.4%	1015.4%	948.9%	886.9%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.6	1.2	1.3	1.4	1.0	1.0	1.0	0.9	1.7	2.4

### 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 2018-2019. 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 2018-2019 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 free 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 2018-2019 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 2018-2019 MTREF:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity with 6.6 per cent and bulk water with 8 per cent;
- Depreciation calculation is based on the assumption that it won't increase for 2018-2019 as it has been adjusted during the adjustment budget.
- The increase in the cost of remuneration. Employee related costs comprise 35 percent of total consolidated operating expenditure in the 2018-2019 MTREF.
- Debt impairment calculation is based on the assumption that it won't increase for 2018-2019 as it has been adjusted during the adjustment budget.



### **Interest rates for borrowing and investment of funds**

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. However, for simplicity the 2018-2019 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 2018/2019 is based on the Bargaining Council salary agreement which is CPI plus 1 per cent. Therefore, salaries for employees have been increased by 7,8 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 2018-2019 MTREF of which performance has been factored into the cash flow budget.

## **2.6 Overview of budget funding**

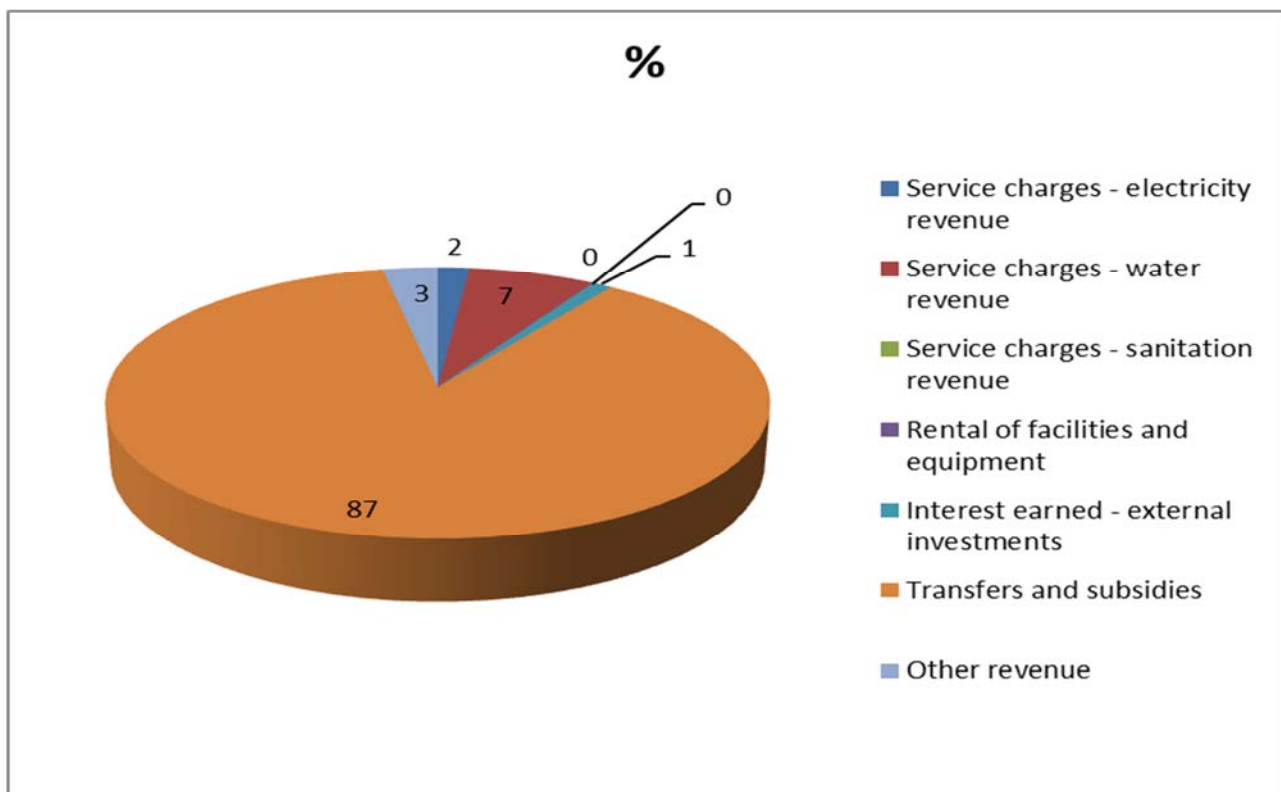
### **Table 22: Medium-term outlook: operating revenue**

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

DC27 Umkhanyakude - Table A1 Consolidated Budget Summary						
2017/18 Medium Term Revenue & Expenditure Framework						
Description	Budget Year 2017/18		Budget Year +1 2018/19		Budget Year +2 2019/20	
R thousands		%		%		%
<b>Revenue By Source</b>						
Service charges - electricity revenue	6 848 851	2	7 239 235	2	7 644 633	2
Service charges - water revenue	27 397 568	7	28 959 229	7	30 580 946	6
Service charges - sanitation revenue	257 805	0	272 500	0	287 760	0
Rental of facilities and equipment	137 346	0	145 175	0	153 305	0
Interest earned - external investments	4 256 000	1	4 498 592	1	4 750 513	1
Transfers and subsidies	346 342 500	87	390 975 450	88	429 164 150	88
Other revenue	11 851 761	3	12 527 311	3	13 228 841	3
<b>Total operating revenue</b>	<b>397 091 831</b>	<b>100</b>	<b>444 617 493</b>	<b>100</b>	<b>485 810 148</b>	<b>100</b>

The following graph is a breakdown of the operational revenue per main category for the 2018-2019 financial year.

**Figure 4: Breakdown of operating revenue over the 2018-2019 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 2018-2019 MTREF on the different revenue categories are:

**Table 23: Proposed tariff increases over the medium-term**

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

Services charges relating to electricity, water and sanitation constitutes the revenue totalling R34 million for the 2018-2019 financial year and R36 million by 2018-2019, and increasing to R38 million in 2018-2019.

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

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

Investment revenue contributes marginally to the revenue base of the municipality with a budget allocation of R4.2 million, R4.4 million and R47 million for the respective three financial years of the 2018-2019 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 24: MBRR SA 15 Investment particular by type**

DC27 Umkhanyakude - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand										
<b>Parent municipality</b>										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		1 021	-	-	2 128	2 128	2 128	-	-	-
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		-	-	-	-	-	-	-	-	-
<b>Municipality sub-total</b>	1	1 021	-	-	2 128	2 128	2 128	-	-	-
<b>Entities</b>										
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		-	-	-	-	-	-	-	-	-
<b>Entities sub-total</b>		-	-	-	-	-	-	-	-	-
<b>Consolidated total:</b>		1 021	-	-	2 128	2 128	2 128	-	-	-

**Table 25: MBRR SA16 Investment particular maturity**

DC27 Umkhanyakude - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity Name of institution & investment ID	Ref	Period of Investment Yrs/Months	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Parent municipality														
Municipality sub-total														
Entities														
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 26: Medium-term outlook: capital revenue**

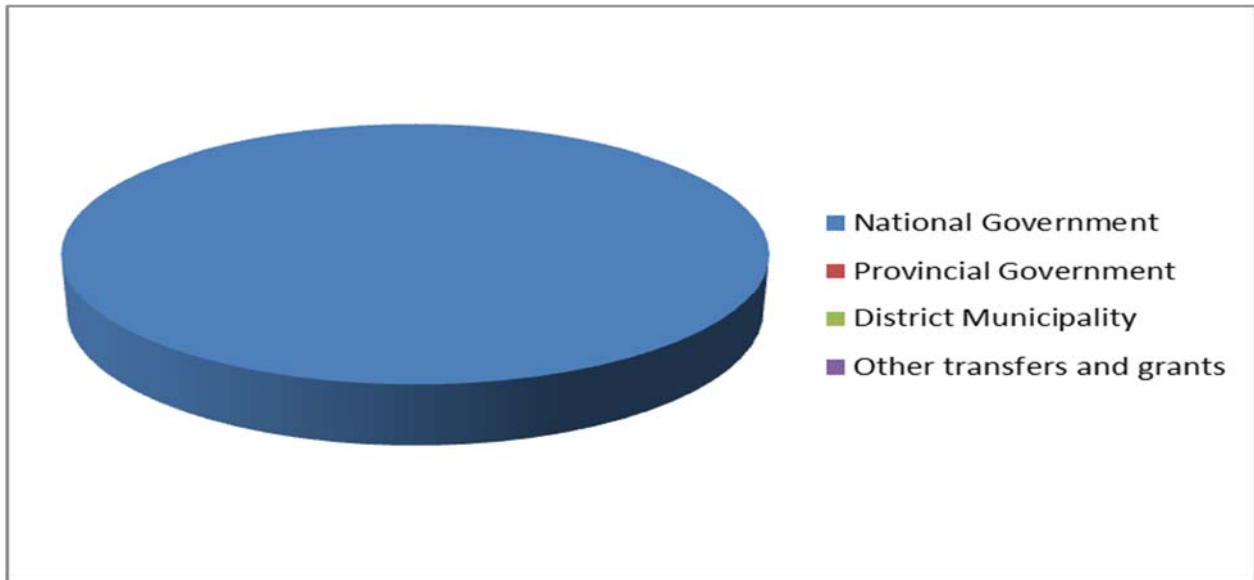
The following table is a breakdown of the funding composition of the 2018-2019 medium-term capital programmes:

DC27 Umkhanyakude - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Capital Transfers and Grants</b>										
National Government:		170 020	207 653	230 277	257 965	82 205	82 205	254 859	279 630	283 396
Municipal Infrastructure Grant (MIG)		166 020	199 898	192 112	207 965	-	-	199 859	199 630	198 996
Rural Assets Management		-	2 447	-	-	-	-	-	-	-
Rural Households Infrastructure		4 000	4 000	-	-	-	-	-	-	-
Water Services Infrastructure Grant		-	-	38 166	50 000	82 205	82 205	55 000	80 000	84 400
nil		-	-	-	-	-	-	-	-	-
Expanded Public Works Programme( EPWP)		-	1 308	-	-	-	-	-	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	5	170 020	207 653	230 277	257 965	82 205	82 205	254 859	279 630	283 396
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		402 022	490 940	556 437	604 307	83 205	429 048	650 472	709 743	757 048

The above table is graphically represented as follows for the 2018-2019 financial year.

**Figure 5: Medium-term outlook: capital revenue**



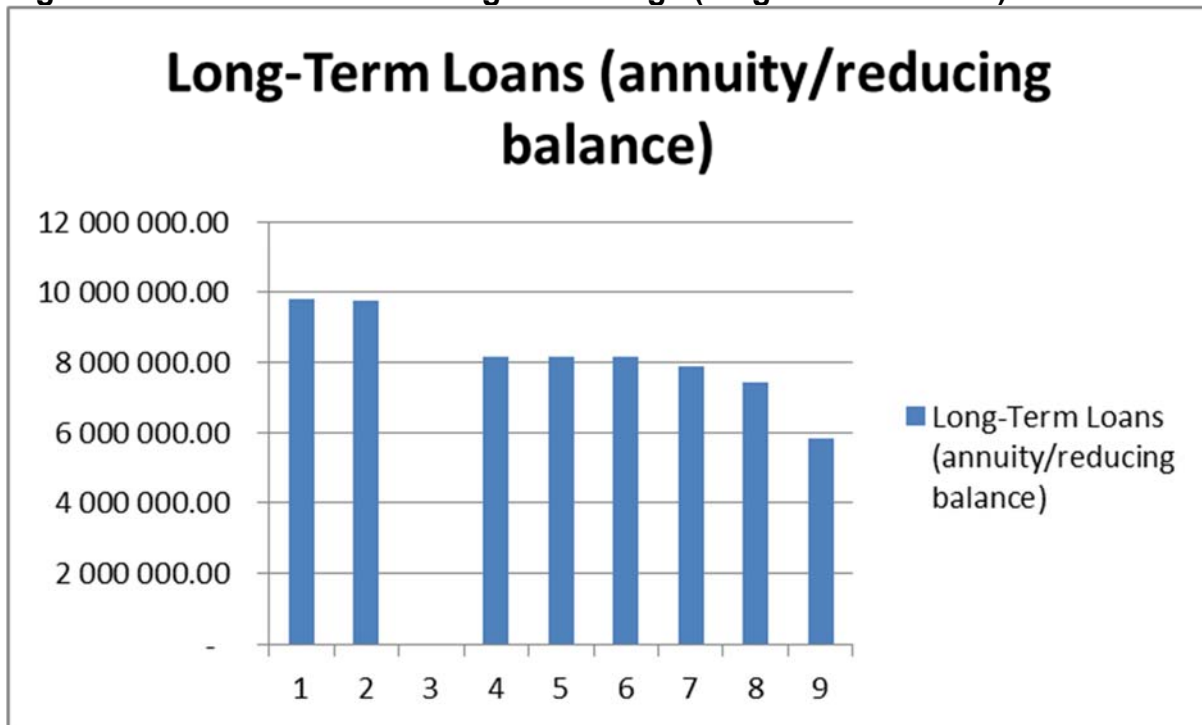
**Table 27: MBRR SA 17 - Detail of borrowings**

**The municipality budgeted for 2018-2019 the outstanding loan with DBSA**

DC27 Umkhanyakude - Supporting Table SA17 Borrowing

Borrowing - Categorized by type	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand										
<b>Parent municipality</b>										
Annuity and Bullet Loans		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		8 029	7 225	6 207	7 528	7 528	7 528	7 558	6 800	6 042
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	8 029	7 225	6 207	7 528	7 528	7 528	7 558	6 800	6 042
<b>Entities</b>										
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	-	-	-	-	-	-	-	-	-
<b>Total Borrowing</b>	<b>1</b>	<b>8 029</b>	<b>7 225</b>	<b>6 207</b>	<b>7 528</b>	<b>7 528</b>	<b>7 528</b>	<b>7 558</b>	<b>6 800</b>	<b>6 042</b>

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





**Table 28: MBRR SA 18 - Operating transfers and grant receipt**

DC27 Umkhanyakude - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
RECEIPTS:										
Operating Transfers and Grants										
National Government:		232 002	283 287	326 160	345 843	-	345 843	391 913	426 228	468 553
Local Government Equitable Share		226 252	265 376	292 147	295 575	-	295 575	329 739	362 257	399 094
Finance Management		1 250	1 250	1 250	1 250	-	1 250	1 000	1 465	1 897
Municipal Systems Improvement		934	940	-	-	-	-	-	-	-
Water Services Operating Subsidy		-	5 200	-	-	-	-	-	-	-
Rural Assets management		2 440	-	-	2 619	-	2 619	2 624	2 780	2 941
EPWP Incentive		1 126	-	1 293	1 008	-	1 008	3 022	-	-
RSC Levy Replacement		-	-	-	34 445	-	34 445	45 009	48 978	53 239
Other transfers/grants [PMU]		-	10 521	31 470	10 946	-	10 946	10 519	10 748	11 382
Provincial Government:		-	-	-	500	1 000	1 000	3 700	3 885	5 099
Ingodini Study		-	-	-	500	1 000	1 000	-	-	-
Dukuduku Forest Environmental Management Fram		-	-	-	-	-	-	1 000	1 050	1 108
Mkuze Airport		-	-	-	-	-	-	2 000	2 100	2 216
Tourism Strategy		-	-	-	-	-	-	700	735	775
Spatial Development Framework Support		-	-	-	-	-	-	-	-	1 000
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	232 002	283 287	326 160	346 343	1 000	346 843	395 613	430 113	473 652

## 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 29: MBRR A7 - Budget cash flow statement**

DC27 Umkhanyakude - Table A7 Consolidated Budgeted Cash Flows

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		-	-	-	-	-	-	-	-	-	-
Service charges		25 978	33 276	16 064	34 504	15 204	15 204	15 204	55 420	57 082	58 795
Other revenue		13 893	34 559	12 129	12 189	73 120	73 120	73 120	100	107	114
Government - operating	1	239 504	294 447	372 190	346 343	328 343	328 343	328 343	395 613	430 113	473 652
Government - capital	1	153 746	222 693	230 277	257 965	257 965	257 965	257 965	254 859	279 630	283 396
Interest		1 378	12 612	5 305	4 256	2 365	2 365	2 365	5 000	5 350	5 725
Dividends		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Suppliers and employees		(295 891)	(344 317)	(397 505)	(394 578)	(394 578)	(394 578)	(394 578)	(456 363)	(460 916)	(504 511)
Finance charges		(1 135)	(2 352)	(781)	(1 499)	(1 499)	(1 499)	(1 499)	(1 499)	(1 604)	(1 716)
Transfers and Grants	1	-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>137 472</b>	<b>250 918</b>	<b>237 680</b>	<b>259 180</b>	<b>280 920</b>	<b>280 920</b>	<b>280 920</b>	<b>253 130</b>	<b>309 763</b>	<b>315 455</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		(300)	-	(23)	-	1 200	1 200	1 200	200	-	-
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-	6 000	-	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Capital assets		(128 176)	(231 339)	(232 528)	(257 965)	(287 074)	(287 074)	(287 074)	(266 059)	(279 630)	(283 396)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(128 476)</b>	<b>(231 339)</b>	<b>(232 551)</b>	<b>(257 965)</b>	<b>(285 874)</b>	<b>(285 874)</b>	<b>(285 874)</b>	<b>(259 859)</b>	<b>(279 630)</b>	<b>(283 396)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		(196)	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	21	42	42	42	-	-	-
<b>Payments</b>											
Repayment of borrowing		(4 521)	(860)	(854)	(3 046)	(1 485)	(1 485)	(1 485)	(1 499)	(1 604)	(1 716)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(4 716)</b>	<b>(860)</b>	<b>(854)</b>	<b>(3 025)</b>	<b>(1 443)</b>	<b>(1 443)</b>	<b>(1 443)</b>	<b>(1 499)</b>	<b>(1 604)</b>	<b>(1 716)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>4 279</b>	<b>18 719</b>	<b>4 275</b>	<b>(1 809)</b>	<b>(6 397)</b>	<b>(6 397)</b>	<b>(6 397)</b>	<b>(8 228)</b>	<b>28 529</b>	<b>30 343</b>
Cash/cash equivalents at the year begin:	2	11 378	13 805	32 523	36 798	34 626	34 626	34 626	34 626	26 398	54 927
Cash/cash equivalents at the year end:	2	15 657	32 523	36 798	34 989	28 228	28 228	28 228	26 398	54 927	85 270

In the 2018-2019 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 30: MBRR A8 - Cash backed reserves/accumulated surplus reconciliation**

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

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	15 657	32 523	36 798	34 989	28 228	28 228	28 228	26 398	54 927	85 270
Other current investments > 90 days		(1 940)	-	0	(10 544)	(3 784)	(3 784)	(3 784)	10 400	(18 129)	(48 472)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>13 717</b>	<b>32 523</b>	<b>36 798</b>	<b>24 445</b>	<b>24 445</b>	<b>24 445</b>	<b>24 445</b>	<b>36 798</b>	<b>36 798</b>	<b>36 798</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		39 698	34 385	72 996	15 151	15 151	15 151	15 151	15 036	15 036	15 036
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	42 609	50 000	60 000
Other working capital requirements	3	126 563	95 717	149 231	(164 324)	(517 845)	(517 845)	(517 845)	(406 645)	(481 890)	(461 911)
Other provisions		-	-	-	-	-	-	-	7 512	8 512	9 512
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>166 261</b>	<b>130 102</b>	<b>222 226</b>	<b>(149 173)</b>	<b>(502 694)</b>	<b>(502 694)</b>	<b>(502 694)</b>	<b>(341 489)</b>	<b>(408 343)</b>	<b>(377 364)</b>
<b>Surplus(shortfall)</b>		<b>(152 544)</b>	<b>(97 579)</b>	<b>(185 428)</b>	<b>173 617</b>	<b>527 138</b>	<b>527 138</b>	<b>527 138</b>	<b>378 287</b>	<b>445 141</b>	<b>414 162</b>

From the above table it can be seen that the cash and investments available total to zero in the 2018-2019 financial year and progressively increase to R39million 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.

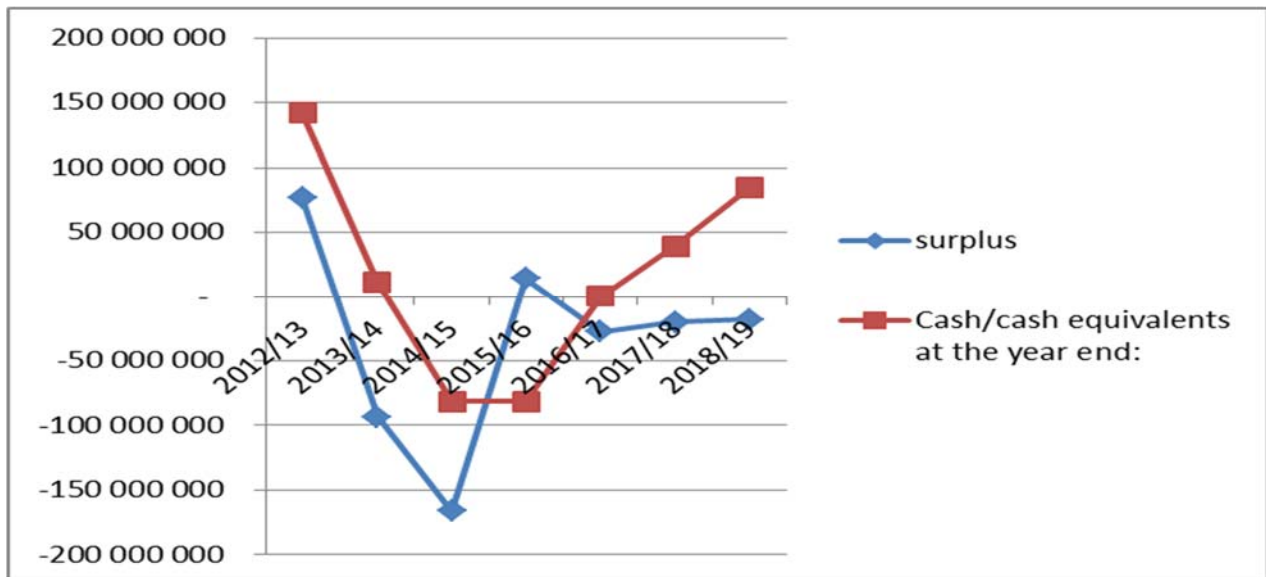
The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. High levels of debtor non-payment and 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 31: MBRR SA10 – Funding compliance measurement**

DC27 Umkhanyakude Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Funding measures</b>												
Cash/cash equivalents at the year end - R'000	18(1)b	1	15 657	32 523	36 798	34 989	28 228	28 228	28 228	26 398	54 927	85 270
Cash + investments at the yr end less applications - R'000	18(1)b	2	(152 544)	(97 579)	(185 428)	173 617	527 138	527 138	527 138	378 287	445 141	414 162
Cash year end/monthly employee/supplier payments	18(1)b	3	0.6	1.2	1.3	1.4	1.0	1.0	1.0	0.9	1.7	2.4
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	40 121	146 423	160 107	379 601	370 401	370 401	370 401	296 059	279 630	283 396
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(16.2%)	(22.3%)	76.5%	(33.7%)	(6.0%)	(6.0%)	38.1%	1.0%	1.0%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	99.9%	117.1%	78.4%	97.6%	258.5%	258.5%	258.5%	149.1%	143.5%	138.1%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	67.0%	52.3%	26.9%	50.5%	69.9%	69.9%	69.9%	13.5%	13.5%	13.5%
Capital payments % of capital expenditure	18(1);19	8	99.8%	100.0%	101.4%	100.0%	97.7%	97.7%	97.7%	100.0%	100.0%	84.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	199.2%	(3.8%)	72.5%	0.0%	0.0%	0.0%	72.1%	0.0%	0.0%
Long term receivables % change - incr(decr)	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 Property Plant & Equipment	20(1)(vi)	13	2.2%	2.0%	3.9%	2.0%	2.0%	2.0%	1.4%	1.4%	1.5%	1.6%
Asset renewal % of capital budget	20(1)(vi)	14	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

### 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 32: MBRR SA19 - Expenditure on transfers and grant programmes**

DC27 Umkhanyakude - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand										
<b>EXPENDITURE:</b>										
<b>Operating expenditure of Transfers and Grants</b>										
National Government:		232 002	283 287	326 160	311 398	-	-	381 394	415 480	457 171
Local Government Equitable Share		226 252	265 376	292 147	295 575	-	-	329 739	362 257	399 094
Finance Management		1 250	1 250	1 250	1 250	-	-	1 000	1 465	1 897
Municipal Systems Improvement		934	940	-	-	-	-	-	-	-
Water Services Operating Subsidy		-	5 200	-	-	-	-	-	-	-
Rural Assets management		2 440	-	-	2 619	-	-	2 624	2 780	2 941
EPWP Incentive		1 126	-	1 293	1 008	-	-	3 022	-	-
Other transfers/grants [PMU]		-	10 521	-	10 946	-	-	45 009	48 978	53 239
RSC Levy Replacement		-	-	31 470	34 445	-	-	10 519	10 748	11 382
Provincial Government:		-	-	-	500	1 000	1 000	3 700	3 885	5 099
Ingodini Study		-	-	-	500	1 000	1 000	-	-	-
Dukuduku Forest Environmental Management Framework		-	-	-	-	-	-	1 000	1 050	1 108
Mkuze Airport		-	-	-	-	-	-	2 000	2 100	2 216
Tourism Strategy		-	-	-	-	-	-	700	735	775
Spatial Development Framework Support		-	-	-	-	-	-	-	-	1 000
District Municipality:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>		-	-	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants:</b>		<b>232 002</b>	<b>283 287</b>	<b>326 160</b>	<b>311 898</b>	<b>1 000</b>	<b>1 000</b>	<b>385 094</b>	<b>419 365</b>	<b>462 270</b>
<b>Capital expenditure of Transfers and Grants</b>										
National Government:		170 020	207 653	230 277	257 965	82 205	82 205	254 859	279 630	283 396
Municipal Infrastructure Grant (MIG)		166 020	199 898	192 112	207 965	-	-	199 859	199 630	198 996
Rural Assets Management		-	2 447	-	-	-	-	-	-	-
Rural Households Infrastructure		4 000	4 000	-	-	-	-	-	-	-
Water Services Infrastructure Grant		-	-	38 166	50 000	82 205	82 205	55 000	80 000	84 400
nil		-	-	-	-	-	-	-	-	-
Expanded Public Works Programme( EPWP)		-	1 308	-	-	-	-	-	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants <i>[insert description]</i>		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>		-	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>		<b>170 020</b>	<b>207 653</b>	<b>230 277</b>	<b>257 965</b>	<b>82 205</b>	<b>82 205</b>	<b>254 859</b>	<b>279 630</b>	<b>283 396</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		<b>402 022</b>	<b>490 940</b>	<b>556 437</b>	<b>569 862</b>	<b>83 205</b>	<b>83 205</b>	<b>639 953</b>	<b>698 995</b>	<b>745 666</b>

**Table 33: 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	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand										
<b>Operating transfers and grants:</b>	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		232 002	283 287	-	345 843	345 843	345 843	391 913	426 228	468 553
Conditions met - transferred to revenue		232 002	283 287	-	345 843	345 843	345 843	391 913	426 228	468 553
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts			1 100		500	1 000	1 000	3 700	3 885	5 099
Conditions met - transferred to revenue		-	1 100	-	500	1 000	1 000	3 700	3 885	5 099
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										
<b>Total operating transfers and grants revenue</b>		232 002	284 387	-	346 343	346 843	346 843	395 613	430 113	473 652
<b>Total operating transfers and grants - CTBM</b>	2	-	-	-	-	-	-	-	-	-
<b>Capital transfers and grants:</b>	1,3									
National Government:										
Balance unspent at beginning of the year		-	-	-		47 616				
Current year receipts		119 099	-	-	257 965	82 205	82 205	254 859	279 630	283 396
Conditions met - transferred to revenue		119 099	-	-	257 965	129 821	82 205	254 859	279 630	283 396
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts		9 274	-							
Conditions met - transferred to revenue		9 274	-	-	-	-	-	-	-	-
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										
<b>Total capital transfers and grants revenue</b>		128 373	-	-	257 965	129 821	82 205	254 859	279 630	283 396
<b>Total capital transfers and grants - CTBM</b>	2	-	-	-	-	-	-	-	-	-
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>		360 375	284 387	-	604 307	476 664	429 048	650 472	709 743	757 048
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>		-	-	-	-	-	-	-	-	-

**2.7 Councillor and employee benefits**

**Table 34: MBRR SA22 - Summary of councillor and staff benefits**

DC27 Umkhanyakude - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand		A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>	1									
Basic Salaries and Wages		4 343	19 143		8 653	-	-	9 078	9 525	9 995
Pension and UIF Contributions		-	23		-	-	-	-	-	-
Medical Aid Contributions		-	-		-	-	-	-	-	-
Motor Vehicle Allowance		-	479		-	-	-	-	-	-
Cellphone Allowance		-	83		98	-	-	106	113	121
Housing Allowances		-	-		-	-	-	-	-	-
Other benefits and allowances		2 378	1		189	-	-	204	218	233
<b>Sub Total - Councillors</b>		6 721	19 729	-	8 940	-	-	9 387	9 857	10 350
% increase	4		193.5%	(100.0%)	-	(100.0%)	-	-	5.0%	5.0%
<b>Senior Managers of the Municipality</b>	2									
Basic Salaries and Wages		4 012	2 952		6 762	-	-	1 646	6 991	8 814
Pension and UIF Contributions		67	43		11	-	-	1 716	9 824	10 512
Medical Aid Contributions		-	-		-	-	-	1 112	3 187	3 410
Overtime		-	-		-	-	-	-	-	-
Performance Bonus		-	9		-	-	-	-	-	-
Motor Vehicle Allowance	3	-	1 524		-	-	-	-	-	-
Cellphone Allowance	3	-	-		-	-	-	-	-	-
Housing Allowances	3	-	-		-	-	-	-	-	-
Other benefits and allowances	3	2 303	303		376	-	-	1 818	5 939	6 355
Payments in lieu of leave		-	-		-	-	-	-	-	-
Long service awards		-	-		-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-		-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		6 383	4 832	-	7 149	-	-	6 291	25 942	29 091
% increase	4		(24.3%)	(100.0%)	-	(100.0%)	-	-	312.4%	12.1%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		89 750	98 804		80 434	-	-	134 635	126 085	134 911
Pension and UIF Contributions		16 706	19 718		16 450	-	-	8 481	9 075	9 710
Medical Aid Contributions		-	-		4 355	-	-	1 717	1 837	1 965
Overtime		3 379	2 704		510	-	-	1 251	1 339	1 432
Performance Bonus		-	199		8 499	-	-	-	-	-
Motor Vehicle Allowance	3	-	6 792		3 967	-	-	1 345	1 439	1 540
Cellphone Allowance	3	-	-		269	-	-	157	168	180
Housing Allowances	3	1 495	2 002		94	-	-	58	62	66
Other benefits and allowances	3	6 619	731		453	-	-	605	647	692
Payments in lieu of leave		-	1 108		-	-	-	-	-	-
Long service awards		-	-		-	-	-	-	-	-
Post-retirement benefit obligations	6	-	734		-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>		117 949	132 792	-	115 031	-	-	148 249	140 652	150 498
% increase	4		12.6%	(100.0%)	-	(100.0%)	-	-	(5.1%)	7.0%
<b>Total Parent Municipality</b>		131 052	157 353	-	131 120	-	-	163 927	176 451	189 938
% increase			20.1%	(100.0%)	-	(100.0%)	-	-	7.6%	7.6%
<b>Board Members of Entities</b>										
Basic Salaries and Wages		-	-		914	-	-	-	-	-
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	-	-		-	-	-	-	-	-
<b>Sub Total - Board Members of Entities</b>		-	-	-	914	-	-	-	-	-
% increase	4		-	-	-	(100.0%)	-	-	-	-
<b>Senior Managers of Entities</b>										
Basic Salaries and Wages		1 406	963		2 632	-	-	-	-	-
Pension and UIF Contributions		220	239		-	-	-	-	-	-
Medical Aid Contributions		-	-		-	-	-	-	-	-
Overtime		-	-		-	-	-	-	-	-
Performance Bonus		-	-		-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-		-	-	-	-	-	-
Cellphone Allowance	3	-	-		-	-	-	-	-	-
Housing Allowances	3	-	-		-	-	-	-	-	-
Other benefits and allowances	3	485	321		-	-	-	-	-	-
Payments in lieu of leave		-	-		-	-	-	-	-	-
Long service awards		-	-		-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-		-	-	-	-	-	-
<b>Sub Total - Senior Managers of Entities</b>		2 112	1 523	-	2 632	-	-	-	-	-
% increase	4		(27.9%)	(100.0%)	-	(100.0%)	-	-	-	-
<b>Other Staff of Entities</b>										
Basic Salaries and Wages		-	-		2 891	-	-	-	-	-
Pension and UIF Contributions		-	-		-	-	-	-	-	-
Medical Aid Contributions		-	-		-	-	-	-	-	-
Overtime		-	-		-	-	-	-	-	-
Performance Bonus		-	-		-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-		-	-	-	-	-	-
Cellphone Allowance	3	-	-		-	-	-	-	-	-
Housing Allowances	3	-	-		-	-	-	-	-	-



### Table 36: MBRR SA24 – Summary of personnel numbers

DC27 Umkhanyakude - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2016/17			Current Year 2017/18			Budget Year 2018/19		
		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	31	5	24	31	5	24
Board Members of municipal entities	4	-	-	-	-	-	-	-	-	-
Municipal employees	5	-	-	-	-	-	-	-	-	-
Municipal Manager and Senior Managers	3	7	5	2	7	-	1	5	-	3
Other Managers	7	-	-	-	-	-	-	-	-	-
Professionals		384	344	28	397	344	28	404	361	27
Finance		68	61	5	68	61	5	72	70	2
Spatial/town planning		-	-	-	-	-	-	-	-	-
Information Technology		3	3	-	3	3	-	3	2	2
Roads		-	-	-	-	-	-	-	-	-
Electricity		5	4	1	5	4	1	4	3	1
Water		220	205	15	220	205	15	225	210	15
Sanitation		5	5	-	5	5	-	10	10	-
Refuse		-	-	-	-	-	-	-	-	-
Other		83	66	7	90	66	7	90	66	7
Technicians		-	-	-	-	-	-	-	-	-
Finance		-	-	-	-	-	-	-	-	-
Spatial/town planning		-	-	-	-	-	-	-	-	-
Information Technology		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Clerks (Clerical and administrative)		-	-	-	-	-	-	-	-	-
Service and sales workers		-	-	-	-	-	-	-	-	-
Skilled agricultural and fishery workers		-	-	-	-	-	-	-	-	-
Craft and related trades		-	-	-	-	-	-	-	-	-
Plant and Machine Operators		-	-	-	-	-	-	-	-	-
Elementary Occupations		-	-	-	-	-	-	-	-	-
<b>TOTAL PERSONNEL NUMBERS</b>	9	420	354	54	429	349	53	440	366	54
% increase					2.1%	(1.4%)	(1.9%)	2.6%	4.9%	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 37: MBRR SA25 - Budgeted monthly revenue and expenditure**

DC27 Umkhanyakude - Supporting Table SA25 Consolidated budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Revenue By Source</b>																
Property rates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		833	833	833	833	833	833	833	833	833	833	833	837	10 000	10 700	11 449
Service charges - water revenue		2 209	2 209	2 209	2 209	2 209	2 209	2 209	2 209	2 209	2 209	2 209	2 209	26 509	28 365	30 350
Service charges - sanitation revenue		53	53	53	53	53	53	53	53	53	53	53	53	640	685	733
Service charges - refuse revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		8	8	8	8	8	8	8	8	8	8	8	8	90	96	103
Interest earned - external investments		416	416	416	416	416	416	416	416	416	416	416	424	5 000	5 350	5 725
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		158 193	-	-	-	118 710	-	-	-	118 710	-	-	(0)	395 613	430 113	473 652
Other revenue		1	-	2	-	-	5	-	2	-	-	-	-	10	11	11
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contribution)</b>		<b>161 713</b>	<b>3 519</b>	<b>3 521</b>	<b>3 519</b>	<b>122 229</b>	<b>3 524</b>	<b>3 519</b>	<b>3 521</b>	<b>122 229</b>	<b>3 519</b>	<b>3 519</b>	<b>3 531</b>	<b>437 862</b>	<b>475 319</b>	<b>522 023</b>
<b>Expenditure By Type</b>																
Employee related costs		12 878	12 878	12 878	12 878	12 878	12 878	12 878	12 878	12 878	12 878	12 878	12 882	154 540	166 594	179 589
Remuneration of councillors		782	782	782	782	782	782	782	782	782	782	782	785	9 387	9 857	10 350
Debt impairment		416	416	416	416	416	416	416	416	416	416	416	424	5 000	5 350	5 725
Depreciation & asset impairment		2 916	2 916	2 916	2 916	2 916	2 916	2 916	2 916	2 916	2 916	2 916	2 924	35 000	37 450	40 072
Finance charges		-	-	749	-	-	-	-	-	750	-	-	(0)	1 489	1 604	1 716
Bulk purchases		8 833	8 833	8 833	8 833	8 833	8 833	8 833	8 833	8 833	8 833	8 833	8 833	106 000	111 724	117 869
Other materials		2 077	2 077	2 077	2 077	2 077	2 077	2 077	2 077	2 077	2 077	2 077	2 088	24 935	26 680	28 548
Contracted services		5 163	5 163	5 163	5 163	5 163	5 163	5 163	5 163	5 163	5 163	5 163	5 163	61 954	65 968	70 266
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure		3 295	3 295	3 295	3 295	3 295	3 295	3 295	3 295	3 295	3 295	3 295	3 302	39 547	50 093	67 880
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>36 360</b>	<b>36 360</b>	<b>37 109</b>	<b>36 360</b>	<b>36 360</b>	<b>36 360</b>	<b>36 360</b>	<b>36 360</b>	<b>37 110</b>	<b>36 360</b>	<b>36 360</b>	<b>36 401</b>	<b>437 862</b>	<b>475 319</b>	<b>522 023</b>
<b>Surplus/(Deficit)</b>		<b>125 353</b>	<b>(32 841)</b>	<b>(33 588)</b>	<b>(32 841)</b>	<b>85 869</b>	<b>(32 836)</b>	<b>(32 841)</b>	<b>(32 839)</b>	<b>85 119</b>	<b>(32 841)</b>	<b>(32 841)</b>	<b>(32 870)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		22 171	22 171	22 171	22 171	22 171	22 171	22 171	22 171	22 171	22 171	22 171	22 178	266 059	279 630	283 396
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)		-	-	-	-	-	-	-	-	-	-	-	30 000	30 000	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>147 524</b>	<b>(10 670)</b>	<b>(11 417)</b>	<b>(10 670)</b>	<b>108 040</b>	<b>(10 665)</b>	<b>(10 670)</b>	<b>(10 668)</b>	<b>107 290</b>	<b>(10 670)</b>	<b>(10 670)</b>	<b>19 308</b>	<b>296 059</b>	<b>279 630</b>	<b>283 396</b>
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>147 524</b>	<b>(10 670)</b>	<b>(11 417)</b>	<b>(10 670)</b>	<b>108 040</b>	<b>(10 665)</b>	<b>(10 670)</b>	<b>(10 668)</b>	<b>107 290</b>	<b>(10 670)</b>	<b>(10 670)</b>	<b>19 308</b>	<b>296 059</b>	<b>279 630</b>	<b>283 396</b>

**Table 38: MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)**

DC27 Umkhanyakude - Supporting Table SA26 Consolidated budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
<b>Revenue by Vote</b>																	
Vote 1 - COUNCIL SUPPORT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - BOARD AND GENERAL		124 916	-	-	-	124 916	-	-	-	124 916	-	-	-	-	-	-	374 748
Vote 3 - FINANCIAL SERVICES		-	6 100	-	-	-	-	-	-	-	-	-	-	-	-	-	6 100
Vote 4 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - THUSONG SERVICES CENTRE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - SOCIAL ECONOMIC DEVELOPMENT		1 470	3 700	1 470	1 470	1 470	1 470	1 470	1 470	1 470	1 470	1 470	1 469	19 865	17 413	19 422	
Vote 8 - ELECTRICITY DEPARTMENT		833	833	833	833	833	833	833	833	833	833	833	837	10 000	10 700	11 448	
Vote 9 - WATER SERVICES		2 209	2 209	2 209	2 209	2 209	2 209	2 209	2 209	2 209	2 209	2 209	2 209	26 509	28 365	30 350	
Vote 10 - SANITATION DEPARTMENT		53	53	53	53	53	53	53	53	53	53	53	53	640	685	733	
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]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>		<b>129 481</b>	<b>12 895</b>	<b>4 565</b>	<b>4 565</b>	<b>129 481</b>	<b>4 565</b>	<b>4 565</b>	<b>4 565</b>	<b>129 481</b>	<b>4 565</b>	<b>4 565</b>	<b>4 569</b>	<b>437 862</b>	<b>475 319</b>	<b>522 023</b>	
<b>Expenditure by Vote to be appropriated</b>																	
Vote 1 - COUNCIL SUPPORT		953	953	953	953	953	953	953	953	953	953	953	953	11 440	10 058	10 762	
Vote 2 - BOARD AND GENERAL		1 303	1 303	1 303	1 303	1 303	1 303	1 303	1 303	1 303	1 303	1 303	1 303	15 631	24 375	34 526	
Vote 3 - FINANCIAL SERVICES		2 470	2 470	2 470	2 470	2 470	2 470	2 470	2 470	2 470	2 470	2 470	2 470	29 634	31 791	42 617	
Vote 4 - CORPORATE SERVICES		5 544	5 544	5 544	5 544	5 544	5 544	5 544	5 544	5 544	5 544	5 544	5 544	66 530	82 997	97 162	
Vote 5 - COMMUNITY SERVICES		3 817	3 817	3 817	3 817	3 817	3 817	3 817	3 817	3 817	3 817	3 817	3 817	45 807	51 525	54 892	
Vote 6 - THUSONG SERVICES CENTRE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 7 - SOCIAL ECONOMIC DEVELOPMENT		2 371	2 371	2 371	2 371	2 371	2 371	2 371	2 371	2 371	2 371	2 371	2 371	28 454	37 233	53 481	
Vote 8 - ELECTRICITY DEPARTMENT		2 583	2 583	2 583	2 583	2 583	2 583	2 583	2 583	2 583	2 583	2 583	2 583	31 000	32 674	34 471	
Vote 9 - WATER SERVICES		16 657	16 657	16 657	16 657	16 657	16 657	16 657	16 657	16 657	16 657	16 657	16 657	199 884	194 233	182 301	
Vote 10 - SANITATION DEPARTMENT		790	790	790	790	790	790	790	790	790	790	790	790	9 482	10 433	11 410	
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]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Expenditure by Vote</b>		<b>36 489</b>	<b>36 489</b>	<b>36 489</b>	<b>36 489</b>	<b>36 489</b>	<b>36 489</b>	<b>36 489</b>	<b>36 489</b>	<b>36 489</b>	<b>36 489</b>	<b>36 489</b>	<b>36 489</b>	<b>437 862</b>	<b>475 320</b>	<b>522 022</b>	
Surplus/(Deficit) before assoc.		92 992	(23 593)	(31 924)	(31 924)	92 992	(31 924)	(31 924)	(31 924)	92 992	(31 924)	(31 924)	(31 920)	-	(0)	0	
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>92 992</b>	<b>(23 593)</b>	<b>(31 924)</b>	<b>(31 924)</b>	<b>92 992</b>	<b>(31 924)</b>	<b>(31 924)</b>	<b>(31 924)</b>	<b>92 992</b>	<b>(31 924)</b>	<b>(31 924)</b>	<b>(31 920)</b>	<b>-</b>	<b>(0)</b>	<b>0</b>	

**Table 39: 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 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Revenue - Functional</b>																
<b>Governance and administration</b>		124 916	6 100	-	-	124 916	-	-	-	124 916	-	-	-	380 848	418 157	460 069
Executive and council		124 916	-	-	-	124 916	-	-	-	124 916	-	-	-	374 748	411 235	452 333
Finance and administration		-	6 100	-	-	-	-	-	-	-	-	-	-	6 100	6 922	7 736
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		1 470	3 700	1 470	1 470	1 470	1 470	1 470	1 470	1 470	1 470	1 470	1 469	19 865	17 413	19 422
Planning and development		1 470	3 700	1 470	1 470	1 470	1 470	1 470	1 470	1 470	1 470	1 470	1 469	19 865	17 413	19 422
Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		3 095	3 095	3 095	3 095	3 095	3 095	3 095	3 095	3 095	3 095	3 095	3 100	37 149	39 750	42 532
Energy sources		833	833	833	833	833	833	833	833	833	833	833	837	10 000	10 700	11 448
Water management		2 209	2 209	2 209	2 209	2 209	2 209	2 209	2 209	2 209	2 209	2 209	2 209	26 509	28 365	30 350
Waste water management		53	53	53	53	53	53	53	53	53	53	53	53	640	685	733
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>		<b>129 481</b>	<b>12 895</b>	<b>4 565</b>	<b>4 565</b>	<b>129 481</b>	<b>4 565</b>	<b>4 565</b>	<b>4 565</b>	<b>129 481</b>	<b>4 565</b>	<b>4 565</b>	<b>4 569</b>	<b>437 862</b>	<b>475 319</b>	<b>522 023</b>
<b>Expenditure - Functional</b>																
<b>Governance and administration</b>		10 270	10 270	10 270	10 270	10 270	10 270	10 270	10 270	10 270	10 270	10 270	10 270	123 235	149 222	185 447
Executive and council		2 048	2 048	2 048	2 048	2 048	2 048	2 048	2 048	2 048	2 048	2 048	2 048	2 048	24 571	31 933
Finance and administration		8 014	8 014	8 014	8 014	8 014	8 014	8 014	8 014	8 014	8 014	8 014	8 014	96 164	114 789	139 779
Internal audit		208	208	208	208	208	208	208	208	208	208	208	208	2 500	2 500	2 500
<b>Community and public safety</b>		3 776	3 776	3 776	3 776	3 776	3 776	3 776	3 776	3 776	3 776	3 776	3 776	45 807	51 525	54 892
Community and social services		3 776	3 776	3 776	3 776	3 776	3 776	3 776	3 776	3 776	3 776	3 776	3 776	45 807	49 525	50 892
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	500	-	-	-	-	-	-	-	-	-	-	500	2 000	4 000
<b>Economic and environmental services</b>		2 371	2 371	2 371	2 371	2 371	2 371	2 371	2 371	2 371	2 371	2 371	2 371	28 454	37 233	53 481
Planning and development		2 371	2 371	2 371	2 371	2 371	2 371	2 371	2 371	2 371	2 371	2 371	2 371	28 454	37 233	53 481
Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		20 031	20 031	20 031	20 031	20 031	20 031	20 031	20 031	20 031	20 031	20 031	20 031	240 366	237 340	228 182
Energy sources		2 583	2 583	2 583	2 583	2 583	2 583	2 583	2 583	2 583	2 583	2 583	2 583	31 000	32 674	34 471
Water management		16 657	16 657	16 657	16 657	16 6										



**Table 40: MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)**

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

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Multi-year expenditure to be appropriated</b>	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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure to be appropriated</b>	2															
Vote 1 - COUNCIL SUPPORT		-	3 500	-	-	-	-	-	-	-	-	-	-	3 500	-	-
Vote 2 - BOARD AND GENERAL		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - CORPORATE SERVICES		-	3 850	3 850	-	-	-	-	-	-	-	-	-	7 700	-	-
Vote 5 - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - THUSONG SERVICES CENTRE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - SOCIAL ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - ELECTRICITY DEPARTMENT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - WATER SERVICES		13 976	13 976	13 976	13 976	13 976	13 976	13 976	13 976	13 976	13 976	13 976	13 976	167 709	179 449	192 010
Vote 10 - SANITATION DEPARTMENT		7 262	7 262	7 262	7 262	7 262	7 262	7 262	7 262	7 262	7 262	7 262	7 262	87 150	100 181	145 368
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	21 238	28 588	25 088	21 238	21 238	21 238	21 238	21 238	21 238	21 238	21 238	21 238	266 059	279 630	337 378
Total Capital Expenditure	2	21 238	28 588	25 088	21 238	21 238	21 238	21 238	21 238	21 238	21 238	21 238	21 238	266 059	279 630	337 378

**Table 41: MBRR SA29 - Budgeted monthly capital expenditure (standard classification)**

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

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Capital Expenditure - Functional</b>	1															
<b>Governance and administration</b>		-	7 350	3 850	-	-	-	-	-	-	-	-	-	11 200	-	-
Executive and council		-	3 500	-	-	-	-	-	-	-	-	-	-	3 500	-	-
Finance and administration		-	3 850	3 850	-	-	-	-	-	-	-	-	-	7 700	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		21 238	21 238	21 238	21 238	21 238	21 238	21 238	21 238	21 238	21 238	21 238	21 238	254 859	279 630	283 396
Energy sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water management		13 976	13 976	13 976	13 976	13 976	13 976	13 976	13 976	13 976	13 976	13 976	13 976	167 709	179 449	192 010
Waste water management		7 262	7 262	7 262	7 262	7 262	7 262	7 262	7 262	7 262	7 262	7 262	7 262	87 150	100 181	91 386
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	2	21 238	28 588	25 088	21 238	21 238	21 238	21 238	21 238	21 238	21 238	21 238	21 238	266 059	279 630	283 396
<b>Funded by:</b>																
National Government		84 953	-	-	-	84 953	-	-	-	84 953	-	-	-	254 859	279 630	283 396
Provincial Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital		84 953	-	-	-	84 953	-	-	-	84 953	-	-	-	254 859	279 630	283 396
Public contributions & donations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		11 200	-	-	-	-	-	-	-	-	-	-	-	11 200	-	-
Total Capital Funding		96 153	-	-	-	84 953	-	-	-	84 953	-	-	-	266 059	279 630	283 396

**Table 42: MBRR SA30 - Budgeted monthly cash flow**

DC27 Umkhanyakude - Supporting Table SA30 Consolidated budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework			
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
<b>Cash Receipts By Source</b>																
Property rates	884	884	884	884	884	884	884	884	884	884	884	884	10 604	10 922	11 250	
Service charges - electricity revenue	3 695	3 695	3 695	3 695	3 695	3 695	3 695	3 695	3 695	3 695	3 695	3 695	44 340	45 670	47 040	
Service charges - water revenue	40	40	40	40	40	40	40	40	40	40	40	40	476	490	505	
Service charges - sanitation revenue	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Service charges - refuse revenue	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Service charges - other	8	8	8	8	8	8	8	8	8	8	8	8	90	96	103	
Rental of facilities and equipment	417	417	417	417	417	417	417	417	417	417	417	417	5 000	5 350	5 725	
Interest earned - external investments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Interest earned - outstanding debtors	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Dividends received	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Fines, penalties and forfeits	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Licences and permits	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Agency services	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Transfer receipts - operational	128 422	10 346	—	—	—	128 422	—	—	—	128 422	—	—	395 613	430 113	473 652	
Other revenue	1	1	1	1	1	1	1	1	1	1	1	1	10	11	11	
<b>Cash Receipts by Source</b>	<b>133 466</b>	<b>15 389</b>	<b>5 043</b>	<b>5 043</b>	<b>133 466</b>	<b>5 043</b>	<b>5 043</b>	<b>5 043</b>	<b>133 466</b>	<b>5 043</b>	<b>5 043</b>	<b>5 043</b>	<b>456 133</b>	<b>492 652</b>	<b>538 285</b>	
<b>Other Cash Flows by Source</b>																
Transfer receipts - capital	84 953	—	—	—	84 953	—	—	—	84 953	—	—	—	254 859	279 630	283 396	
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	—	—	—	—	—	—	—	—	—	—	—	200	200	—	—	
Short term loans	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Borrowing long term/financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Increase (decrease) in consumer deposits	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Decrease (increase) in non-current debtors	500	500	500	500	500	500	500	500	500	500	500	500	6 000	—	—	
Decrease (increase) other non-current receivables	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Decrease (increase) in non-current investments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
<b>Total Cash Receipts by Source</b>	<b>218 919</b>	<b>15 889</b>	<b>5 543</b>	<b>5 543</b>	<b>218 919</b>	<b>5 543</b>	<b>5 543</b>	<b>5 543</b>	<b>218 919</b>	<b>5 543</b>	<b>5 543</b>	<b>5 743</b>	<b>717 192</b>	<b>772 282</b>	<b>821 682</b>	
<b>Cash Payments by Type</b>																
Employee related costs	12 878	12 878	12 878	12 878	12 878	12 878	12 878	12 878	12 878	12 878	12 878	12 878	154 540	166 594	179 589	
Remuneration of councillors	782	782	782	782	782	782	782	782	782	782	782	782	9 387	9 857	10 350	
Finance charges	125	125	125	125	125	125	125	125	125	125	125	125	1 499	1 604	1 716	
Bulk purchases - Electricity	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	24 000	25 296	26 687	
Bulk purchases - Water & Sewer	6 833	6 833	6 833	6 833	6 833	6 833	6 833	6 833	6 833	6 833	6 833	6 833	82 000	86 428	91 182	
Other materials	2 078	2 078	2 078	2 078	2 078	2 078	2 078	2 078	2 078	2 078	2 078	2 078	24 935	26 680	28 548	
Contracted services	5 163	5 163	5 163	5 163	5 163	5 163	5 163	5 163	5 163	5 163	5 163	5 163	61 954	65 968	70 266	
Transfers and grants - other municipalities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Transfers and grants - other	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Other expenditure	3 296	3 296	3 296	3 296	3 296	3 296	3 296	3 296	3 296	3 296	3 296	3 296	39 547	50 093	67 890	
<b>Cash Payments by Type</b>	<b>33 155</b>	<b>33 155</b>	<b>33 155</b>	<b>33 155</b>	<b>33 155</b>	<b>33 155</b>	<b>33 155</b>	<b>33 155</b>	<b>33 155</b>	<b>33 155</b>	<b>33 155</b>	<b>33 155</b>	<b>397 862</b>	<b>432 519</b>	<b>476 227</b>	
<b>Other Cash Flows/Payments by Type</b>																
Capital assets	21 238	32 430	21 238	21 238	21 238	21 238	21 238	21 238	21 238	21 238	21 238	21 247	266 059	279 630	283 396	
Repayment of borrowing	—	—	749	—	—	—	—	—	749	—	—	—	1 499	1 604	1 716	
Other Cash Flows/Payments	5 000	5 000	5 000	5 000	5 000	5 000	5 000	5 000	5 000	5 000	5 000	5 000	60 000	30 000	30 000	
<b>Total Cash Payments by Type</b>	<b>59 393</b>	<b>70 585</b>	<b>60 143</b>	<b>59 393</b>	<b>59 393</b>	<b>59 393</b>	<b>59 393</b>	<b>59 393</b>	<b>60 143</b>	<b>59 393</b>	<b>59 393</b>	<b>59 402</b>	<b>725 420</b>	<b>743 753</b>	<b>791 339</b>	
<b>NET INCREASE/DECREASE IN CASH HELD</b>	<b>159 525</b>	<b>(54 696)</b>	<b>(54 600)</b>	<b>(53 850)</b>	<b>159 525</b>	<b>(53 850)</b>	<b>(53 850)</b>	<b>(53 850)</b>	<b>158 776</b>	<b>(53 850)</b>	<b>(53 850)</b>	<b>(53 650)</b>	<b>(8 228)</b>	<b>28 529</b>	<b>30 343</b>	
Cash/cash equivalents at the month/year begin:	34 626	194 151	139 455	84 856	31 005	190 531	136 681	82 830	28 980	187 756	133 906	80 056	34 626	26 398	54 927	
Cash/cash equivalents at the month/year end:	194 151	139 455	84 856	31 005	190 531	136 681	82 830	28 980	187 756	133 906	80 056	26 398	26 398	54 927	85 270	

**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.

- There are currently no unfilled positions in the top management structure of the Water Services Department. As part of the performance objectives for the 2018-2019 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 43: MBRR SA34a – Capital expenditure on new assets by assets class**



**Table 44 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class**





**Table 45: 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	2018/19 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Present value
<b>R thousand</b>								
<b>Capital expenditure</b>	1							
Vote 1 - COUNCIL SUPPORT		3 500	-	-				
Vote 2 - BOARD AND GENERAL		-	-	-				
Vote 3 - FINANCIAL SERVICES		-	-	-				
Vote 4 - CORPORATE SERVICES		7 700	-	-				
Vote 5 - COMMUNITY SERVICES		-	-	-				
Vote 6 - THUSONG SERVICES CENTRE		-	-	-				
Vote 7 - SOCIAL ECONOMIC DEVELOPMENT		-	-	-				
Vote 8 - ELECTRICITY DEPARTMENT		-	-	-				
Vote 9 - WATER SERVICES		167 709	179 449	192 010				
Vote 10 - SANITATION DEPARTMENT		87 150	100 181	145 368				
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>								
<b>Total Capital Expenditure</b>		266 059	279 630	337 378	-	-	-	-
<b>Future operational costs by vote</b>	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>								
<b>Total future operational costs</b>		-	-	-	-	-	-	-
<b>Future revenue by source</b>	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>								
<b>Total future revenue</b>		-	-	-	-	-	-	-
<b>Net Financial Implications</b>		266 059	279 630	337 378	-	-	-	-

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
<b>R thousand</b>								
<b>Capital expenditure</b>	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>								
<b>Total Capital Expenditure</b>		257 965	285 561	313 855	-	-	-	-
<b>Future operational costs by vote</b>	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>								
<b>Total future operational costs</b>		-	-	-	-	-	-	-
<b>Future revenue by source</b>	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>								
<b>Total future revenue</b>		-	-	-	-	-	-	-
<b>Net Financial Implications</b>		257 965	285 561	313 855	-	-	-	-

**Table 46: MBRR SA36 - Detailed capital budget per municipal vote**

**Table 47: MBRR SA37 - Projects delayed from previous financial year**

DC27 Umkhanyakude - Supporting Table SA37 Consolidated projects delayed from previous financial year/s

Municipal Vote/Capital project	Ref. 1,2	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target year to complete	Current Year 2016/17		2017/18 Medium Term Revenue & Expenditure Framework		
								Original Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>												
<b>Parent municipality:</b>												
<i>List all capital projects grouped by Municipal Vote</i>				<i>Examples</i>								
		n/a		n/a	n/a	n/a	0	-	-	-	-	-
		n/a		n/a	n/a	n/a	0	-	-	-	-	-
		n/a		n/a	n/a	n/a	0	-	-	-	-	-
		n/a		n/a	n/a	n/a	0	-	-	-	-	-
		n/a		n/a	n/a	n/a	0	-	-	-	-	-
		n/a		n/a	n/a	n/a	0	-	-	-	-	-
		n/a		n/a	n/a	n/a	0	-	-	-	-	-
<b>Entities:</b>												
<i>List all capital projects grouped by Municipal Entity</i>												
<b>Entity Name</b>		n/a		n/a	n/a	n/a	0	-	-	-	-	-
<i>Project name</i>		n/a		n/a	n/a	n/a	0	-	-	-	-	-
		n/a		n/a	n/a	n/a	0	-	-	-	-	-
		n/a		n/a	n/a	n/a	0	-	-	-	-	-
		n/a		n/a	n/a	n/a	0	-	-	-	-	-
		n/a		n/a	n/a	n/a	0	-	-	-	-	-

### **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 2018, 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 2018/17 MTREF in May 2018.
- Annual Report. Annual report is compiled in terms of the MFMA and National Treasury requirements.

### **2.14 Other supporting documents**



**Table 48: 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 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]	Total
<b>R thousand</b>	1																
<b>Revenue By Source:</b>																	
Property rates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	-	10 000	-	-	-	-	-	-	-	-	10 000
Service charges - water revenue		-	-	-	-	-	-	-	26 509	-	-	-	-	-	-	-	26 509
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	640	-	-	-	-	-	-	640
Service charges - refuse revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		-	-	90	-	-	-	-	-	-	-	-	-	-	-	-	90
Interest earned - external investments		-	-	5 000	-	-	-	-	-	-	-	-	-	-	-	-	5 000
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		-	374 748	1 000	-	-	-	-	-	-	-	13 143	-	-	-	-	395 613
Gains on disposal of PPE		-	-	-	-	-	6 722	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contribution)</b>		-	374 748	6 090	-	-	-	6 722	10 000	26 509	640	13 143	-	-	-	-	437 852
<b>Expenditure By Type</b>																	
Employee related costs		2 040	7 471	10 830	18 614	27 059	1 130	7 225	249	62 861	2 827	14 235	-	-	-	-	154 540
Remuneration of councillors		9 387	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9 387
Debt impairment		-	-	-	-	-	-	-	-	-	5 000	-	-	-	-	-	5 000
Depreciation & asset impairment		-	-	35 000	-	-	-	-	-	-	-	-	-	-	-	-	35 000
Finance charges		-	-	1 499	-	-	-	-	-	-	-	-	-	-	-	-	1 499
Bulk purchases		-	-	-	-	-	-	-	24 000	82 000	-	-	-	-	-	-	106 000
Other materials		-	-	-	-	-	-	-	7 000	17 935	-	-	-	-	-	-	24 935
Contracted services		-	-	7 500	41 754	-	-	-	-	-	-	-	-	-	-	-	49 254
Transfers and subsidies		-	-	-	-	-	-	6 722	-	-	-	13 143	-	-	-	-	19 865
Other expenditure		-	5 660	-	6 851	-	-	14 466	-	5 395	-	-	-	-	-	-	32 372
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		11 427	13 131	54 829	67 219	27 059	1 130	28 413	31 249	168 190	7 827	27 378	-	-	-	-	437 852
<b>Surplus/(Deficit)</b>		(11 427)	361 617	(48 739)	(67 219)	(27 059)	(1 130)	(21 691)	(21 249)	(141 681)	(7 187)	(14 235)	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		-	3 500	-	7 700	-	-	-	-	167 709	87 150	-	-	-	-	-	266 059
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)		-	-	-	-	-	-	-	-	-	30 000	-	-	-	-	-	30 000
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		(7 927)	361 617	(48 739)	(59 519)	(27 059)	(1 130)	(21 691)	(21 249)	26 028	79 963	15 765	-	-	-	-	296 059

**Table 49: MBRR Table SA3 – Supporting detail to Statement of Financial Position**

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

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
<b>ASSETS</b>											
Call investment deposits											
Call deposits		1 021	–	–	2 128	2 128	2 128	2 128			
Other current investments		–	–	–	–	–	–	–			
Total Call investment deposits	2	1 021	–	–	2 128	2 128	2 128	2 128	–	–	–
<b>Consumer debtors</b>											
Consumer debtors		18 527	86 088	65 721	180 000	180 000	180 000	180 000	189 058	189 058	189 058
Less: Provision for debt impairment		–	–	–	–	–	–	–	–	–	–
Total Consumer debtors	2	18 527	86 088	65 721	180 000	180 000	180 000	180 000	189 058	189 058	189 058
<b>Debt impairment provision</b>											
Balance at the beginning of the year		–	–	–	172 676	172 676	172 676	172 676	149 553	149 553	149 553
Contributions to the provision		–	–	–	30 009	30 009	30 009	30 009	5 000	5 350	5 725
Bad debts written off		–	–	–	–	–	–	–	–	–	–
Balance at end of year		–	–	–	202 686	202 686	202 686	202 686	154 553	154 903	155 277
<b>Property, plant and equipment (PPE)</b>											
PPE at cost/valuation (excl. finance leases)		1 575 718	1 661 593	1 828 746	1 769 963	1 769 963	1 769 963	1 769 963	1 828 746	1 828 746	1 828 746
Leases recognised as PPE		–	–	–	–	–	–	–	–	–	–
Less: Accumulated depreciation		–	–	–	45 009	45 009	45 009	45 009	35 000	37 450	40 072
Total Property, plant and equipment (PPE)	2	1 575 718	1 661 593	1 828 746	1 724 954	1 724 954	1 724 954	1 724 954	1 793 746	1 791 296	1 788 675
<b>LIABILITIES</b>											
<b>Current liabilities - Borrowing</b>											
Short term loans (other than bank overdraft)		1 500	–	–	–	–	–	–	–	–	–
Current portion of long-term liabilities		897	839	1 003	893	893	893	893	1 499	1 499	1 499
Total Current liabilities - Borrowing		2 397	839	1 003	893	893	893	893	1 499	1 499	1 499
<b>Trade and other payables</b>											
Trade and other creditors		170 732	250 688	249 061	50 000	50 000	50 000	50 000	149 553	53 553	53 553
Unspent conditional transfers		39 698	34 385	72 996	15 151	15 151	15 151	15 151	15 036	15 036	15 036
VAT		–	–	–	–	–	–	–	–	–	–
Total Trade and other payables	2	210 430	285 073	322 056	65 151	65 151	65 151	65 151	164 588	68 588	68 588
<b>Non current liabilities - Borrowing</b>											
Borrowing		7 400	7 225	6 207	6 900	6 900	6 900	6 900	6 900	6 900	6 900
Finance leases (including PPP asset element)		629	–	–	628	628	628	628	628	628	628
Total Non current liabilities - Borrowing		8 029	7 225	6 207	7 528	7 528	7 528	7 528	7 528	7 528	7 528
<b>Provisions - non-current</b>											
Retirement benefits		–	–	6 512	–	–	–	–	6 512	6 512	6 512
List other major provision items		–	–	–	–	–	–	–	–	–	–
Refuse landfill site rehabilitation		–	–	–	–	–	–	–	–	–	–
Other		4 779	5 866	–	–	–	–	–	–	–	–
Total Provisions - non-current		4 779	5 866	6 512	–	–	–	–	6 512	6 512	6 512
<b>CHANGES IN NET ASSETS</b>											
<b>Accumulated Surplus/(Deficit)</b>											
Accumulated Surplus/(Deficit) - opening balance		–	–	–	2 047 047	2 047 047	2 047 047	2 047 047	1 781 484	1 781 484	1 781 484
GRAP adjustments		–	–	–	–	–	–	–	–	–	–
Restated balance		–	–	–	2 047 047	2 047 047	2 047 047	2 047 047	1 781 484	1 781 484	1 781 484
Surplus/(Deficit)		40 121	146 423	160 107	379 601	370 401	370 401	370 401	296 059	279 630	283 396
Appropriations to Reserves		–	–	–	–	–	–	–	–	–	–
Transfers from Reserves		–	–	–	–	–	–	–	–	–	–
Depreciation offsets		–	–	–	–	–	–	–	–	–	–
Other adjustments		–	–	–	–	–	–	–	–	–	–
Accumulated Surplus/(Deficit)	1	40 121	146 423	160 107	2 426 648	2 417 448	2 417 448	2 417 448	2 077 543	2 061 114	2 064 880
<b>Reserves</b>											
Housing Development Fund		–	–	–	–	–	–	–	–	–	–
Capital replacement		–	–	–	–	–	–	–	–	–	–
Self-insurance		–	–	–	–	–	–	–	–	–	–
Other reserves		–	–	–	–	–	–	–	–	–	–
Revaluation		–	–	–	–	–	–	–	–	–	–
Total Reserves	2	–	–	–	–	–	–	–	–	–	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	40 121	146 423	160 107	2 426 648	2 417 448	2 417 448	2 417 448	2 077 543	2 061 114	2 064 880

**Table 50: 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	2014/15	2015/16	2016/17	Current Year 2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
<b>Demographics</b>												
Population						625846	625846	625846	625846	625846	625846	625846
Females aged 5 - 14						215500	215500	215500	215500	215500	215500	215500
Males aged 5 - 14						95015	95015	95015	95015	95015	95015	95015
Females aged 15 - 34						265500	265500	265500	265500	265500	265500	265500
Males aged 15 - 34						49831	49831	49831	49831	49831	49831	49831
Unemployment						155000	155000	155000	155000	155000	155000	155000
<b>Monthly household income (no. of households)</b>												
No income	1, 12					-	-	-	-	-	-	-
R1 - R1 600						105 000	105 000	105 000	105 000	105 000	105 000	105 000
R1 601 - R3 200						45 000	45 000	45 000	45 000	45 000	45 000	45 000
R3 201 - R6 400						4 500	4 500	4 500	4 500	4 500	4 500	4 500
R6 401 - R12 800						1 600	1 600	1 600	1 600	1 600	1 600	1 600
R12 801 - R25 600						800	800	800	800	800	800	800
R25 601 - R51 200						85	85	85	85	85	85	85
R52 201 - R102 400						60	60	60	60	60	60	60
R102 401 - R204 800						25	25	25	25	25	25	25
R204 801 - R409 600						18	18	18	18	18	18	18
R409 601 - R819 200						15	15	15	15	15	15	15
> R819 200						8	8	8	8	8	8	8
<b>Poverty profiles (no. of households)</b>												
< R2 060 per household per month	13											
Insert description	2											
<b>Household/demographics (000)</b>												
Number of people in municipal area						626	626	626	626	626	626	626
Number of poor people in municipal area						105	105	105	105	105	105	105
Number of households in municipal area						626	626	626	626	626	626	626
Number of poor households in municipal area						105	105	105	105	105	105	105
Definition of poor household (R per month)						<1600	<1600	<1601	<1602	<1603	<1604	<1605
<b>Housing statistics</b>												
Formal	3											
Informal												
Total number of households						-	-	-	-	-	-	-
Dwellings provided by municipality	4					48 226	48 226	48 226	48 226	48 226	48 226	48 226
Dwellings provided by province/s												
Dwellings provided by private sector	5											
Total new housing dwellings						48 226	48 226	48 226	48 226	48 226	48 226	48 226
<b>Economic</b>												
Inflation/inflation outlook (CPI)	6											
Interest rate - borrowing						0.0%	0.0%					
Interest rate - investment						0.0%	0.0%					
Remuneration increases						0.0%	0.0%					
Consumption growth (electricity)						0.0%	0.0%					
Consumption growth (water)						0.0%	0.0%					
<b>Collection rates</b>												
Property tax/service charges	7					0.0%	0.0%					
Rental of facilities & equipment						0.0%	0.0%					
Interest - external investments						0.0%	0.0%					
Interest - debtors						0.0%	0.0%					
Revenue from agency services						0.0%	0.0%					



