



**DR NKOSAZANA DLAMINI ZUMA
MUNICIPALITY
PRESENTS
2019/20 TO 2021/22
FINAL MEDIUM-TERM REVENUE AND
EXPENDITURE FORECASTS**

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1. PART ONE – ANNUAL BUDGET

1.1 MAYORS REPORT

Introduction

Speaker, Deputy Mayor, Members of Executive, Chief Whip, Honourable Councillors ONdabezitha, Municipal Management and municipal officials, Greetings.

It is a pleasure, in my capacity as Mayor of Dr Nkosazana Dlamini Zuma Municipality, to present the Final medium-term revenue and expenditure framework (MTREF) for 2019/2020 financial year and ensuing two years. In terms of section 21(2) (a)-(c) of the MFMA – ‘when preparing the annual budget, the mayor of a municipality must:

(a) Take into account the municipality’s integrated development plan (IDP);

(b) take all reasonable steps to ensure that the municipality revises the IDP in terms of section 34 of the Municipal Systems Act, taking into account realistic revenue and expenditure projections for future years;

(c) take into account the national budget, the relevant provincial budget, the national government’s fiscal and macro-economic policy, the annual Division of Revenue Act (DoRA) and any agreements reached in the Budget Forum’.

The Council of Dr Nkosazana Dlamini Zuma Municipality, in terms of section 75A of the Local Government Municipal Systems Act (Act 32 of 2000), must also approve and adopt with effect from 1 July 2019, the tariffs for property rates, the tariffs for solid waste services and the tariffs for other services.

Government allocations for 2019/20 financial year

Allocations published in the 2019 Division of Revenue Act and provincial gazette indicates the following:

Sources	2018/2019 Allocations	2019/2020 Allocations
Equitable Share	R 111 162 000.00	R 125 869 000.00
Electrification	R 13 540 000.00	R 8 000 000.00

MIG	R 26 666 000.00	R 27 149 000.00
FMG	R 3 870 000.00	R 3 000 000.00
EPWP	R 1 596 000.00	R 2 381 000.00
Provincialisation of Libraries	R 2 514 000.00	R 2 640 000.00
Community Library Service Grant	R 950 000.00	R 1 017 000.00
Maintenance of Sport and facilities	R 50 0000.00	R 00.00
Thusong Service Centre Grant	R 500 000.00	R 00.00
Building plan information Management System	R 00.00	R 500 000.00
Municipal Demarcation Transitional Grant (Roll over)	R 5 900 000	
Work Study Grant (Roll over)	R 244 500	
GIS (Roll over)	R 92 621	
TOTAL	R 167 085 121.00	R 170 556 000.00

BUDGET SUMMARY 2019/20 MTERF

The Final budget presentation reflects the following consolidated (summary)

Description	Adjustment Budget 2018-2019	Final Budget 2019-2020	Budget Estimate 2020-2021	Budget Estimate 2021-2022
Total Revenue	R 210 482 000	R 218 205 000	R 227 183 000	R 241 605 000
Total Operating Expenditure	-R 168 317 000	-R 188 039 000	-R 197 545 000	-R 211 212 000
Surplus/(Deficit) Before Capital Expenditure	R 42 166 000	R 30 166 000	R 29 639 000	R 30 393 000
Capital Expenditure	-R 72 287 000	-R 68 644 000	-R 63 752 334	-R 67 580 354
Surplus/(Deficit) for the year	-R 30 121 000	-R 38 478 000	-R 34 113 334	-R 37 187 354

The INEP grant is shown as a separate line item not part of the budget summary because It is not included in the Municipality’s revenue and expenditure in table A4. The municipality will receive R 8million in the 2019/20 financial, However. Grant revenue is not shown in table A5 of the municipality’s budget because the municipality acts as an agent in terms of the service level agreement with Eskom. The grant receipt has been recorded in table SA18 and grant expenditure recorded in table SA19. Furthermore, the inflow and the outflow of the grants has been recorded in table A7 accordingly.

Description	Adjustment Budget 2018-2019	Final Budget 2019-2020	Budget Estimate 2020-2021	Budget Estimate 2021-2022
Electrification Projects	R 13 540 000	R 8 000 000	R 9 204 000	R 15 000 000

The 2019/2020 Total Revenue from capital and operational grants transfers is R 162, 6million excluding INEP grant and municipal own revenue is R 55, 6million.

Capital Expenditure and Service Delivery Budget

Dr Nkosazana Dlamini Zuma Municipality has budgeted an amount of R 68 644 000.00 to fund it capital expenditure in 2019/2020 financial year for the municipality to deliver adequate services to it community.

1. National Treasury has allocated an amount R 27 149 000.00 to Dr Nkosazana Dlamini Zuma Municipality for Municipal Infrastructure Grant (MIG), and the Municipality will use the above grant to successfully Construct the following projects to it community.

Ward	2019/2020	
1	Solokohlo Community Hall	2 000 000
2	Himeville Business Hives	2 000 000
3	Underberg Community Town Hall Phase 1	3 000 000

4	Sdangeni Bridge Road	2 199 000
5	Mampondweni Access Road	1 250 000
6	Lookout Access road	1 200 000
7	Gqumeni Creche	1 275 000
8	Magoso Access road Phase 2	1 800 000
9	Khumalo Access Road	1 200 000
10	Dazela Access road	1 350 000
11	Bhidla Creche	1 275 000
12	Mqulelwa Sportfield	2 500 000
13	Dumabezwe Sportfield	2 500 000
14	Mshushwana Access Road	1 100 000
15	Msameni Sportfield	2 500 000

Integrated National Electrification Programme (INEP) funded projects is R 8 Million

Dr Nkosazana Dlamini Zuma Municipality is acting as an agent in the capacity of Eskom as per Service Level Agreement between the Municipality and Eskom.

- Greater Ward 1 Infills R 533 333
- Greater Ward 2 Infills R 533 333
- Greater Ward 3 Infills R 533 333
- Greater Ward 4 Infills R 533 333
- Greater Ward 5 Infills R 533 333
- Greater Ward 6 Infills R 533 333
- Greater Ward 7 Infills R 533 333
- Greater Ward 8 Infills R 533 333
- Greater Ward 9 Infills R 533 333

• Greater Ward 10 Infills	R 533 333
• Greater Ward 11 Infills	R 533 333
• Greater Ward 12 Infills	R 533 333
• Greater Ward 13 Infills	R 533 333
• Greater Wards 14 Infills	R 533 333
• Greater Wards15 Infills	R 533 333

Plant & Equipment to assist with Maintenance of infrastructure is allocated a budget of R 3 000 000 to procure:

- Grader
- Diesel tank trailer

Other Internally Funded projects is R 41 495 000 Million

- Procurement of Transport assets
- Procurement of Computer Equipment
- Centocow shelter and Toilets
- Procurement of Plant and Equipment
- Bulwer Asphalt Roads phase 6
- Upgrade of Underberg road
- Donnybrook Asphalt Surfacing Phase 3
- Himeville Asphalt Surfacing Phase 1
- Creighton Asphalt Road Phase 5
- Bulwer Asphalt Roads Phase 7
- Creighton Artificial Sportfield
- Donnybrook Asphalt Surfacing Phase 4
- Himeville Asphalt Surfacing Phase 2
- backup generator
- streetlight/high mast light
- new installation electrical
- water retention

- storage container
- Mayoral Chain
- Procurement of Car Wash Equipment
- Procurement of GPS Equipment
- Construction of Fire Station
- Building of Industrial Business Park/ Hub
- Creighton Library
- Self-Contained Breathing Apparatus
- Heavy duty Chain Saw and, Jaws of Life
- Traffic Camera
- Traffic Road Block Trailer
- Camera for Library Section
- Mobile Tourism Information Vehicle

Repairs and maintenance budget is R 9 353 584.00

- Transport Assets
- Roads
- Community assets
- Office Buildings
- Office Buildings (Electricity)
- Plant and Equipment

Dr Nkosazana Dlamini-Zuma Municipality is committed in developing community and youth residing within the Dr NDZ area. A number of projects have been budgeted for in the special programmes unit to ensure that the groups people existing in the Dr NDZ Community are sufficiently catered for.

Summary of the Special Programmes that are catered for in the 2019/20 financial year

DESCRIPTION	2019/2020 Final Budget	2020/2021 Budget	2021/2022 Budget
Arts and Culture projects	945 316	996 363	1 050 167
Gender and Human Rights	259 997	274 037	288 835
Children	120 000	126 480	133 310
HIV/TB, Senior Citizens and Golden Games	390 111	411 177	433 381
Mayoral Cup	305 947	322 468	339 881
Sport Development Project	600 921	633 371	667 573
Operation Sukhuma Sakhe	380 068	400 592	422 224
Youth Development	998 148	1 052 048	1 108 859
Disability	220 000	231 880	244 402
Bulwer CSC	150 000	158 100	166 637
Tourism Programmes	2 715 253	2 861 877	3 016 418
LED Programmes	2 699 326	2 845 090	2 998 724
Spluma Projects	1 700 000	1 791 800	1 888 557
Public Participation	304 100	320 521	337 830
Community Functions	200 000	210 800	222 183
Communications	616 800	650 107	685 213
Ward Committees	1 496 800	1 577 627	1 662 819
Employee Wellness	182 800	192 671	203 075
TOTAL PROGRAMMES	14 285 587	15 057 009	15 870 087

Further detailing of the special programmes and other projects is outlined as follows:

Fire/Disaster Management Center Establishment R 3 992 200.00

There are a number of disasters that likely to occur within the jurisdiction of Dr. Nkosazana Dlamini Zuma Municipality: Road Accidents, Wild Fires, Flooding, Snow, Windstorms, Lightning Strikes and Drought. The following will be undertaken in 2019/2020.

- Construction/Establishment of Fire/Disaster Emergency Management Center (Phase 1 for 3-year period). The consulted for the designs would be appointed in 2018/2019.
- Ensuring sustainability of the Disaster Management Advisory Forum (DMAF)
- Procurement and installation of Lightning Conductors in Municipal Facilities and in Community high risk areas
- Procurement of Jaws of life and Heavy-Duty Chainsaw

- Procurement and delivery of 100 fire beaters and 20 knapsack tanks
- Appointment of Fire Fighters and
- Procurement of sets of Self-Contained Breathing Apparatus
- Conducting Integrated Community Safety Awareness Campaign
- Procurement of three Disaster Vehicles and Disaster Relief Materials

Youth Development programs and activities and Bursaries

R 1 398 148

- Bursaries to best performing students
- 1 Back to School campaign
- 1 Education Summit coordinated
- Matric Award
- Career Exhibitions coordinated
- Training of 10 youth co-operatives involved in farming
- Training 10 youth co-operatives/ Businesses with Business Management Skills
- Conducting 08 computer trainings
- Coordinating opening of one FET for skills programs/trainings
- Assisting youth in blocks making with accreditation by SABS
- Assisting of youth in tyre industry
- Assisting youth cooperatives

Small Micro Business Development and LED Initiatives

R 2 699 326.00

- Strengthening of LED and SMME Support Centre/Unit
- Construction of Small-Scale industrial park in Creighton, plans and designs to be done in 2018/2019
- Promoting and marketing of SMME products in 5 external trade exhibitions and shows
- Materials & Equipment's support to SMMEs/Co-ops
- 15 Emerging Farmers projects supported with materials
- 60 Emerging Farmers trained and empowered with skills
- 60 SMME's Trained
- 2 Fashion Design Talent Search coordinated

- Coordinating LED & Business Forums
- SMME & Co-op Projects supported with non-agricultural material

Safety and Enforcement of Municipal Bylaws Operational

- Conduct 4 Multistakeholder road blocks
- Conduct more than 20 local road blocks
- Conduct 12 school road safety school awareness campaigns
- Enforcement of all Municipal bylaws
- Procurement of Traffic Road Block Trailer R 155 000

Pound Management Operational

- Conducting pound awareness campaigns

Libraries R 2 378 240

- Construction of Creighton Library, designs and plans to be done in 2018/2019
- Community trainings - Conduct 12 computer trainings
- Conduct 16 library community outreach programmes

Arts and Culture programs R 945 316

- Train Arts and Culture Forum
- Trainings for Crafters
- 15 crafters supported with material
- Training of Artists
- Umkhosi Womhlanga,
- Umkhosi Wezintombi Zase Harry Gwala
- Royal Show Exhibition supporting local crafters
- Isicathamiya
- Local Cultural Competitions

Sports Development programs R 600 921.00

- Train 10 Sports coaches
- Development of Soccer, Athletics, Chess, Cricket, Boxing and Swimming
- Rural Horse-Riding Competitions coordinated
- Harry Gwala Summer Cup held
- Sani Stagger Marathon held
- Coordination of SALGA selections & preparations games
- Coordination of Salga Athletics Preparation of Salga Athletics Team through School Sport
- Coordinating Bongumusa Training Marathon
- Festive Sport Tournaments - Ward based festive tournaments held as per war room need.
- 10 Jockeys trained

Senior Citizens, HIV/AIDS, Disability, Gender R 990 108

- Golden Games held at Local, District and Provincial Level
- 1 Senior Citizens event held
- 1 Disability Summit held
- 1 TB Campaign Held
- 1 International World Aids Day Held
- Coordination of LTT & Gender Forums
- Coordination of Senior Citizens and Disability Forums
- Commemoration of Nelson Mandela Day
- Celebration of Men's Day
- Commemoration of Women's Day
- 16 Days of Activism Against Child and Women Abuse Campaign
- Commemoration of Human Rights Day
- 1 Children's Week held

Tourism Programs R 2 715 253.00

- 2 Community Tourism & Hospitality Skills training conducted
- External Marketing of Southern Drakensburg on tourism shows and exhibitions
- Cultural food tasting expo and Duzi to Sani 4x4 expeditions

- Wards Based Community Tourism Development Structure formed and trained
- Servicing of Trains and transportation of coaches
- 7 500 developed and printed Destination marketing/ Promotional Material.
- Establishment of rail and bike tourism in Underberg
- Coordinating Tourism Forums
- Coordinating Aloe Festival

Township Establishment

R1 700 000.00

To improve and optimize land usage and curb unsustainable development practices

The following project will be implemented

- Reviewing the SDF
- Adopting Land Use Scheme
- Approved Bulwer General Plan by Surveyor General
- Business and Advisory: Project Management
- Business and Advisory: Research and Advisory
- Business and Advisory: Commissions and Committees
- Infrastructure and Planning: Geoinformatics Services
- Infrastructure and Planning: Land and Quantity Surveyor
- Infrastructure and Planning: Town Planner (Wall to Wall Scheme)

Free Basic Services

R2 904 662

- Free Basic electricity
- Refuse
- Rates

Public Participation, Community Functions and Ward committees R 2 417 700.00

In order to encourage participation of the local community in the affairs of the municipality by June 2022.

- Review public participation strategy and ward committee policy
- Coordinate public participation meetings
- Conduct community satisfaction surveys

- Establish a functional Rapid Response Team
- Co-ordinate training of Ward Committees

General Expenditure and Employee Costs

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditures has also been identified as an area in which cost savings and efficiencies can be achieved.

Policies and by-laws

There were no major changes on finance and budget related policies and by-laws. There were also no major changes on other policies. By-laws would have reviewed as the service provider was appointed to assist with the review of by-laws for Dr Nkosazana Dlamini Zuma Municipality.

Ladies and gentlemen, may I take this opportunity to thank you for your attentiveness and your contribution in the on-going development of Dr Nkosazana Dlamini Zuma Municipality.

Thank you

Councillor P.N Mncwabe

Mayor of Dr Nkosazana Dlamini Zuma Municipality

1.2 COUNCIL RESOLUTION

On the 30th May 2019 the Council of Dr Nkosazana Dlamini-Zuma Municipality met in the Council Chambers of Dr NDZ to consider the Annual budget of the municipality for the financial year 2019/20. The Council noted and adopted the following:

The Council, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) notes

- The final budget of the Municipality for the financial year 2019/20
- The budget related policies for the financial year 2019/20

Consolidated budget schedules A1 to A10.

- Budget Summary as contained in Table A1
- Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table A2;
- Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table A3;
- Budgeted Financial Performance (revenue and expenditure) as contained in Table A4;
- Budget Capital Expenditure by municipal vote, functional classification and funding by contained in Table A5.
- Budgeted Financial Position as contained in Table A6;
- Budgeted Cash Flows as contained in Table A7;
- Cash backed reserves and accumulated surplus reconciliation as contained in Table A8;
- Asset management as contained in Table A9; and
- Basic service delivery measurement as contained in Table A10.

1.3 EXECUTIVE SUMMARY**Introduction**

This 2019/20 – 2021/22 Tabled Medium -Term Revenue and Expenditure Framework (MTREF) budget report deals with the operating budget and tariff proposals as well as the capital budget and funding sources proposal to ensure that Dr Nkosazana Dlamini Zuma Municipality renders services to their local communities in a financial and sustainable manner.

Background

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

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-

priority programmes to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore and 'nice to have' items.

Dr Nkosazana Dlamini-Zuma Municipality is in the process of implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the Municipality will undertake various customer care initiatives to ensure that the municipality truly involves all citizens in the process of ensuring a people lead government. The municipality has a Revenue Enhancement Strategy that needs to be approved by the council.

The main challenges experienced during the compilation of the 2019/20 MTREF can be summarised as follows:

- The on-going difficulties in the national and local economy;
- The rate of unemployment in the community that we are serving, having a negative impact on the collection over revenue, and increasing number of indigents.
- Aging and poorly maintained 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;
- Decreased of Grant funding of capital projects resulting in cutting of some of the projects that were supposed to be done in this financial year, thus delaying the service delivery; and
- Unavailability of affordable funding

Financial Sustainability

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

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

The following budget principles and guidelines directly informed the compilation of the 2019/20 MTREF:

- The 2019/20 Budget priorities and targets, as well as the base line allocations contained in the Adjustments Budget were adopted as the upper limits for the new baselines for the 2019/20 final budget;
- Tariff and property rate 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.
- 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 gazette as required by the annual Division of Revenue Act.

Table below presents a consolidated overview of the 2019/20 budget.

Consolidated Overview of the 2019/20 MTREF

Description	Adjustment Budget 2018-2019	Final Budget 2019-2020	Budget Estimate 2020-2021	Budget Estimate 2021-2022
Total Revenue	R 210 482 000	R 218 205 000	R 227 183 000	R 241 605 000
Total Operating Expenditure	-R 168 317 000	-R 188 039 000	-R 197 545 000	-R 211 212 000
Surplus/(Deficit) Before Capital Expenditure	R 42 166 000	R 30 166 000	R 29 639 000	R 30 393 000
Capital Expenditure	-R 72 287 000	-R 68 644 000	-63 752 334	-67 580 354
Surplus/(Deficit) for the year	-R 30 121 000	-R 38 478 000	-34 113 334	-37 187 354

Total operating revenue for the municipality has been increased by 4% per cent or R7, 7million for the 2019/20 financial year when compared to the 2018/19 Adjustments Budget. For the two outer years, operational revenue will increase by 4% in the 2020/21 financial year and 6 % per cent in the 2021/22 financial year.

Total operating expenditure for the 2019/20 financial year has been increased by 10.49%, or R 19,7million when compared to the 2018/19 Adjustments Budget, the huge increase is a result of the increase on the non-cash items such as depreciation, an increase was effected after taking into consideration the latest fixed asset register and capital additions. The amount for depreciation in 2019/20 financial year is at R34, 6million and it has increased by R 12, 1million when compared to the 2018/19 Adjustment Budget and provision for bad debts is at R6, 5million.

- **Provision for debt impairment**

The provision of debt impairment was determined based on an annual collection rate for 2018/2019. For 2019/20, financial year this item is allocated an amount of R6,5million and escalates to R 6,8 million in the following year. While this expenditure is considered to be a non-cash item, it informed the cost associate with rendering the service of the municipality, as well as the municipality's realistically anticipated revenue.

- **Provision for depreciation and asset impairment**

Provision for depreciation and asset impairment has been informed by the municipality's Assets Management policy. Depreciation is widely considered a proxy for the rate assets consumption. Budget appropriation in this regard totals to R 34,6 million for 2019/20 financial year escalating to R 36,4 million in 2020/2021 financial year and 38,4 million in 2021/2022.

The capital budget of R68, 6million for 2019/20 is 5% per cent less when compared to the 2019/20 Adjustment Budget. The municipality rely on the gazzetted capital grants (MIG) to be received for the 2019/20 financial year. The decrease is due to fact that gazzetted capital grant for Dr NDZ is not enough to fund many projects that the municipality had for the 2019/20 financial year, as a result the municipality used its own funding of R 41,5million to fund other capital projects, the municipality could not use more of the reserves to fund capital expenditure.

1.3.1. OPERATING REVENUE FRAMEWORK

The rates revenue collection is currently expressed as a percentage (75%) of annual billings based on the previous year's actual collections and actual receipts of R 22, 3million as at the end of April 2019. The performance of arrear collection will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

2019/2020 tariffs has increased by 5% when compare with the 2018/2019 tariffs.

The following stipulations in the property rates are highlighted:

- The first R 50 000.00 of the market value of property used for residential purposes and First R 15,000 of the Municipal Value of a multiple use property is excluded from the ratable values (Section 17 (h) of the MPRA).
- 30% rebate will be granted for developed properties
- 30% rebate will be granted to agriculture
- 20% rebate is granted for Tourism and Hospitality
- 100% rebate will be granted to registered indigents in terms of the indigent policy.
- For pensioners, physically and mentally disabled persons, a maximum/ total rebate 75% to owners of ratable properties if the total gross income of the applicant and his/her spouse, if any, does not exceed the amount of equal to twice the annual state pension as approved by government for a financial year.

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

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

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges;
- 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;

- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

Grants remain the largest revenue source and property rates is the second and third source is interest on investment and the fourth one is other revenue. Municipality have been urged to review the tariffs of the items on annual basis to ensure they are cost reflective market related.

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were considered to ensure the financial sustainability of the Municipality.

It must also be appreciated that the consumer price index, as measured by CPI, is not 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, petrol, diesel, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. The Municipality will have to implement a refuse removal strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term.

Total Operating revenue and Tariffs

The total rates revenue has increased by 5% for the 2019/20 financial year when compared to the 2018/19 Adjusted Budget. For the two outer years, total operating revenue will increase by 5% and 5% respectively. Services Charges revenue increased by R 1million when compared to the 2018/19 Adjustment Budget, the 5.2% was affected and included the total revenue collection as at the end of April 2019.

Total Capital Revenue increased by 4% and Property rates increased by 5%,

Total other own revenue for 2019/20 financial year reduced to R6, 5million when compared to the 2018//19 Adjustment Budget, due to the decrease on items such as Interest in outstanding

debtors that has been decreased to R 1, 8million when compared to the 2018/19 Adjustment Budget, the decrease took effect after taking into consideration the current year performance and the strategies that the municipality will be implementing to collect the outstanding debt.

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the municipality. National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. However, excessive increases are likely to be counterproductive, resulting in higher levels of non-payment. The municipality has embarked on different strategies of revenue collection in the 2018/19 financial year of which it is slowly helping the municipality to collect its old debt from its customers.

The following table is a summary of the 2019/20 MTREF (classified by main revenue source):

Table A4 Summary of revenue classified by main revenue source

KZN436 Dr Nkosazana Dlamini Zuma - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue By Source									
Property rates	19 892	35 375	36 522	35 656	35 656	35 656	37 561	39 589	41 697
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2 588	3 127	3 731	2 790	2 790	2 790	3 800	4 005	4 221
Rental of facilities and equipment	676	1 202	1 032	1 231	1 231	1 231	1 144	1 206	1 271
Interest earned - external investments	5 207	7 160	7 359	7 359	7 359	7 359	7 741	8 159	8 600
Interest earned - outstanding debtors	-	3 073	-	2 499	2 499	2 499	1 800	1 897	2 000
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	473	998	1 469	490	490	490	665	701	739
Licences and permits	-	1 201	1 198	1 396	1 396	1 396	998	1 052	1 094
Agency services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	89 864	111 441	120 150	126 879	126 879	126 879	135 407	140 043	149 420
Other revenue	6 885	1 343	1 211	1 746	1 746	1 746	1 595	1 681	1 772
Gains on disposal of PPE	-	-	5 800	3 772	3 772	3 772	345	364	383
Total Revenue (excluding capital transfers and contributions)	125 584	164 922	178 472	183 816	183 816	183 816	191 056	198 698	211 196

The table above indicates the municipality's main sources of revenue generation. The above table excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality. Details in this regard are contained in Table SA1

Other revenue for 2019/2020 financial year decreased to R 1, 5million when compared to the 2018//19 Adjustment Budget. A decrease was applied after taking into consideration the previous actual performance as at the end of April 2019.

Interest on investments was increased by 5.2% after considering total municipal investments

Interest in outstanding debtors has been decreased to R 1, 8million when compared to the 2018/19 Adjustment Budget, the decrease took effect after taking into consideration the current year performance and the strategies that the municipality will be implementing strategies to collect the outstanding debt.

Fines, penalties and forfeits was increased by R175 000 when compared to the 2018/19 Adjustment Budget, the 5.2% increase was applied and the addition is to cater for the fines on pound services for animal control service as the municipality is charged with responding to requests for help with animals ranging from wild animals, dangerous animals, or animals in distress.

Licences and permits shows a decrease of R 397 575 when compared to the 2018/19 Adjustment Budget, the current year performance was considered and a percentage (8.5%) of the agency services that the municipality receives for performing services for the department of transport.

It must be noted that the municipality will separate the two-line items in the 2019/20 Adjustment budget as follows

- Drivers licences application – Agency fees
- Learnes licences application

Operating grants transfers totals R 143million in the 2019/20 financial year and they show an increase when compared to the 2019/20 Adjustment Budget. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table SA18 Operating Transfers and Grant Receipts

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SA18 Transfers and grant receipts

Description	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
RECEIPTS:								
Operating Transfers and Grants								
National Government:	91 076	107 579	116 628	122 528	122 528	139 250	145 393	160 357
Operational Revenue:General Revenue:Equitable Share	78 574	95 909	111 162	111 162	111 162	125 869	134 189	143 357
Operational:Revenue:General Revenue:Fuel Levy	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant	-	2 224	-	-	-	8 000	9 204	15 000
Agriculture Research and Technology	-	-	-	-	-	-	-	-
Energy Efficiency and Demand-side [Schedule 5B]	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	2 190	1 877	1 596	1 596	1 596	2 381	-	-
Local Government Financial Management Grant [Schedule 5B]	3 650	3 800	3 870	3 870	3 870	3 000	2 000	2 000
Mitchell's Plain Urban Renewal	-	-	-	-	-	-	-	-
Municipal Demarcation and Transition Grant [Schedule 5B]	6 662	3 769	-	5 900	5 900	-	-	-
Metro Informal Settlements Partnership Grant	-	-	-	-	-	-	-	-
Provincial Government:	2 362	3 862	3 522	4 351	4 351	4 157	3 861	4 090
Libraries, Archives and Museums	1 869	2 978	3 464	3 464	3 464	3 657	3 861	4 090
Other	400	884	-	837	837	500	-	-
Public Transport	-	-	-	-	-	-	-	-
Road Infrastructure - Maintenance	-	-	-	-	-	-	-	-
Sports and Recreation	93	-	58	50	50	-	-	-
District Municipality:	-	-	-	-	-	-	-	-
<i>All Grants</i>	-	-	-	-	-	-	-	-
Other Grant Providers:	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	93 439	111 441	120 150	126 879	126 879	143 407	149 254	164 447

1.3.2 OPERATING EXPENDITURE FRAMEWORK

Dr NDZ Municipality’s expenditure framework for the 2019/20 budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;

- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of ‘no project plan, no budget’. If there is no business plan no funding allocation can be made.

The following table is a high-level summary of the 2019/20 budget and MTREF (classified per main type of operating expenditure):

Table A4 Summary of operating expenditure by standard classification item

KZN436 Dr Nkosazana Dlamini Zuma - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Expenditure By Type									
Employee related costs	45 570	50 499	55 356	55 156	55 156	55 156	63 965	67 251	69 882
Remuneration of councillors	8 085	10 755	11 991	11 991	11 991	11 991	12 627	13 309	14 028
Debt impairment	3 897		4 340	1 390	1 390	1 390	6 478	6 828	7 196
Depreciation & asset impairment	16 965	22 143	21 402	22 514	22 514	22 514	34 654	36 467	38 436
Finance charges	458	1 239	502	402	402	402	425	448	472
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	-	-	6 622	2 243	2 243	2 243	4 604	4 853	5 115
Contracted services	-	-	33 459	40 283	40 283	40 283	34 284	35 609	37 532
Transfers and subsidies	-	-	1 778	1 811	1 811	1 811	1 905	2 008	2 116
Other expenditure	64 442	54 111	32 273	32 527	32 527	32 527	29 096	30 773	36 435
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Expenditure	139 416	138 747	167 723	168 317	168 317	168 317	188 039	197 545	211 212

The total expenditure increased to R 188million when compared to the 2018/19 Adjustment Budget. The budgeted allocation for employee related costs for the 2019/20 financial year total to R63,9million and shows an increase of 14% when compared to the 2018/19 Adjustment Budget, the increase above CPI has been caused by new vacant position and another contributing factor to this increase is the non-cash items such as Depreciation and debt impairment.

Operating Expenditure Budget

Total operational expenditure budget has increased by 10,49% in 2019/20 budget when compared to the 2018/19 Adjustment budget and in the two outer years it has increased by 4,8% and 6,5% in the third years of the MTREF. The contributing factor to this increase is the non-cash items such as Depreciation and debt impairment.

The budgeted allocation for salaries for 2019/20 financial year totals to R76,5 million, which equals to 41% of the total operating expenditure, based on the MFMA circular 94 the collective agreement regarding salaries/wages came into operation on the 01 July 2018 and shall remain in force until 30 June 2020. Year two is an average CPI and 1, 5 per cent and year three is an average CPI and 1, 25 per cent. For the 2019/20 financial year it's an average CPI which is 5, 2 and 1, 5 per cent totals to 6,75% increase for salaries / wages. Dr Nkosazana Dlamini-Zuma Municipality have been factored an increase of 14.1% because the new vacant positions and the finalization of job evaluation processes in the current financial year and there is a possibility that the municipality might have to back pay and at the same time increases the employees' salaries.

1. **Remuneration of councilors** has been increased by 5.3% when compared to the 2018/19 Adjustment Budget.

2. **Senior Managers** The remuneration for Senior Managers increased by 9.6% instead of 5.2% when compared to the 2018/2019 Adjustment Budget because the Adjustment Budget for Senior Managers were based on salaries for Senior Managers as gazetted which was less than their salaries on previous employment contracts. The municipality submitted application to COGTA requesting the MEC and Minister of COGTA to exempt the municipality from complying with the gazette and allow the municipality to pay Senior Managers salaries as on their previous contracts. The application was approved by the Minister after the adjustment budget. In overall the estimated salary increase for Senior Managers in 2019/2020 is 5.2% which is as the % increase for other employees.

The MFMA threshold is between 25-40% on salaries over Operating budget. In terms of the 2019/2020 budget the municipality is sitting at 41%. To ensure that the municipality is within/returns to the MFMA threshold in the upcoming years, it will consider and explore the following options,

1. Outsource some municipal services

2. Amalgamate other vacant positions

3. Implement Revenue enhancement strategy with the aim of increasing the income which will increase the financial capability of the municipality to deliver the required services to the community,

The municipality will ensure that the above options are considered and implemented without any negative effects to the community/to the service delivery.

3. Contracted services expenditure totals to R34, 3million and has decreased when compared to the 2018/19 Adjustment Budget of R 40,3million, showing a decrease of R 6million and that clearly demonstrates that the municipality implement cost containment measures.

4. Other expenditure comprises of various line items relating to the daily operations of the municipality. The general expenditure has decreased to R 29, 1million when compared to the 2018/19 Adjustment Budget of R 33, 5million. Showing a decrease of R 3, 4million when compared to the 2018/19 Adjustment Budget, and clearly demonstrates that the municipality implement cost containment measures.

5.Repairs and maintenance as a percentage of operating expenditure is sitting at 5.6% and as a percentage of PPE is sitting at 2.1% which is far below the norm of 8% as recommended by MFMA Circular No.55, this is because the municipality has a strategy to maintain its assets through EPWP and use of the municipality's plant and Machineries. The municipality has procured the TLB, Grader and tipper trucks, and will be procuring another grade and diesel tank trailer in the 2019/20 financial year. The budget amount is adequate to secure the ongoing health of the municipality's infrastructure.

Table SA1 Operational repairs and maintenance

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
Total 'Other' Expenditure	64 442	54 111	32 273	32 527	32 527	32 527	29 096	30 773	36 435
Repairs and Maintenance									
Employee related costs	-	-	-	-	-	-	-	-	-
Other materials	-	-	-	-	-	-	-	-	-
Repairs and Maintenance - Transport Assets			1 277	1 261	1 261	1 261	1 773	1 868	1 969
Repairs and Maintenance - Roads			1 400	1 400	1 400	1 400	2 000	2 108	2 222
Repairs and Maintenance - Community assets			4 150	4 050	4 050	4 050	3 000	3 162	3 333
Repairs and Maintenance - Office Buildings			2 500	2 400	2 400	2 400	1 500	1 581	1 666
Repairs and Maintenance - Office Buildings (Electricity)			420	520	520	520	444	467	493
Repairs and Maintenance - Plant and Equipment			604	562	562	562	687	724	764
Contracted Services	3 963	7 130	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	3 963	7 130	10 350	10 192	10 192	10 192	9 404	9 911	10 447

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

Table SA34c Repairs and maintenance by asset class

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand						
Repairs and maintenance expenditure by Asset Class/Sub-class						
Infrastructure	1 400	1 400	1 400	2 000	2 108	2 222
Roads Infrastructure	1 400	1 400	1 400	2 000	2 108	2 222
Roads	1 400	1 400	1 400	2 000	2 108	2 222
Community Assets	4 150	4 050	4 050	3 000	3 162	3 333
Community Facilities	4 150	4 050	4 050	3 000	3 162	3 333
Halls	4 150	4 050	4 050	3 000	3 162	3 333
Other assets	2 920	2 920	2 920	1 944	2 048	2 159
Operational Buildings	2 920	2 920	2 920	1 944	2 048	2 159
Municipal Offices	2 920	2 920	2 920	1 944	2 048	2 159
Computer Equipment	-	-	-	50	53	56
Computer Equipment	-	-	-	50	53	56
Furniture and Office Equipment	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-
Machinery and Equipment	604	564	564	637	672	708
Machinery and Equipment	604	564	564	637	672	708
Transport Assets	1 277	1 259	1 259	1 773	1 868	1 969
Transport Assets	1 277	1 259	1 259	1 773	1 868	1 969
Total Repairs and Maintenance Expenditure	10 350	10 192	10 192	9 404	9 911	10 447

Cost Containment Measures

The municipality also has a policy in place dealing with the cost containment measures in order to cut costs on the following proposed:

- Vehicles used for political office-bearers
- Vehicles used by officials
- Use of accommodation and training
- Travel & subsistence
- Domestic accommodation
- Telephone, cell phone and computer usage
- Sponsorships, events & catering
- Catering
- Printing and stationery
- Employee costs
- Mobilisation of resources for the municipality
- Refuse/waste transportation
- Construction of projects internally
- Application of premium on goods and services
- Communication and advertising
- Conferences, meetings & study tours
- Other related expenditure items

1.3.3 CAPITAL EXPENDITURE

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

Table A5 capital expenditure by vote, functional and funding

KZN436 Dr Nkosazana Dlamini Zuma - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Total Capital Expenditure - Vote	-	-	25 291	17 185	17 185	17 185	68 644	63 752	67 580
Capital Expenditure - Functional									
Governance and administration	-	58 785	5 194	7 717	7 717	7 717	1 827	1 767	1 863
Executive and council	-	-	2 474	1 806	1 806	1 806	612	487	513
Finance and administration	-	58 207	2 720	5 911	5 911	5 911	1 215	1 281	1 350
Internal audit	-	578	-	-	-	-	-	-	-
Community and public safety	2 639	-	8 293	7 954	7 954	7 954	8 131	6 035	6 361
Community and social services	2 639	-	4 560	3 583	3 583	3 583	3 525	1 186	1 250
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	3 733	4 371	4 371	4 371	4 606	4 849	5 111
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	-	69 994	63 893	56 616	56 616	56 616	58 686	55 950	59 356
Planning and development	-	69 994	63 893	51 902	51 902	51 902	53 936	51 734	54 912
Road transport	-	-	-	4 714	4 714	4 714	4 750	4 216	4 444
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	11 502	-	-	-	-	-	-	-	-
Energy sources	11 502	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	14 141	128 778	77 379	72 287	72 287	72 287	68 644	63 752	67 580
Funded by:									
National Government	34 389	40 066	26 666	26 666	26 666	26 666	27 149	28 486	30 409
Provincial Government	-	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	34 389	40 066	26 666	26 666	26 666	26 666	27 149	28 486	30 409
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	49 746	23 827	37 916	45 621	45 621	45 621	41 495	35 266	37 171
Total Capital Funding	84 135	63 893	64 582	72 287	72 287	72 287	68 644	63 752	67 580

Capital expenditure totals to R68, 6million and has decreased when compared to the 2018/19 Adjustment Budget of R 72,3million, showing a decrease of R 3, 6million. The capital budget of R68, 6million for 2019/20 is 5% per cent less when compared to the 2019/20 Adjustment Budget. The municipality rely on the gazetted capital grants (MIG) to be received for the 2019/20 financial year. The decrease is due to fact that gazetted capital grant for Dr NDZ is not enough to fund many projects that the municipality had for the 2019/20 financial year, as a result the municipality used its own funding of R 41,5million to fund other capital projects.

1.4 ANNUAL BUDGET TABLES

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2019/20

budget and MTREF as approved by the Council. Each table is accompanied by explanatory notes on the facing page.

A1 - Budget Summary

KZN436 Dr Nkosazana Dlamini Zuma - Table A1 Budget Summary

Description	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Financial Performance									
Property rates	19 892	35 375	36 522	35 656	35 656	35 656	37 561	39 589	41 697
Service charges	2 588	3 127	3 731	2 790	2 790	2 790	3 800	4 005	4 221
Investment revenue	5 207	7 160	7 359	7 359	7 359	7 359	7 741	8 159	8 600
Transfers recognised - operational	89 864	111 441	120 150	126 879	126 879	126 879	135 407	140 043	149 420
Other own revenue	8 034	7 817	10 711	11 133	11 133	11 133	6 547	6 900	7 258
Total Revenue (excluding capital transfers and contributions)	125 584	164 922	178 472	183 816	183 816	183 816	191 056	198 698	211 196
Employee costs	45 570	50 499	55 356	55 156	55 156	55 156	63 965	67 251	69 882
Remuneration of councillors	8 085	10 755	11 991	11 991	11 991	11 991	12 627	13 309	14 028
Depreciation & asset impairment	16 965	22 143	21 402	22 514	22 514	22 514	34 654	36 467	38 436
Finance charges	458	1 239	502	402	402	402	425	448	472
Materials and bulk purchases	-	-	6 622	2 243	2 243	2 243	4 604	4 853	5 115
Transfers and grants	-	-	1 778	1 811	1 811	1 811	1 905	2 008	2 116
Other expenditure	68 338	54 111	70 072	74 200	74 200	74 200	69 859	73 209	81 163
Total Expenditure	139 416	138 747	167 723	168 317	168 317	168 317	188 039	197 545	211 212
Surplus/(Deficit)	(13 832)	26 175	10 749	15 500	15 500	15 500	3 018	1 153	(16)
Transfers and subsidies - capital (monetary allocations)	41 441	46 834	40 206	26 666	26 666	26 666	27 149	28 486	30 409
Contributions recognised - capital & contributed	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	27 609	73 009	50 955	42 166	42 166	42 166	30 167	29 639	30 393
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	27 609	73 009	50 955	42 166	42 166	42 166	30 167	29 639	30 393
Capital expenditure & funds sources									
Capital expenditure	14 141	128 778	77 379	72 287	72 287	72 287	68 644	63 752	67 580
Transfers recognised - capital	34 389	40 066	26 666	26 666	26 666	26 666	27 149	28 486	30 409
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	49 746	23 827	37 916	45 621	45 621	45 621	41 495	35 266	37 171
Total sources of capital funds	84 135	63 893	64 582	72 287	72 287	72 287	68 644	63 752	67 580
Financial position									
Total current assets	104 089	119 928	169 758	130 589	81 780	81 780	80 755	73 436	59 465
Total non current assets	309 752	351 502	420 329	469 510	469 510	469 510	435 200	462 449	491 593
Total current liabilities	53 646	36 522	45 760	42 810	42 810	51 074	35 315	26 712	26 297
Total non current liabilities	15 036	16 741	-	-	-	860	16 460	16 341	16 366
Community wealth/Equity	345 158	418 167	544 327	557 289	508 480	499 357	464 180	492 833	508 396

KZN436 Dr Nkosazana Dlamini Zuma - Table A1 Budget Summary

Cash flows									
Net cash from (used) operating	130 090	153 386	66 901	46 507	46 507	46 507	58 275	59 062	61 433
Net cash from (used) investing	(120 619)	(135 521)	(58 782)	(68 515)	(68 515)	(68 515)	(68 299)	(63 389)	(67 196)
Net cash from (used) financing	(438)	(20 952)	-	-	-	-	(771)	(370)	(171)
Cash/cash equivalents at the year end	91 923	88 836	96 955	66 828	66 828	66 828	56 033	51 337	45 403
Cash backing/surplus reconciliation									
Cash and investments available	91 923	88 836	115 757	76 587	27 779	27 779	56 033	51 337	45 403
Application of cash and investments	36 801	6 982	(4 750)	(480)	(480)	9 489	33 552	27 392	33 080
Balance - surplus (shortfall)	55 122	81 855	120 508	77 068	28 259	18 290	22 481	23 944	12 323
Asset management									
Asset register summary (WDV)	-	-	37 759	42 605	42 405	-	415 100	392 522	409 825
Depreciation	-	4 523	21 402	22 514	22 514	-	34 654	36 467	38 436
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	-	3 233	10 350	10 192	10 192	-	9 404	9 911	10 447
Free services									
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	11 504	12 017	12 017	19 586	19 586	20 644	21 759
Households below minimum service level									
Water:	-	-	-	-	-	-	-	-	-
Sanitation/sew erage:	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-

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

The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.

A financial management reform emphasizes the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:

1. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF Capital Internally generated funds are financed from cash back surplus from previous years.

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

KZN436 Dr Nkosazana Dlamini Zuma - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue - Functional								
Governance and administration	118 363	156 617	162 761	170 279	170 279	178 858	188 877	200 861
Executive and council	794	-	-	-	-	-	-	-
Finance and administration	117 568	156 617	162 761	170 279	170 279	178 858	188 877	200 861
Internal audit	-	-	-	-	-	-	-	-
Community and public safety	2 438	5 177	10 136	8 810	8 810	5 255	5 539	5 823
Community and social services	2 438	-	8 467	6 938	6 938	3 659	3 857	4 065
Sport and recreation	-	-	58	50	50	-	-	-
Public safety	-	5 177	1 610	1 822	1 822	1 596	1 682	1 758
Housing	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-
Economic and environmental services	43 637	46 834	28 511	28 604	28 604	30 292	28 763	30 701
Planning and development	-	-	249	342	342	762	277	292
Road transport	43 637	46 834	28 262	28 262	28 262	29 530	28 486	30 409
Environmental protection	-	-	-	-	-	-	-	-
Trading services	2 588	3 127	17 271	2 790	2 790	3 800	4 005	4 221
Energy sources	-	-	13 540	-	-	-	-	-
Water management	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-
Waste management	2 588	3 127	3 731	2 790	2 790	3 800	4 005	4 221
Other	-	-	-	-	-	-	-	-
Total Revenue - Functional	167 025	211 756	218 678	210 482	210 482	218 205	227 184	241 605
Expenditure - Functional								
Governance and administration	73 277	90 014	94 933	94 559	94 559	114 878	120 971	131 503
Executive and council	21 298	25 829	24 038	24 598	24 598	24 508	25 832	27 227
Finance and administration	51 979	64 185	69 402	68 416	68 416	89 094	93 794	102 859
Internal audit	-	-	1 493	1 545	1 545	1 276	1 345	1 417
Community and public safety	15 822	20 896	19 009	19 730	19 730	25 724	27 113	27 466
Community and social services	15 822	20 073	15 907	16 378	16 378	16 319	17 200	17 018
Sport and recreation	-	-	341	341	341	465	490	517
Public safety	-	822	2 516	2 766	2 766	8 671	9 139	9 632
Housing	-	-	245	245	245	269	284	299
Health	-	-	-	-	-	-	-	-
Economic and environmental services	50 317	27 837	43 902	39 603	39 603	37 745	39 245	41 476
Planning and development	-	2 724	21 910	17 699	17 699	15 566	15 870	16 837
Road transport	50 317	25 114	21 992	21 903	21 903	22 178	23 376	24 638
Environmental protection	-	-	-	-	-	-	-	-
Trading services	-	-	6 874	11 270	11 270	4 560	4 807	5 066
Energy sources	-	-	-	4 396	4 396	-	-	-
Water management	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-
Waste management	-	-	6 874	6 874	6 874	4 560	4 807	5 066
Other	-	-	3 005	3 155	3 155	5 132	5 409	5 701
Total Expenditure - Functional	139 416	138 747	167 723	168 317	168 317	188 039	197 545	211 212
Surplus/(Deficit) for the year	27 609	73 009	50 955	42 165	42 165	30 167	29 639	30 393

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

Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports. Total Revenue on this table includes capital revenues

(Transfers recognized – capital) and so does not balance to the operating revenue shown on Table A4 which excludes the transfers recognized - capital.

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

KZN436 Dr Nkosazana Dlamini Zuma - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue by Vote								
Vote 1 - Executive and Council	794	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury	117 568	156 617	162 596	169 952	169 952	178 758	188 772	200 750
Vote 3 - Corporate Services	-	-	165	328	328	100	105	111
Vote 4 - Community Services	2 438	5 177	13 867	11 600	11 600	9 055	9 544	10 044
Vote 5 - Public Works and Basic Services	46 225	49 962	41 802	28 262	28 262	29 530	28 486	30 409
Vote 6 - Planning and Development	-	-	249	342	342	762	277	292
Total Revenue by Vote	167 025	211 756	218 678	210 482	210 482	218 205	227 184	241 605
Expenditure by Vote to be appropriated								
Vote 1 - Executive and Council	21 298	25 829	25 531	26 143	26 143	25 784	27 177	28 644
Vote 2 - Budget and Treasury	30 925	44 828	48 872	45 160	45 160	64 724	68 002	71 675
Vote 3 - Corporate Services	21 054	19 357	20 530	23 255	23 255	24 370	25 792	31 184
Vote 4 - Community Services	15 822	20 896	32 709	29 908	29 908	33 286	35 083	35 867
Vote 5 - Public Works and Basic Services	50 317	25 114	34 907	39 054	39 054	34 581	36 448	38 417
Vote 6 - Planning and Development	-	2 724	5 175	4 796	4 796	5 294	5 042	5 425
Total Expenditure by Vote	139 416	138 747	167 723	168 317	168 317	188 039	197 545	211 212
Surplus/(Deficit) for the year	27 609	73 009	50 955	42 166	42 166	30 167	29 639	30 393

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

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

Table A4 - Budgeted Financial Performance (revenue and expenditure)

KZN436 Dr Nkosazana Dlamini Zuma - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue By Source									
Property rates	19 892	35 375	36 522	35 656	35 656	35 656	37 561	39 589	41 697
Service charges - refuse revenue	2 588	3 127	3 731	2 790	2 790	2 790	3 800	4 005	4 221
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	676	1 202	1 032	1 231	1 231	1 231	1 144	1 206	1 271
Interest earned - external investments	5 207	7 160	7 359	7 359	7 359	7 359	7 741	8 159	8 600
Interest earned - outstanding debtors	-	3 073	-	2 499	2 499	2 499	1 800	1 897	2 000
Fines, penalties and forfeits	473	998	1 469	490	490	490	665	701	739
Licences and permits	-	1 201	1 198	1 396	1 396	1 396	998	1 052	1 094
Agency services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	89 864	111 441	120 150	126 879	126 879	126 879	135 407	140 043	149 420
Other revenue	6 885	1 343	1 211	1 746	1 746	1 746	1 595	1 681	1 772
Gains on disposal of PPE	-	-	5 800	3 772	3 772	3 772	345	364	383
Total Revenue (excluding capital transfers and contributions)	125 584	164 922	178 472	183 816	183 816	183 816	191 056	198 698	211 196
Expenditure By Type									
Employee related costs	45 570	50 499	55 356	55 156	55 156	55 156	63 965	67 251	69 882
Remuneration of councillors	8 085	10 755	11 991	11 991	11 991	11 991	12 627	13 309	14 028
Debt impairment	3 897	-	4 340	1 390	1 390	1 390	6 478	6 828	7 196
Depreciation & asset impairment	16 965	22 143	21 402	22 514	22 514	22 514	34 654	36 467	38 436
Finance charges	458	1 239	502	402	402	402	425	448	472
Other materials	-	-	6 622	2 243	2 243	2 243	4 604	4 853	5 115
Contracted services	-	-	33 459	40 283	40 283	40 283	34 284	35 609	37 532
Transfers and subsidies	-	-	1 778	1 811	1 811	1 811	1 905	2 008	2 116
Other expenditure	64 442	54 111	32 273	32 527	32 527	32 527	29 096	30 773	36 435
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Expenditure	139 416	138 747	167 723	168 317	168 317	168 317	188 039	197 545	211 212
Surplus/(Deficit)	(13 832)	26 175	10 749	15 500	15 500	15 500	3 018	1 153	(16)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	41 441	46 834	40 206	26 666	26 666	26 666	27 149	28 486	30 409
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	27 609	73 009	50 955	42 166	42 166	42 166	30 167	29 639	30 393
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	27 609	73 009	50 955	42 166	42 166	42 166	30 167	29 639	30 393
Attributable to minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	27 609	73 009	50 955	42 166	42 166	42 166	30 167	29 639	30 393
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	27 609	73 009	50 955	42 166	42 166	42 166	30 167	29 639	30 393

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

Total operating revenue is R191million in 2019/20, increase to R197, 5million by 2021/22 and R 211, 2 by 2021/22. This represents an increase of 4 per cent for the 2019/20 financial year and an increase of 4 per cent for the 2020/21 and 6 per cent in 2021/22 financial year.

Transfers recognized – operating includes the local government equitable share and other operating grants from national and provincial government. The grants receipts from national government increased by 6 per cent in 2019/2020 and grow rapidly by 3 per cent in 2020/2021 and 6 per cent in the 2021/2022 financial year.

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

Dr Nkosazana Dlamini Zuma Municipality Final Budget 2019/20

KZN436 Dr Nkosazana Dlamini Zuma - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
Capital expenditure - Vote									
Multi-year expenditure to be appropriated									
Vote 1 - Executive and Council	-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services	-	-	-	-	-	-	-	-	-
Vote 4 - Community Services	-	-	-	-	-	-	-	-	-
Vote 5 - Public Works and Basic Services	-	-	4 000	1 500	1 500	1 500	-	-	-
Vote 6 - Planning and Development	-	-	49	49	49	49	-	-	-
Capital multi-year expenditure sub-total	-	-	4 049	1 549	1 549	1 549	-	-	-
Single-year expenditure to be appropriated									
Vote 1 - Executive and Council	-	-	500	500	500	500	612	487	513
Vote 2 - Budget and Treasury	-	-	-	-	-	-	303	319	337
Vote 3 - Corporate Services	-	-	-	-	-	-	412	435	458
Vote 4 - Community Services	-	-	-	-	-	-	7 931	5 824	6 139
Vote 5 - Public Works and Basic Services	62 021	67 050	59 991	70 196	70 196	70 196	59 266	56 561	60 000
Vote 6 - Planning and Development	-	-	42	42	42	42	120	126	133
Capital single-year expenditure sub-total	62 021	67 050	60 533	70 738	70 738	70 738	68 644	63 752	67 580
Total Capital Expenditure - Vote	62 021	67 050	64 582	72 287	72 287	72 287	68 644	63 752	67 580
Capital Expenditure - Functional									
Governance and administration	-	58 785	5 194	7 717	7 717	7 717	1 827	1 767	1 863
Executive and council	-	-	2 474	1 806	1 806	1 806	612	487	513
Finance and administration	-	58 207	2 720	5 911	5 911	5 911	1 215	1 281	1 350
Internal audit	-	578	-	-	-	-	-	-	-
Community and public safety	2 639	-	8 293	7 954	7 954	7 954	8 131	6 035	6 361
Community and social services	2 639	-	4 560	3 583	3 583	3 583	3 525	1 186	1 250
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	3 733	4 371	4 371	4 371	4 606	4 849	5 111
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	-	69 994	51 096	56 616	56 616	56 616	58 686	55 950	59 356
Planning and development	-	69 994	51 096	51 902	51 902	51 902	53 936	51 734	54 912
Road transport	-	-	-	4 714	4 714	4 714	4 750	4 216	4 444
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	11 502	-	-	-	-	-	-	-	-
Energy sources	11 502	-	-	-	-	-	-	-	-
Water management	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	14 141	128 778	64 582	72 287	72 287	72 287	68 644	63 752	67 580
Funded by:									
National Government	34 389	40 066	26 666	26 666	26 666	26 666	27 149	28 486	30 409
Provincial Government	-	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	34 389	40 066	26 666	26 666	26 666	26 666	27 149	28 486	30 409
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	27 632	26 984	37 916	45 621	45 621	45 621	41 495	35 266	37 171
Total Capital Funding	62 021	67 050	64 582	72 287	72 287	72 287	68 644	63 752	67 580

KZN436 Dr Nkosazana Dlamini Zuma - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding									
Vote Description	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
Capital expenditure - Municipal Vote									
Multi-year expenditure appropriation									
Vote 1 - Executive and Council	-	-	-	-	-	-	-	-	-
Vote 5 - Public Works and Basic Services	-	-	4 000	1 500	1 500	1 500	-	-	-
5.1 - Roads	-	-	4 000	1 500	1 500	1 500	-	-	-
Vote 6 - Planning and Development	-	-	49	49	49	49	-	-	-
6.1 - Planning and Development	-	-	49	49	49	49	-	-	-
Capital multi-year expenditure sub-total	-	-	4 049	1 549	1 549	1 549	-	-	-
Capital expenditure - Municipal Vote									
Single-year expenditure appropriation									
Vote 1 - Executive and Council	-	-	500	500	500	500	612	487	513
1.1 - Municipal Manager and Council	-	-	500	500	500	500	612	487	513
1.2 - Internal Audit	-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury	-	-	-	-	-	-	303	319	337
2.1 - Budget and Treasury	-	-	-	-	-	-	303	319	337
Vote 3 - Corporate Services	-	-	-	-	-	-	412	435	458
3.1 - Corporate services admin and auxiliary services	-	-	-	-	-	-	412	435	458
3.2 - Human Resources	-	-	-	-	-	-	-	-	-
Vote 4 - Community Services	-	-	-	-	-	-	7 931	5 824	6 139
4.1 - Community Services Administration	-	-	-	-	-	-	260	116	122
4.2 - Traffic and Protection Services	-	-	-	-	-	-	740	-	-
4.3 - Disaster Management	-	-	-	-	-	-	3 866	4 849	5 111
4.4 - Municipal Pound	-	-	-	-	-	-	-	-	-
4.5 - Sportsfields	-	-	-	-	-	-	-	-	-
4.6 - Libraries	-	-	-	-	-	-	2 015	16	17
4.7 - Community Programmes	-	-	-	-	-	-	-	-	-
4.8 - LED and Tourism	-	-	-	-	-	-	1 050	843	889
Vote 5 - Public Works and Basic Services	62 021	67 050	59 991	70 196	70 196	70 196	59 266	56 561	60 000
5.1 - Roads	50 519	60 371	49 991	58 787	58 787	58 787	25 850	26 139	27 551
5.2 - Housing	-	-	-	-	-	-	-	-	-
5.3 - Waste Management	-	-	-	-	-	-	-	-	-
5.4 - PMU	11 502	6 679	10 000	11 409	11 409	11 409	33 416	30 422	32 449
Vote 6 - Planning and Development	-	-	42	42	42	42	120	126	133
6.1 - Planning and Development	-	-	42	42	42	42	120	126	133
Capital single-year expenditure sub-total	62 021	67 050	60 533	70 738	70 738	70 738	68 644	63 752	67 580
Total Capital Expenditure	62 021	67 050	64 582	72 287	72 287	72 287	68 644	63 752	67 580

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

Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year appropriation); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

Capital expenditure totals to R68, 6million and has decreased when compared to the 2018/19 Adjustment Budget of R 72,3million, showing a decrease of R 3, 6million. The capital budget of R68, 6million for 2019/20 is 5% per cent less when compared to the 2019/20 Adjustment Budget. The municipality rely on the gazetted capital grants (MIG) to be received for the 2019/20 financial year. The decrease is due to fact that gazetted capital grant for Dr NDZ is not enough to fund many projects that the municipality had for the 2019/20 financial year, as a result the municipality used its own funding of R 41,5million to fund other capital projects.

Table A6 - Budgeted Financial Position

KZN436 Dr Nkosazana Dlamini Zuma - Table A6 Budgeted Financial Position

Description	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
ASSETS									
Current assets									
Cash	91 923	88 836	66 949	27 779	27 779	27 779	5 000	5 000	5 000
Call investment deposits	-	-	48 809	48 809	-	-	51 033	46 337	40 403
Consumer debtors	8 697	28 740	50 240	50 240	50 240	50 240	21 111	18 587	10 600
Other debtors	3 469	2 351	3 762	3 762	3 762	3 762	3 612	3 512	3 462
Total current assets	104 089	119 928	169 758	130 589	81 780	81 780	80 755	73 436	59 465
Non current assets									
Investment property	20 064	20 064	20 064	20 064	20 064	20 064	20 064	20 064	20 064
Investment in Associate	-	-	-	-	-	-	-	-	-
Property, plant and equipment	289 593	331 372	399 578	449 041	449 041	449 041	415 100	442 264	471 439
Biological	-	-	-	-	-	-	-	-	-
Intangible	96	66	187	406	406	406	35	121	91
Other non-current assets	-	-	500	-	-	-	-	-	-
Total non current assets	309 752	351 502	420 329	469 510	469 510	469 510	435 200	462 449	491 593
TOTAL ASSETS	413 841	471 429	590 088	600 099	551 290	551 290	515 955	535 885	551 059
LIABILITIES									
Current liabilities									
Bank overdraft	-	-	-	-	-	-	-	-	-
Borrowing	567	357	-	-	-	-	540	171	-
Consumer deposits	-	-	-	-	-	-	-	-	-
Trade and other payables	53 080	34 969	41 105	41 105	41 105	51 074	34 713	26 449	26 175
Provisions	-	1 196	4 656	1 706	1 706	-	62	92	122
Total current liabilities	53 646	36 522	45 760	42 810	42 810	51 074	35 315	26 712	26 297
Non current liabilities									
Borrowing	73	451	-	-	-	860	171	-	-
Provisions	14 963	16 290	-	-	-	-	16 290	16 341	16 366
Total non current liabilities	15 036	16 741	-	-	-	860	16 460	16 341	16 366
TOTAL LIABILITIES	68 683	53 263	45 760	42 810	42 810	51 934	51 776	43 052	42 663
NET ASSETS	345 158	418 167	544 327	557 289	508 480	499 357	464 180	492 833	508 396
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	341 565	413 906	539 965	557 289	508 480	499 357	459 919	488 359	503 698
Reserves	3 593	4 261	4 362	-	-	-	4 261	4 474	4 698
TOTAL COMMUNITY WEALTH/EQUITY	345 158	418 167	544 327	557 289	508 480	499 357	464 180	492 833	508 396

Table A6 - Budgeted Financial Position

The financial position gives an indication of the municipality's financial status consistent with international good financial management practice and gives indication of that the municipality need to improve its financial viability on an ongoing process.

Table A7 - Budgeted Cash Flow Statement

KZN436 Dr Nkosazana Dlamini Zuma - Table A7 Budgeted Cash Flows

Description	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	21 171	26 964	27 523	23 176	23 176	23 176	28 171	29 692	31 273
Service charges	2 588	3 127	2 836	1 953	1 953	1 953	2 850	2 803	2 955
Other revenue	17 072	11 604	3 428	5 518	5 518	5 518	3 864	4 121	4 329
Government - operating	94 050	126 275	120 150	126 879	126 879	126 879	143 407	149 254	164 447
Government - capital	41 500	40 066	40 206	26 666	26 666	26 666	27 149	28 486	30 409
Interest	5 207	7 160	8 118	8 118	8 118	8 118	7 741	8 159	8 600
Dividends	-	-	-	-	-	-	-	-	-
Payments									
Suppliers and employees	(49 626)	(60 571)	(133 079)	(143 590)	(143 590)	(143 590)	(152 577)	(160 999)	(177 991)
Finance charges	(458)	(1 239)	(502)	(402)	(402)	(402)	(425)	(448)	(472)
Transfers and Grants	(1 413)	-	(1 778)	(1 811)	(1 811)	(1 811)	(1 905)	(2 008)	(2 116)
NET CASH FROM/(USED) OPERATING ACTIVITIES	130 090	153 386	66 901	46 507	46 507	46 507	58 275	59 062	61 433
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	(49 348)	(63 660)	5 800	3 772	3 772	3 772	345	364	383
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-
Payments									
Capital assets	(71 271)	(71 861)	(64 582)	(72 287)	(72 287)	(72 287)	(68 644)	(63 752)	(67 580)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(120 619)	(135 521)	(58 782)	(68 515)	(68 515)	(68 515)	(68 299)	(63 389)	(67 196)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Payments									
Repayment of borrowing	(438)	(20 952)	-	-	-	-	(771)	(370)	(171)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(438)	(20 952)	-	-	-	-	(771)	(370)	(171)
NET INCREASE/ (DECREASE) IN CASH HELD	9 034	(3 087)	8 119	(22 009)	(22 009)	(22 009)	(10 795)	(4 696)	(5 934)
Cash/cash equivalents at the year begin:	82 889	91 923	88 836	88 836	88 836	88 836	66 828	56 033	51 337
Cash/cash equivalents at the year end:	91 923	88 836	96 955	66 828	66 828	66 828	56 033	51 337	45 403

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

Cash and cash equivalents totals R 56million as at the end of the 2019/20 financial year and increased to R51, 3million in the 2020/21 financial year and decreased to R45, 4million by 2021/22. The municipality needs to find more strategies of revenue collection in order to be able to collect more revenue and cut more on some of the expenditure items to manage the cash flow of the municipality.

Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

KZN436 Dr Nkosazana Dlamini Zuma - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Cash and investments available									
Cash/cash equivalents at the year end	91 923	88 836	96 955	66 828	66 828	66 828	56 033	51 337	45 403
Other current investments > 90 days	0	0	18 802	9 760	(39 049)	(39 049)	-	-	-
Non current assets - Investments	-	-	-	-	-	-	-	-	-
Cash and investments available:	91 923	88 836	115 757	76 587	27 779	27 779	56 033	51 337	45 403
Application of cash and investments									
Unspent conditional transfers	25 088	12 954	-	-	-	9 969	7 944	-	-
Unspent borrowing	-	-	-	-	-	-	-	-	-
Statutory requirements	-	-	-	-	-	-	619	653	688
Other working capital requirements	11 713	(5 972)	(4 750)	(480)	(480)	(480)	4 868	6 508	12 030
Other provisions	-	-	-	-	-	-	20 120	20 232	20 363
Long term investments committed	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:	36 801	6 982	(4 750)	(480)	(480)	9 489	33 552	27 392	33 080
Surplus(shortfall)	55 122	81 855	120 508	77 068	28 259	18 290	22 481	23 944	12 323

Table A9 - Asset Management

KZN436 Dr Nkosazana Dlamini Zuma - Table A9 Asset Management

Description	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand								
CAPITAL EXPENDITURE								
Total New Assets	-	-	39 282	53 036	53 036	50 914	52 158	55 360
<i>Roads Infrastructure</i>	-	-	19 013	22 802	22 802	14 099	32 702	34 853
<i>Storm water Infrastructure</i>	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>	-	-	-	-	-	2 000	2 108	2 222
<i>Water Supply Infrastructure</i>	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>	-	-	-	-	-	-	-	-
Infrastructure	-	-	19 013	22 802	22 802	16 099	34 810	37 074
Community Facilities	-	-	5 747	12 071	12 071	13 037	3 411	3 596
Sport and Recreation Facilities	-	-	286	-	-	8 000	527	555
Community Assets	-	-	6 033	12 071	12 071	21 037	3 938	4 151
Heritage Assets	-	-	500	-	-	150	-	-
Revenue Generating	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-
Operational Buildings	-	-	3 350	3 000	3 000	2 700	3 689	3 888
Housing	-	-	-	-	-	-	-	-
Other Assets	-	-	3 350	3 000	3 000	2 700	3 689	3 888
Biological or Cultivated Assets	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-
Computer Equipment	-	-	539	887	887	776	817	862
Furniture and Office Equipment	-	-	1 155	3 411	3 411	1 193	1 100	1 159
Machinery and Equipment	-	-	3 893	4 515	4 515	5 709	4 378	4 615
Transport Assets	-	-	4 800	6 351	6 351	3 250	3 426	3 610
Land	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	-	-	25 300	19 251	19 251	17 730	11 594	12 220
<i>Roads Infrastructure</i>	-	-	11 200	8 189	8 189	8 500	8 959	9 443
Infrastructure	-	-	11 200	8 189	8 189	8 500	8 959	9 443
Community Facilities	-	-	5 000	2 450	2 450	8 000	2 635	2 777
Sport and Recreation Facilities	-	-	6 600	6 441	6 441	1 230	-	-
Community Assets	-	-	11 600	8 891	8 891	9 230	2 635	2 777
Heritage Assets	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-
Operational Buildings	-	-	2 500	1 000	1 000	-	-	-
Housing	-	-	-	-	-	-	-	-
Other Assets	-	-	2 500	1 000	1 000	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	1 171	1 171	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-
Total Capital Expenditure	-	-	64 582	72 287	72 287	68 644	63 752	67 580
<i>Roads Infrastructure</i>	-	-	30 213	30 990	30 990	22 599	41 661	44 295
<i>Storm water Infrastructure</i>	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>	-	-	-	-	-	2 000	2 108	2 222
Infrastructure	-	-	30 213	30 990	30 990	24 599	43 769	46 517
Community Facilities	-	-	10 747	14 521	14 521	21 037	6 046	6 373
Sport and Recreation Facilities	-	-	6 886	6 441	6 441	9 230	527	555
Community Assets	-	-	17 633	20 962	20 962	30 267	6 573	6 928
Heritage Assets	-	-	500	-	-	150	-	-
Revenue Generating	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-
Operational Buildings	-	-	5 850	4 000	4 000	2 700	3 689	3 888
Housing	-	-	-	-	-	-	-	-
Other Assets	-	-	5 850	4 000	4 000	2 700	3 689	3 888
Biological or Cultivated Assets	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-
Computer Equipment	-	-	539	887	887	776	817	862
Furniture and Office Equipment	-	-	1 155	4 582	4 582	1 193	1 100	1 159
Machinery and Equipment	-	-	3 893	4 515	4 515	5 709	4 378	4 615
Transport Assets	-	-	4 800	6 351	6 351	3 250	3 426	3 610
Land	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	-	-	64 582	72 287	72 287	68 644	63 752	67 580

KZN436 Dr Nkosazana Dlamini Zuma - Table A9 Asset Management

Description	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand								
ASSET REGISTER SUMMARY - PPE (WDV)								
Roads Infrastructure	-	-	37 759	42 605	42 405	415 100	392 522	409 825
Storm water Infrastructure	-	-	26 821	26 410	26 210	161 581	134 007	146 045
Electrical Infrastructure	-	-	-	-	-	2 000	4 108	6 330
Water Supply Infrastructure	-	-	-	-	-	-	-	-
Sanitation Infrastructure	-	-	-	-	-	-	-	-
Solid Waste Infrastructure	-	-	-	-	-	-	-	-
Rail Infrastructure	-	-	92	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-
Infrastructure			26 913	26 410	26 210	163 581	138 115	152 374
Community Assets	-	-	-	-	-	162 805	158 916	154 817
Heritage Assets	-	-	500	-	-	150	308	475
Investment properties	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	37 266	39 881	42 636
Biological or Cultivated Assets	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-
Computer Equipment	-	-	539	1 787	1 787	1 962	2 318	2 694
Furniture and Office Equipment	-	-	1 178	3 582	3 582	5 380	5 518	5 664
Machinery and Equipment	-	-	3 830	4 475	4 475	18 846	22 304	25 949
Transport Assets	-	-	4 800	6 351	6 351	25 109	25 161	25 216
Land	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)			37 759	42 605	42 405	415 100	392 522	409 825
EXPENDITURE OTHER ITEMS								
Depreciation	-	4 523	21 402	22 514	22 514	34 654	36 467	38 436
Repairs and Maintenance by Asset Class								
Roads Infrastructure	-	419	1 400	1 400	1 400	2 000	2 108	2 222
Infrastructure		419	1 400	1 400	1 400	2 000	2 108	2 222
Community Facilities	-	1 424	4 150	4 050	4 050	3 000	3 162	3 333
Sport and Recreation Facilities	-	-	-	-	-	-	-	-
Community Assets		1 424	4 150	4 050	4 050	3 000	3 162	3 333
Heritage Assets	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-
Investment properties								
Operational Buildings	-	301	2 920	2 920	2 920	1 944	2 048	2 159
Housing	-	-	-	-	-	-	-	-
Other Assets		301	2 920	2 920	2 920	1 944	2 048	2 159
Biological or Cultivated Assets	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-
Intangible Assets								
Computer Equipment	-	-	-	-	-	50	53	56
Furniture and Office Equipment	-	-	-	-	-	-	-	-
Machinery and Equipment	-	83	604	564	564	637	672	708
Transport Assets	-	1 007	1 277	1 259	1 259	1 773	1 868	1 969
Libraries	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		7 755	31 752	32 706	32 706	44 058	46 379	48 883
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	0,0%	0,0%	39,2%	26,6%	26,6%	25,8%	18,2%	18,1%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>	0,0%	0,0%	118,2%	85,5%	85,5%	51,2%	31,8%	31,8%
<i>R&M as a % of PPE</i>	0,0%	1,0%	2,6%	2,3%	2,3%	2,3%	2,2%	2,2%
<i>Renewal and upgrading and R&M as a % of PPE</i>	0,0%	0,0%	94,0%	69,0%	69,0%	7,0%	5,0%	6,0%

Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

Table A10 - Basic Service Delivery Measurement

Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.

KZN436 Dr Nkosazana Dlamini Zuma - Table A10 Basic service delivery measurement

Description	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Household service targets								
Water:								
Piped water inside dwelling	2 852	2 852	2 852	2 852	2 852	2 852	2 852	2 852
Piped water inside yard (but not in dwelling)	26 767	26 767	26 767	26 767	26 767	26 767	26 767	26 767
Using public tap (at least min.service level)	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	29 619	29 619	29 619	29 619	29 619	29 619	29 619	29 619
Using public tap (< min.service level)	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	-	-	-	-	-	-	-	-
No water supply	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-
Total number of households	29 619	29 619	29 619	29 619	29 619	29 619	29 619	29 619
Energy:								
Electricity (at least min.service level)	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)	-	-	98 658	98 658	98 658	98 658	98 658	98 658
<i>Minimum Service Level and Above sub-total</i>	-	-	98 658	98 658	98 658	98 658	98 658	98 658
Electricity (< min.service level)	-	-	-	-	-	-	-	-
Electricity - prepaid (< min.service level)	-	-	-	-	-	-	-	-
Other energy sources	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-
Total number of households	-	-	98 658	98 658	98 658	98 658	98 658	98 658
Refuse:								
Removed at least once a week	-	-	21 338	21 338	21 338	21 338	21 338	21 338
<i>Minimum Service Level and Above sub-total</i>	-	-	21 338	21 338	21 338	21 338	21 338	21 338
Removed less frequently than once a week	-	-	-	-	-	-	-	-
Using communal refuse dump	-	-	-	-	-	-	-	-
Using own refuse dump	-	-	-	-	-	-	-	-
Other rubbish disposal	-	-	-	-	-	-	-	-
No rubbish disposal	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-
Total number of households	-	-	21 338	21 338	21 338	21 338	21 338	21 338
Households receiving Free Basic Service								
Water (6 kilolitres per household per month)	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)	-	-	2 132 182	141 220	150 876	158 722	167 293	176 327
Refuse (removed at least once a week)	-	-	-	73 008	78 000	83 333	87 833	92 576
Cost of Free Basic Services provided - Formal Settlements (R'000)								
Water (6 kilolitres per indigent household per month)	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)	-	-	-	-	-	159	167	176
Refuse (removed once a week for indigent households)	-	-	-	73	78	83	88	93
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)								
Total cost of FBS provided	-	-	-	73	78	242	255	269
Highest level of free service provided per household								
Property rates (R value threshold)	2 406	2 538	2 678	2 678	2 678	2 818	2 970	3 130
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)	586	619	653	653	653	687	724	763
Revenue cost of subsidised services provided (R'000)								
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)	71 869	71 869	71 869	71 869	71 869	71 869	71 869	71 869
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA	-	-	11 504	12 017	12 017	19 586	20 644	21 759
Water (in excess of 6 kilolitres per indigent household per month)	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates	-	-	-	-	-	-	-	-
Housing - top structure subsidies	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided	71 869	71 869	83 373	83 886	83 886	91 455	92 513	93 628

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 Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Mayor. The primary aims of the Budget Steering Committee are to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the district IDP and the budget, considering the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and 4. That the various spending priorities of the different municipal departments are properly evaluated and prioritized in the allocation of resources.

Budget Process Overview

In terms of section 21 of MFMA

1.) The mayor of a municipality must: -

(a) co-ordinate the processes for preparing the annual budget and for reviewing the municipality's integrated development plan and budget-related policies to ensure that the tabled budget and any revisions of the integrated development plan and budget-related policies are mutually consistent and credible;

(b) at least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for-

- (i) the preparation, tabling and approval of the annual budget;
- (ii) the annual review of- (aa) the integrated development plan in terms of section 34 of the Municipal Systems Act; and (bb) the budget-related policies
- (iii) the tabling and adoption of any amendments to the integrated development plan and the budget-related policies; and
- (iv) any consultative processes forming part of the processes referred to in subparagraphs (i), (ii) and (iii).

(2) When preparing the annual budget, the mayor of a municipality must-

(a) take into account the municipality's integrated development plan;

(b) take all reasonable steps to ensure that the municipality revises the integrated development plan in terms of section 34 of the Municipal Systems Act, taking into account realistic revenue and expenditure projections for future years;

(c) consider the national budget, the relevant provincial budget, the national government's fiscal and macro-economic policy, the annual Division of Revenue Act and any agreements reached in the Budget Forum;

(d) consult-

(i) the relevant district municipality and all other local municipalities within the area of the district municipality, if the municipality is a local municipality;

(ii) all local municipalities within its area, if the municipality is a district municipality;

(iii) the relevant provincial treasury, and when requested, the National Treasury; and

(iv) any national or provincial organs of state, as may be prescribed; and

(e) provide, on request, any information relating to the budget-

(i) to the National Treasury; and

(ii) subject to any limitations that may be prescribed, to-

(aa) the national departments responsible for water, sanitation, electricity and any other service as may be prescribed;

(bb) any other national and provincial organ of states, as may be prescribed; and (cc) another municipality affected by the budget.

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. The Mayor tabled in Council the required the IDP and budget time schedule in August 2018. Key dates applicable to the process were:

- a) October and November 2018 –The municipality hosted IDP roadshows as part of the public consultations as a process of the IDP review.
- b.) January 2019 - Council considers the 2018/19 Mid-year Review and Adjustments Budget;
- c.) February 2019 - Council considers the 2018/19 Adjustments Budget;
- d.) March 2019 – Joint strategic planning session of the Executive Management. Aim: to review past performance trends of the capital and operating budgets, the economic realities and to set the prioritization criteria for the compilation of the 2019/20 MTREF;
- e.) March 2019 - Recommendations of the extended management committee are communicated to the Budget Steering Committee, and on to the respective departments and the draft 2019/20 MTREF is revised accordingly
- f) 29 March 2019 - Tabling in Council of the draft 2019/20 IDP and 2019/20 Draft Budget for public consultation;
- g) 23 April to 05 May 2019 – Public consultation
- h.) May 2019 – finalization of the 2019/20 IDP and 2019/20 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and
- k) 30 May 2019 - Tabling of the 2019/20 MTREF on Council for consideration and approval.

2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

The 2019/20 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

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

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
2. Financial Viability and Management	2.1 To manage financial resources effectively and efficiently for improved service delivery by June 2023	-	117 568	156 617	162 596	169 952	169 952	178 758	188 772	200 750
3. Municipal Institutional Development and Transformation	3.1 To review existing HR policies to improve effectiveness and efficiency in service delivery by June 2022.	-	-	-	165	328	328	100	105	111
4. Local Economic Development	4.1. To promote and support Local Economic Development through capacity building, forming of partnerships, co-operatives support with Materials and Equipments by 30 June 2022	-	2 438	5 177	13 867	11 600	11 600	9 055	9 544	10 044
5. Basic Service Delivery and Infrastructure Development	5.1. To improve access to roads infrastructure by 2022	-	5 578	3 128	1 596	1 596	1 596	2 381	-	-
6. Good Governance and Public Participation	6.1. To review and develop a multi-year strategic plan that responds the needs of the community by June 2022	-	-	-	249	342	342	762	277	292
Allocations to other priorities										
Total Revenue (excluding capital transfers and contributions)		-	125 584	164 922	178 472	183 816	183 816	191 056	198 698	211 196

Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure.

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
1. Good Governance and Public Participation	1.1. To review and develop a multi-year strategic plan that responds the needs of the community by June 2022	21 298	28 553	30 706	30 939	30 869	31 078	32 219	34 069
2. Financial Viability and Management	2.1 To manage financial resources effectively and efficiently for improved service delivery by June 2023	30 925	44 828	48 872	45 160	45 160	64 724	68 002	71 675
3. Municipal Institutional Development and Transformation	3.1 To review existing HR policies to improve effectiveness and efficiency in service delivery by June 2022.	21 054	19 357	20 530	23 255	23 255	24 370	25 792	31 184
4. Local Economic Development	4.1. To promote and support Local Economic Development through capacity building, forming of partnerships, co-operatives support with Materials and Equipments by 30 June 2022	15 822	20 896	32 709	29 908	29 908	33 286	35 083	35 867
5. Basic Service Delivery and Infrastructure Development	5.1. To improve access to roads infrastructure by 2022	50 317	25 114	34 907	39 054	39 124	34 581	36 448	38 417
Allocations to other priorities									
Total Expenditure		139 416	138 747	167 723	168 317	168 317	188 039	197 545	211 212

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

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
1. Good Governance and Public Participation	1.1. To review and develop a multi-year strategic plan that responds the needs of the community by June 2022	-	-	2 474	1 806	1 806	612	487	513
2. Financial Viability and Management	2.1 To manage financial resources effectively and efficiently for improved service delivery by June 2023	-	-	2 720	5 911	5 911	1 215	1 281	1 350
4. Local Economic Development	4.1. To promote and support Local Economic Development through capacity building, forming of partnerships, co-operatives support with Materials and Equipments by 30 June 2022	2 639	-	8 293	7 954	7 954	8 131	6 035	6 361
5. Basic Service Delivery and Infrastructure Development	5.1. To improve access to roads infrastructure by 2022	59 382	67 050	58 801	56 616	56 616	58 686	55 950	59 356
Allocations to other priorities									
Total Capital Expenditure		62 021	67 050	72 287	72 287	72 287	68 644	63 752	67 580

2.3 EASURABLE 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 NDZ 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 organizational performance which in turn is directly linked to individual employee's performance.

2.4 OVERVIEW OF BUDGET RELATED-POLICIES

There were no major changes on finance and budget related policies and by-laws. There were also no major changes on other policies. By-laws would have reviewed as the service provider was appointed to assist with the review of by-laws for Dr Nkosazana Dlamini Zuma Municipality.

Minor reviews were considered on the following polices

Supply Chain Management Policy

The Supply Chain Management Policy was adopted by Council in May 2018. An amended policy will be considered by Council in due course of which the amendments will be extensively consulted on.

Tariff Policy

The municipal tariff policy provides a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policy has been approved by council

Rates Policy

The purpose of the rates policy is to: -

- Comply with the provisions of the Municipal Property Rates Act, specifically with section 3 thereof;
- Give effect to the principles outlined hereunder;
- Ensure the equitable treatment of persons liable for rates;
- Determine the methodology and to prescribe procedures for the implementation of the Act;
- Determine criteria to be applied for the levying of differential rates for different categories of properties;
- Determine or provide criteria for the determination of categories of properties and categories of owners of properties;

- Determine criteria to be applied for granting exemptions, rebates and reductions; Determine how the municipality's powers must be exercised in relation to multi- purpose properties;
- Determine measures to promote local economic and social development; and Identify which categories of properties the municipality has elected not to rate as provided for in section 7 of the Act.

Virement Policy

The Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA. The Budget and Virement Policy was approved by Council after having been amended accordingly.

Asset Management Policy

The asset policy aims to ensure effective and efficient control, utilization, safeguarding and management of the Municipality's Property, Plant and Equipment, to ensure that Head of Departments, Managers and council officials are aware of their responsibilities with regards to PPE. and to ensure compliance with all relevant standards, policies and procedures relating to PPE.

Other budget related policies consist of the following: -

- Budget process policy
- Tariff policy
- Cash, banking and Investment Policy
- Fleet management policy
- Funding compliance policy
- Indigent policy
- Rates policy
- Petty cash policy
- Revenue enhancement strategy policy
- Stores management policy
- Virement policy
- Rates-by law policy
- SCM policy

- Assets management and disposal policy
- Cost containment measures policy
- Borrowing policy

2.5 OVERVIEW OF BUDGET ASSUMPTION

Given the constraints on the revenue side, the Council took very tough decisions on the expenditure side. Priority was given to:

- Protecting the poor from the worst impacts of the economic downturn
- Expediting spending on capital projects that are funded by conditional grants.
- Freezing many vacant positions
- Supporting viable Small and Micro businesses
- Cutting cost from the operating expenditure

General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2019/2020 MTREF:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on Dr NDZ residents and businesses;
- The impact of municipal cost drivers;
- The increase in the cost of remuneration
- Employee related costs MTREF and therefore this increase above inflation places a disproportionate upward pressure on the expenditure budget. The wage agreement SALGBC concluded with the municipal workers unions were considered.

2.6 OVERVIEW OF BUDGET FUNDING

Medium-term outlook: operating revenue

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. Dr NDZ Municipality derives most of its operational revenue from property rates, operational grants and capital grants from organs of state and other minor charges (such as building plan fees, rent and traffic fines etc.)

The future fiscal sustainability of the municipality is not very positive. The following are contributing factors for this situation:

- The continued inability of consumers to settle outstanding accounts
- Government departments not paying their rates accounts
- Poor of revenue base on high rate of Indigent people around Dr NDZ area
- The continued dependency on grant funding from the national Provincial government

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

- Growth in the local and economic development;
- Revenue management and enhancement;
- To achieve at least 95 per cent annual collection rate for consumer revenue

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

Description	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue By Source									
Property rates	19 892	35 375	36 522	35 656	35 656	35 656	37 561	39 589	41 697
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2 588	3 127	3 731	2 790	2 790	2 790	3 800	4 005	4 221
Rental of facilities and equipment	676	1 202	1 032	1 231	1 231	1 231	1 144	1 206	1 271
Interest earned - external investments	5 207	7 160	7 359	7 359	7 359	7 359	7 741	8 159	8 600
Interest earned - outstanding debtors	-	3 073	-	2 499	2 499	2 499	1 800	1 897	2 000
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	473	998	1 469	490	490	490	665	701	739
Licences and permits	-	1 201	1 198	1 396	1 396	1 396	998	1 052	1 094
Agency services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	89 864	111 441	120 150	126 879	126 879	126 879	135 407	140 043	149 420
Other revenue	6 885	1 343	1 211	1 746	1 746	1 746	1 595	1 681	1 772
Gains on disposal of PPE	-	-	5 800	3 772	3 772	3 772	345	364	383
Total Revenue (excluding capital transfers and contributions)	125 584	164 922	178 472	183 816	183 816	183 816	191 056	198 698	211 196

SA16 – Details of Investment

The table below show the status of the municipality’s investment portfolio

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Closing Balance
Name of institution & investment ID				
Parent municipality				
FNB 74165605518	825	96	-	921
FNB 62008452071	18 206	2 109	(8 536)	11 779
FNB 62544294987	4 473	518	-	4 991
FNB 62544297436	5 309	615	(1 000)	4 924
FNB 62550105011	104	12	-	116
FNB 62235619197	11 601	1 344	(5 000)	7 945
NEDBANK 03/7881098635/000018	4 452	516	(1 000)	3 968
NEDBANK 03/7881098635/000020	3 026	351	-	3 376
NEDBANK 03/7881098635/000021	701	81	-	782
INVESTEC 1100540834-500	18 045	2 090	(8 000)	12 135
STANDARD BANK 052070336	86	10	-	96
	-	-	-	-
	-	-	-	-
	-	-	-	-
Municipality sub-total	66 828	7 741	(23 536)	51 033

Table SA10 Funding Measurement

The table below indicates a brief overview of how the municipal budget is funded

KZN436 Dr Nkosazana Dlamini Zuma Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	-	91 923	88 836	96 955	66 828	66 828	66 828	56 033	51 337	45 403
Cash + investments at the yr end less applications - R'000	18(1)b	2	-	55 122	81 855	120 508	77 068	28 259	18 290	22 481	23 944	12 323
Cash year end/monthly employee/supplier payments	18(1)b	3	-	13,2	16,9	9,5	6,4	6,4	6,4	5,1	4,4	3,7
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	-	27 609	73 009	50 955	42 166	42 166	42 166	30 167	29 639	30 393
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(6,0%)	65,3%	(1,5%)	(10,5%)	(6,0%)	(6,0%)	1,6%	(0,6%)	(0,7%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	0,0%	133,8%	90,0%	74,8%	66,9%	66,9%	66,9%	73,3%	73,0%	73,0%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	0,0%	17,3%	0,0%	10,8%	3,6%	3,6%	3,6%	15,7%	15,7%	15,7%
Capital payments % of capital expenditure	18(1)c;19	8	0,0%	0,0%	0,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Borrowing receipts % of capital expenditure (ex cl. 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								100,0%	100,0%	100,0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	0,0%	155,6%	73,7%	0,0%	0,0%	0,0%	(54,2%)	(10,6%)	(36,4%)
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	0,0%	0,0%	1,0%	2,6%	2,3%	2,3%	2,1%	2,3%	2,2%	2,2%
Asset renewal % of capital budget	20(1)(vi)	14	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%

Supporting indicators											
% incr total service charges (incl prop rates)	18(1)a		0,0%	71,3%	4,5%	(4,5%)	0,0%	0,0%	7,6%	5,4%	5,3%
% incr Property Tax	18(1)a		0,0%	77,8%	3,2%	(2,4%)	0,0%	0,0%	5,3%	5,4%	5,3%
% incr Service charges - electricity revenue	18(1)a		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
% incr Service charges - water revenue	18(1)a		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
% incr Service charges - sanitation revenue	18(1)a		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
% incr Service charges - refuse revenue	18(1)a		0,0%	20,9%	19,3%	(25,2%)	0,0%	0,0%	36,2%	5,4%	5,4%
% incr in Service charges - other	18(1)a		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Total billable revenue	18(1)a	-	22 480	38 503	40 253	38 445	38 445	38 445	41 361	43 594	45 918
Service charges		-	22 480	38 503	40 253	38 445	38 445	38 445	41 361	43 594	45 918
Property rates		-	19 892	35 375	36 522	35 656	35 656	35 656	37 561	39 589	41 697
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-
Service charges - refuse removal		-	2 588	3 127	3 731	2 790	2 790	2 790	3 800	4 005	4 221
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		-	676	1 202	1 032	1 231	1 231	1 231	1 144	1 206	1 271
Capital expenditure excluding capital grant funding		-	(34 389)	(40 066)	37 916	45 621	45 621	45 621	41 495	35 266	37 171
Cash receipts from ratepayers	18(1)a	-	40 830	41 695	33 787	30 647	30 647	30 647	34 884	36 617	38 557
Ratepayer & Other revenue	18(1)a	-	30 514	46 320	45 164	45 807	45 807	45 807	47 563	50 131	52 793
Change in consumer debtors (current and non-current)		12 628	12 165	18 926	22 910	22 910	22 910	22 910	(29 279)	(2 624)	(8 037)
Operating and Capital Grant Revenue	18(1)a	-	131 305	158 275	160 356	153 545	153 545	153 545	162 556	168 529	179 829
Capital expenditure - total	20(1)(vi)	-	-	-	64 582	72 287	72 287	72 287	68 644	63 752	67 580
Capital expenditure - renewal	20(1)(vi)	-	-	-	-	-	-	-	-	-	-
Supporting benchmarks											
Growth guideline maximum		6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%
CPI guideline		4,3%	3,9%	4,6%	5,0%	5,0%	5,0%	5,0%	5,4%	5,6%	5,4%
DoRA operating grants total MFY									131 250	136 189	145 357
DoRA capital grants total MFY									27 149	28 486	30 409
Provincial operating grants									4 157	3 854	4 063
Provincial capital grants									-	-	-
District Municipality grants									-	-	-
Total gazetted/advised national, provincial and district grants									162 556	168 529	179 829
Average annual collection rate (arrear inclusive)											

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DoRA operating											
Operational Revenue:General Revenue:Equitable Share									125 869	134 189	143 357
Energy Efficiency and Demand-side [Schedule 5B]									-	-	-
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]									2 381	-	-
HIV and Aids									-	-	-
Housing Accreditation									-	-	-
Housing Top structure									-	-	-
Infrastructure Skills Development Grant [Schedule 5B]									-	-	-
Integrated City Development Grant									-	-	-
Khayelitsha Urban Renewal									-	-	-
Local Government Financial Management Grant [Schedule 5B]									3 000	2 000	2 000
Mitchell's Plain Urban Renewal									-	-	-
Metro Informal Settlements Partnership Grant									-	-	-
									131 250	136 189	145 357
DoRA Capital											
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]									-	-	-
Municipal Infrastructure Grant [Schedule 5B]									27 149	28 486	30 409
Municipal Water Infrastructure Grant [Schedule 5B]									-	-	-
Metro Informal Settlements Partnership Grant									-	-	-
									27 149	28 486	30 409
Trend											
Change in consumer debtors (current and non-current)		12 628	12 165	18 926	22 910	22 910	22 910	22 910	(29 279)	(2 624)	(8 037)
Total Operating Revenue											
Total Operating Expenditure											
Operating Performance Surplus/(Deficit)											
Cash and Cash Equivalents (30 June 2012)											
Revenue											
% Increase in Total Operating Revenue			0,0%	31,3%	8,2%	3,0%	0,0%	0,0%	3,9%	4,0%	6,3%
% Increase in Property Rates Revenue			0,0%	77,8%	3,2%	(2,4%)	0,0%	0,0%	5,3%	5,4%	5,3%
% Increase in Electricity Revenue			0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
% Increase in Property Rates & Services Charges			0,0%	71,3%	4,5%	(4,5%)	0,0%	0,0%	7,6%	5,4%	5,3%
Expenditure											
% Increase in Total Operating Expenditure			0,0%	(0,5%)	20,9%	0,4%	0,0%	0,0%	11,7%	5,1%	6,9%
% Increase in Employee Costs			0,0%	10,8%	9,6%	(0,4%)	0,0%	0,0%	16,0%	5,1%	3,9%
% Increase in Electricity Bulk Purchases			0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Average Cost Per Budgeted Employee Position (Remuneration)			0	198410,0323					198463,9932		
Average Cost Per Councillor (Remuneration)			0	413495,4138					435428,5172		
R&M % of PPE		0,0%	0,0%	1,0%	2,6%	2,3%	2,3%		2,3%	2,2%	2,2%
Asset Renewal and R&M as a % of PPE		0,0%	0,0%	0,0%	94,0%	69,0%	69,0%		7,0%	5,0%	6,0%
Debt Impairment % of Total Billable Revenue		0,0%	17,3%	0,0%	10,8%	3,6%	3,6%	3,6%	15,7%	15,7%	15,7%
Capital Revenue											
Internally Funded & Other (R'000)		-	49 746	23 827	37 916	45 621	45 621	45 621	41 495	35 266	37 171
Borrowing (R'000)		-	-	-	-	-	-	-	-	-	-
Grant Funding and Other (R'000)		-	34 389	40 066	26 666	26 666	26 666	26 666	27 149	28 486	30 409
Internally Generated funds % of Non Grant Funding		0,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Borrowing % of Non Grant Funding		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Grant Funding % of Total Funding		0,0%	40,9%	62,7%	41,3%	36,9%	36,9%	36,9%	39,6%	44,7%	45,0%
Capital Expenditure											
Total Capital Programme (R'000)		-	14 141	128 778	64 582	72 287	72 287	72 287	68 644	63 752	67 580
Asset Renewal		-	-	-	-	-	-	-	-	-	-
Asset Renewal % of Total Capital Expenditure		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Cash											
Cash Receipts % of Rate Payer & Other		0,0%	133,8%	90,0%	74,8%	66,9%	66,9%	66,9%	73,3%	73,0%	73,0%
Cash Coverage Ratio		-	0	0	0	0	0	0	0	0	0
Borrowing											
Credit Rating (2009/10)									0		
Capital Charges to Operating		0,0%	0,6%	16,0%	0,3%	0,2%	0,2%	0,2%	0,6%	0,4%	0,3%
Borrowing Receipts % of Capital Expenditure		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Reserves											
Surplus/(Deficit)		-	55 122	81 855	120 508	77 068	28 259	18 290	22 481	23 944	12 323
Free Services											
Free Basic Services as a % of Equitable Share		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%		0,0%	0,0%	0,0%
Free Services as a % of Operating Revenue (excl operational transfers)		0,0%	0,0%	0,0%	19,7%	21,1%	21,1%		35,2%	35,2%	35,2%
High Level Outcome of Funding Compliance											
Total Operating Revenue		-	125 584	164 922	178 472	183 816	183 816	183 816	191 056	198 698	211 196
Total Operating Expenditure		-	139 416	138 747	167 723	168 317	168 317	168 317	188 039	197 545	211 212
Surplus/(Deficit) Budgeted Operating Statement		-	(13 832)	26 175	10 749	15 500	15 500	15 500	3 018	1 153	(16)
Surplus/(Deficit) Considering Reserves and Cash Backing		-	55 122	81 855	120 508	77 068	28 259	18 290	22 481	23 944	12 323
MTREF Funded (1) / Unfunded (0)	15	1	1	1	1	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded ✗	15	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

SA 18 - Capital and Operational grant receipts

The table below gives a brief indication of the capital and operational grants gazetted to the municipality for 2019/20 financial year.

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SA18 Transfers and grant receipts

Description	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
RECEIPTS:								
Operating Transfers and Grants								
National Government:	91 076	107 579	116 628	122 528	122 528	139 250	145 393	160 357
Operational Revenue:General Revenue:Equitable Share	78 574	95 909	111 162	111 162	111 162	125 869	134 189	143 357
Operational:Revenue:General Revenue:Fuel Levy	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant	-	2 224	-	-	-	8 000	9 204	15 000
Agriculture Research and Technology	-	-	-	-	-	-	-	-
Energy Efficiency and Demand-side [Schedule 5B]	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	2 190	1 877	1 596	1 596	1 596	2 381	-	-
Local Government Financial Management Grant [Schedule 5B]	3 650	3 800	3 870	3 870	3 870	3 000	2 000	2 000
Mitchell's Plain Urban Renewal	-	-	-	-	-	-	-	-
Municipal Demarcation and Transition Grant [Schedule 5B]	6 662	3 769	-	5 900	5 900	-	-	-
Metro Informal Settlements Partnership Grant	-	-	-	-	-	-	-	-
Provincial Government:	2 362	3 862	3 522	4 351	4 351	4 157	3 861	4 090
Libraries, Archives and Museums	1 869	2 978	3 464	3 464	3 464	3 657	3 861	4 090
Other	400	884	-	837	837	500	-	-
Public Transport	-	-	-	-	-	-	-	-
Road Infrastructure - Maintenance	-	-	-	-	-	-	-	-
Sports and Recreation	93	-	58	50	50	-	-	-
District Municipality:	-	-	-	-	-	-	-	-
<i>All Grants</i>	-	-	-	-	-	-	-	-
Other Grant Providers:	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	93 439	111 441	120 150	126 879	126 879	143 407	149 254	164 447
Capital Transfers and Grants								
National Government:	34 389	60 266	40 206	40 206	40 206	27 149	28 486	30 409
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	3 576	20 200	13 540	13 540	13 540	-	-	-
Municipal Infrastructure Grant [Schedule 5B]	30 813	40 066	26 666	26 666	26 666	27 149	28 486	30 409
Total Capital Transfers and Grants	34 389	60 266	40 206	40 206	40 206	27 149	28 486	30 409
TOTAL RECEIPTS OF TRANSFERS & GRANTS	127 828	171 707	160 356	167 085	167 085	170 556	177 740	194 856

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 gives a brief overview of the cash flow management of the of the municipality.

Table below indicate the actual cash that the municipality is anticipating collecting. The municipality is anticipating collecting 75% of the total revenue billed in the 2019/20 financial year considering the municipality's collection trend of the previous financial years.

Table A7 - Budget cash flow statement

KZN436 Dr Nkosazana Dlamini Zuma - Table A7 Budgeted Cash Flows

Description	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	21 171	26 964	27 523	23 176	23 176	23 176	28 171	29 692	31 273
Service charges	2 588	3 127	2 836	1 953	1 953	1 953	2 850	2 803	2 955
Other revenue	17 072	11 604	3 428	5 518	5 518	5 518	3 864	4 121	4 329
Government - operating	94 050	126 275	120 150	126 879	126 879	126 879	143 407	149 254	164 447
Government - capital	41 500	40 066	40 206	26 666	26 666	26 666	27 149	28 486	30 409
Interest	5 207	7 160	8 118	8 118	8 118	8 118	7 741	8 159	8 600
Dividends	-	-	-	-	-	-	-	-	-
Payments									
Suppliers and employees	(49 626)	(60 571)	(133 079)	(143 590)	(143 590)	(143 590)	(152 577)	(160 999)	(177 991)
Finance charges	(458)	(1 239)	(502)	(402)	(402)	(402)	(425)	(448)	(472)
Transfers and Grants	(1 413)	-	(1 778)	(1 811)	(1 811)	(1 811)	(1 905)	(2 008)	(2 116)
NET CASH FROM/(USED) OPERATING ACTIVITIES	130 090	153 386	66 901	46 507	46 507	46 507	58 275	59 062	61 433
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	(49 348)	(63 660)	5 800	3 772	3 772	3 772	345	364	383
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivable	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-
Payments									
Capital assets	(71 271)	(71 861)	(64 582)	(72 287)	(72 287)	(72 287)	(68 644)	(63 752)	(67 580)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(120 619)	(135 521)	(58 782)	(68 515)	(68 515)	(68 515)	(68 299)	(63 389)	(67 196)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-
Payments									
Repayment of borrowing	(438)	(20 952)	-	-	-	-	(771)	(370)	(171)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(438)	(20 952)	-	-	-	-	(771)	(370)	(171)
NET INCREASE/ (DECREASE) IN CASH HELD	9 034	(3 087)	8 119	(22 009)	(22 009)	(22 009)	(10 795)	(4 696)	(5 934)
Cash/cash equivalents at the year begin:	82 889	91 923	88 836	88 836	88 836	88 836	66 828	56 033	51 337
Cash/cash equivalents at the year end:	91 923	88 836	96 955	66 828	66 828	66 828	56 033	51 337	45 403

Cash Backed Reserves/Accumulated Surplus Reconciliation

KZN436 Dr Nkosazana Dlamini Zuma - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Cash and investments available									
Cash/cash equivalents at the year end	91 923	88 836	96 955	66 828	66 828	66 828	56 033	51 337	45 403
Other current investments > 90 days	0	0	18 802	9 760	(39 049)	(39 049)	-	-	-
Non current assets - Investments	-	-	-	-	-	-	-	-	-
Cash and investments available:	91 923	88 836	115 757	76 587	27 779	27 779	56 033	51 337	45 403
Application of cash and investments									
Unspent conditional transfers	25 088	12 954	-	-	-	9 969	7 944	-	-
Unspent borrowing	-	-	-	-	-	-	-	-	-
Statutory requirements	-	-	-	-	-	-	619	653	688
Other working capital requirements	11 713	(5 972)	(4 750)	(480)	(480)	(480)	4 868	6 508	12 030
Other provisions	-	-	-	-	-	-	20 120	20 232	20 363
Long term investments committed	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:	36 801	6 982	(4 750)	(480)	(480)	9 489	33 552	27 392	33 080
Surplus(shortfall)	55 122	81 855	120 508	77 068	28 259	18 290	22 481	23 944	12 323

2.7 Expenditure on allocations and grant programmes

It is estimated that a spending rate of at least 95 per cent is achieved on operating expenditure and 96 per cent on the capital projects for the 2019/2020 MTREF of which performance has been factored into the cash flow budget.

Table SA19 - Expenditure on transfers and grant programmes

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SA19 Expenditure on transfers and grant programme

Description	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
EXPENDITURE:								
Operating expenditure of Transfers and Grants								
National Government:	91 076	107 579	116 628	122 528	122 528	139 250	145 393	160 357
Operational Revenue:General Revenue:Equitable Share	78 574	95 909	111 162	111 162	111 162	125 869	134 189	143 357
Operational:Revenue:General Revenue:Fuel Levy	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant	-	2 224	-	-	-	8 000	9 204	15 000
Agriculture Research and Technology	-	-	-	-	-	-	-	-
Energy Efficiency and Demand-side [Schedule 5B]	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	2 190	1 877	1 596	1 596	1 596	2 381	-	-
HIV and Aids	-	-	-	-	-	-	-	-
Khayelitsha Urban Renewal	-	-	-	-	-	-	-	-
Local Government Financial Management Grant [Schedule 5B]	3 650	3 800	3 870	3 870	3 870	3 000	2 000	2 000
Mitchell's Plain Urban Renewal	-	-	-	-	-	-	-	-
Municipal Demarcation and Transition Grant [Schedule 5B]	6 662	3 769	-	5 900	5 900	-	-	-
Metro Informal Settlements Partnership Grant	-	-	-	-	-	-	-	-
Provincial Government:	2 362	3 862	3 464	3 522	4 351	4 157	3 861	4 090
Capacity Building	-	-	-	-	-	-	-	-
Capacity Building and Other	-	-	-	-	-	-	-	-
Disaster and Emergency Services	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Libraries, Archives and Museums	1 869	2 978	3 464	3 464	3 464	3 657	3 861	4 090
Other	400	884	-	-	837	500	-	-
Public Transport	-	-	-	-	-	-	-	-
Road Infrastructure - Maintenance	-	-	-	-	-	-	-	-
Sports and Recreation	93	-	-	58	50	-	-	-
District Municipality:	-	-	-	-	-	-	-	-
<i>All Grants</i>	-	-	-	-	-	-	-	-
Other Grant Providers:	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:	93 439	111 441	120 092	126 050	126 879	143 407	149 254	164 447
Capital expenditure of Transfers and Grants								
National Government:	34 389	60 266	40 206	40 206	40 206	27 149	28 486	30 409
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	3 576	20 200	13 540	13 540	13 540	-	-	-
Municipal Infrastructure Grant [Schedule 5B]	30 813	40 066	26 666	26 666	26 666	27 149	28 486	30 409
Municipal Water Infrastructure Grant [Schedule 5B]	-	-	-	-	-	-	-	-
Metro Informal Settlements Partnership Grant	-	-	-	-	-	-	-	-
Provincial Government:	-	-	-	-	-	-	-	-
<i>Parent Municipality / Entity</i>	-	-	-	-	-	-	-	-
<i>Transfer from Operational Revenue</i>	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants	34 389	60 266	40 206	40 206	40 206	27 149	28 486	30 409
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	127 828	171 707	160 298	166 256	167 085	170 556	177 740	194 856

2.8 Allocations or grants made by the municipality

The municipality does not have any allocations or grants made by the municipality.

2.9 Councilors Allowances and Employee benefits

The following table is a breakdown of Councilors Remuneration and Employee salaries and benefits for the year 2019/2020.

Table SA22-Summary of councilor and staff benefits

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SA22 Summary councilor and staff benefits

Summary of Employee and Councilor remuneration	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)								
Basic Salaries and Wages	–	7 011	7 625	7 625	7 625	8 120	8 559	9 021
Pension and UIF Contributions	–	984	982	982	982	953	1 005	1 059
Medical Aid Contributions	–	–	92	92	92	97	102	108
Motor Vehicle Allowance	–	1 472	1 939	1 939	1 939	2 078	2 190	2 309
Cellphone Allowance	–	1 288	1 355	1 355	1 355	1 379	1 453	1 532
Housing Allowances	–	–	–	–	–	–	–	–
Other benefits and allowances	–	–	–	–	–	–	–	–
Sub Total - Councillors	–	10 755	11 991	11 991	11 991	12 627	13 309	14 028
% increase	–	–	11,5%	–	–	5,3%	5,4%	5,4%
Senior Managers of the Municipality								
Basic Salaries and Wages	–	4 243	3 850	3 850	3 850	4 439	4 679	4 932
Pension and UIF Contributions	–	7	132	132	132	139	146	154
Medical Aid Contributions	–	106	111	111	111	232	244	258
Overtime	–	–	–	–	–	–	–	–
Performance Bonus	–	110	209	209	209	101	107	112
Motor Vehicle Allowance	–	544	500	500	500	358	377	398
Cellphone Allowance	–	–	–	–	–	–	–	–
Housing Allowances	–	80	85	85	85	85	89	94
Other benefits and allowances	–	95	234	234	234	238	251	265
Payments in lieu of leave	–	–	–	–	–	–	–	–
Long service awards	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality	–	5 185	5 121	5 121	5 121	5 592	5 894	6 212
% increase	–	–	(1,2%)	–	–	9,2%	5,4%	5,4%
Other Municipal Staff								
Basic Salaries and Wages	–	34 286	37 429	37 228	37 228	43 114	45 442	46 785
Pension and UIF Contributions	–	4 302	5 061	5 061	5 061	6 643	6 992	7 480
Medical Aid Contributions	–	2 439	2 332	2 332	2 332	2 450	2 582	2 722
Overtime	–	1 127	699	699	699	1 107	1 166	1 229
Performance Bonus	–	750	1 126	1 126	1 126	972	1 025	1 080
Motor Vehicle Allowance	–	114	11	11	11	50	53	56
Cellphone Allowance	–	–	–	–	–	–	–	–
Housing Allowances	–	157	424	424	424	461	486	513
Other benefits and allowances	–	2 376	2 838	2 838	2 838	3 092	3 259	3 435
Payments in lieu of leave	–	–	316	316	316	–	–	–
Long service awards	–	–	–	–	–	150	–	–
Post-retirement benefit obligations	–	–	–	–	–	333	351	370
Sub Total - Other Municipal Staff	–	45 550	50 235	50 035	50 035	58 373	61 357	63 670
% increase	–	–	10,3%	(0,4%)	–	16,7%	5,1%	3,8%
Total Parent Municipality	–	61 490	67 348	67 147	67 147	76 592	80 560	83 910
TOTAL SALARY, ALLOWANCES & BENEFITS	–	61 490	67 348	67 147	67 147	76 592	80 560	83 910
% increase	–	–	9,5%	(0,3%)	–	14,1%	5,2%	4,2%
TOTAL MANAGERS AND STAFF	–	50 735	55 356	55 156	55 156	63 965	67 251	69 882

Table SA23- Salaries, allowances and benefits (Political Office Bearers/ Councilors/ Senior Managers)

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors)						
Disclosure of Salaries, Allowances & Benefits 1.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum		1.				2.
Councillors						
Speaker	587 414	92 506	47 552	-	-	727 472
Chief Whip	-	-	-	-	-	-
Executive Mayor	741 587	115 633	47 552	-	-	904 772
Deputy Executive Mayor	533 621	146 299	47 552	-	-	727 472
Executive Committee	-	-	-	-	-	-
Total for all other councillors	6 257 621	695 642	3 314 448	-	-	10 267 711
Total Councillors	8 120 243	1 050 080	3 457 104			12 627 427
Senior Managers of the Municipality						
Municipal Manager (MM)	845 703	158 068	156 150	-	-	1 159 921
Chief Finance Officer	883 400	39 198	150 234	62 450	-	1 135 282
Corporate Service Manager	959 590	1 897	134 948	-	-	1 096 435
Public Works & Basic Services Manager	959 618	42 074	104 946	-	-	1 106 638
Community Services Manager	791 017	129 758	134 190	38 815	-	1 093 780
Total Senior Managers of the Municipality	4 439 328	370 995	680 468	101 265		5 592 056
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	12 559 571	1 421 075	4 137 572	101 265		18 219 483

2.10 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

Table SA25-Budgeted monthly revenue and expenditure

Dr Nkosazana Dlamini Zuma Municipality Final Budget 2019/20

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
	R thousand														
Revenue By Source															
Property rates	1 800	3 102	4 200	5 102	3 102	2 900	3 102	3 800	3 102	2 500	3 102	1 749	37 561	39 589	41 697
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	275	275	275	375	275	375	275	375	275	375	275	369	3 800	4 005	4 221
Rental of facilities and equipment	95	95	95	95	95	95	95	95	95	95	95	96	1 144	1 206	1 271
Interest earned - external investments	648	650	650	650	650	670	670	670	670	648	648	519	7 741	8 159	8 600
Interest earned - outstanding debtors	110	110	110	180	180	180	180	180	150	150	150	120	1 800	1 897	2 000
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	28	28	30	30	28	80	120	70	30	120	43	58	665	701	739
Licences and permits	83	83	83	83	83	83	83	83	83	83	83	83	998	1 052	1 094
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	67 704	-	-	-	33 852	-	-	-	33 852	-	-	-	135 407	140 043	149 420
Other revenue	142	142	142	142	142	142	142	142	142	142	142	33	1 595	1 681	1 772
Gains on disposal of PPE	-	-	-	-	-	-	345	-	-	-	-	-	345	364	383
Total Revenue (excluding capital transfers and contributions)	70 885	4 486	5 586	6 658	38 408	4 526	5 013	5 416	38 400	4 114	4 539	3 026	191 056	198 698	211 196
Expenditure By Type															
Employee related costs	4 569	4 869	4 869	4 869	7 788	7 788	4 869	4 869	4 869	4 869	4 869	4 869	63 965	67 251	69 882
Remuneration of councillors	971	960	960	960	960	1 771	960	1 200	971	971	971	971	12 627	13 309	14 028
Debt impairment	-	-	-	-	-	-	3 239	-	-	-	-	3 239	6 478	6 828	7 196
Depreciation & asset impairment	2 888	2 888	2 888	2 888	2 888	2 888	2 888	2 888	2 888	2 888	2 888	2 888	34 654	36 467	38 436
Finance charges	35	35	35	35	35	35	35	35	35	35	35	35	425	448	472
Bulk purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	-	576	576	-	576	-	576	-	576	576	576	576	4 604	4 853	5 115
Contracted services	1 823	1 823	1 823	1 823	2 685	3 298	3 298	3 298	3 298	3 298	3 298	4 521	34 284	35 609	37 532
Transfers and subsidies	159	159	159	159	159	159	159	159	159	159	159	152	1 905	2 008	2 116
Other expenditure	1 865	1 865	1 865	2 223	2 223	2 223	2 223	2 223	2 223	2 223	2 223	5 717	29 096	30 773	36 435
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure	12 311	13 175	13 175	12 957	17 314	18 162	18 247	14 672	15 019	15 019	15 019	22 968	188 039	197 545	211 212
Surplus/(Deficit)	58 575	(8 689)	(7 589)	(6 299)	21 094	(13 636)	(13 234)	(9 256)	23 381	(10 906)	(10 480)	(19 942)	3 018	1 153	(16)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	10 000	-	-	-	10 000	-	-	-	7 149	-	-	-	27 149	28 486	30 409
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)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	68 575	(8 689)	(7 589)	(6 299)	31 094	(13 636)	(13 234)	(9 256)	30 530	(10 906)	(10 480)	(19 942)	30 167	29 639	30 393
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	68 575	(8 689)	(7 589)	(6 299)	31 094	(13 636)	(13 234)	(9 256)	30 530	(10 906)	(10 480)	(19 942)	30 167	29 639	30 393

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

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)															
Description	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue by Vote															
Vote 1 - Executive and Council	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury	53 348	3 800	3 800	3 900	3 900	45 312	5 898	5 898	35 209	5 898	5 898	5 898	178 758	188 772	200 750
Vote 3 - Corporate Services	-	-	-	-	-	50	-	-	-	-	-	50	100	105	111
Vote 4 - Community Services	444	444	444	444	444	4 101	444	444	444	444	444	514	9 055	9 544	10 044
Vote 5 - Public Works and Basic Services	10 927	-	-	-	-	10 873	-	-	7 730	-	-	-	29 530	28 486	30 409
Vote 6 - Planning and Development	25	500	20	20	20	20	30	20	25	30	30	22	762	277	292
Total Revenue by Vote	64 744	4 744	4 264	4 364	4 364	60 356	6 372	6 362	43 408	6 372	6 372	6 484	218 205	227 184	241 605
Expenditure by Vote to be appropriated															
Vote 1 - Executive and Council	2 149	2 149	2 149	2 149	2 149	2 149	2 149	2 149	2 149	2 149	2 149	2 149	25 784	27 177	28 644
Vote 2 - Budget and Treasury	4 976	4 976	4 976	4 976	4 976	4 976	4 976	4 976	4 976	4 976	4 976	9 986	64 724	68 002	71 675
Vote 3 - Corporate Services	2 031	2 031	2 031	2 031	2 031	2 031	2 031	2 031	2 031	2 031	2 031	2 031	24 370	25 792	31 184
Vote 4 - Community Services	2 772	2 772	2 772	2 772	2 772	2 772	2 772	2 772	2 772	2 772	2 772	2 793	33 286	35 083	35 867
Vote 5 - Public Works and Basic Services	2 882	2 882	2 882	2 882	2 882	2 882	2 882	2 882	2 882	2 882	2 882	2 882	34 581	36 448	38 417
Vote 6 - Planning and Development	441	441	441	441	441	441	441	441	441	441	441	441	5 294	5 042	5 425
Total Expenditure by Vote	15 251	15 251	15 251	15 251	15 251	15 251	15 251	15 251	15 251	15 251	15 251	20 283	188 039	197 545	211 212
Surplus/(Deficit) before assoc.	49 493	(10 507)	(10 987)	(10 887)	(10 887)	45 105	(8 879)	(8 889)	28 157	(8 879)	(8 879)	(13 799)	30 167	29 639	30 393
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	49 493	(10 507)	(10 987)	(10 887)	(10 887)	45 105	(8 879)	(8 889)	28 157	(8 879)	(8 879)	(13 799)	30 167	29 639	30 393

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

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)																
Description	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue - Functional																
Governance and administration	53 348	3 800	3 800	3 900	3 900	45 312	5 898	5 898	35 209	5 898	5 898	5 998	178 858	188 877	200 861	
Executive and council	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Finance and administration	53 348	3 800	3 800	3 900	3 900	45 312	5 898	5 898	35 209	5 898	5 898	5 998	178 858	188 877	200 861	
Internal audit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Community and public safety	83	83	183	83	163	3 842	233	83	83	233	83	101	5 255	5 539	5 823	
Community and social services	-	-	-	-	-	3 659	-	-	-	-	-	0	3 659	3 857	4 065	
Sport and recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Public safety	83	83	183	83	163	183	233	83	83	233	83	101	1 596	1 682	1 758	
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Economic and environmental services	10 952	500	20	20	20	10 893	30	20	7 755	30	30	22	30 292	28 763	30 701	
Planning and development	25	500	20	20	20	20	30	20	25	30	30	22	762	277	292	
Road transport	10 927	-	-	-	-	10 873	-	-	7 730	-	-	-	29 530	28 486	30 409	
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Trading services	275	275	275	375	275	375	275	375	275	375	275	369	3 800	4 005	4 221	
Energy sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Water management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Waste water management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Waste management	275	275	275	375	275	375	275	375	275	375	275	369	3 800	4 005	4 221	
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenue - Functional	64 658	4 659	4 279	4 379	4 359	60 423	6 437	6 377	43 322	6 537	6 287	6 490	218 205	227 184	241 605	
Expenditure - Functional																
Governance and administration	8 902	8 902	10 002	8 802	11 241	11 716	9 302	8 802	9 102	9 002	9 002	10 103	114 878	120 971	131 503	
Executive and council	1 942	1 942	1 942	1 842	2 042	2 342	2 342	1 842	2 042	2 042	2 042	2 143	24 508	25 832	27 227	
Finance and administration	6 885	6 885	7 885	6 885	9 124	9 124	6 885	6 885	6 885	6 885	6 885	7 885	89 094	93 794	102 859	
Internal audit	75	75	175	75	75	250	75	75	175	75	75	75	1 276	1 345	1 417	
Community and public safety	1 992	3 642	2 042	1 942	1 942	1 842	1 942	2 142	2 142	1 892	2 142	2 063	25 724	27 113	27 466	
Community and social services	1 208	2 858	1 258	1 158	1 158	1 058	1 158	1 358	1 358	1 108	1 358	1 279	16 319	17 200	17 018	
Sport and recreation	39	39	39	39	39	39	39	39	39	39	39	39	465	490	517	
Public safety	723	723	723	723	723	723	723	723	723	723	723	723	8 671	9 139	9 632	
Housing	22	22	22	22	22	22	22	22	22	22	22	22	269	284	299	
Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Economic and environmental services	2 645	3 145	3 145	2 645	5 645	2 645	2 645	3 145	3 297	3 145	3 145	2 494	37 745	39 245	41 476	
Planning and development	1 297	1 297	1 297	797	2 797	797	797	1 297	797	1 297	1 297	1 797	15 566	15 870	16 837	
Road transport	1 348	1 848	1 848	1 848	2 848	1 848	1 848	1 848	2 500	1 848	1 848	697	22 178	23 376	24 638	
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Trading services	380	380	380	380	380	380	380	380	380	380	380	380	4 560	4 807	5 066	
Energy sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Water management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Waste water management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Waste management	380	380	380	380	380	380	380	380	380	380	380	380	4 560	4 807	5 066	
Other	250	550	428	428	428	428	428	428	528	428	428	383	5 132	5 409	5 701	
Total Expenditure - Functional	14 169	16 619	15 997	14 197	19 636	17 011	14 697	14 897	15 449	14 847	15 097	15 422	188 039	197 545	211 212	
Surplus/(Deficit) before assoc.	50 489	(11 961)	(11 718)	(9 818)	(15 277)	43 412	(8 260)	(8 520)	27 873	(8 310)	(8 810)	(8 932)	30 167	29 639	30 393	
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit)	50 489	(11 961)	(11 718)	(9 818)	(15 277)	43 412	(8 260)	(8 520)	27 873	(8 310)	(8 810)	(8 932)	30 167	29 639	30 393	

Table SA28-Budgeted monthly capital expenditure (municipal vote)

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)															
Description	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Single-year expenditure to be appropriated															
Vote 1 - Executive and Council	-	-	-	150	-	250	-	-	212	-	-	(0)	612	487	513
Vote 2 - Budget and Treasury			85				100			118		-	303	319	337
Vote 3 - Corporate Services			150			100				162		0	412	435	458
Vote 4 - Community Services		2 000	640	300	300	1 500	500	500		800		1 391	7 931	5 824	6 139
Vote 5 - Public Works and Basic Services	3 500	3 500	5 039	4 439	4 939	4 939	5 939	4 939	4 939	5 439	5 439	6 217	59 266	56 561	60 000
Vote 6 - Planning and Development				60					60			-	120	126	133
Capital single-year expenditure sub-total	3 500	5 500	5 914	4 949	5 239	6 789	6 539	5 439	5 211	6 519	5 439	7 607	68 644	63 752	67 580
Total Capital Expenditure	3 500	5 500	5 914	4 949	5 239	6 789	6 539	5 439	5 211	6 519	5 439	7 607	68 644	63 752	67 580

Table SA29- Budgeted monthly capital expenditure (standard classification)

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)															
Description	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital Expenditure - Functional															
<i>Governance and administration</i>	-	-	235	150	-	650	300	-	212	280	-	(0)	1 827	1 767	1 863
Executive and council	-	-	-	150	-	250	-	-	212	-	-	(0)	612	487	513
Finance and administration	-	-	235	-	-	400	300	-	-	280	-	0	1 215	1 281	1 350
Internal audit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>	-	1 980	640	366	-	700	707	1 000	457	1 011	750	520	8 131	6 035	6 361
Community and social services	-	480	640	-	-	700	250	500	-	661	294	0	3 525	1 186	1 250
Sport and recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	1 500	-	366	-	-	457	500	457	350	457	520	4 606	4 849	5 111
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	3 500	3 896	3 935	4 959	5 335	5 219	6 335	5 455	5 485	5 835	5 835	2 900	58 686	55 950	59 356
Planning and development	3 500	3 500	3 539	4 439	4 939	4 939	5 939	4 939	4 939	5 439	5 439	2 387	53 936	51 734	54 912
Road transport	-	396	396	520	396	280	396	516	546	396	396	513	4 750	4 216	4 444
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Energy sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3 500	5 876	4 810	5 475	5 335	6 569	7 341	6 455	6 153	7 126	6 585	3 420	68 644	63 752	67 580
Funded by:															
National Government	736	2 800	2 146	2 870	2 714	2 700	1 390	865	2 875	2 832	5 221	0	27 149	28 486	30 409
Provincial Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	736	2 800	2 146	2 870	2 714	2 700	1 390	865	2 875	2 832	5 221	0	27 149	28 486	30 409
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	1 958	1 958	3 458	3 458	2 958	3 458	3 458	2 958	3 458	4 958	4 958	4 458	41 495	35 266	37 171
Total Capital Funding	2 694	4 758	5 604	6 328	5 672	6 158	4 848	3 823	6 333	7 790	10 179	4 458	68 644	63 752	67 580

Table SA30- Budgeted monthly cash flow

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SA30 Budgeted monthly cash flow															
MONTHLY CASH FLOWS	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21
Cash Receipts By Source													1		
Property rates	1 200	1 800	1 800	2 500	2 500	2 700	2 700	2 900	2 800	2 500	2 800	1 971	28 171	29 692	31 273
Service charges - refuse revenue	125	180	180	275	275	275	275	275	275	150	275	287	2 850	2 803	2 955
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	95	95	95	95	95	95	95	95	95	95	95	15	1 064	1 121	1 182
Interest earned - external investments	648	650	650	650	650	670	670	670	670	648	648	519	7 741	8 159	8 600
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	15	15	15	15	15	17	27	17	15	20	20	15	207	267	282
Licences and permits	83	83	83	83	83	83	83	83	83	83	83	83	998	1 052	1 094
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operational	67 704	-	-	-	-	37 852	-	-	-	37 852	-	-	143 407	149 254	164 447
Other revenue	142	142	142	142	142	142	142	142	142	142	142	33	1 595	1 681	1 771
Cash Receipts by Source	70 012	2 965	2 965	3 761	41 613	3 983	3 993	4 183	41 932	3 638	4 064	2 923	186 033	194 030	211 604
Other Cash Flows by Source															
Transfer receipts - capital	736	2 800	2 146	2 870	2 714	2 700	1 390	865	2 875	2 832	5 221	0	27 149	28 486	30 409
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	-	-	-	-	-	-	345	-	-	-	-	-	345	364	383
Total Cash Receipts by Source	70 747	5 765	5 111	6 631	44 327	6 683	5 728	5 048	44 807	6 470	9 285	2 923	213 527	222 880	242 396
Cash Payments by Type															
Employee related costs	4 569	4 869	4 869	4 869	7 788	7 788	4 869	4 869	4 869	4 869	4 869	4 869	63 965	67 251	69 882
Remuneration of councillors	971	960	960	960	960	1 771	960	1 200	971	971	971	971	12 627	13 309	14 028
Finance charges	35	35	35	35	35	35	35	35	35	35	35	35	425	448	472
Bulk purchases - Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	384	384	384	384	384	384	384	384	384	384	384	384	4 604	4 853	5 115
Contracted services	1 823	1 823	1 823	1 823	2 685	3 298	3 298	3 298	3 298	3 298	3 298	4 451	34 214	35 535	37 454
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	159	159	159	159	159	159	159	159	159	159	159	159	1 905	2 008	2 116
Other expenditure	1 865	1 865	1 865	2 223	2 223	2 223	2 223	2 223	2 223	2 223	2 223	5 787	29 166	30 847	36 513
Cash Payments by Type	9 806	10 094	10 094	10 452	14 234	15 658	11 928	12 168	11 939	11 939	11 939	16 657	146 907	154 250	165 579
Other Cash Flows/Payments by Type															
Capital assets	4 220	4 220	4 720	5 720	5 420	5 720	5 720	6 220	5 720	7 220	7 220	6 521	68 644	63 752	67 580
Repayment of borrowing	65	65	64	64	64	64	64	64	64	64	64	65	771	370	171
Other Cash Flows/Payments	-	-	650	650	-	900	900	-	900	1 200	900	1 900	8 000	9 204	15 000
Total Cash Payments by Type	14 091	14 380	15 529	16 887	19 718	22 342	18 612	18 452	18 623	20 423	20 123	25 142	224 321	227 576	248 329
NET INCREASE/(DECREASE) IN CASH HELD	56 656	(8 614)	(10 417)	(10 256)	24 609	(15 659)	(12 884)	(13 404)	26 184	(13 953)	(10 839)	(22 218)	(10 795)	(4 696)	(5 934)
Cash/cash equivalents at the monthly/year begin:	66 828	123 484	114 869	104 452	94 196	118 805	103 146	90 263	76 859	103 043	89 090	78 251	66 828	56 033	51 337
Cash/cash equivalents at the monthly/year end:	123 484	114 869	104 452	94 196	118 805	103 146	90 263	76 859	103 043	89 090	78 251	56 033	56 033	51 337	45 403

2.11 IDP, Budget and Service Delivery and Budget Implementation Plan

Dr NDZ IDP is a 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.

- Registration of community needs;
- Process Plan applicable to the fourth revision cycle including the following key IDP processes and deliverables:
 - ✓ Compilation of departmental business plans including key performance indicators and targets;
 - ✓ Financial planning and budgeting process;
 - ✓ Public participation process;
 - ✓ Compilation of the SDBIP, and
 - ✓ The review of the performance management and monitoring processes.

Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

2.12. CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

The table below gives an indication of the contracts that have future budgetary implication in the municipality.

NAME OF SUPPLIER	PROJECT/SERVICE	DEPARTMENT	CONTRACT AMOUNT	PAYMENTS	START DATE	END DATE
EVALUATION PROPERTY INTELLIGENCE	GENERAL EVALUATION ROLL	BUDGET AND TREASURY OFFICE	BASED ON APPROVED RATE	R 510 354,35	01/07/2017	30/06/2022
AYANDA MBANGA COMMUNICATIONS	PROVISION OF ADVERTISING SERVICES	CORPORATE SERVICES	BASED ON APPROVED RATE	R 844 963,40	01/03/2018	28/02/2021
KONICA MINOLTA AFRICA	SUPPLY AND DELIVERY OF PRINTERS AND PHOTOCOPYIG MACHINES	CORPORATE SERVICES	R 1 378 141,67	R 53 639,45	11/06/2018	10/06/2021
RURAL METRO	PROVISION OF FIRE SERVICES & RESCUE	COMMUNITY	R 4 139 886,00	R 3 268 235,40	01/08/2017	31/07/2020
INDWE RISK SERVICES	INSURANCE	OFFICE OF THE MM	BASED ON APPROVED RATE	R 210 869,56	08/08/2016	07/08/2021

2.13 CAPITAL EXPENDITURE DETAILS

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

SA34A- Capital expenditure on new assets by asset class

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SA34a Capital expenditure on new assets by asset class								
Description	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital expenditure on new assets by Asset Class/Sub-class								
Infrastructure	34 759	17 525	19 013	22 802	22 802	16 099	34 810	37 074
Roads Infrastructure	34 759	17 033	19 013	22 802	22 802	14 099	32 702	34 853
Roads	34 759	17 033	19 013	22 802	22 802	14 099	32 702	34 853
Electrical Infrastructure	-	-	-	-	-	2 000	2 108	2 222
Power Plants	-	-	-	-	-	-	-	-
HV Substations	-	-	-	-	-	-	-	-
HV Switching Station	-	-	-	-	-	2 000	2 108	2 222
Solid Waste Infrastructure	-	492	-	-	-	-	-	-
Landfill Sites	-	492	-	-	-	-	-	-
Community Assets	19 938	23 010	6 033	12 071	12 071	21 037	3 938	4 151
Community Facilities	19 938	7 100	5 747	12 071	12 071	13 037	3 411	3 596
Halls	19 938	7 100	3 478	3 915	3 915	5 000	-	-
Centres	-	-	-	3 382	3 382	-	-	-
Crèches	-	-	88	-	-	2 550	-	-
Cemeteries/Crematoria	-	-	80	80	80	-	-	-
Public Ablution Facilities	-	-	1 600	4 008	4 008	2 800	2 951	3 111
Markets	-	-	500	250	250	2 250	-	-
Taxi Ranks/Bus Terminals	-	-	-	437	437	437	460	485
Capital Spares	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	15 911	286	-	-	8 000	527	555
Indoor Facilities	-	-	-	-	-	-	-	-
Outdoor Facilities	-	15 911	286	-	-	8 000	527	555
Capital Spares	-	-	-	-	-	-	-	-
Heritage assets	-	-	500	-	-	150	-	-
Monuments	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-
Other Heritage	-	-	500	-	-	150	-	-
Other assets	2 099	13 679	3 350	3 000	3 000	2 700	3 689	3 888
Operational Buildings	2 099	13 679	3 350	3 000	3 000	2 700	3 689	3 888
Municipal Offices	2 099	13 679	3 350	3 000	3 000	2 700	3 689	3 888
Computer Equipment	355	592	539	887	887	776	817	862
Computer Equipment	355	592	539	887	887	776	817	862
Furniture and Office Equipment	331	1 166	1 155	3 411	3 411	1 193	1 100	1 159
Furniture and Office Equipment	331	1 166	1 155	3 411	3 411	1 193	1 100	1 159
Machinery and Equipment	1 900	128	3 893	4 515	4 515	5 709	4 378	4 615
Machinery and Equipment	1 900	128	3 893	4 515	4 515	5 709	4 378	4 615
Transport Assets	2 639	10 949	4 800	6 351	6 351	3 250	3 426	3 610
Transport Assets	2 639	10 949	4 800	6 351	6 351	3 250	3 426	3 610
Total Capital Expenditure on new assets	62 021	67 050	39 282	53 036	53 036	50 914	52 158	55 360

Table SA34e- Capital expenditure on the upgrading of existing assets by asset class

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SA34e Capital expenditure on the upgrading of existing assets by asset class										
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		-	-	-	11 200	8 189	8 189	8 500	8 959	9 443
Roads Infrastructure		-	-	-	11 200	8 189	8 189	8 500	8 959	9 443
Roads		-	-	-	11 200	8 189	8 189	8 500	8 959	9 443
Community Assets		-	-	-	11 600	8 891	8 891	9 230	2 635	2 777
Community Facilities		-	-	-	5 000	2 450	2 450	8 000	2 635	2 777
Halls		-	-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	4 000	1 500	1 500	2 500	2 635	2 777
Theatres		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	2 000	-	-
Taxi Ranks/Bus Terminals		-	-	-	1 000	950	950	3 500	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	6 600	6 441	6 441	1 230	-	-
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		-	-	-	6 600	6 441	6 441	1 230	-	-
Other assets		-	-	-	2 500	1 000	1 000	-	-	-
Operational Buildings		-	-	-	2 500	1 000	1 000	-	-	-
Municipal Offices		-	-	-	2 500	1 000	1 000	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	1 171	1 171	-	-	-
Furniture and Office Equipment		-	-	-	-	1 171	1 171	-	-	-
Total Capital Expenditure on upgrading of existing assets	1	-	-	-	25 300	19 251	19 251	17 730	11 594	12 220

Table SA34c-Repairs and maintenance expenditure by asset class

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SA34c Repairs and maintenance expenditure by asset class								
Description	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Repairs and maintenance expenditure by Asset Class/Sub-class								
Infrastructure	1 149	1 013	1 400	1 400	1 400	2 000	2 108	2 222
Roads Infrastructure	1 149	1 013	1 400	1 400	1 400	2 000	2 108	2 222
Roads	1 149	1 013	1 400	1 400	1 400	2 000	2 108	2 222
Community Assets	1 423	4 444	4 150	4 050	4 050	3 000	3 162	3 333
Community Facilities	1 423	4 444	4 150	4 050	4 050	3 000	3 162	3 333
Halls	1 338	3 787	4 150	4 050	4 050	3 000	3 162	3 333
Libraries	85	657	-	-	-	-	-	-
Other assets	301	267	2 920	2 920	2 920	1 944	2 048	2 159
Operational Buildings	301	267	2 920	2 920	2 920	1 944	2 048	2 159
Municipal Offices	301	267	2 920	2 920	2 920	1 944	2 048	2 159
Computer Equipment	-	-	-	-	-	50	53	56
Computer Equipment	-	-	-	-	-	50	53	56
Furniture and Office Equipment	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-
Machinery and Equipment	83	227	604	564	564	637	672	708
Machinery and Equipment	83	227	604	564	564	637	672	708
Transport Assets	1 007	1 178	1 277	1 259	1 259	1 773	1 868	1 969
Transport Assets	1 007	1 178	1 277	1 259	1 259	1 773	1 868	1 969
Total Repairs and Maintenance Expenditure	3 963	7 129	10 350	10 192	10 192	9 404	9 911	10 447

2.14 LEGISLATION COMPLIANCE STATUS

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

a. In year reporting

In year 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 on the municipality's website.

b. Internship programmes

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 and internal auditing. Three of the interns have attended the MFMP and completed it, the other two interns will start at the beginning of the new financial year.

c. Budget and Treasury Office

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

d. Audit Committee

An Audit Committee has been established and is fully functional.

e.) Service Delivery and Budget implementation Plan

The detail SDBIP document is at a draft stage and will be finalised after approval of the 2019/20 MTREF with 28 day after the approval 2019/20 MTREF.

f.) Annual Report

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

g.) Policies

Policies The review of all budget related policies has taken place in terms of Regulation 7 of the MBRR.

h.) Budget Preparation

This Budget has been prepared in terms of section 21 of the MFMA No. 56 of 2003. The municipality has taken the following macro-economic forecasts into consideration when preparing the 2019/2020 Municipal budget and MTREF as stipulated in MFMA circular No. 94.

Fiscal year	2018/19 Estimates	2019/20	2020/21 Forecast	2021/22
Consumer Price Inflation (CPI)	4.7%	5.2%	5.4%	5.4%
Real GBD Growth	0.7%	1.5%	1.7%	2.1%

2.15. OTHER SUPPORTING DOCUMENTS

Table SA1 - Supporting detail to budgeted financial performance

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'									
Description	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
REVENUE ITEMS:									
<u>Property rates</u>									
Total Property Rates	19 892	35 375	48 026	47 673	47 673	47 673	57 147	60 233	63 456
<i>less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)</i>	-	-	11 504	12 017	12 017	12 017	19 586	20 644	21 759
Net Property Rates	19 892	35 375	36 522	35 656	35 656	35 656	37 561	39 589	41 697
Net Service charges - sanitation revenue									
	-	-	-	-	-	-	-	-	-
<u>Service charges - refuse revenue</u>									
Total refuse removal revenue	2 588	3 127	3 731	2 790	2 790	2 790	3 800	4 005	4 221
Total landfill revenue	-	-	-	-	-	-	-	-	-
<i>less Revenue Foregone (in excess of one removal a week to indigent households)</i>	-	-	-	-	-	-	-	-	-
<i>less Cost of Free Basic Services (removed once a week to indigent households)</i>	-	-	-	-	-	-	-	-	-
Net Service charges - refuse revenue	2 588	3 127	3 731	2 790	2 790	2 790	3 800	4 005	4 221
<u>Other Revenue by source</u>									
Fuel Levy	-	-	-	-	-	-	-	-	-
Other Revenue	6 885	-	-	-	-	-	-	-	-
Discontinued Operations	-	-	-	-	-	-	-	-	-
Rent on Land	-	-	-	-	-	-	-	-	-
Books	-	-	185	511	511	511	2	2	3
Building Plan Approval	-	-	-	-	-	-	262	277	292
Objections and Appeals	-	1 343	1 027	1 235	1 235	1 235	79	83	87
Waste Paper	-	-	-	-	-	-	59	62	65
Clearance Certificates	-	-	-	-	-	-	17	17	18
Nursery Sale of Plants	-	-	-	-	-	-	120	126	133
Cemetery and Burial	-	-	-	-	-	-	1	1	1
Tender Documents	-	-	-	-	-	-	642	677	713
Photocopies and Faxes	-	-	-	-	-	-	14	14	15
Operational Revenue: Insurance Refund	-	-	-	-	-	-	300	316	333
Operational Revenue: Skills Development Levy Refund	-	-	-	-	-	-	100	105	111
	-	-	-	-	-	-	-	-	-
Total 'Other' Revenue	6 885	1 343	1 211	1 746	1 746	1 746	1 595	1 681	1 772

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KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'									
Description	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
EXPENDITURE ITEMS:									
Employee related costs									
Basic Salaries and Wages	45 570	38 529	41 278	41 078	41 078	41 078	47 553	50 121	51 717
Pension and UIF Contributions	-	4 309	5 193	5 193	5 193	5 193	6 782	7 138	7 634
Medical Aid Contributions	-	2 545	2 443	2 443	2 443	2 443	2 682	2 827	2 979
Overtime	-	-	-	-	-	-	-	-	-
Performance Bonus	-	2 618	3 497	3 497	3 497	3 497	3 484	3 673	3 871
Motor Vehicle Allowance	-	657	511	511	511	511	408	430	453
Cellphone Allowance	-	-	-	-	-	-	-	-	-
Housing Allowances	-	237	509	509	509	509	546	576	607
Other benefits and allowances	-	1 604	1 609	1 609	1 609	1 609	2 026	2 135	2 251
Payments in lieu of leave	-	-	316	316	316	316	-	-	-
Long service awards	-	-	-	-	-	-	150	-	-
Post-retirement benefit obligations	-	-	-	-	-	-	333	351	370
sub-total	45 570	50 499	55 356	55 156	55 156	55 156	63 965	67 251	69 882
<u>Less: Employees costs capitalised to PPE</u>	-	-	-	-	-	-	-	-	-
Total Employee related costs	45 570	50 499	55 356	55 156	55 156	55 156	63 965	67 251	69 882
Depreciation & asset impairment									
Depreciation of Property, Plant & Equipment	16 965	22 143	20 789	22 484	22 484	22 484	34 622	36 434	38 401
Lease amortisation	-	-	613	30	30	30	32	34	35
Capital asset impairment	-	-	-	-	-	-	-	-	-
Depreciation resulting from revaluation of PPE	-	-	-	-	-	-	-	-	-
Total Depreciation & asset impairment	16 965	22 143	21 402	22 514	22 514	22 514	34 654	36 467	38 436
Total bulk purchases	-	-	-	-	-	-	-	-	-
Transfers and grants									
Cash transfers and grants	-	-	1 778	1 811	1 811	1 811	1 905	2 008	2 116
Non-cash transfers and grants	-	-	-	-	-	-	-	-	-
Total transfers and grants	-	-	1 778	1 811	1 811	1 811	1 905	2 008	2 116
Contracted services									
Outsourced Services	-	-	13 303	14 921	14 921	14 921	15 943	16 804	17 712
Consultants and Professional Services	-	-	8 354	12 253	12 253	12 253	7 918	7 818	8 240
Contractors	-	-	11 801	13 109	13 109	13 109	10 423	10 986	11 580
sub-total	-	-	33 459	40 283	40 283	40 283	34 284	35 609	37 532
Total contracted services	-	-	33 459	40 283	40 283	40 283	34 284	35 609	37 532
Other Expenditure By Type									
Collection costs	-	-	-	-	-	-	-	-	-
Contributions to 'other' provisions	-	-	-	-	-	-	-	-	-
Consultant fees	-	-	-	-	-	-	-	-	-
Audit fees	-	-	1 800	1 800	1 800	1 800	1 800	1 897	2 000
General expenses	-	-	-	-	-	-	-	-	-
Operating Leases	64 442	54 111	56	-	-	-	-	-	-
Operational Cost	-	-	30 417	30 727	30 727	30 727	27 296	28 876	34 435
Total 'Other' Expenditure	64 442	54 111	32 273	32 527	32 527	32 527	29 096	30 773	36 435
Repairs and Maintenance									
Employee related costs	-	-	-	-	-	-	-	-	-
Other materials	-	-	-	-	-	-	-	-	-
Repairs and Maintenance - Transport Assets	-	-	1 277	1 261	1 261	1 261	1 773	1 868	1 969
Repairs and Maintenance - Roads	-	-	1 400	1 400	1 400	1 400	2 000	2 108	2 222
Repairs and Maintenance - Community assets	-	-	4 150	4 050	4 050	4 050	3 000	3 162	3 333
Repairs and Maintenance - Office Buildings	-	-	2 500	2 400	2 400	2 400	1 500	1 581	1 666
Repairs and Maintenance - Office Buildings (Electricity)	-	-	420	520	520	520	444	467	493
Repairs and Maintenance - Plant and Equipment	-	-	604	562	562	562	687	724	764
Contracted Services	3 963	7 130	-	-	-	-	-	-	-
Other Expenditure	-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	3 963	7 130	10 350	10 192	10 192	10 192	9 404	9 911	10 447

Table SA2 Matrix financial performance budget (revenue source/expenditure type and department)

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)							
Description	Vote 1 - Executive and Council	Vote 2 - Budget and Treasury	Vote 3 - Corporate Services	Vote 4 - Community Services	Vote 5 - Public Works and Basic Services	Vote 6 - Planning and Development	Total
R thousand							
Revenue By Source							
Property rates	-	37 561	-	-	-	-	37 561
Service charges - electricity revenue	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	3 800	-	-	3 800
Rental of facilities and equipment	-	1 144	-	-	-	-	1 144
Interest earned - external investments	-	7 741	-	-	-	-	7 741
Interest earned - outstanding debtors	-	1 800	-	-	-	-	1 800
Dividends received	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	67	-	597	-	-	665
Licences and permits	-	-	-	998	-	-	998
Agency services	-	-	-	-	-	-	-
Other revenue	-	1 230	100	2	-	262	1 595
Transfers and subsidies	-	128 869	-	3 657	2 381	500	135 407
Gains on disposal of PPE	-	345	-	-	-	-	345
Total Revenue (excluding capital transfers and contributions)	-	178 758	100	9 055	2 381	762	191 056
Expenditure By Type							
Employee related costs	6 020	11 882	8 095	18 436	17 023	2 509	63 965
Remuneration of councillors	12 627	-	-	-	-	-	12 627
Debt impairment	-	6 478	-	-	-	-	6 478
Depreciation & asset impairment	-	34 654	-	-	-	-	34 654
Finance charges	-	425	-	-	-	-	425
Bulk purchases	-	-	-	-	-	-	-
Other materials	119	-	20	4 266	200	-	4 604
Contracted services	2 235	3 398	10 227	6 078	10 022	2 255	34 214
Transfers and subsidies	-	1 905	-	-	-	-	1 905
Other expenditure	4 783	5 982	6 028	4 507	7 337	529	29 166
Loss on disposal of PPE	-	-	-	-	-	-	-
Total Expenditure	25 784	64 724	24 370	33 286	34 581	5 294	188 039
Surplus/(Deficit)	(25 784)	114 034	(24 270)	(24 231)	(32 200)	(4 531)	3 018
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	-	-	-	27 149	-	27 149
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)	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(25 784)	114 034	(24 270)	(24 231)	(5 051)	(4 531)	30 167

Table SA3 – Supporting detail to Statement of Financial Position

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'										
Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
ASSETS										
Call investment deposits										
Call deposits	-	-	-	48 809	48 809	-	-	51 033	46 337	40 403
Other current investments	-	-	-	-	-	-	-	-	-	-
Total Call investment deposits	-	-	-	48 809	48 809	-	-	51 033	46 337	40 403
Consumer debtors										
Consumer debtors	-	37 748	54 680	50 240	50 240	50 240	50 240	54 918	59 222	58 431
Less: Provision for debt impairment	-	(29 051)	(25 940)	-	-	-	-	(33 808)	(40 635)	(47 831)
Total Consumer debtors	-	8 697	28 740	50 240	50 240	50 240	50 240	21 111	18 587	10 600
Debt impairment provision										
Balance at the beginning of the year	-	-	29 051	-	-	-	-	27 330	33 808	40 635
Contributions to the provision	-	29 051	(5 994)	-	-	-	-	6 478	6 828	7 196
Bad debts written off	-	-	-	-	-	-	-	-	-	-
Balance at end of year	-	29 051	23 057	-	-	-	-	33 808	40 635	47 831
Property, plant and equipment (PPE)										
PPE at cost/v valuation (excl. finance leases)	-	306 568	292 419	378 206	427 669	427 669	427 669	515 004	578 635	646 245
Leases recognised as PPE	-	-	-	-	-	-	-	-	-	-
Less: Accumulated depreciation	-	16 975	38 953	21 372	21 372	21 372	21 372	(99 903)	(136 370)	(174 807)
Total Property, plant and equipment (PPE)	-	289 593	331 372	399 578	449 041	449 041	449 041	415 100	442 264	471 439
LIABILITIES										
Current liabilities - Borrowing										
Short term loans (other than bank overdraft)	-	-	-	-	-	-	-	-	-	-
Current portion of long-term liabilities	-	567	357	-	-	-	-	540	171	-
Total Current liabilities - Borrowing	-	567	357	-	-	-	-	540	171	-
Trade and other payables										
Trade Payables	-	27 992	22 015	35 649	35 649	35 649	35 649	23 000	22 650	22 300
Other Creditors	-	-	-	5 456	5 456	5 456	5 456	3 768	3 799	3 875
Unspent conditional transfers	-	25 088	12 954	-	-	-	9 969	7 944	-	-
VAT	-	-	-	-	-	-	-	-	-	-
Total Trade and other payables	-	53 080	34 969	41 105	41 105	41 105	51 074	34 713	26 449	26 175
Non current liabilities - Borrowing										
Borrowing	-	-	-	-	-	-	-	-	-	-
Finance leases (including PPP asset element)	-	73	451	-	-	-	860	171	-	-
Total Non current liabilities - Borrowing	-	73	451	-	-	-	860	171	-	-
Provisions - non-current										
Retirement benefits	-	4 856	5 266	-	-	-	-	5 266	5 317	5 342
List other major provision items										
Refuse landfill site rehabilitation	-	8 043	8 535	-	-	-	-	8 535	8 535	8 535
Other	-	2 064	2 489	-	-	-	-	2 489	2 489	2 489
Total Provisions - non-current	-	14 963	16 290	-	-	-	-	16 290	16 341	16 366
CHANGES IN NET ASSETS										
Accumulated Surplus/(Deficit)										
Accumulated Surplus/(Deficit) - opening balance	-	318 325	345 158	-	-	-	-	478 207	500 833	534 909
GRAP adjustments	-	442	-	-	-	-	-	-	-	-
Restated balance	-	318 767	345 158	-	-	-	-	478 207	500 833	534 909
Surplus/(Deficit)	-	27 609	73 009	50 955	42 166	42 166	42 166	30 167	29 639	30 393
Appropriations to Reserves	-	-	-	-	-	-	-	-	-	-
Transfers to/from Reserves	-	(261)	-	-	-	-	-	-	-	-
Depreciation offsets	-	-	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-	-	-	-
Accumulated Surplus/(Deficit)	-	346 115	418 167	50 955	42 166	42 166	42 166	508 374	530 472	565 302
Reserves										
Housing Development Fund	-	3 593	4 261	3 780	-	-	-	4 261	4 474	4 698
Capital replacement	-	-	-	583	-	-	-	-	-	-
Total Reserves	-	3 593	4 261	4 362	-	-	-	4 261	4 474	4 698
TOTAL COMMUNITY WEALTH/EQUITY	-	349 708	422 428	55 317	42 166	42 166	42 166	512 635	534 946	570 000

2.15.1 Reason for differences between Valuation Roll and System

- There are properties that were transferred to Ubuhlebezwe, Impendle and Umsunduzi as a result of the redetermination of municipal boundaries by the demarcation board, the properties are still on the system but there are sitting at zeros.
- There are also properties that have been consolidated and there are those that have been subdivided, and the changes are only captured on the system we still waiting for the process to be finalized.

2.15.2 Municipal regulation on the Standard Chart of Accounts (mSCOA)

The municipality is implementing MSCOA.

2.15.2 Financial Modeling and Key Planning Drivers

As part of the compilation of the 2019/2020 MTREF, extensive financial modeling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2019/20 MTREF:

- Local Economic growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2018/2019 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 88, 89 and 91 and prior circulars has been taken into consideration in the planning and prioritization process.

2.15.3 Planning, budgeting and reporting cycle

The performance of Dr Nkosazana Dlamini Zuma Municipality relates direct to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The NDZ therefore has adopted one integrated performance management system which encompasses.

2.15.4 Disposal of Assets

The municipality has identified assets that will be disposed in 2019/20 financial year and they are currently sitting at a zero carrying value.

- **Performance indicators and benchmarks**

a) Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management framework will be 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.

b) Creditors Management

Dr NDZ 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 a 100 per cent compliance rate to this legislative obligation.

This has had a favorable impact on supplier's perceptions of risk of doing business with Dr NDZ Municipality, which is expected to benefit the local community in the form of more competitive pricing of tenders, as suppliers compete for the Dr NDZ business

c) Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulties on paying for the basic services and are registered as indigent households in terms of the Indigent Policy of the Dr Nkosazana Dlamini Zuma Municipality. Only registered indigents qualify for the free basic services.

Capacity to execute projects internally

The municipality will procure additional Plants and Machinery. R 3 Million has been set aside for the second Grader and other Machineries. Labour intensive program will be phased in on small to medium renovation projects.

Electricity

95% of Dr NDZ households have access to electricity. R8 million has been set aside for infills and few farm communities.

Roads

The municipality currently have more than 131 roads on the PPE Register which varies in sizes of kilometres. There are approximately 181 roads requests by communities on the IDP. As new roads are constructed, plans to maintain the existing roads must be implemented, hence cutting unnecessary costs and on building internal capacity is needed.

Community Halls

The municipality currently have more than 55 registered and 19 unregistered community halls in 15 wards. Affordable maintenance and safeguarding of these assets is vital, while re-prioritisation and reconsideration of building community need to be explored.

Repairs and Maintenance

The municipality has budget 2% on repairs and maintenance which is far below the norm of 8% of the net value of PPE. EPWP, Labour intensive approach and additional plants will complement the budget.

Waste Management and Cleanliness of our Towns

The municipality is currently removing waste twice a week to all Dr NDZ households and four times a week in businesses.

The municipality will be opening a new waste transfer station at Bulwer and close the one at Himeville while minimising the illegal dumping to its community to keep our town clean.

2.16 Municipal Manager quality certificate

I, NC Vezi, Municipal Manager of Dr Nkosazana Dlamini-Zuma Local Municipality hereby certify that the Annual Final budget for the 2019/2020 and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act,

Print Name : NC Vezi

Municipal Manager of Dr Nkosazana Dlamini-Zuma Municipality, KZN436

Signature _____