



DR NKOSAZANA DLAMINI ZUMA MUNICIPALITY

PRESENTS

2020/2021 TO 2022/23

FINAL MEDIUM-TERM REVENUE AND EXPENDITURE FORECASTS

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Table of Content

PART 1 – ANNUAL BUDGET

1.1 Mayors Report	3 -13
1.2 Council resolution.....	14
1.3 Executive summary.....	14 - 29
1.4 Annual budget tables.....	30 - 42

PART 2 - SUPPORTING DOCUMENTS

2.1 Supporting documents.....	43 -80
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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 2020/2021 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 2020, the tariffs for property rates, the tariffs for solid waste services and the tariffs for other services.

Government Allocations for 2020/21 Financial Year

Allocations published in the 2020 Division of Revenue Act and Provincial Gazette indicates the following:

Description	Budget Allocations 2019/20	Budget Allocations 2020/21
Municipal Finance Management Grant	3,000,000.00	2,000,000.00
Equitable Share	125,869,000.00	134,138,000.00
Provincialisation of Libraries Grant	2,640,000.00	2,714,000.00
Community Library Service Grant	1,017,000.00	1,089,000.00
Building Plans Information Management System	500,000.00	-
Expanded Public Works Programme	2,381,000.00	2,513,000.00
Capital:MoMunicipal Infrastructure Grant	27,149,000.00	26,989,000.00
Integrated National Electrification Programme	8,000,000.00	6,930,000.00
Anti - Corruption Grant	171,343.00	-
Tittle Deeds Restoration Grant	-	439,000.00
Municipal Disaster Relief Grant	-	745,000.00
TOTAL GOVERNMENT GRANTS AND SUBSIDIES	170,727,343.00	177,557,000.00

BUDGET SUMMARY 2020/21 MTERF

The Final budget presentation reflects the following consolidated (summary)

Description	Adjustment Budget 2019-2020	Final Budget 2020-2021	2021-2022 Budget Year	2022-2023 Budget Year
Total Revenue	R 216 941 419	R 230 971 155	R 240 618 480	R 252 673 062
Total Operating Expenditure	-R 189 799 601	R 203 276 037	R 209 872 969	R 219 071 499
Surplus/(Deficit) Before Capital Expenditure	R 27 161 817	R 27 695 118	R 30 745 512	R 33 601 563
Capital Expenditure	-R 90 037 603	-R 101 077 478	-R 41 203 468	-R 43 271 800
Surplus/(Deficit) for the year	-R 30 121 000	-R 73 382 360	-R 10 457 956	-R 9 670 237

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 6,9 million in the 2020/21 financial year. 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 2019-2020	Final Budget 2020-2021	2021-2022 Budget Year	2022-2023 Budget Year
Electrification Projects	R 19 729 856	R 6 930 000	R 6 000 000	R 6 000 000

The 2020/2021 Total Revenue from capital and operational grants transfers is R 177, 5million excluding INEP grant and municipal own revenue is R 74 million.

Capital Expenditure and Service Delivery Budget

Dr Nkosazana Dlamini Zuma Municipality has budgeted an amount of R 101 million to fund it capital expenditure in 2020/2021 financial year for the municipality to deliver adequate services to it community. National Treasury has allocated an amount R 26 989 000 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 Number	DESCRIPTION	2020/21 Final Budget
7	Gqumeni Creche	11 794
11	Bhidla Creche	15 219
1	Solokohlo Community Hall	15 080
2	Himeville Business Hives	3 509 335
4	Sdangeni Bridge Road	4 590 647
12	Mqulelwa Sportsfield	2 145 641
13	Dumabezwe Sportsfild	1 348 550
15	Msameni Sportfield	98 499
3	Underberg Community Town Hall	7 303 359
6	Centocow shelter and Toilets	4 950 877
15-Jan	Storm Water	3 000 000
		26 989 000

Integrated National Electrification Programme (INEP) funded projects is R 6,9 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.

DESCRIPTION	2020/21 Final Budget
Greater Ward 2 Infills (Goxhill, Nhlanhleni, Mahwaqa, Gxalingenwa and KwaPitela)	462 000,00
Greater Ward 5 Infills (Dazini, Zidweni, Khukhulela, mpumulwane and Ndodeni)	462 000,00
Greater Ward 11 Infills (Nkumba, Mandlezizwe, Ntabamakhaba, Benny, Mazizini and Sharp)	462 000,00
Greater Ward 15 Infills (Khethokuhle, Masamini, Sandanezwe, KwaSawoti and kwaJani)	462 000,00
Greater Ward 9 Infills (Nkwezela VD extention, Bhambhatha, Tafuleni, Sopholile and Nkwezela Hall)	462 000,00
Greater Ward 1 Infills (Mkhomazane, Ntwasahlobo, Ridge KwaThunzi, Stepmore and Solokohlo)	462 000,00
Greater Ward 3 Infills (Khubeni and St Francis)	462 000,00
Greater Ward 4 Infills (Zidweni, Sdangeni, Madwaleni, Phayindani and Cabazi)	462 000,00
Greater Ward 6 Infills (Ngcesheni, Scedeni, Hlabeni, Makholweni And Sbovini)	462 000,00
Greater Ward 8 Infills (Sonyongwana, Mkhazeni, Gxalingenwa and Mwaneni)	462 000,00
Greater Ward 12 Infills (Mqulela, Bethlehem, Lubovana, Mphithini and Butho)	462 000,00
Greater Ward 13 Infills (Seaford, Dumabezwe and Sokhela)	462 000,00
Greater Ward 14 Infills (Ndebenei, Woodhurst, Nomgidi and Micheal)	462 000,00
Greater ward 7 Infills (Gqumeni, Mngundekweni, Mahlahla, and TarsValley)	462 000,00
Greater Ward 10 Infills (Khenana Bulwer, Xosheyakhe, Dingeka, Ngonyama and Ntokozweni)	462 000,00
TOTAL	6 930 000,00

Plant & Equipment to assist with Maintenance of infrastructure is allocated a budget of R3,5 million to procure:

- 10x Skip bins
- Skip Truck

Other Internally Funded projects is R 67, 5million

- Procurement of Computer Equipment
- Procurement of Furniture and Equipment

- Procurement of Computer Software
- Procurement of Transport assets
- Construction of Fire Station
- Procurement of Plant and Equipment
- Procurement of GPS Equipment
- Building of Industrial Business Park/ Hub
- Fresh Produce Market
- Creighton Artificial Sportfield
- Bus Shelters
- Underberg Taxi Rank Upgrade
- Gobhogobho Hall
- Municipal Offices
- Upgrade of Underberg road
- Bulwer Asphalts Roads 6
- Creighton Asphalt Road 5
- Donnybrook Asphalt Surfacing - Phase 3
- Bulwer Asphalt Road Phase 7
- Donnybrook Asphalt Surfacing Phase 4
- Himeville Asphalt Surfacing Phase 2
- Himeville Asphalt Surfacing Phase 1
- Underberg Asphalt Roads phase 2
- Creighton Asphalt Road Phase 6
- Backup Generator
- Creighton Library-Conversion of Maliyavuza
- Procurement Installation of Cameras
- Procurement of Fiber Connection Cable
- Procurement of Kitchen Equipment Animal
- Procement of Gazeboz and Folding tables
- Build Sound System
- Furniture for Activity Room
- Zekeleni Access Road
- Chapter Access Road
- Sidandane Access Road
- Nomandlovu Access Road
- Buyani Sportfield
- Sawoti Access Road
- Paving and Parking
- Guard house x4
- Furniture & Shelters
- Fencing Common Dam

Repairs & maintenance budget is R 11,7 million

- 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 2020/21 financial year

Description	2020/21 Final Budget	2021/2022 Budget Year	2022/2023 Budget Year
HIV/TB, Senior Citizens, Disability, Wor	383 660	401 308	419 769
Sukhuma Sakhe	480 000	502 080	525 176
Child Programmes	144 500	151 147	158 100
Disability Programs	220 000	230 120	240 706
Gender	229 771	240 340	251 396
Youth Development	814 450	851 915	891 103
Arts and Culture projects	886 810	927 603	970 273
Bulwer Community Service Center	132 450	138 543	144 916
Mayoral Cup	255 947	267 721	280 036
Sport Development Project	546 075	571 194	597 469
Disaster Management	1 811 680	1 115 747	1 167 072
LED Programmes	3 677 000	4 369 142	4 570 123
Tourism Programmes	1 716 260	1 795 208	1 877 788
Communication	271 200	283 675	296 724
Community Functions	200 000	209 200	218 823
Public Participation	424 950	444 498	464 944
Ward Committees	1 632 014	1 707 087	1 785 613
Spluma Projects	900 000	941 400	984 704
Employee Wellness	292 800	306 269	320 357
TOTAL PROGRAMMES	15 019 567	15 454 197	16 165 091

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

Fire/Disaster Management Center Establishment R 10 676 366.00

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 2020/2021.

- Construction/Establishment of Fire/Disaster Emergency Management Center (Phase 1 for 3-year period). The construction has started in in the 2019/2020 financial year.
- Ensuring sustainability of the Disaster Management Advisory Forum (DMAF)
- Procurement of disaster/ fire equipment
- Appointment of Fire Fighters
- Conducting Integrated Community Safety Awareness Campaign
- Procurement of one Disaster Vehicles and Disaster Relief Materials

Youth Development programs, activities and Bursaries R 814 450

- 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
- Targeted Programme Support (Clothing and Textile, Bricklayers, Home Stays)
- Construction of Small-Scale industrial park in Creighton, plans and designs to be done in 2019/2020

- 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 776 223

- Construction of Creighton Library commenced in 2019/20 financial year to be completed in the 2020/21 financial year.
- Community trainings - Conduct 12 computer trainings
- Conduct 16 library community outreach programmes

Arts and Culture programs R 886 810

- 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 546 075

- 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 383 660

- 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 1 816 260

- 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

R 900 000

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 080 372

- Free Basic electricity
- Refuse
- Rates
- Indigent (Funeral support)

Public Participation, Communication, Community Functions and Ward committees

R 2 528 164.00

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 29th May 2020 the Council of Dr Nkosazana Dlamini-Zuma Municipality met in the Council Chambers of Dr NDZ to consider the draft budget of the municipality for the financial year 2020/21. The Council, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) to note and adopt the following:

- The Final budget of the Municipality for the financial year 2020/21
- The Final Budget related policies for the financial year 2020/21

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 2020/21 – 2022/23 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 2020/21 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 rates 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 2020/21 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 2020/21 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 2020/21 budget.

Description	Adjustment Budget 2019-2020	Final Budget 2020-2021	2021-2022 Budget Year +1	2022-2023 Budget Year +2
Total Revenue	R 216 941 419	R 230 971 155	R 240 618 480	R 256 473 602
Total Operating Expenditure	-R 189 799 601	R 203 276 037	R 209 872 969	R 219 071 499
Surplus/(Deficit) Before Capital Expenditure	R 27 161 817	R 27 695 118	R 30 745 512	R 33 601 563
Capital Expenditure	-R 90 037 603	-R 100 992 478	-R 41 203 468	-R 43 271 800

Surplus/(Deficit) for the year	-R 30 121 000	-R 73 297 360	-R 10 457 956	-R 9 670 237
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Total revenue for the municipality has been increased by 6% per cent or R14, 9 million for the 2020/21 financial year when compared to the 2019/20 Adjustments Budget. For the two outer years, operational revenue will increase by 5% in the 2021/22 financial year and 6% in the 2022/23 financial year.

Total operating expenditure for the 2020/21 financial year has been increased by 6%, or R13,5 million when compared to the 2019/20 Adjustments Budget. The amount for depreciation in 2020/2021 financial year is at R 41,5 million and it has increased by R 13,8 million when compared to the 2019/20 Adjustment Budget and provision for bad debts is at R11, 5million. Repairs and Maintenance – increased by 20% or R 2, 4million when compared to the 2019/20 Adjustment Budget

- **Provision for debt impairment**

The provision of debt impairment was determined based on an annual collection rate for 2019/2020. For 2020/21, financial year this item is allocated at an amount of R11million and escalates to R 11, 5million 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 41,6million for 2020/21 financial year escalating to R 43, 5million in 2021/2022 financial year and 45, 5 million in 2022/2023.

- **Capital Budget**

The capital budget of R 101 077 478 for 2020/21 and that is 11% increase when compared to the 2019/20 Adjustment Budget. The increase arises from the number of rollover projects that were put on hold due to the high disturbance caused by the covid 19 pandemic as most of the projects were put on hold to adhere to the rules and regulations of the lockdown. The gazette capital grant for Dr NDZ is not enough to fund many projects that the municipality has for the 2020/21 financial

year, as a result the municipality used its own funding of R 74 million 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. The percentage could have been increased to 85% for the upcoming financial year but due to the news of the COVID-19 the Municipality is afraid that it might affect the economy negatively and that resulting into the customers being in denial to pay. The performance of arrear collection will however only be considered as a source of additional cash in-flow once the performance has been prudently monitored.

2020/2021 overall tariffs have increased by 6% due to the increase of 9% for Business and Commercial when compare with the 2019/2020 tariffs. Business and Commercial has been increased by 9% in order for its tariffs to be in line with municipal rate ratio between the residential and non-residential categories of property of 1:2 which is for Business and Commercial.

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 6% for the 2020/21 financial year when compared to the 2019/20 Adjusted Budget. For the two outer years, total operating revenue will increase by 5% and 6% respectively. Services Charges revenue has increase by 4.5% overall but showing a decrease of R 191 346 when compared to the 2019/20 Adjustment Budget due to the increase in the number of the indigent people have been identified,

Total Revenue increased by 6% and Property rates increased by 6%,

Total own revenue for 2020/21 financial year has increased to R60, 3million when compared to the 2019/20 Adjustment Budget, the escalation in other revenue is due to sale of municipal land that will take place in the 2020/21 financial year, the processes have started already and there is that values one million and the negotiations sale are InProgress.

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 2019/20 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 2020/21 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	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source										
Property rates	19 892	35 375	31 362	37 561	32 380	32 380	32 380	34 425	36 009	37 665
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2 588	3 127	3 305	3 800	3 800	3 800	3 800	3 608	3 774	3 947
Rental of facilities and equipment	676	1 202	829	1 144	862	862	862	831	870	910
Interest earned - external investments	5 207	7 160	7 945	7 741	7 741	7 741	7 741	8 090	8 462	8 851
Interest earned - outstanding debtors	-	3 073	3 232	1 800	2 195	2 195	2 195	2 294	2 399	2 509
Dividends received	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	473	998	1 222	665	695	695	695	726	759	794
Licences and permits	-	1 201	578	998	720	720	720	753	787	823
Agency services	-	-	-	-	31	31	31	32	34	35
Transfers and subsidies	89 864	111 441	126 957	135 407	135 578	135 578	135 578	143 638	149 268	157 121
Other revenue	6 885	1 343	2 626	1 595	986	986	986	1 004	1 050	1 098
Gains	-	-	378	345	4 804	4 804	4 804	8 581	8 976	9 389
Total Revenue (excluding capital transfers and contributions)	125 584	164 922	178 433	191 056	189 792	189 792	189 792	203 982	212 388	223 144

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 2020/2021 financial year increased by 2% when compared to the 2019/20 Adjustment Budget. An increase was applied after taking into consideration the previous year’s actual performance as at the end of April 2020.

Interest on investments was increased by 4.5% after considering total municipal investments.

Gains are sitting at R 8, 5million due to the revenue that will be injected through the sale of the municipal land. The municipality has already received an offer which has been accepted by the municipality of R 1 million for the sale of land used by Department of Health as Underberg Clinic

Interest in outstanding debtors has been increased by 4.5% when compared to the 2019/20 Adjustment Budget, the increase took effect after taking into consideration the strategies that the municipality will be implementing strategies to collect the outstanding debt.

Fines, penalties and forfeits was increased by R 26 886 when compared to the 2019/20 Adjustment Budget, the 5% 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.

Licenses and permits show an increase of R 33 785 when compared to the 2019/20 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 has separated the two-line items in the 2020/21 draft budget as follows

- Drivers Licenses application budget - R 379 392.00
- Drivers licenses application – Agency fees budget - R 33 249.00

Operating grants transfers totals R 143,6 million in the 2020/21 financial year and they show an increase of 6% 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	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
RECEIPTS:									
Operating Transfers and Grants									
National Government:	91 076	107 579	116 628	139 250	139 250	139 250	145 581	151 296	158 952
Operational Revenue:General Revenue:Equitable Share	78 574	95 909	111 162	125 869	125 869	125 869	134 138	143 296	150 952
Operational:Revenue:General Revenue:Fuel Levy	-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant	-	2 224	-	8 000	8 000	8 000	6 930	6 000	6 000
Agriculture Research and Technology	-	-	-	-	-	-	-	-	-
Emergency Medical Service	-	-	-	-	-	-	-	-	-
Energy Efficiency and Demand-side [Schedule 5B]	-	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	2 190	1 877	1 596	2 381	2 381	2 381	2 513	-	-
Khayelitsha Urban Renewal	-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant [Schedule 5B]	3 650	3 800	3 870	3 000	3 000	3 000	2 000	2 000	2 000
Mitchell's Plain Urban Renewal	-	-	-	-	-	-	-	-	-
Municipal Demarcation and Transition Grant [Schedule 5B]	6 662	3 769	-	-	-	-	-	-	-
Municipal Disaster Grant [Schedule 5B]	-	-	-	-	-	-	-	-	-
Municipal Human Settlement Capacity Grant [Schedule 5B]	-	-	-	-	-	-	-	-	-
Municipal Emergency Housing Grant	-	-	-	-	-	-	-	-	-
Metro Informal Settlements Partnership Grant	-	-	-	-	-	-	-	-	-
Provincial Government:	2 362	3 862	3 522	4 157	4 328	4 328	4 987	3 972	4 169
Capacity Building	-	-	-	-	-	-	-	-	-
Capacity Building and Other	-	-	-	4 157	4 328	4 328	-	-	-
Disaster and Emergency Services	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Libraries, Archives and Museums	1 869	2 978	3 464	-	-	-	2 714	2 806	2 946
Community Library Service Grant	-	-	-	-	-	-	1 089	1 166	1 223
Municipal Disaster Relief Grant	-	-	-	-	-	-	745	-	-
Title deed Resbration Grant	-	-	-	-	-	-	439	-	-
Other	400	884	-	-	-	-	-	-	-
Public Transport	-	-	-	-	-	-	-	-	-
Road Infrastructure - Maintenance	-	-	-	-	-	-	-	-	-
Sports and Recreation	93	-	58	-	-	-	-	-	-
Waste Water Infrastructure - Maintenance	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure - Maintenance	-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	93 439	111 441	120 150	143 407	143 578	143 578	150 568	155 268	163 121
Capital Transfers and Grants									
National Government:	34 389	69 795	40 206	27 149	27 149	27 149	26 989	28 230	29 529
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	3 576	20 200	13 540	-	-	-	-	-	-
Municipal Infrastructure Grant [Schedule 5B]	30 813	40 066	26 666	27 149	27 149	27 149	26 989	28 230	29 529
Municipal Water Infrastructure Grant [Schedule 5B]	-	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	-	9 529	-	-	-	-	-	-	-
Aquaponic Project	-	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
Transfer from Operational Revenue	-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	34 389	69 795	40 206	27 149	27 149	27 149	26 989	28 230	29 529
TOTAL RECEIPTS OF TRANSFERS & GRANTS	127 828	181 236	160 356	170 556	170 727	170 727	177 557	183 498	192 650

1.3.2 OPERATING EXPENDITURE FRAMEWORK

Dr NDZ Municipality's expenditure framework for the 2020/21 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 2020/21 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	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source											
Expenditure By Type											
Employee related costs	2	45 570	50 499	52 691	63 965	60 690	60 690	60 690	70 219	73 455	76 828
Remuneration of councillors		8 085	10 755	11 200	12 627	12 627	12 627	12 627	11 901	12 449	13 021
Debt impairment	3	3 897		10 542	6 478	6 478	6 478	6 478	11 060	11 569	12 101
Depreciation & asset impairment	2	16 965	22 143	23 496	34 654	27 801	27 801	27 801	41 625	43 540	45 542
Finance charges		458	1 239	107	425	375	375	375	291	305	319
Bulk purchases	2	-	-	-	-	-	-	-	-	-	-
Other materials	8	-	-	731	4 604	4 575	4 575	4 575	3 998	3 869	4 047
Contracted services		-	-	28 456	34 214	44 481	44 481	44 481	33 860	35 866	37 066
Transfers and subsidies		-	889	1 772	1 905	1 905	1 905	1 405	1 990	2 082	2 178
Other expenditure	4, 5	64 442	53 222	27 241	29 166	30 849	30 849	30 849	28 331	26 740	27 970
Losses		-	-	-	-	-	-	-	-	-	-
Total Expenditure		139 416	138 747	156 236	188 039	189 781	189 781	189 281	203 276	209 873	219 071

Operating Expenditure Budget

The total operating expenditure has increased to R 203,2 million and that increase is 7% when compared to the 2019/20 Adjustment Budget. The budgeted allocation for employee related costs for the 2020/21 financial year total to R 70,2 million and shows an increase of 12% when compared to the 2019/20 Adjustment Budget, the increase above CPI is due to the fact that the budget was adjusted down during the 2019/20 adjustment budget because of positions vacated during year and those that were not filled and will only be filled in the 2020/2021 financial year and other new vacant position.

1. Remuneration of councilors has decreased by 4.5% when compared to the 2019/20 Adjustment Budget, as per the gazette plus 2% to accommodate the backpays when the MEC approves the upper limits.

The MFMA threshold is between 25-40% on salaries over Operating budget. In terms of the 2020/2021 budget the municipality is sitting at 40%. In order for the municipality to be in line with the MFMA it has considered 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.

2. Contracted services expenditure totals to R33,8 million and has decreased by 31% when compared to the 2019/20 Adjustment Budget of R 44,4 million and that clearly demonstrates that the municipality implement cost containment measures.

3. Other expenditure comprises of various line items relating to the daily operations of the municipality. The general expenditure has decreased to 8% when compared to the 2019/20 Adjustment Budget of R 30,8 million and its clearly demonstrates that the municipality is implementing cost containment measures.

4.Repairs and maintenance as a percentage of operating expenditure is sitting at 6% and as a percentage of PPE is sitting at 2% 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, 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	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
by Expenditure Item										
Employee related costs	-	-	-	-	-	-	-	-	-	-
Other materials	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance - Transport Assets				1 773	1 743	1 743	1 743			
Repairs and Maintenance - Roads				2 000	2 000	2 000	2 000			
Repairs and Maintenance - Community assets				3 000	3 000	3 000	3 000			
Repairs and Maintenance - Office Buildings				1 500	444	444	444			
Repairs and Maintenance - Office Buildings (Electricity)				444	1 500	1 500	1 500			
Repairs and Maintenance - Plant and Equipment				687	657	657	657			
Contracted Services	3 963	7 130	7 130	-	-	-	-	11 918	12 467	13 113
Other Expenditure	-	-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	3 963	7 130	7 130	9 404	9 344	9 344	9 344	11 918	12 467	13 113

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	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	1 149	1 013	2 202	2 000	2 000	2 000	3 000	3 138	3 282
Roads Infrastructure	1 149	1 013	2 202	2 000	2 000	2 000	3 000	3 138	3 282
Roads	-	-	-	-	-	-	-	-	-
Road Structures	1 149	1 013	2 202	2 000	2 000	2 000	3 000	3 138	3 282
Road Furniture	-	-	-	-	-	-	-	-	-
Community Assets	1 423	4 444	2 350	3 000	3 000	3 000	4 000	4 184	4 376
Community Facilities	1 423	4 444	2 350	3 000	3 000	3 000	4 000	4 184	4 376
Halls	1 338	3 787	2 350	3 000	3 000	3 000	4 000	4 184	4 376
Centres	-	-	-	-	-	-	-	-	-
Libraries	85	657	-	-	-	-	-	-	-
Other assets	301	267	266	1 944	1 944	1 944	2 350	2 458	2 571
Operational Buildings	301	267	266	1 944	1 944	1 944	2 350	2 458	2 571
Municipal Offices	301	267	266	1 944	1 944	1 944	2 350	2 458	2 571
Computer Equipment	-	-	-	50	50	50	52	55	57
Computer Equipment	-	-	-	50	50	50	52	55	57
Furniture and Office Equipment	-	-	1 123	-	-	-	-	-	-
Furniture and Office Equipment	-	-	1 123	-	-	-	-	-	-
Machinery and Equipment	83	227	1 378	637	607	607	651	681	712
Machinery and Equipment	83	227	1 378	637	607	607	651	681	712
Transport Assets	1 007	1 178	113	1 773	1 743	1 743	1 865	1 951	2 114
Transport Assets	1 007	1 178	113	1 773	1 743	1 743	1 865	1 951	2 114
Total Repairs and Maintenance Expenditure	3 963	7 129	7 432	9 404	9 344	9 344	11 918	12 467	13 113

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 items:

- Vehicles used for political office-bearers
- Vehicles used by officials
- Use of accommodation and training
- Travel & subsistence and 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	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital Expenditure - Functional										
Governance and administration	-	578	492	1 827	2 168	2 168	2 168	2 376	1 703	1 781
Executive and council	-	-	262	612	272	272	272	577	604	631
Finance and administration	-	-	230	1 215	1 896	1 896	1 896	1 799	1 099	1 150
Internal audit	-	578	-	-	-	-	-	-	-	-
Community and public safety	2 639	-	3 758	8 131	8 451	8 451	8 451	10 826	10 315	10 789
Community and social services	2 639	-	3 594	3 525	1 110	1 110	1 110	1 816	979	1 024
Sport and recreation	-	-	18	-	-	-	-	-	-	-
Public safety	-	-	146	4 606	7 341	7 341	7 341	9 010	9 335	9 765
Housing	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-
Economic and environmental services	47 880	66 472	43 660	58 686	79 419	79 419	79 419	87 876	29 186	30 702
Planning and development	47 880	66 472	43 660	53 936	76 999	76 999	76 999	83 384	29 186	30 702
Road transport	-	-	-	4 750	2 420	2 420	2 420	4 491	-	-
Environmental protection	-	-	-	-	-	-	-	-	-	-
Trading services	-	-	3 324	-	-	-	-	-	-	-
Energy sources	-	-	-	-	-	-	-	-	-	-
Water management	-	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-	-
Waste management	-	-	3 324	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	50 519	67 050	51 233	68 644	90 037	90 037	90 037	101 077	41 203	43 272
Funded by:										
National Government	34 389	40 066	26 660	27 149	27 149	27 149	27 149	26 989	29 050	30 559
Provincial Government	-	-	-	-	-	-	-	85	-	-
District Municipality	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatbns, Higher Educational Institutions)	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	34 389	40 066	26 660	27 149	27 149	27 149	27 149	27 074	29 050	30 559
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	27 632	26 984	24 573	41 495	62 888	62 888	62 888	74 003	12 153	12 713
Total Capital Funding	62 021	67 050	51 233	68 644	90 037	90 037	90 037	101 077	41 203	43 272

Capital expenditure totals to R101,7 million and that is 11% increase when compared to the 2019/20 Adjustment Budget of R 90 million. The increase arises from the number of rollover projects that were put on hold due to the high disturbance caused by the covid 19 pandemic as most of the projects were put on hold to adhere to the rules and regulations of the lockdown. The gazette capital grant for Dr NDZ is not enough to fund many projects that the municipality has for the 2020/21 financial year, as a result the municipality used its own funding of R 74 million to fund other capital projects, the municipality could not use more of the reserves to fund capital expenditure.

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 2020/21 budget and MTREF as approved by the Council. Each table is accompanied by explanatory notes on the facing page.

A1 - Budget Summary

Table A1 below 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).

KZN436 Dr Nkosazana Dlamini Zuma - Table A1 Budget Summary										
Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousands										
Financial Performance										
Property rates	19 892	35 375	31 362	37 561	32 380	32 380	32 380	34 425	36 009	37 665
Service charges	2 588	3 127	3 227	3 800	3 800	3 800	3 800	3 608	3 774	3 947
Investment revenue	5 207	7 160	7 945	7 741	7 741	7 741	7 741	8 090	8 462	8 851
Transfers recognised - operational	89 864	111 441	126 957	135 407	135 578	135 578	135 578	143 638	149 268	157 121
Other own revenue	8 034	7 817	8 865	6 547	10 293	10 293	10 293	14 221	14 875	15 559
Total Revenue (excluding capital transfers and contributions)	125 584	164 922	178 355	191 056	189 792	189 792	189 792	203 982	212 388	223 144
Employee costs	45 570	50 499	52 691	63 965	60 690	60 690	60 690	70 219	73 455	76 828
Remuneration of councillors	8 085	10 755	11 200	12 627	12 627	12 627	12 627	11 901	12 449	13 021
Depreciation & asset impairment	16 965	22 143	23 496	34 654	27 801	27 801	27 801	41 625	43 540	45 542
Finance charges	458	1 239	107	425	375	375	375	291	305	319
Materials and bulk purchases	-	-	731	4 604	4 575	4 575	4 575	3 998	3 869	4 047
Transfers and grants	-	889	1 772	1 905	1 905	1 905	1 405	1 990	2 082	2 178
Other expenditure	68 338	53 222	66 238	69 859	81 808	81 808	81 808	73 251	74 174	77 137
Total Expenditure	139 416	138 747	156 236	188 039	189 781	189 781	189 281	203 276	209 873	219 071
Surplus/(Deficit)	(13 832)	26 175	22 120	3 018	11	11	511	706	2 515	4 072
Transfers and subsidies - capital (monetary allocations) (41 441	46 834	26 666	27 149	27 149	27 149	27 149	26 989	29 050	30 559
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	27 609	73 009	48 786	30 167	27 160	27 160	27 660	27 695	31 565	34 631
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	27 609	73 009	48 786	30 167	27 160	27 160	27 660	27 695	31 565	34 631
Capital expenditure & funds sources										
Capital expenditure	50 519	67 050	51 233	68 644	90 037	90 037	90 037	101 077	41 203	43 272
Transfers recognised - capital	34 389	40 066	26 660	27 149	27 149	27 149	27 149	27 074	29 050	30 559
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	27 632	26 984	24 573	41 495	62 888	62 888	62 888	74 003	12 153	12 713
Total sources of capital funds	62 021	67 050	51 233	68 644	90 037	90 037	90 037	101 077	41 203	43 272
Financial position										
Total current assets	104 089	119 928	147 498	80 755	121 446	121 446	121 446	96 446	140 488	187 753
Total non current assets	309 752	351 502	381 997	435 200	444 233	444 233	444 233	503 685	490 490	461 503
Total current liabilities	53 646	36 522	48 041	35 315	56 504	56 504	56 504	51 123	59 005	67 514
Total non current liabilities	15 036	16 741	17 397	16 460	17 389	17 389	17 389	17 397	17 397	17 397
Community wealth/Equity	345 158	418 167	464 058	464 180	491 786	491 786	491 786	531 610	554 576	564 346

Cash flows										
Net cash from (used) operating	130 090	153 386	115 482	58 275	53 570	53 570	53 570	66 006	70 840	74 356
Net cash from (used) investing	(120 619)	(135 521)	(50 815)	(68 299)	(85 234)	(85 234)	(85 234)	(92 496)	(32 227)	(33 883)
Net cash from (used) financing	(438)	(20 952)	(31 818)	(771)	(672)	(672)	(672)	(678)	(678)	(678)
Cash/cash equivalents at the year end	91 923	88 836	121 685	56 033	89 350	89 350	89 350	62 183	100 117	139 912
Cash backing/surplus reconciliation										
Cash and investments available	91 923	88 836	121 685	56 033	89 350	89 350	89 350	62 183	100 117	139 912
Application of cash and investments	(69 359)	(62 956)	(72 870)	(32 106)	(45 698)	(45 698)	(45 698)	(66 727)	(78 737)	(92 042)
Balance - surplus (shortfall)	161 282	151 792	194 555	88 138	135 048	135 048	135 048	128 910	178 854	231 955
Asset management										
Asset register summary (WDV)	289 593	331 372	361 635	415 100	423 812	423 812		483 291	470 094	441 105
Depreciation	16 840	22 113	23 496	34 654	27 801	27 801		42 568	43 540	45 542
Renewal of Existing Assets	-	-	-	-	-	-		15 320	-	-
Repairs and Maintenance	3 963	7 129	7 432	9 404	9 344	9 344		11 918	12 467	13 113
Free services										
Cost of Free Basic Services provided	-	-	78	232	242	260	242	242	255	269
Revenue cost of free services provided	-	-	10 125	19 586	13 860	13 860	19 364	19 364	20 255	21 186
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

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)

Table A2 below 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.

KZN436 Dr Nkosazana Dlamini Zuma - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)										
Functional Classification Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue - Functional	1									
Governance and administration		118 363	156 617	167 476	178 858	177 988	177 988	191 341	203 038	213 350
Executive and council		794	-	-	-	-	-	-	-	-
Finance and administration		117 568	156 617	167 476	178 858	177 988	177 988	191 341	203 038	213 350
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		2 438	5 177	3 970	5 255	5 006	5 006	6 397	5 447	5 712
Community and social services		2 438	-	3 842	3 659	3 658	3 658	3 804	3 973	4 170
Sport and recreation		-	-	22	-	-	-	-	-	-
Public safety		-	5 177	106	1 596	1 348	1 348	2 154	1 474	1 542
Housing		-	-	-	-	-	-	439	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		43 637	46 834	30 015	30 292	30 147	30 147	29 625	29 179	30 694
Planning and development		-	-	99	762	617	617	123	129	135
Road transport		43 637	46 834	29 916	29 530	29 530	29 530	29 502	29 050	30 559
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		2 588	3 127	3 638	3 800	3 800	3 800	3 608	3 774	3 947
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		2 588	3 127	3 638	3 800	3 800	3 800	3 608	3 774	3 947
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	167 025	211 756	205 099	218 205	216 941	216 941	230 971	241 438	253 703
Expenditure - Functional										
Governance and administration		73 277	90 014	99 608	114 878	107 363	107 363	125 209	131 464	137 062
Executive and council		21 298	25 829	22 022	24 508	24 696	24 696	22 265	23 290	24 361
Finance and administration		51 979	64 185	76 328	89 094	81 322	81 322	101 411	106 572	111 024
Internal audit		-	-	1 258	1 276	1 345	1 345	1 532	1 603	1 676
Community and public safety		15 822	20 896	20 816	25 724	24 517	24 517	27 265	27 375	28 629
Community and social services		15 822	20 073	13 232	16 319	15 478	15 478	16 336	17 088	17 874
Sport and recreation		-	-	196	465	392	392	-	-	-
Public safety		-	822	7 162	8 671	8 380	8 380	10 169	9 952	10 404
Housing		-	-	225	269	267	267	760	335	351
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		50 317	27 837	28 439	37 745	35 759	35 759	39 982	39 715	41 542
Planning and development		-	2 724	8 011	15 566	15 641	15 641	17 661	18 997	19 871
Road transport		50 317	25 114	20 429	22 178	20 117	20 117	22 320	20 718	21 671
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	-	5 393	4 560	17 147	17 147	6 711	7 019	7 342
Energy sources		-	-	1 461	-	11 730	11 730	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	3 932	4 560	5 417	5 417	6 711	7 019	7 342
Other	4	-	-	1 980	5 132	4 996	4 996	4 110	4 299	4 496
Total Expenditure - Functional	3	139 416	138 747	156 236	188 039	189 781	189 781	203 276	209 873	219 071
Surplus/(Deficit) for the year		27 609	73 009	48 864	30 167	27 160	27 160	27 695	31 565	34 632

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

Table A3 below 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.

KZN436 Dr Nkosazana Dlamini Zuma - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)									
Vote Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
Revenue by Vote									
Vote 1 - Executive and Council	794	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury	117 568	156 617	167 192	178 758	177 888	177 888	191 236	202 929	213 236
Vote 3 - Corporate Services	-	-	284	100	100	100	105	109	114
Vote 4 - Community Services	2 438	5 177	8 930	9 055	8 806	8 806	9 566	9 221	9 659
Vote 5 - Public Works and Basic Services	46 225	49 962	28 595	29 530	29 530	29 530	29 941	29 050	30 559
Vote 6 - Planning and Development	-	-	99	762	617	617	123	129	135
Vote 7 - [NAME OF VOTE 7]	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	167 025	211 756	205 099	218 205	216 941	216 941	230 971	241 438	253 703
Expenditure by Vote to be appropriated									
Vote 1 - Executive and Council	21 298	25 829	23 095	25 784	26 041	26 041	23 798	24 892	26 038
Vote 2 - Budget and Treasury	30 925	44 828	52 079	64 724	57 101	57 101	77 154	80 704	84 489
Vote 3 - Corporate Services	21 054	19 357	24 245	24 370	24 221	24 221	24 257	25 868	26 535
Vote 4 - Community Services	15 822	20 896	23 447	33 286	31 885	31 885	34 292	35 708	37 345
Vote 5 - Public Works and Basic Services	50 317	25 114	30 034	34 581	45 402	45 402	38 939	37 643	39 374
Vote 6 - Planning and Development	-	2 724	3 334	5 294	5 132	5 132	4 835	5 058	5 291
Vote 7 - [NAME OF VOTE 7]	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	139 416	138 747	156 235	188 039	189 781	189 781	203 276	209 873	219 071
Surplus/(Deficit) for the year	27 609	73 009	48 864	30 167	27 160	27 160	27 695	31 565	34 631

Table A4 - Budgeted Financial Performance (revenue and expenditure)

Total operating revenue is R203, 9million in 2020/21, increase to R212, 3million by 2021/22 and R 223, 1million by 2022/23. This represents an increase of 7 per cent for the 2020/21 financial year and an increase of 4 per cent for the 2021/22 and 4.8 per cent in 2022/23 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 5.6 per cent in 2020/2021 and grow rapidly by 3.7 per cent in 2021/2022 and 5 per cent in the 2022/2023 financial year.

Dr Nkosazana Dlamini Zuma Municipality Final Budget 2020/21

KZN436 Dr Nkosazana Dlamini Zuma - Table A4 Budgeted Financial Performance (revenue and expenditure)										
Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
Revenue By Source										
Property rates	19 892	35 375	31 362	37 561	32 380	32 380	32 380	34 425	36 009	37 665
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2 588	3 127	3 305	3 800	3 800	3 800	3 800	3 608	3 774	3 947
Rental of facilities and equipment	676	1 202	829	1 144	862	862	862	831	870	910
Interest earned - external investments	5 207	7 160	7 945	7 741	7 741	7 741	7 741	8 090	8 462	8 851
Interest earned - outstanding debtors	-	3 073	3 232	1 800	2 195	2 195	2 195	2 294	2 399	2 509
Dividends received	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	473	998	1 222	665	695	695	695	726	759	794
Licences and permits	-	1 201	578	998	720	720	720	753	787	823
Agency services	-	-	-	-	31	31	31	32	34	35
Transfers and subsidies	89 864	111 441	126 957	135 407	135 578	135 578	135 578	143 638	149 268	157 121
Other revenue	6 885	1 343	2 626	1 595	986	986	986	1 004	1 050	1 098
Gains	-	-	378	345	4 804	4 804	4 804	8 581	8 976	9 389
Total Revenue (excluding capital transfers and contributions)	125 584	164 922	178 433	191 056	189 792	189 792	189 792	203 982	212 388	223 144
Expenditure By Type										
Employee related costs	45 570	50 499	52 691	63 965	60 690	60 690	60 690	70 219	73 455	76 828
Remuneration of councillors	8 085	10 755	11 200	12 627	12 627	12 627	12 627	11 901	12 449	13 021
Debt impairment	3 897	-	10 542	6 478	6 478	6 478	6 478	11 060	11 569	12 101
Depreciation & asset impairment	16 965	22 143	23 496	34 654	27 801	27 801	27 801	41 625	43 540	45 542
Finance charges	458	1 239	107	425	375	375	375	291	305	319
Bulk purchases	-	-	-	-	-	-	-	-	-	-
Other materials	-	-	731	4 604	4 575	4 575	4 575	3 998	3 869	4 047
Contracted services	-	-	28 456	34 214	44 481	44 481	44 481	33 860	35 866	37 066
Transfers and subsidies	-	889	1 772	1 905	1 905	1 905	1 405	1 990	2 082	2 178
Other expenditure	64 442	53 222	27 241	29 166	30 849	30 849	30 849	28 331	26 740	27 970
Losses	-	-	-	-	-	-	-	-	-	-
Total Expenditure	139 416	138 747	156 236	188 039	189 781	189 781	189 281	203 276	209 873	219 071
Surplus/(Deficit)	(13 832)	26 175	22 198	3 018	11	11	511	706	2 515	4 072
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	41 441	46 834	26 666	27 149	27 149	27 149	27 149	26 989	29 050	30 559
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	27 609	73 009	48 864	30 167	27 160	27 160	27 660	27 695	31 565	34 631
Taxation	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	27 609	73 009	48 864	30 167	27 160	27 160	27 660	27 695	31 565	34 631
Attributable to minorities	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	27 609	73 009	48 864	30 167	27 160	27 160	27 660	27 695	31 565	34 631
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	27 609	73 009	48 864	30 167	27 160	27 160	27 660	27 695	31 565	34 631

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

Table A5 below indicate 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 R101 million and that is 11% increase when compared to the 2019/20 Adjustment Budget of R 90 million The increase arises from the number of rollover projects that were put on hold due to the high disturbance caused by the covid 19 pandemic as most of the projects were put on hold to adhere to the rules and regulations of the lockdown.

KZN436 Dr Nkosazana Dlamini Zuma - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding										
Vote Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
Capital Expenditure - Functional										
<i>Governance and administration</i>	-	578	492	1 827	2 168	2 168	2 168	2 376	1 703	1 781
Executive and council	-	-	262	612	272	272	272	577	604	631
Finance and administration	-	-	230	1 215	1 896	1 896	1 896	1 799	1 099	1 150
Internal audit	-	578	-	-	-	-	-	-	-	-
<i>Community and public safety</i>	2 639	-	3 758	8 131	8 451	8 451	8 451	10 826	10 315	10 789
Community and social services	2 639	-	3 594	3 525	1 110	1 110	1 110	1 816	979	1 024
Sport and recreation	-	-	18	-	-	-	-	-	-	-
Public safety	-	-	146	4 606	7 341	7 341	7 341	9 010	9 335	9 765
Housing	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	47 880	66 472	43 660	58 686	79 419	79 419	79 419	87 876	29 186	30 702
Planning and development	47 880	66 472	43 660	53 936	76 999	76 999	76 999	83 384	29 186	30 702
Road transport	-	-	-	4 750	2 420	2 420	2 420	4 491	-	-
Environmental protection	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	-	-	3 324	-	-	-	-	-	-	-
Energy sources	-	-	-	-	-	-	-	-	-	-
Water management	-	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-	-
Waste management	-	-	3 324	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	50 519	67 050	51 233	68 644	90 037	90 037	90 037	101 077	41 203	43 272
Funded by:										
National Government	34 389	40 066	26 660	27 149	27 149	27 149	27 149	26 989	29 050	30 559
Provincial Government	-	-	-	-	-	-	-	85	-	-
District Municipality	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	34 389	40 066	26 660	27 149	27 149	27 149	27 149	27 074	29 050	30 559
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	27 632	26 984	24 573	41 495	62 888	62 888	62 888	74 003	12 153	12 713
Total Capital Funding	62 021	67 050	51 233	68 644	90 037	90 037	90 037	101 077	41 203	43 272

Table A6 - Budgeted Financial Position

Table A6 below 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.

KZN436 Dr Nkosazana Dlamini Zuma - Table A6 Budgeted Financial Position										
Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
ASSETS										
Current assets										
Cash	-	-	-	5 000	4 397	4 397	4 397	5 822	6 090	6 370
Call investment deposits	91 923	88 836	121 685	51 033	84 953	84 953	84 953	56 361	94 027	133 542
Consumer debtors	8 697	28 740	23 002	21 111	28 305	28 305	28 305	30 058	35 734	42 751
Other debtors	3 469	2 351	2 811	3 612	3 791	3 791	3 791	4 205	4 637	5 090
Current portion of long-term receivables	-	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-	-
Total current assets	104 089	119 928	147 498	80 755	121 446	121 446	121 446	96 446	140 488	187 753
Non current assets										
Long-term receivables	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-
Investment property	20 064	20 064	20 300	20 064	20 300	20 300	20 300	20 300	20 300	20 300
Investment in Associate	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	289 593	331 372	361 635	415 100	423 812	423 812	423 812	483 291	470 094	441 105
Agricultural	-	-	-	-	-	-	-	-	-	-
Biological	-	-	-	-	-	-	-	-	-	-
Intangible	96	66	62	35	61	61	61	35	36	38
Other non-current assets	-	-	-	-	60	60	60	60	60	60
Total non current assets	309 752	351 502	381 997	435 200	444 233	444 233	444 233	503 685	490 490	461 503
TOTAL ASSETS	413 841	471 429	529 495	515 955	565 679	565 679	565 679	600 131	630 979	649 257
LIABILITIES										
Current liabilities										
Bank overdraft	-	-	-	-	-	-	-	-	-	-
Borrowing	567	357	678	540	678	678	678	678	678	678
Consumer deposits	-	-	-	-	6	6	6	6	6	6
Trade and other payables	53 080	34 969	42 817	34 713	49 913	49 913	49 913	44 027	51 381	59 337
Provisions	-	1 196	4 545	62	5 907	5 907	5 907	6 412	6 941	7 493
Total current liabilities	53 646	36 522	48 041	35 315	56 504	56 504	56 504	51 123	59 005	67 514
Non current liabilities										
Borrowing	73	451	540	171	540	540	540	540	540	540
Provisions	14 963	16 290	16 857	16 290	16 849	16 849	16 849	16 857	16 857	16 857
Total non current liabilities	15 036	16 741	17 397	16 460	17 389	17 389	17 389	17 397	17 397	17 397
TOTAL LIABILITIES	68 683	53 263	65 438	51 776	73 893	73 893	73 893	68 521	76 402	84 911
NET ASSETS	345 158	418 167	464 058	464 180	491 786	491 786	491 786	531 610	554 576	564 346
COMMUNITY WEALTH/EQUITY										
Accumulated Surplus/(Deficit)	341 565	413 906	459 231	459 919	486 959	486 959	486 959	526 783	549 749	559 519
Reserves	3 593	4 261	4 827	4 261	4 827	4 827	4 827	4 827	4 827	4 827
TOTAL COMMUNITY WEALTH/EQUITY	345 158	418 167	464 058	464 180	491 786	491 786	491 786	531 610	554 576	564 346

Table A7 - Budgeted Cash Flow Statement

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 89, 5 million as at the end of 2019/20 financial year and decreased to R62, 1million in the 2020/21 financial year and increased to R100, 1million 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.

KZN436 Dr Nkosazana Dlamini Zuma - Table A7 Budgeted Cash Flows										
Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates	21 171	26 964	31 950	28 171	24 285	24 285	24 285	24 575	25 804	27 094
Service charges	2 588	3 127	3 305	2 850	2 850	2 850	2 850	2 706	3 137	3 294
Other revenue	17 072	11 604	16 154	3 864	2 986	2 986	2 986	3 164	3 356	3 462
Transfers and Subsidies - Operational	94 050	126 275	150 805	143 407	143 578	143 578	143 578	150 568	155 268	163 121
Transfers and Subsidies - Capital	41 500	40 066	26 660	27 149	27 149	27 149	27 149	26 989	29 050	30 559
Interest	5 207	7 160	7 945	7 741	7 741	7 741	7 741	8 090	8 462	7 701
Dividends	-	-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees	(49 626)	(60 571)	(119 551)	(152 577)	(152 740)	(152 740)	(152 740)	(147 804)	(151 850)	(158 379)
Finance charges	(458)	(1 239)	(15)	(425)	(375)	(375)	(375)	(291)	(305)	(319)
Transfers and Grants	(1 413)	-	(1 772)	(1 905)	(1 905)	(1 905)	(1 905)	(1 990)	(2 082)	(2 178)
NET CASH FROM/(USED) OPERATING ACTIVITIES	130 090	153 386	115 482	58 275	53 570	53 570	53 570	66 006	70 840	74 356
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE	(49 348)	(63 660)	418	345	4 804	4 804	4 804	8 581	8 976	9 389
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-
Payments										
Capital assets	(71 271)	(71 861)	(51 233)	(68 644)	(90 037)	(90 037)	(90 037)	(101 077)	(41 203)	(43 272)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(120 619)	(135 521)	(50 815)	(68 299)	(85 234)	(85 234)	(85 234)	(92 496)	(32 227)	(33 883)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	6	6	6	-	-	-
Payments										
Repayment of borrowing	(438)	(20 952)	(31 818)	(771)	(678)	(678)	(678)	(678)	(678)	(678)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(438)	(20 952)	(31 818)	(771)	(672)	(672)	(672)	(678)	(678)	(678)
NET INCREASE/ (DECREASE) IN CASH HELD	9 034	(3 087)	32 849	(10 795)	(32 335)	(32 335)	(32 335)	(27 168)	37 934	39 795
Cash/cash equivalents at the year begin:	82 889	91 923	88 836	66 828	121 685	121 685	121 685	89 350	62 183	100 117
Cash/cash equivalents at the year end:	91 923	88 836	121 685	56 033	89 350	89 350	89 350	62 183	100 117	139 912

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	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Cash and investments available										
Cash/cash equivalents at the year end	91 923	88 836	121 685	56 033	89 350	89 350	89 350	62 183	100 117	139 912
Other current investments > 90 days	-	-	-	-	-	-	-	-	-	-
Non current assets - Investments	-	-	-	-	-	-	-	-	-	-
Cash and investments available:	91 923	88 836	121 685	56 033	89 350	89 350	89 350	62 183	100 117	139 912
Application of cash and investments										
Unspent conditional transfers	25 088	12 954	12 954	7 944	12 545	12 545	12 545	745	-	-
Unspent borrowing	-	-	-	-	-	-	-	-	-	-
Statutory requirements	-	-	-	619	-	-	-	-	-	-
Other working capital requirements	11 713	5 972	5 972	4 868	12 981	12 981	12 981	16 192	16 192	16 201
Other provisions	-	-	-	20 120	21 402	21 402	21 402	20 120	20 120	20 120
Long term investments committed	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	-	-	-	-	4 827	4 827	4 827	4 827	4 827	4 827
Total Application of cash and investments:	36 801	18 926	18 926	33 552	51 755	51 755	51 755	41 884	41 139	41 148
Surplus(shortfall)	55 121	69 910	102 759	22 481	37 595	37 595	37 595	20 299	58 978	98 764

Table A9 - Asset Management

Table A9 below 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.

Dr Nkosazana Dlamini Zuma Municipality Final Budget 2020/21

KZN436 Dr Nkosazana Dlamini Zuma - Table A9 Asset Management

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
CAPITAL EXPENDITURE									
Total New Assets	62 021	67 050	51 233	50 914	64 666	64 666	71 627	41 203	43 272
<i>Roads Infrastructure</i>	34 759	17 033	19 883	14 099	12 297	12 297	25 494	29 050	30 559
<i>Storm water Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>	-	-	-	2 000	1 700	1 700	-	-	-
<i>Solid Waste Infrastructure</i>	-	492	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>	-	-	-	-	-	-	-	-	-
Infrastructure	34 759	17 525	19 883	16 099	13 997	13 997	25 494	29 050	30 559
Community Facilities	19 938	7 100	21 956	13 037	12 760	12 760	19 653	575	602
Sport and Recreation Facilities	-	15 911	-	8 000	23 800	23 800	8 613	-	-
Community Assets	19 938	23 010	21 956	21 037	36 560	36 560	28 266	575	602
Heritage Assets	-	-	-	150	60	60	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	2 099	13 679	3 610	2 700	2 625	2 625	8 248	7 322	7 659
Housing	-	-	-	-	-	-	-	-	-
Other Assets	2 099	13 679	3 610	2 700	2 625	2 625	8 248	7 322	7 659
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	120	120	122	102	106
Intangible Assets	-	-	-	-	120	120	122	102	106
Computer Equipment	355	592	-	776	776	776	1 219	1 212	1 268
Furniture and Office Equipment	331	1 166	3 665	1 193	1 934	1 934	2 363	939	983
Machinery and Equipment	1 900	128	1 429	5 709	3 299	3 299	4 915	957	1 001
Transport Assets	2 639	10 949	691	3 250	5 295	5 295	1 000	1 046	1 094
Land	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	-	-	-	-	-	-	15 320	-	-
<i>Roads Infrastructure</i>	-	-	-	-	-	-	15 320	-	-
<i>Information and Communication Infrastructure</i>	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	15 320	-	-
Community Facilities	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	1 031	-	-	17 730	25 371	25 371	14 131	-	-
<i>Roads Infrastructure</i>	991	-	-	8 500	10 502	10 502	7 104	-	-
<i>Information and Communication Infrastructure</i>	-	-	-	-	-	-	-	-	-
Infrastructure	991	-	-	8 500	10 502	10 502	7 104	-	-
Community Facilities	-	-	-	8 000	13 064	13 064	7 027	-	-
Sport and Recreation Facilities	40	-	-	1 230	1 806	1 806	-	-	-
Community Assets	40	-	-	9 230	14 870	14 870	7 027	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	63 052	67 050	51 233	68 644	90 037	90 037	101 077	41 203	43 272
<i>Roads Infrastructure</i>	35 750	17 033	19 883	22 599	22 799	22 799	47 918	29 050	30 559
<i>Storm water Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>	-	-	-	2 000	1 700	1 700	-	-	-
<i>Water Supply Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>	-	492	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>	-	-	-	-	-	-	-	-	-
Infrastructure	35 750	17 525	19 883	24 599	24 499	24 499	47 918	29 050	30 559
Community Facilities	19 938	7 100	21 956	21 037	25 824	25 824	26 680	575	602
Sport and Recreation Facilities	40	15 911	-	9 230	25 606	25 606	8 613	-	-
Community Assets	19 978	23 010	21 956	30 267	51 430	51 430	35 293	575	602
Heritage Assets	-	-	-	150	60	60	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	2 099	13 679	3 610	2 700	2 625	2 625	8 248	7 322	7 659
Housing	-	-	-	-	-	-	-	-	-
Other Assets	2 099	13 679	3 610	2 700	2 625	2 625	8 248	7 322	7 659
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	120	120	122	102	106
Intangible Assets	-	-	-	-	120	120	122	102	106
Computer Equipment	355	592	-	776	776	776	1 219	1 212	1 268
Furniture and Office Equipment	331	1 166	3 665	1 193	1 934	1 934	2 363	939	983
Machinery and Equipment	1 900	128	1 429	5 709	3 299	3 299	4 915	957	1 001
Transport Assets	2 639	10 949	691	3 250	5 295	5 295	1 000	1 046	1 094
Land	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	63 052	67 050	51 233	68 644	90 037	90 037	101 077	41 203	43 272

KZN436 Dr Nkosazana Dlamini Zuma - Table A9 Asset Management

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
ASSET REGISTER SUMMARY - PPE (WDV)	289 593	331 372	361 635	415 100	423 812	423 812	483 291	470 094	441 105
<i>Roads Infrastructure</i>	98 637	116 288	125 695	161 581	132 419	132 419	154 288	157 947	136 514
<i>Storm water Infrastructure</i>	-	-	-	-	-	-	3 000	3 000	3 000
<i>Electrical Infrastructure</i>	-	-	-	2 000	1 700	1 700	1 700	1 700	1 700
<i>Information and Communication Infrastructure</i>	-	-	-	-	-	-	-	-	-
Infrastructure	98 637	116 288	125 695	163 581	134 119	134 119	158 988	162 647	141 214
Community Assets	136 529	144 093	161 036	162 805	179 316	179 316	202 492	181 229	168 715
Heritage Assets	-	-	-	150	60	60	60	60	60
Investment properties	-	-	-	-	20 300	20 300	20 300	20 300	20 300
Other Assets	30 501	39 085	41 907	37 266	49 787	49 787	58 036	65 009	72 668
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	61	61	35	(31)	(204)
Computer Equipment	992	1 249	2 809	1 962	2 898	2 898	3 369	3 800	4 250
Furniture and Office Equipment	1 680	1 547	2 788	5 380	4 914	4 914	6 496	6 707	6 927
Machinery and Equipment	8 503	7 820	7 852	18 846	10 168	10 168	13 518	12 664	11 860
Transport Assets	12 750	21 290	19 548	25 109	22 188	22 188	19 999	17 709	15 313
Land	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	289 593	331 372	361 635	415 100	423 812	423 812	483 291	470 094	441 105
EXPENDITURE OTHER ITEMS									
<u>Depreciation</u>	16 840	22 113	23 496	34 654	27 801	27 801	42 568	43 540	45 542
<u>Repairs and Maintenance by Asset Class</u>	3 963	7 129	7 432	9 404	9 344	9 344	11 918	12 467	13 113
<i>Roads Infrastructure</i>	1 149	1 013	2 202	2 000	2 000	2 000	3 000	3 138	3 282
<i>Information and Communication Infrastructure</i>	-	-	-	-	-	-	-	-	-
Infrastructure	1 149	1 013	2 202	2 000	2 000	2 000	3 000	3 138	3 282
Community Facilities	1 423	4 444	2 350	3 000	3 000	3 000	4 000	4 184	4 376
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Community Assets	1 423	4 444	2 350	3 000	3 000	3 000	4 000	4 184	4 376
Heritage Assets	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	301	267	266	1 944	1 944	1 944	2 350	2 458	2 571
Housing	-	-	-	-	-	-	-	-	-
Other Assets	301	267	266	1 944	1 944	1 944	2 350	2 458	2 571
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	50	50	50	52	55	57
Furniture and Office Equipment	-	-	1 123	-	-	-	-	-	-
Machinery and Equipment	83	227	1 378	637	607	607	651	681	712
Transport Assets	1 007	1 178	113	1 773	1 743	1 743	1 865	1 951	2 114
Libraries	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS	20 803	29 243	30 928	44 058	37 145	37 145	54 487	56 006	58 656

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	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Household service targets									
Water:									
Piped water inside dwelling	2 852	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	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	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	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	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	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	98 658	98 658	98 658
Refuse:									
Removed at least once a week	2 406	2 538	2 538	2 818	2 818	2 818	2 970	3 130	3 130
<i>Minimum Service Level and Above sub-total</i>	2 406	2 538	2 538	2 818	2 818	2 818	2 970	3 130	3 130
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	2 406	2 538	2 538	2 818	2 818	2 818	2 970	3 130	3 130
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)	-	-	-	158 722	167 293	176 327	158 722	167 293	176 327
Refuse (removed at least once a week)	-	-	78 000	73 000	75 000	83 333	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	159	167	176
Refuse (removed once a week for indigent households)	-	-	-	73	75	83	83	88	93
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)									
Total cost of FBS provided	-	-	-	232	242	260	242	255	269
Highest level of free service provided per household									
Property rates (R value threshold)	✔	✔	✔	✔	✔	✔	✔	✔	✔
Water (kilolitres per household per month)	✔	✔	✔	✔	✔	✔	✔	✔	✔
Sanitation (kilolitres per household per month)	✔	✔	✔	✔	✔	✔	✔	✔	✔
Sanitation (Rand per household per month)	✔	✔	✔	✔	✔	✔	✔	✔	✔
Electricity (kwh per household per month)	✔	✔	✔	✔	✔	✔	✔	✔	✔
Refuse (average litres per week)	2 406	2 538	2 538	2 818	2 818	2 818	2 970	3 130	3 130
Revenue cost of subsidised services provided (R'000)									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)	✔	✔	✔	-	-	-	-	-	-
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA	-	-	10 125	19 586	13 860	13 860	19 364	20 255	21 186
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	-	-	10 125	19 586	13 860	13 860	19 364	20 255	21 186

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 Members of Finance Committee, Executive Council, 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
 - (vi) 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 IDP and budget time schedule in July 2019. Key dates applicable to the process were:

- a) October and November 2019 –The municipality hosted IDP roadshows as part of the public consultations as a process of the IDP review.
- b.) January 2020 - Council considers the 2019/20 Mid-year Review and Adjustments Budget;
- c.) February 2020 - Council considers the 2019/20 Adjustments Budget;
- d.) March 2020 – 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 2020/21 MTREF is revised accordingly
- f) 25 March 2020 - Tabling in Council the Final 2020/21 IDP and Final Budget for public consultation;
- g) April to May 2020 – Public consultation -This process did not take place due to national lockdown; Consultation was through social media and Ukhozi FM on Monday 25th May 2020.
- h.) May 2020 – finalization of the 2020/21 IDP and Final Budget 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) 28 May 2020 - Tabling of the 2020/21 MTREF to 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 2020/21 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	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
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	-	-	-	-	-	-	-	-	-
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	178 433	178 758	177 888	177 888	191 236	202 929	213 236
3. Municipal Institutional Development and Transformation	3.1 To review existing HR policies to improve effectiveness and efficiency in service delivery by June 2022.	-	-	-	100	100	100	105	109	114
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	-	9 055	8 806	8 806	9 566	9 221	9 659
5. Basic Service Delivery and Infrastructure Development	5.1. To improve access to roads infrastructure by 2022	5 578	3 128	-	2 381	2 381	2 381	2 952	-	-
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	-	-	-	762	617	617	123	129	135
Allocations to other priorities										
Total Revenue (excluding capital transfers and contributions)		125 584	164 922	178 433	191 056	189 792	189 792	203 982	212 388	223 144

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	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
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	25 829	46 353	25 784	26 041	26 041	23 798	24 892	26 038
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	43 580	64 724	57 101	57 101	77 154	80 704	84 489
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	17 357	24 370	24 221	24 221	24 257	25 868	26 535
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	30 714	33 286	31 885	31 885	34 292	35 708	37 345
5. Basic Service Delivery and Infrastructure Development	5.1. To improve access to roads infrastructure by 2022	50 317	25 114	15 357	34 581	45 402	45 402	38 940	37 643	39 374
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		2 724	2 876	5 294	5 132	5 132	4 835	5 058	5 291
Allocations to other priorities										
Total Expenditure		139 416	138 747	156 236	188 039	189 781	189 781	203 276	209 873	219 072

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	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
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	-	-	-	612	272	272	577	604	631
2. Financial Viability and Management	2.1 To manage financial resources effectively and efficiently for improved service delivery by June 2023	-	-	-	1 215	1 471	1 471	360	376	394
3. Municipal Institutional Development and Transformation	3.1 To review existing HR policies to improve effectiveness and efficiency in service delivery by June 2022.	-	-	-	-	-	-	821	859	899
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	-	-	8 131	8 251	8 251	10 276	10 315	10 789
5. Basic Service Delivery and Infrastructure Development	5.1. To improve access to roads infrastructure by 2022	59 382	67 050	51 233	58 686	80 044	80 044	89 044	29 050	30 558
Allocations to other priorities										
Total Capital Expenditure		62 021	67 050	51 233	68 644	90 037	90 037	101 077	41 203	43 272

2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the 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.

Minor reviews were considered on the following policies

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

Property 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.

Stores Management Policy

The Policy aims to achieve the following objectives which are to: -

- a) Provide guidelines that employees of the Municipality must follow in the management and control of inventory, including safeguarding and disposal of inventory.
- b) Procure inventory in line with the established procurement principles contained in the Municipality's Supply Chain Management Policy.
- c) Eliminate any potential misuse of inventory and possible theft.

Cash bank and Investment

The objectives of the Cash Management, Banking and Investment Policy are to:

- Manage the net current asset requirement of the municipality in such a manner that it will not tie up the municipality's scarce resources required to improve the quality of life of the citizens;
- Manage the financial affairs of the municipality in such a manner that sufficient cash resources are available to finance the capital and operating budgets of the municipality.

Budget Process policy

The objective of this Policy is to set out the budgeting principles which the Municipality will follow in preparing each annual budget, as well as the responsibilities of the Mayor, Municipal Manager and Chief Financial Officer in compiling such a budget.

Petty Cash policy

The objective is to provide guidelines on the usage and management of petty cash by the Municipality.

Cost containment policy

The objectives of this Policy is to ensure that the resource of the municipality is used effectively, efficiently and economically and to ensure the implementation of cost containment measures

Indigent Policy

Due to the high level of unemployment and subsequent poverty in the municipal area, there are households which are unable to pay for normal municipal services. The Municipality therefore adopts this Policy to ensure that these households have access to at least basic municipal services and is guided in the formulation of this Policy by the national government's policy in this regard.

Other budget related policies consist of the following: -

- Credit control and debt collection
- Fleet management policy
- Funding compliance policy
- Revenue enhancement strategy policy
- Property Rates-by law policy
- Assets management and disposal policy
- Borrowing policy
- Customer Care Policy
- Customer Service Chatter Policy
- Hall hire Policy and Procedures
- Unclaimed Monies 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 2020/2021 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:

KZN436 Dr Nkosazana Dlamini Zuma - Table A4 Budgeted Financial Performance (revenue and expenditure)										
Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source										
Property rates	19 892	35 375	31 362	37 561	32 380	32 380	32 380	34 425	36 009	37 665
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2 588	3 127	3 305	3 800	3 800	3 800	3 800	3 608	3 774	3 947
Rental of facilities and equipment	676	1 202	829	1 144	862	862	862	831	870	910
Interest earned - external investments	5 207	7 160	7 945	7 741	7 741	7 741	7 741	8 090	8 462	8 851
Interest earned - outstanding debtors	-	3 073	3 232	1 800	2 195	2 195	2 195	2 294	2 399	2 509
Dividends received	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	473	998	1 222	665	695	695	695	726	759	794
Licences and permits	-	1 201	578	998	720	720	720	753	787	823
Agency services	-	-	-	-	31	31	31	32	34	35
Transfers and subsidies	89 864	111 441	126 957	135 407	135 578	135 578	135 578	143 638	149 268	157 121
Other revenue	6 885	1 343	2 626	1 595	986	986	986	1 004	1 050	1 098
Gains	-	-	378	345	4 804	4 804	4 804	8 581	8 976	9 389
Total Revenue (excluding capital transfers and contributions)	125 584	164 922	178 433	191 056	189 792	189 792	189 792	203 982	212 388	223 144

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 table indicate the actual cash that the municipality is anticipating to collect. The municipality is anticipating collecting 75% of the total revenue billed in the 2020/21 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	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates	21 171	26 964	31 950	28 171	24 285	24 285	24 285	24 575	25 804	27 094
Service charges	2 588	3 127	3 305	2 850	2 850	2 850	2 850	2 706	3 137	3 294
Other revenue	17 072	11 604	16 154	3 864	2 986	2 986	2 986	3 164	3 356	3 462
Transfers and Subsidies - Operational	94 050	126 275	150 805	143 407	143 578	143 578	143 578	150 568	155 268	163 121
Transfers and Subsidies - Capital	41 500	40 066	26 660	27 149	27 149	27 149	27 149	26 989	29 050	30 559
Interest	5 207	7 160	7 945	7 741	7 741	7 741	7 741	8 090	8 462	7 701
Dividends	-	-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees	(49 626)	(60 571)	(119 551)	(152 577)	(152 740)	(152 740)	(152 740)	(147 804)	(151 850)	(158 379)
Finance charges	(458)	(1 239)	(15)	(425)	(375)	(375)	(375)	(291)	(305)	(319)
Transfers and Grants	(1 413)	-	(1 772)	(1 905)	(1 905)	(1 905)	(1 905)	(1 990)	(2 082)	(2 178)
NET CASH FROM/(USED) OPERATING ACTIVITIES	130 090	153 386	115 482	58 275	53 570	53 570	53 570	66 006	70 840	74 356
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE	(49 348)	(63 660)	418	345	4 804	4 804	4 804	8 581	8 976	9 389
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-
Payments										
Capital assets	(71 271)	(71 861)	(51 233)	(68 644)	(90 037)	(90 037)	(90 037)	(101 077)	(41 203)	(43 272)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(120 619)	(135 521)	(50 815)	(68 299)	(85 234)	(85 234)	(85 234)	(92 496)	(32 227)	(33 883)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	6	6	6	-	-	-
Payments										
Repayment of borrowing	(438)	(20 952)	(31 818)	(771)	(678)	(678)	(678)	(678)	(678)	(678)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(438)	(20 952)	(31 818)	(771)	(672)	(672)	(672)	(678)	(678)	(678)
NET INCREASE/(DECREASE) IN CASH HELD	9 034	(3 087)	32 849	(10 795)	(32 335)	(32 335)	(32 335)	(27 168)	37 934	39 795
Cash/cash equivalents at the year begin:	82 889	91 923	88 836	66 828	121 685	121 685	121 685	89 350	62 183	100 117
Cash/cash equivalents at the year end:	91 923	88 836	121 685	56 033	89 350	89 350	89 350	62 183	100 117	139 912

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)	Investment Top Up	Closing Balance
Name of institution & investment ID					
Parent municipality					
FNB CALL DEPOSIT	832	34	-	-	866 314
FNB MONEY MARKET	8 090	2 982	(147 623)	146 413	9 862 099
FNB CALL DEPOSIT	4 518	226	-	309	5 052 621
FNB CALL DEPOSIT	5 362	237	(309)	-	5 290 363
FNB CALL ACCOUNT	105	5	-	-	109 865
FNB BUSINESS MONEY MARKET	21 788	878	-	-	22 665 473
FNB CALL DEPOSIT	439	15	-	-	454 346
FNB CALL DEPOSIT	263	9	-	-	272 344
FNB MONEY MARKET	363	14	-	-	376 703
NED BANK INVESTMENT	-	543	(10 215)	13 430	3 757 798
NED BANK INVESTMENT	-	550	(12 725)	13 298	1 122 697
NED BANK INVESTMENT	-	339	(6 812)	8 100	1 626 877
INVESTEC BANK	43 382	2 258	(40 822)	-	4 817 735
STANDARD BANK	85	-	-	-	85 295
TOTAL INVESTMENTS AND INTEREST	85 227 138,00	8 089 720,00	-218 506 525,84	181 550 196,84	56 360 529

Cash Backed Reserves/Accumulated Surplus Reconciliation

KZN436 Dr Nkosazana Dlamini Zuma - Table A8 Cash backed reserves/accumulated surplus reconciliation										
Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
Cash and investments available										
Cash/cash equivalents at the year end	91 923	88 836	121 685	56 033	89 350	89 350	89 350	62 183	100 117	139 912
Other current investments > 90 days	-	-	-	-	-	-	-	-	-	-
Non current assets - Investments	-	-	-	-	-	-	-	-	-	-
Cash and investments available:	91 923	88 836	121 685	56 033	89 350	89 350	89 350	62 183	100 117	139 912
Application of cash and investments										
Unspent conditional transfers	25 088	12 954	12 954	7 944	12 545	12 545	12 545	745	-	-
Unspent borrowing	-	-	-	-	-	-	-	-	-	-
Statutory requirements	-	-	-	619	-	-	-	-	-	-
Other working capital requirements	11 713	5 972	5 972	4 868	12 981	12 981	12 981	16 192	16 192	16 201
Other provisions	-	-	-	20 120	21 402	21 402	21 402	20 120	20 120	20 120
Long term investments committed	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	-	-	-	-	4 827	4 827	4 827	4 827	4 827	4 827
Total Application of cash and investments:	36 801	18 926	18 926	33 552	51 755	51 755	51 755	41 884	41 139	41 148
Surplus(shortfall)	55 121	69 910	102 759	22 481	37 595	37 595	37 595	20 299	58 978	98 764

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	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	91 923	88 836	121 685	56 033	89 350	89 350	89 350	62 183	100 117	139 912
Cash + investments at the yr end less applications - R'000	18(1)b	2	55 121	69 910	102 759	22 481	37 595	37 595	37 595	20 299	58 978	98 764
Cash year end/monthly employee/supplier payments	18(1)b	3	13,2	17,0	17,7	5,2	7,8	7,8	7,8	5,3	8,3	11,1
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	27 609	73 009	48 864	30 167	27 160	27 160	27 660	27 695	31 565	34 631
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	65,3%	(16,0%)	13,3%	(18,5%)	(6,0%)	(6,0%)	(0,9%)	(1,4%)	(1,4%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	133,8%	90,0%	119,1%	73,3%	72,3%	72,3%	72,3%	69,7%	70,7%	70,8%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	17,3%	0,0%	30,4%	15,7%	17,9%	17,9%	17,9%	29,1%	29,1%	29,1%
Capital payments % of capital expenditure	18(1)c,(19)	8	114,9%	107,2%	100,0%	100,0%	100,0%	100,0%	100,1%	100,0%	100,0%	100,0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								100,0%	100,0%	100,0%
Current consumer debtors % change - incr/(decr)	18(1)a	11	N.A.	155,6%	(17,0%)	(4,2%)	29,8%	0,0%	0,0%	6,8%	17,8%	18,5%
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	1,4%	2,2%	2,1%	2,3%	2,2%	2,2%	2,8%	2,5%	2,7%	3,0%
Asset renewal % of capital budget	20(1)(vi)	14	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	15,2%	0,0%	0,0%
Supporting indicators												
% incr total service charges (incl prop rates)	18(1)a			71,3%	(10,0%)	19,3%	(12,5%)	0,0%	0,0%	5,1%	4,6%	4,6%
% incr Property Tax	18(1)a			77,8%	(11,3%)	19,8%	(13,8%)	0,0%	0,0%	6,3%	4,6%	4,6%
% 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			20,9%	5,7%	15,0%	0,0%	0,0%	0,0%	(5,0%)	4,6%	4,6%
% 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	34 667	41 361	36 180	36 180	36 180	38 034	39 783	41 613
Service charges			22 480	38 503	34 667	41 361	36 180	36 180	36 180	38 034	39 783	41 613
Property rates			19 892	35 375	31 362	37 561	32 380	32 380	32 380	34 425	36 009	37 665
Service charges - electricity revenue			-	-	-	-	-	-	-	-	-	-
Service charges - water revenue			-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue			-	-	-	-	-	-	-	-	-	-
Service charges - refuse removal			2 588	3 127	3 305	3 800	3 800	3 800	3 800	3 608	3 774	3 947
Service charges - other			-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment			676	1 202	829	1 144	862	862	862	831	870	910
Capital expenditure excluding capital grant funding			27 632	26 984	24 573	41 495	62 888	62 888	62 781	74 003	12 153	12 713
Cash receipts from ratepayers	18(1)a		40 830	41 695	51 410	34 884	30 121	30 121	30 121	30 446	32 296	33 850
Ratepayer & Other revenue	18(1)a		30 514	46 320	43 154	47 563	41 669	41 669	41 669	43 673	45 682	47 783
Change in consumer debtors (current and non-current)			14 194	18 926	(5 278)	(1 090)	6 282	6 282	6 282	9 540	6 108	7 470
Operating and Capital Grant Revenue	18(1)a		131 305	158 275	153 623	162 556	162 727	162 727	162 727	170 627	178 318	187 680
Capital expenditure - total	20(1)(vi)		62 021	67 050	51 233	68 644	90 037	90 037	89 930	101 077	41 203	43 272
Capital expenditure - renewal	20(1)(vi)		-	-	-	-	-	-	-	15 320	-	-
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										138 651	145 296	152 952
DoRA capital grants total MFY										26 989	29 050	30 559
Provincial operating grants										4 987	3 972	4 169
Provincial capital grants										-	-	-
District Municipality grants										-	-	-
Total gazetted/advised national, provincial and district grants										170 627	178 318	187 680
Average annual collection rate (arrears inclusive)												

Dr Nkosazana Dlamini Zuma Municipality Final Budget 2020/21

DoRA operating											
Operational Revenue:General Revenue:Equitable Share									134 138	143 296	150 952
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]									2 513	-	-
Local Government Financial Management Grant [Schedule 5B]									2 000	2 000	2 000
									138 651	145 296	152 952
DoRA Capital											
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]									-	-	-
Municipal Infrastructure Grant [Schedule 5B]									26 989	29 050	30 559
									26 989	29 050	30 559
Trend											
Change in consumer debtors (current and non-current)		14 194	18 926	(5 278)	(1 090)	6 282	6 282	6 282	9 540	6 108	7 470
Total Operating Revenue		125 584	164 922	178 433	191 056	189 792	189 792	189 792	203 982	212 388	223 144
Total Operating Expenditure		139 416	138 747	156 236	188 039	189 781	189 781	189 281	203 276	209 873	219 071
Operating Performance Surplus/(Deficit)		(13 832)	26 175	22 198	3 018	11	11	511	706	2 515	4 072
Cash and Cash Equivalents (30 June 2012)									62 183		
Revenue											
% Increase in Total Operating Revenue			31,3%	8,2%	7,1%	(0,7%)	0,0%	0,0%	7,5%	4,1%	5,1%
% Increase in Property Rates Revenue			77,8%	(11,3%)	19,8%	(13,8%)	0,0%	0,0%	6,3%	4,6%	4,6%
% 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			71,3%	(10,0%)	19,3%	(12,5%)	0,0%	0,0%	5,1%	4,6%	4,6%
Expenditure											
% Increase in Total Operating Expenditure			(0,5%)	12,6%	20,4%	0,9%	0,0%	(0,3%)	7,1%	3,2%	4,4%
% Increase in Employee Costs			10,8%	4,3%	21,4%	(5,1%)	0,0%	0,0%	15,7%	4,6%	4,6%
% 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)				210764,7684	195611,4526				189782,2946		
Average Cost Per Councillor (Remuneration)				386223,1303	435428,5172				410383,1034		
R&M % of PPE		1,4%	2,2%	2,1%	2,3%	2,2%	2,2%		2,5%	2,7%	3,0%
Asset Renewal and R&M as a % of PPE		2,0%	2,0%	2,0%	7,0%	8,0%	8,0%		9,0%	3,0%	3,0%
Debt Impairment % of Total Billable Revenue		17,3%	0,0%	30,4%	15,7%	17,9%	17,9%		29,1%	29,1%	29,1%
Capital Revenue											
Internally Funded & Other (R'000)		27 632	26 984	24 573	41 495	62 888	62 888	62 888	74 003	12 153	12 713
Borrowing (R'000)		-	-	-	-	-	-	-	-	-	-
Grant Funding and Other (R'000)		34 389	40 066	26 660	27 149	27 149	27 149	27 149	27 074	29 050	30 559
Internally Generated funds % of Non Grant Funding		100,0%	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		55,4%	59,8%	52,0%	39,6%	30,2%	30,2%	30,2%	26,8%	70,5%	70,6%
Capital Expenditure											
Total Capital Programme (R'000)		50 519	67 050	51 233	68 644	90 037	90 037	90 037	101 077	41 203	43 272
Asset Renewal		-	-	-	-	-	-	-	15 320	-	-
Asset Renewal % of Total Capital Expenditure		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	15,2%	0,0%	0,0%
Cash											
Cash Receipts % of Rate Payer & Other		133,8%	90,0%	119,1%	73,3%	72,3%	72,3%	72,3%	69,7%	70,7%	70,8%
Cash Coverage Ratio		0	0	0	0	0	0	0	0	0	0
Borrowing											
Credit Rating (2009/10)									0		
Capital Charges to Operating		0,6%	16,0%	20,4%	0,6%	0,6%	0,6%	0,6%	0,5%	0,5%	0,5%
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)		55 121	69 910	102 759	22 481	37 595	37 595	37 595	20 299	58 978	98 764
Free Services											
Free Basic Services as a % of Equitable Share		0,0%	0,0%	0,0%	0,2%	0,2%	0,2%		0,2%	0,2%	0,2%
Free Services as a % of Operating Revenue (excl operational transfers)		0,0%	0,0%	19,7%	35,2%	25,6%	25,6%		32,1%	32,1%	32,1%
High Level Outcome of Funding Compliance											
Total Operating Revenue		125 584	164 922	178 433	191 056	189 792	189 792	189 792	203 982	212 388	223 144
Total Operating Expenditure		139 416	138 747	156 236	188 039	189 781	189 781	189 281	203 276	209 873	219 071
Surplus/(Deficit) Budgeted Operating Statement		(13 832)	26 175	22 198	3 018	11	11	511	706	2 515	4 072
Surplus/(Deficit) Considering Reserves and Cash Backing		55 121	69 910	102 759	22 481	37 595	37 595	37 595	20 299	58 978	98 764
MTREF Funded (1) / Unfunded (0)	15	1	1	1	1	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded *	15	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

2.7 Expenditure on allocations and grant programmes

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	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
RECEIPTS:									
Operating Transfers and Grants									
National Government:	91 076	107 579	116 628	139 250	139 250	139 250	145 581	151 296	158 952
Operational Revenue:General Revenue:Equitable Share	78 574	95 909	111 162	125 869	125 869	125 869	134 138	143 296	150 952
Operational:Revenue:General Revenue:Fuel Levy	-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant	-	2 224	-	8 000	8 000	8 000	6 930	6 000	6 000
Agriculture Research and Technology	-	-	-	-	-	-	-	-	-
Emergency Medical Service	-	-	-	-	-	-	-	-	-
Energy Efficiency and Demand-side [Schedule 5B]	-	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	2 190	1 877	1 596	2 381	2 381	2 381	2 513	-	-
Khayelitsha Urban Renewal	-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant [Schedule 5B]	3 650	3 800	3 870	3 000	3 000	3 000	2 000	2 000	2 000
Mitchell's Plain Urban Renewal	-	-	-	-	-	-	-	-	-
Municipal Demarcation and Transition Grant [Schedule 5B]	6 662	3 769	-	-	-	-	-	-	-
Municipal Disaster Grant [Schedule 5B]	-	-	-	-	-	-	-	-	-
Municipal Human Settlement Capacity Grant [Schedule 5B]	-	-	-	-	-	-	-	-	-
Municipal Emergency Housing Grant	-	-	-	-	-	-	-	-	-
Metro Informal Settlements Partnership Grant	-	-	-	-	-	-	-	-	-
Provincial Government:	2 362	3 862	3 522	4 157	4 328	4 328	4 987	3 972	4 169
Capacity Building	-	-	-	-	-	-	-	-	-
Capacity Building and Other	-	-	-	4 157	4 328	4 328	-	-	-
Disaster and Emergency Services	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Libraries, Archives and Museums	1 869	2 978	3 464	-	-	-	2 714	2 806	2 946
Community Library Service Grant	-	-	-	-	-	-	1 089	1 166	1 223
Municipal Disaster Relief Grant	-	-	-	-	-	-	745	-	-
Title deed Restrotration Grant	-	-	-	-	-	-	439	-	-
Other	400	884	-	-	-	-	-	-	-
Public Transport	-	-	-	-	-	-	-	-	-
Road Infrastructure - Maintenance	-	-	-	-	-	-	-	-	-
Sports and Recreation	93	-	58	-	-	-	-	-	-
Waste Water Infrastructure - Maintenance	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure - Maintenance	-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	93 439	111 441	120 150	143 407	143 578	143 578	150 568	155 268	163 121
Capital Transfers and Grants									
National Government:	34 389	69 795	40 206	27 149	27 149	27 149	26 989	28 230	29 529
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	3 576	20 200	13 540	-	-	-	-	-	-
Municipal Infrastructure Grant [Schedule 5B]	30 813	40 066	26 666	27 149	27 149	27 149	26 989	28 230	29 529
Municipal Water Infrastructure Grant [Schedule 5B]	-	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	-	9 529	-	-	-	-	-	-	-
Aquaponic Project	-	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
Transfer from Operational Revenue	-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	34 389	69 795	40 206	27 149	27 149	27 149	26 989	28 230	29 529
TOTAL RECEIPTS OF TRANSFERS & GRANTS	127 828	181 236	160 356	170 556	170 727	170 727	177 557	183 498	192 650

It is estimated that a spending rate of 100 per cent is achieved on operating expenditure and 100 per cent on the capital projects for the 2020/2021 MTREF of which performance has been factored into the cash flow budget.

2.8 Allocations or grants made by the municipality

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

2.9 Councillors Allowances and Employee benefits

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

Table SA22-Summary of councillor and staff benefits

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SA22 Summary councillor and staff benefits									
Summary of Employee and Councillor remuneration R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	7 011	7 011	7 625	8 120	8 120	8 120	8 256	8 636	9 033
Pension and UIF Contributions	984	984	982	953	1 050	1 050	1 166	1 219	1 275
Medical Aid Contributions	-	-	92	97	-	-	-	-	-
Motor Vehicle Allowance	1 472	1 472	1 939	2 078	2 078	2 078	1 112	1 163	1 216
Cellphone Allowance	1 288	1 288	1 355	1 379	1 379	1 379	1 368	1 431	1 497
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	-	-	-	-	-	-	-	-	-
Sub Total - Councillors	10 755	10 755	11 991	12 627	12 627	12 627	11 901	12 449	13 021
% increase			11,5%	5,3%	-	-	(5,8%)	4,6%	4,6%
Senior Managers of the Municipality									
Basic Salaries and Wages	3 965	4 243	3 850	4 439	4 684	4 684	4 606	4 818	5 040
Pension and UIF Contributions	7	7	132	139	9	9	178	186	195
Medical Aid Contributions	106	106	111	232	195	195	61	63	66
Overtime	-	-	-	-	-	-	-	-	-
Performance Bonus	-	110	209	101	160	160	209	219	229
Motor Vehicle Allowance	546	544	500	358	519	519	471	492	515
Cellphone Allowance	-	-	-	-	-	-	-	-	-
Housing Allowances	80	80	85	85	85	85	84	88	92
Other benefits and allowances	111	95	234	238	308	308	224	235	246
Payments in lieu of leave	-	-	-	-	-	-	-	-	-
Long service awards	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality	4 816	5 185	5 121	5 592	5 960	5 960	5 834	6 102	6 383
% increase		7,7%	(1,2%)	9,2%	6,6%	-	(2,1%)	4,6%	4,6%
Other Municipal Staff									
Basic Salaries and Wages	33 810	34 286	37 429	43 114	40 224	40 224	46 577	48 719	50 961
Pension and UIF Contributions	4 549	4 302	5 061	6 643	6 216	6 216	7 271	7 606	7 955
Medical Aid Contributions	2 061	2 439	2 332	2 450	2 363	2 363	2 910	3 044	3 184
Overtime	1 051	1 127	699	1 107	989	989	2 005	2 097	2 194
Performance Bonus	672	750	1 126	972	1 096	1 096	1 271	1 330	1 391
Motor Vehicle Allowance	114	114	11	50	39	39	-	-	-
Cellphone Allowance	-	-	-	-	-	-	-	-	-
Housing Allowances	152	157	424	461	410	410	481	503	526
Other benefits and allowances	2 196	2 376	2 838	3 092	2 910	2 910	3 366	3 525	3 682
Payments in lieu of leave	-	-	316	-	-	-	-	-	-
Long service awards	-	-	-	150	150	150	157	164	172
Post-retirement benefit obligations	-	-	-	333	333	333	348	364	381
Sub Total - Other Municipal Staff	44 604	45 550	50 235	58 373	54 730	54 730	64 386	67 353	70 446
% increase		2,1%	10,3%	16,2%	(6,2%)	-	17,6%	4,6%	4,6%
Total Parent Municipality	60 175	61 490	67 348	76 592	73 318	73 318	82 121	85 904	89 849
% increase		2,2%	9,5%	13,7%	(4,3%)	-	12,0%	4,6%	4,6%
TOTAL SALARY, ALLOWANCES & BENEFITS	60 175	61 490	67 348	76 592	73 318	73 318	82 121	85 904	89 849
% increase		2,2%	9,5%	13,7%	(4,3%)	-	12,0%	4,6%	4,6%
TOTAL MANAGERS AND STAFF	49 420	50 735	55 356	63 965	60 690	60 690	70 219	73 455	76 828

Table SA23- Salaries, allowances and benefits (Political Office Bearers/ Councillors/ 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.
<u>Councillors</u>						
Speaker	611,815	91,772	47,175	-	-	750,762
Chief Whip	-	-	-	-	-	-
Executive Mayor	764,768	114,715	47,175	-	-	926,658
Deputy Executive Mayor	611,815	91,772	47,175	-	-	750,762
Executive Committee	-	-	-	-	-	-
Total for all other councillors	6,267,394	867,398	2,338,136	-	-	9,472,928
Total Councillors	8,255,792	1,165,657	2,479,661			11,901,110
<u>Senior Managers of the Municipality</u>						
Municipal Manager (MM)	939,155	194,009	291,250	66,126	-	1,490,540
Chief Finance Officer	938,344	39,435	169,975	54,268	-	1,202,022
Corporate Service Manager	951,975	1,904	193,875	-	-	1,147,754
Public Works & Basic Services Manager	888,422	3,689	50,000	44,421	-	986,532
Community Services Manager	888,422	119	70,000	44,421	-	1,002,962
	-	-	-	-	-	-
	-	-	-	-	-	-
Total Senior Managers of the Municipality	4,606,318	239,156	775,100	209,236		5,829,810
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	12,862,110	1,404,813	3,254,761	209,236		17,730,920

2.10 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

Table SA25-Budgeted monthly revenue and expenditure

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SA25 Budgeted monthly revenue and expenditure															
Description	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source															
Property rates	2 830	2 830	2 830	2 830	2 830	2 830	2 830	2 830	2 830	2 830	2 830	3 291	34 425	36 009	37 665
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	301	301	301	301	301	301	301	301	301	301	301	301	3 608	3 774	3 947
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	69	69	69	69	69	69	69	69	69	69	69	69	831	870	910
Interest earned - external investments	674	874	674	674	674	674	674	674	674	674	674	474	8 090	8 462	8 851
Interest earned - outstanding debtors	191	191	191	191	191	191	291	191	241	191	111	121	2 294	2 399	2 509
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	61	41	61	61	73	81	61	61	61	61	51	59	726	759	794
Licences and permits	63	63	63	63	63	63	81	63	63	63	63	45	753	787	823
Agency services	3	3	3	3	3	3	3	3	3	3	3	3	32	34	35
Transfers and subsidies	52 000	-	8 570	-	-	47 000	-	-	36 068	-	-	0	143 638	149 268	157 121
Other revenue	84	84	84	84	84	84	84	84	84	84	84	84	1 004	1 050	1 098
Gains	-	-	-	-	-	-	1 868	1 200	1 820	1 920	900	873	8 581	8 976	9 389
Total Revenue (excluding capital transfers and contributions)	56 275	4 455	12 845	4 275	4 287	51 295	6 261	5 475	42 213	6 195	5 085	5 320	203 982	212 388	223 144
Expenditure By Type															
Employee related costs	5 152	5 152	5 152	5 152	8 852	9 852	5 152	5 152	5 152	5 152	5 152	5 152	70 219	73 455	76 828
Remuneration of councillors	992	992	992	992	992	992	992	992	992	992	992	992	11 901	12 449	13 021
Debt impairment	922	922	922	922	922	922	922	922	922	922	922	922	11 060	11 569	12 101
Depreciation & asset impairment	3 469	3 469	3 469	3 469	3 469	3 469	3 469	3 469	3 469	3 469	3 469	3 469	41 625	43 540	45 542
Finance charges	24	24	24	24	24	24	24	24	24	24	24	24	291	305	319
Bulk purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	-	250	300	280	333	120	90	520	500	600	490	515	3 998	3 869	4 047
Contracted services	1 822	2 322	2 822	3 322	3 622	3 622	1 822	2 822	3 322	2 822	3 322	2 222	33 860	35 866	37 066
Transfers and subsidies	166	166	166	166	166	166	166	166	166	166	166	166	1 990	2 082	2 178
Other expenditure	1 860	2 360	2 560	2 960	1 660	2 360	2 360	1 960	2 360	2 360	3 160	2 371	28 331	26 740	27 970
Losses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure	14 405	15 655	16 405	17 285	20 039	21 525	14 995	16 025	16 905	16 505	17 695	15 833	203 276	209 873	219 071
Surplus/(Deficit)	41 870	(11 200)	(3 560)	(13 010)	(15 751)	29 770	(8 734)	(10 550)	25 308	(10 310)	(12 610)	(10 513)	706	2 515	4 072
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	7 249	-	-	-	-	10 000	-	-	9 740	-	-	-	26 989	29 050	30 559
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	49 119	(11 200)	(3 560)	(13 010)	(15 751)	39 770	(8 734)	(10 550)	35 048	(10 310)	(12 610)	(10 513)	27 695	31 565	34 631
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	49 119	(11 200)	(3 560)	(13 010)	(15 751)	39 770	(8 734)	(10 550)	35 048	(10 310)	(12 610)	(10 513)	27 695	31 565	34 631

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 2020/21												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue by Vote															
Vote 1 - Executive and Council	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury	35 936	4 936	15 936	3 936	13 936	30 936	5 936	9 936	40 936	10 936	10 936	6 936	191 236	202 929	213 236
Vote 3 - Corporate Services	-	-	35	-	-	35	-	-	35	-	-	-	105	109	114
Vote 4 - Community Services	797	797	797	797	797	797	797	797	797	797	797	797	9 566	9 221	9 659
Vote 5 - Public Works and Basic Services	7 249	870	-	-	-	10 870	-	-	10 952	-	-	-	29 941	29 050	30 559
Vote 6 - Planning and Development	8	10	11	7	10	8	12	13	9	15	11	9	123	129	135
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	43 991	6 614	16 780	4 741	14 744	42 647	6 746	10 747	52 729	11 749	11 745	7 742	230 971	241 438	253 703
Expenditure by Vote to be appropriated															
Vote 1 - Executive and Council	1 683	1 683	1 983	2 483	2 183	2 883	983	1 783	2 383	2 483	1 983	1 283	23 798	24 892	26 038
Vote 2 - Budget and Treasury	4 429	5 929	6 429	6 429	7 329	7 429	5 929	5 529	7 429	5 829	5 429	9 039	77 154	80 704	84 489
Vote 3 - Corporate Services	1 821	1 721	2 021	2 021	2 521	3 021	1 221	1 321	1 421	2 521	2 421	2 222	24 257	25 868	26 535
Vote 4 - Community Services	2 558	2 858	2 058	3 158	3 208	2 053	2 858	3 208	3 058	2 858	3 658	2 763	34 292	35 708	37 345
Vote 5 - Public Works and Basic Services	2 745	2 545	3 245	3 745	3 745	3 045	2 945	3 245	3 245	3 245	3 245	3 945	38 939	37 643	39 374
Vote 6 - Planning and Development	403	413	403	393	383	418	408	405	353	403	453	401	4 835	5 058	5 291
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	13 639	15 149	16 139	18 229	19 369	18 849	14 344	15 491	17 889	17 339	17 189	19 654	203 276	209 873	219 071
Surplus/(Deficit) before assoc.	30 352	(8 535)	641	(13 488)	(4 625)	23 798	(7 598)	(4 744)	34 840	(5 590)	(5 444)	(11 912)	27 695	31 565	34 631
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	30 352	(8 535)	641	(13 488)	(4 625)	23 798	(7 598)	(4 744)	34 840	(5 590)	(5 444)	(11 912)	27 695	31 565	34 631

Dr Nkosazana Dlamini Zuma Municipality Final Budget 2020/21

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 2020/21												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue - Functional															
Governance and administration	35 936	4 936	15 971	3 936	13 936	30 971	5 936	9 936	40 971	10 936	10 936	6 936	191 341	203 038	213 350
Executive and council	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance and administration	35 936	4 936	15 971	3 936	13 936	30 971	5 936	9 936	40 971	10 936	10 936	6 936	191 341	203 038	213 350
Internal audit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety	533	433	533	583	533	583	433	533	583	533	533	583	6 397	5 447	5 712
Community and social services	317	217	317	367	317	367	217	317	367	317	317	367	3 804	3 973	4 170
Sport and recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	180	180	180	180	180	180	180	180	180	180	180	180	2 154	1 474	1 542
Housing	37	37	37	37	37	37	37	37	37	37	37	37	439	-	-
Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services	6 818	880	11	7	10	10 878	12	13	10 961	15	11	9	29 625	29 179	30 694
Planning and development	8	10	11	7	10	8	12	13	9	15	11	9	123	129	135
Road transport	6 810	870	-	-	-	10 870	-	-	10 952	-	-	-	29 502	29 050	30 559
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services	301	301	301	301	301	301	301	301	301	301	301	301	3 608	3 774	3 947
Energy sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management	301	301	301	301	301	301	301	301	301	301	301	301	3 608	3 774	3 947
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	43 588	6 550	16 816	4 827	14 780	42 733	6 682	10 783	52 816	11 785	11 781	7 829	230 971	241 438	253 703
Expenditure - Functional															
Governance and administration	10 133	10 133	10 433	10 933	11 233	11 333	9 591	10 233	10 833	8 933	10 433	10 990	125 209	131 464	137 062
Executive and council	1 555	1 523	1 855	2 385	2 685	2 755	983	1 695	2 255	355	1 855	2 363	22 265	23 290	24 361
Finance and administration	8 450	8 450	8 450	8 450	8 450	8 450	8 450	8 450	8 450	8 450	8 450	8 461	101 411	106 572	111 024
Internal audit	128	160	128	98	98	128	158	88	128	128	128	166	1 532	1 603	1 676
Community and public safety	2 272	2 272	2 272	2 272	2 272	2 272	2 272	2 272	2 272	2 272	2 272	2 272	27 265	27 375	28 629
Community and social services	1 361	1 361	1 361	1 361	1 361	1 361	1 361	1 361	1 361	1 361	1 361	1 362	16 336	17 088	17 874
Sport and recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	847	847	847	847	847	847	847	847	847	847	847	848	10 169	9 952	10 404
Housing	63	63	63	63	63	63	63	63	63	63	63	63	760	335	351
Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services	3 332	3 332	3 332	3 332	3 332	3 332	3 332	3 332	3 332	3 332	3 332	3 332	39 982	39 715	41 542
Planning and development	1 472	1 472	1 472	1 472	1 472	1 472	1 472	1 472	1 472	1 472	1 472	1 472	17 661	18 997	19 871
Road transport	1 860	1 860	1 860	1 860	1 860	1 860	1 860	1 860	1 860	1 860	1 860	1 860	22 320	20 718	21 671
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services	559	559	559	559	559	559	559	559	559	559	559	559	6 711	7 019	7 342
Energy sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management	559	559	559	559	559	559	559	559	559	559	559	559	6 711	7 019	7 342
Other	342	342	342	342	342	342	342	342	342	342	342	343	4 110	4 299	4 496
Total Expenditure - Functional	16 638	16 638	16 938	17 438	17 738	17 838	16 096	16 738	17 338	15 438	16 938	17 496	203 276	209 873	219 071
Surplus/(Deficit) before assoc.	26 950	(10 088)	(122)	(12 611)	(2 958)	24 895	(9 414)	(5 955)	35 477	(3 653)	(5 157)	(9 668)	27 695	31 565	34 631
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	26 950	(10 088)	(122)	(12 611)	(2 958)	24 895	(9 414)	(5 955)	35 477	(3 653)	(5 157)	(9 668)	27 695	31 565	34 631

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 2020/21												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand															
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	-	1 191	1 691	691	3 091	2 191	2 541	2 913	3 060	2 935	3 091	2 896	26 290	-	-
Vote 6 - Planning and Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	-	1 191	1 691	691	3 091	2 191	2 541	2 913	3 060	2 935	3 091	2 896	26 290	-	-
Single-year expenditure to be appropriated															
Vote 1 - Executive and Council			50				500			27		-	577	604	631
Vote 2 - Budget and Treasury				150			100			110		(0)	360	376	394
Vote 3 - Corporate Services				300				250			141	-	691	723	756
Vote 4 - Community Services	449	449	849	1 800	349	949	849	749	849	849	849	1 284	10 276	10 315	10 789
Vote 5 - Public Works and Basic Services	4 578	5 128	4 678	4 378	4 478	8 578	3 678	4 178	4 578	5 878	6 078	6 542	62 753	29 050	30 559
Vote 6 - Planning and Development	-	-	-	60	-	-	25	-	-	45	-	-	130	136	143
Vote 7 - [NAME OF VOTE 7]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	5 028	5 578	5 578	6 688	4 828	9 528	5 153	5 178	5 428	6 910	7 069	7 825	74 787	41 203	43 272
Total Capital Expenditure	5 028	6 768	7 268	7 379	7 918	11 718	7 693	8 090	8 487	9 845	10 159	10 722	101 077	41 203	43 272

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 2020/21												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital Expenditure - Functional															
<i>Governance and administration</i>	-	-	292	300	-	500	742	-	-	269	-	273	2 376	1 703	1 781
Executive and council			50				500			27		-	577	604	631
Finance and administration	-	-	242	300	-	500	242	-	-	242	-	273	1 799	1 099	1 150
Internal audit			-										-	-	-
<i>Community and public safety</i>	902	902	902	902	902	902	902	902	902	902	902	902	10 826	10 315	10 789
Community and social services	151	151	151	151	151	151	151	151	151	151	151	151	1 816	979	1 024
Sport and recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	751	751	751	751	751	751	751	751	751	751	751	751	9 010	9 335	9 765
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	7 321	7 321	7 321	7 321	7 321	7 321	7 321	7 321	7 321	7 321	7 321	7 339	87 876	29 186	30 702
Planning and development	6 947	6 947	6 947	6 947	6 947	6 947	6 947	6 947	6 947	6 947	6 947	6 965	83 384	29 186	30 702
Road transport	374	374	374	374	374	374	374	374	374	374	374	374	4 491	-	-
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>															
Energy sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	8 224	8 224	8 516	8 524	8 224	8 724	8 966	8 224	8 224	8 493	8 224	8 515	101 077	41 203	43 272
Funded by:															
National Government	1 249	1 549	1 849	1 894	1 959	4 249	1 449	1 749	1 849	1 949	2 149	5 094	26 989	29 050	30 559
Provincial Government	-	85	-	-	-	-	-	-	-	-	-	-	85	-	-
District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	1 249	1 634	1 849	1 894	1 959	4 249	1 449	1 749	1 849	1 949	2 149	5 094	27 074	29 050	30 559
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	5 160	5 710	5 140	6 555	5 930	8 040	5 315	5 040	5 690	6 022	6 181	9 225	74 003	12 153	12 713
Total Capital Funding	6 409	7 344	6 989	8 449	7 889	12 289	6 764	6 789	7 539	7 971	8 330	14 319	101 077	41 203	43 272

Table SA30- Budgeted monthly cash flow

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SA30 Budgeted monthly cash flow																
MONTHLY CASH FLOWS	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Cash Receipts By Source																
Property rates	1 513	1 613	2 113	2 613	2 513	3 113	2 613	1 513	1 313	1 613	2 613	1 431	24 575	25 804	27 094	
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service charges - refuse revenue	186	216	226	226	226	286	286	226	166	166	286	210	2 706	3 137	3 294	
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rental of facilities and equipment	69	69	69	69	69	69	69	69	69	69	69	72	831	870	910	
Interest earned - external investments	694	645	645	645	645	699	695	674	674	699	699	674	8 090	8 462	7 701	
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fines, penalties and forfeits	27	30	35	45	45	60	55	45	45	60	45	48	545	570	596	
Licences and permits	58	58	58	63	63	68	68	63	63	63	63	67	753	787	823	
Agency services	2	2	2	3	3	3	3	3	3	2	2	5	32	34	35	
Transfers and Subsidies - Operational	59 713	-	1 284	-	44 786	-	-	-	44 785	-	-	-	150 568	155 268	163 121	
Other revenue	84	84	109	69	74	89	79	69	69	99	84	98	1 004	1 096	1 098	
Cash Receipts by Source	62 346	2 717	4 541	3 733	48 424	4 387	3 868	2 662	47 187	2 771	3 861	2 607	189 103	196 026	204 672	
Other Cash Flows by Source																
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	10 000	-	-	-	10 000	-	-	-	6 989	-	-	-	26 989	29 050	30 559	
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	1 868	1 200	1 820	1 920	900	873	8 581	8 976	9 389	
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Cash Receipts by Source	72 346	2 717	4 541	3 733	58 424	4 387	5 736	3 862	55 996	4 691	4 761	3 480	224 674	234 052	244 620	
Cash Payments by Type																
Employee related costs	4 934	4 934	4 934	4 934	7 665	10 473	4 934	4 934	4 934	4 934	4 934	7 167	69 714	72 927	76 275	
Remuneration of councillors	992	992	992	992	992	992	992	992	992	992	992	992	11 901	12 449	13 021	
Finance charges	19	24	24	19	24	24	24	29	24	29	24	24	291	305	319	
Bulk purchases - Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other materials	183	233	233	213	213	333	433	533	433	433	433	323	3 998	3 869	4 047	
Contracted services	1 245	2 095	2 345	2 295	2 795	2 395	2 495	2 095	2 345	3 995	4 095	5 662	33 860	35 866	37 066	
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers and grants - other	166	166	166	166	166	166	166	166	166	166	166	166	1 990	2 082	2 178	
Other expenditure	1 825	1 925	1 975	2 075	2 325	2 325	1 825	1 925	1 975	2 325	2 325	5 512	28 331	26 740	27 970	
Cash Payments by Type	9 364	10 369	10 669	10 694	14 180	16 708	10 869	10 674	10 869	12 874	12 969	19 845	150 086	154 237	160 875	
Other Cash Flows/Payments by Type																
Capital assets	5 335	5 335	6 235	6 835	6 835	6 835	8 335	7 335	7 835	7 835	9 835	22 492	101 077	41 203	43 272	
Repayment of borrowing	56	56	56	56	56	56	56	56	56	56	56	57	678	678	678	
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Cash Payments by Type	14 756	15 761	16 961	17 586	21 072	23 600	19 261	18 066	18 761	20 766	22 861	42 394	251 841	196 118	204 825	
NET INCREASE/(DECREASE) IN CASH HELD	57 590	(13 044)	(12 420)	(13 853)	37 352	(19 213)	(13 525)	(14 204)	37 235	(16 075)	(18 100)	(38 913)	(27 168)	37 934	39 795	
Cash/cash equivalents at the month/year begin:	89 350	146 940	133 897	121 477	107 624	144 976	125 764	112 239	98 035	135 271	119 196	101 096	89 350	62 183	100 117	
Cash/cash equivalents at the month/year end:	146 940	133 897	121 477	107 624	144 976	125 764	112 239	98 035	135 271	119 196	101 096	62 183	62 183	100 117	139 912	

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.

CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

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

NAME OF BIDDER	PROJECT/SERVICE	DEPARTMENT	CONTRACT VALUE	PAYMENTS	START DATE	END DATE
EVALUATION PROPERTY INTELLIGENCE	GENERAL EVALUATION ROLL	BUDGET AND TREASURY OFFICE	BASED ON APPROVED RATE	R 1,691,122.95	01/07/2017	30/06/2022
SMART SECURE	PROVISION OF SECURITY SERVICES	CORPORATE SERVICES	R 8,580,623.00	R 409,062.37	15/02/2020	14/02/2023
KONICA MINOLTA AFRICA	SUPPLY AND DELIVERY OF PRINTERS AND PHOTOCOPYING MACHINES	CORPORATE SERVICES	R 1,378,141.67	R 940,283.87	11/06/2018	10/06/2021
SAB&T CHARTERED ACCOUNTANTS INCORPORATED	PROVISION OF INTERNAL AUDIT SERVICES	OFFICE OF THE MM	R 293,500.00	R 172,500.00	11/06/2018	31/08/2018
MFS CHARTERED ACCOUNTANTS (SA) INC.	COMPILATION OF PROCEDURE MANUALS AND CHECKLIST FOR BTO	BUDGET AND TREASURY OFFICE	R 744,414.38	R 760,696.20	13/06/2018	31/08/2019
RURAL METRO	PROVISION OF FIRE SERVICES & RESCUE	COMMUNITY	R 4,139,886.00	R 3,914,329.45	01/08/2017	31/07/2020
TPS DEVELOPMENT	NODAL PLAN	OFFICE OF THE MM	R 595,000.00	R 385,950.00	1/06/2018	30/06/2019
NASHUA	TELEPHONE	CORPORATE SERVICES	R 1,253,385.00	R 518,607.65	1/08/2018	30/09/2021
POWERVISION	ICT SERVICES	CORPORATE SERVICES	R 3,434,233.00	R 3,104,727.52	1/08/2018	31/07/2020
MABUNE CONSULTING	BULWER PRECINCT PLAN	OFFICE OF THE MM	R 862,500.00	R 474,375.00	31/07/2018	31/07/2019
AMAHLETHANDO	MEDIA COORDINATOR SERVICES	OFFICE OF THE MM	R 100,200.00	R 93,536.25	7/01/2019	6/01/2020
INKAMVA CONSULTING AGENCY	DEVELOPMENT OF ENVIRONMENTAL MANAGEMENT PLAN	PLANNING AND DEVELOPMENT	R 482,310.00	R 144,693.00	04/09/2019	4/12/2020
GREEN DOOR	PROVISION OF HORTICULTURAL SERVICES	PUBLIC WORKS AND BASIC SERVICES	R 931,500.00	R 77,625.00	05/12/2019	05/12/2022
MOBILE TELEPHONE NETWORKS	PROVISION OF INTERNET SERVICES	CORPORATE SERVICES	R 2,224,975.75		17/01/2020	16/01/2023

2.12 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	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		34,759	17,525	19,883	16,099	13,997	13,997	24,137	29,050	30,559
Roads Infrastructure		34,759	17,033	19,883	14,099	12,297	12,297	24,137	29,050	30,559
Roads		34,759	17,033	19,883	14,099	12,297	12,297	24,137	29,050	30,559
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	2,000	1,700	1,700	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	2,000	1,700	1,700	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	492	-	-	-	-	-	-	-
Landfill Sites		-	492	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Community Assets		19,938	23,010	21,956	21,037	36,560	36,560	25,566	575	602
Community Facilities		19,938	7,100	21,956	13,037	12,760	12,760	20,402	575	602
Halls		19,938	7,100	21,956	5,000	4,125	4,125	12,477	-	-
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	2,550	3,710	3,710	27	-	-
Parks		-	-	-	-	-	-	80	-	-
Public Open Space		-	-	-	-	-	-	-	-	-
Nature Reserves		-	-	-	-	-	-	-	-	-
Public Ablution Facilities		-	-	-	2,800	2,300	2,300	3,559	314	328
Markets		-	-	-	2,250	2,188	2,188	3,759	262	274
Stalls		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Airports		-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals		-	-	-	437	437	437	500	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	15,911	-	8,000	23,800	23,800	5,164	-	-
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		-	15,911	-	8,000	23,800	23,800	5,164	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	150	60	60	-	-	-
Monuments		-	-	-	-	-	-	-	-	-
Historic Buildings		-	-	-	-	-	-	-	-	-
Works of Art		-	-	-	-	-	-	-	-	-
Conservation Areas		-	-	-	-	-	-	-	-	-
Other Heritage		-	-	-	150	60	60	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		2,099	13,679	3,610	2,700	2,625	2,625	7,900	7,322	7,659
Operational Buildings		2,099	13,679	3,610	2,700	2,625	2,625	7,900	7,322	7,659
Municipal Offices		2,099	13,679	3,610	2,700	2,625	2,625	7,900	7,322	7,659
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	120	120	122	102	106
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	120	120	122	102	106
Water Rights		-	-	-	-	-	-	-	-	-
Effluent Licenses		-	-	-	-	-	-	-	-	-
Solid Waste Licenses		-	-	-	-	-	-	-	-	-
Computer Software and Applications		-	-	-	-	120	120	122	102	106
Load Settlement Software Applications		-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-
Computer Equipment		355	592	-	776	776	776	1,219	1,212	1,268
Computer Equipment		355	592	-	776	776	776	1,219	1,212	1,268
Furniture and Office Equipment		331	1,166	3,665	1,193	1,934	1,934	2,278	939	983
Furniture and Office Equipment		331	1,166	3,665	1,193	1,934	1,934	2,278	939	983
Machinery and Equipment		1,900	128	1,429	5,709	3,299	3,299	4,915	957	1,001
Machinery and Equipment		1,900	128	1,429	5,709	3,299	3,299	4,915	957	1,001
Transport Assets		2,639	10,949	691	3,250	5,295	5,295	1,000	1,046	1,094
Transport Assets		2,639	10,949	691	3,250	5,295	5,295	1,000	1,046	1,094
Total Capital Expenditure on new assets	1	62,021	67,050	51,233	50,914	64,666	64,666	67,137	41,203	43,272

Table SA34b- Capital expenditure on the Renewal of existing assets by asset class

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class									
Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	-	-	-	-	-	-	15,320	-	-
Roads Infrastructure	-	-	-	-	-	-	15,320	-	-
Roads	-	-	-	-	-	-	15,320	-	-
Road Structures	-	-	-	-	-	-	-	-	-
Road Furniture	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Storm water Infrastructure	-	-	-	-	-	-	-	-	-
Drainage Collection	-	-	-	-	-	-	-	-	-
Storm water Conveyance	-	-	-	-	-	-	-	-	-
Attenuation	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	-	-	-	-	-	-	-	-	-
Power Plants	-	-	-	-	-	-	-	-	-
HV Substations	-	-	-	-	-	-	-	-	-
HV Switching Station	-	-	-	-	-	-	-	-	-
HV Transmission Conductors	-	-	-	-	-	-	-	-	-
MV Substations	-	-	-	-	-	-	-	-	-
MV Switching Stations	-	-	-	-	-	-	-	-	-
MV Networks	-	-	-	-	-	-	-	-	-
LV Networks	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	-	-	-	-	-	-	-	-	-
Dams and Weirs	-	-	-	-	-	-	-	-	-
Boreholes	-	-	-	-	-	-	-	-	-
Reservoirs	-	-	-	-	-	-	-	-	-
Pump Stations	-	-	-	-	-	-	-	-	-
Water Treatment Works	-	-	-	-	-	-	-	-	-
Bulk Mains	-	-	-	-	-	-	-	-	-
Distribution	-	-	-	-	-	-	-	-	-
Distribution Points	-	-	-	-	-	-	-	-	-
PRV Stations	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Community Assets	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-
Halls	-	-	-	-	-	-	-	-	-
Centres	-	-	-	-	-	-	-	-	-
Crèches	-	-	-	-	-	-	-	-	-
Clinics/Care Centres	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing assets	-	-	-	-	-	-	15,320	-	-

The municipality has set out a budget of R 15, 3 million to renew the gravel roads through hiring of plant hire. It can be noted that even though the repairs and maintenance budget is sitting at only 2% of the PPE is because of this strategy that the municipality has embark on to renew it roads through use of plant hire and make sure that the roads are in a good condition.

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	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class									
Infrastructure	991	-	-	8 500	10 502	10 502	7 104	-	-
Roads Infrastructure	991	-	-	8 500	10 502	10 502	7 104	-	-
<i>Roads</i>	991	-	-	8 500	10 502	10 502	7 104	-	-
<i>Road Structures</i>	-	-	-	-	-	-	-	-	-
Community Assets	40	-	-	9 230	14 870	14 870	7 027	-	-
Community Facilities	-	-	-	8 000	13 064	13 064	7 027	-	-
<i>Halls</i>	-	-	-	-	-	-	-	-	-
<i>Centres</i>	-	-	-	-	-	-	-	-	-
<i>Crèches</i>	-	-	-	2 500	4 475	4 475	-	-	-
<i>Libraries</i>	-	-	-	2 000	4 350	4 350	7 000	-	-
<i>Cemeteries/Crematoria</i>	-	-	-	-	-	-	-	-	-
<i>Taxi Ranks/Bus Terminals</i>	-	-	-	3 500	4 239	4 239	27	-	-
<i>Capital Spares</i>	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	40	-	-	1 230	1 806	1 806	-	-	-
<i>Indoor Facilities</i>	-	-	-	-	-	-	-	-	-
<i>Outdoor Facilities</i>	40	-	-	1 230	1 806	1 806	-	-	-
<i>Capital Spares</i>	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on upgrading of existing assets	1 031	-	-	17 730	25 371	25 371	14 131	-	-

The municipality budgeted only R 14, 1million for upgrading of assets and that is below the required norm because upon the verification of the municipal assets it was discovered that they are still in a good condition.

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	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	1 149	1 013	2 202	2 000	2 000	2 000	3 000	3 138	3 282
Roads Infrastructure	1 149	1 013	2 202	2 000	2 000	2 000	3 000	3 138	3 282
Roads	-	-	-	-	-	-	-	-	-
Road Structures	1 149	1 013	2 202	2 000	2 000	2 000	3 000	3 138	3 282
Road Furniture	-	-	-	-	-	-	-	-	-
Community Assets	1 423	4 444	2 350	3 000	3 000	3 000	4 000	4 184	4 376
Community Facilities	1 423	4 444	2 350	3 000	3 000	3 000	4 000	4 184	4 376
Halls	1 338	3 787	2 350	3 000	3 000	3 000	4 000	4 184	4 376
Centres	-	-	-	-	-	-	-	-	-
Libraries	85	657	-	-	-	-	-	-	-
Other assets	301	267	266	1 944	1 944	1 944	2 350	2 458	2 571
Operational Buildings	301	267	266	1 944	1 944	1 944	2 350	2 458	2 571
Municipal Offices	301	267	266	1 944	1 944	1 944	2 350	2 458	2 571
Computer Equipment	-	-	-	50	50	50	52	55	57
Computer Equipment	-	-	-	50	50	50	52	55	57
Furniture and Office Equipment	-	-	1 123	-	-	-	-	-	-
Furniture and Office Equipment	-	-	1 123	-	-	-	-	-	-
Machinery and Equipment	83	227	1 378	637	607	607	651	681	712
Machinery and Equipment	83	227	1 378	637	607	607	651	681	712
Transport Assets	1 007	1 178	113	1 773	1 743	1 743	1 865	1 951	2 114
Transport Assets	1 007	1 178	113	1 773	1 743	1 743	1 865	1 951	2 114
Total Repairs and Maintenance Expenditure	3 963	7 129	7 432	9 404	9 344	9 344	11 918	12 467	13 113

2.13 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 finalized with 28 day after approval of the 2020/21 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 2020/2021 Municipal budget and MTREF as stipulated in MFMA circular No. 99.

Fiscal year	2019 Estimates	2020	2021 Forecast	2022
Real GBD Growth	0.3%	0.9%	1.3%	1.6%
Consumer Price Inflation (CPI)	4.1%	4.5%	4.6%	4.6%

2.14 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	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
REVENUE ITEMS:										
Property rates										
Total Property Rates	19,892	35,375	41,487	57,147	46,240	46,240	46,240	53,789	56,263	58,852
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)	-	-	10,125	19,586	13,860	13,860	13,860	19,364	20,255	21,186
Net Property Rates	19,892	35,375	31,362	37,561	32,380	32,380	32,380	34,425	36,009	37,665
Net Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue										
Total refuse removal revenue	2,588	3,127	3,305	3,873	3,875	3,883	3,800	3,692	3,862	4,040
Total landfill revenue	-	-	-	-	-	-	-	-	-	-
less Revenue Foregone (in excess of one removal a week to indigent households)	-	-	-	-	-	-	-	-	-	-
less Cost of Free Basic Services (removed once a week to indigent households)	-	-	-	73	75	83	-	83	88	93
Net Service charges - refuse revenue	2,588	3,127	3,305	3,800	3,800	3,800	3,800	3,608	3,774	3,947
Other Revenue by source										
Fuel Levy	-	-	-	-	-	-	-	-	-	-
Other Revenue	6,885	-	2,625	-	-	-	-	-	-	-
Discontinued Operations	-	-	-	-	-	-	-	-	-	-
Rent on Land	-	-	-	-	-	-	-	-	-	-
Books	-	-	-	400	300	300	300	314	328	343
Cleaning and Removal	-	-	-	-	-	-	-	-	-	-
Building Plan Approval	-	-	-	-	-	-	-	-	-	-
Objections and Appeals	-	1,343	-	1,195	686	686	686	690	722	755
Gains and Losses : Gains	-	-	-	-	-	-	-	-	-	-
Total 'Other' Revenue	6,885	1,343	2,625	1,595	986	986	986	1,004	1,050	1,098

Dr Nkosazana Dlamini Zuma Municipality Final Budget 2020/21

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'										
Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
EXPENDITURE ITEMS:										
Employee related costs										
Basic Salaries and Wages	45 570	38 529	39 559	47 553	44 908	44 908	44 908	51 183	53 538	56 001
Pension and UIF Contributions	-	4 309	4 875	6 782	6 225	6 225	6 225	7 449	7 792	8 150
Medical Aid Contributions	-	2 545	2 282	2 682	2 559	2 559	2 559	2 971	3 108	3 251
Overtime	-	-	-	-	-	-	-	-	-	-
Performance Bonus	-	2 618	2 543	3 484	3 424	3 424	3 424	3 979	4 167	4 354
Motor Vehicle Allowance	-	657	353	408	558	558	558	471	492	515
Cellphone Allowance	-	-	-	-	-	-	-	-	-	-
Housing Allowances	-	237	166	546	495	495	495	565	591	618
Other benefits and allowances	-	1 604	2 182	2 026	2 039	2 039	2 039	3 096	3 239	3 388
Payments in lieu of leave	-	-	730	-	-	-	-	-	-	-
Long service awards	-	-	-	150	150	150	150	157	164	172
Post-retirement benefit obligations	-	-	-	333	333	333	333	348	364	381
sub-total	45 570	50 499	52 691	63 965	60 690	60 690	60 690	70 219	73 455	76 828
Less: Employees costs capitalised to PPE	-	-	-	-	-	-	-	-	-	-
Total Employee related costs	45 570	50 499	52 691	63 965	60 690	60 690	60 690	70 219	73 455	76 828
Depreciation & asset impairment										
Depreciation of Property, Plant & Equipment	16 965	22 143	23 468	34 622	27 681	27 681	27 681	41 496	43 406	45 403
Lease amortisation	-	-	28	32	121	121	121	127	133	139
Capital asset impairment	-	-	-	-	-	-	-	-	-	-
Depreciation resulting from revaluation of PPE	-	-	-	-	-	-	-	-	-	-
Total Depreciation & asset impairment	16 965	22 143	23 496	34 654	27 801	27 801	27 801	41 625	43 540	45 542
Bulk purchases										
Electricity Bulk Purchases	-	-	-	-	-	-	-	-	-	-
Water Bulk Purchases	-	-	-	-	-	-	-	-	-	-
Total bulk purchases	-	-	-	-	-	-	-	-	-	-
Transfers and grants										
Cash transfers and grants	-	-	1 772	1 905	1 905	1 905	1 405	1 990	2 082	2 178
Non-cash transfers and grants	-	889	-	-	-	-	-	-	-	-
Total transfers and grants	-	889	1 772	1 905	1 905	1 905	1 405	1 990	2 082	2 178
Contracted services										
Outsourced Services	-	-	14 722	15 943	15 105	15 105	15 105	14 293	15 473	16 185
Consultants and Professional Services	-	-	4 730	7 918	19 072	19 072	19 072	6 362	6 581	6 361
Contractors	-	-	9 004	10 353	10 303	10 303	10 303	13 204	13 812	14 521
sub-total	-	-	28 456	34 214	44 481	44 481	44 481	33 860	35 866	37 066
Allocations to organs of state:										
Electricity	-	-	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total contracted services	-	-	28 456	34 214	44 481	44 481	44 481	33 860	35 866	37 066
Other Expenditure By Type										
Collection costs	-	-	-	-	-	-	-	-	-	-
Contributions to 'other' provisions	-	-	-	-	-	-	-	-	-	-
Audit fees	-	-	1 745	1 800	2 000	2 000	2 000	2 000	2 092	2 188
General expenses										
Operating Leases	-	-	64	70	142	142	142	100	105	109
Operational Cost	64 442	54 111	25 432	27 296	28 707	28 707	28 707	26 231	24 543	25 672
Statutory Payments other than Income Taxes	-	-	-	-	-	-	-	-	-	-
Discontinued Operations	-	-	-	-	-	-	-	-	-	-
Total 'Other' Expenditure	64 442	54 111	27 241	29 166	30 849	30 849	30 849	28 331	26 740	27 970
by Expenditure Item										
Employee related costs	-	-	-	-	-	-	48 041	-	-	-
Other materials	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance - Transport Assets	-	-	-	1 773	1 743	1 743	1 743	-	-	-
Repairs and Maintenance - Roads	-	-	-	2 000	2 000	2 000	2 000	-	-	-
Repairs and Maintenance - Community assets	-	-	-	3 000	3 000	3 000	3 000	-	-	-
Repairs and Maintenance - Office Buildings	-	-	-	1 500	444	444	444	-	-	-
Repairs and Maintenance - Office Buildings (Electricity)	-	-	-	444	1 500	1 500	1 500	-	-	-
Repairs and Maintenance - Plant and Equipment	-	-	-	687	657	657	657	-	-	-
Contracted Services	3 963	7 130	7 130	-	-	-	-	11 918	12 467	13 113
Other Expenditure	-	-	-	-	-	-	53 797	-	-	-
Total Repairs and Maintenance Expenditure	3 963	7 130	7 130	9 404	9 344	9 344	111 181	11 918	12 467	13 113

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								
Description	Ref	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	1							
Revenue By Source								
Property rates		-	34 425	-	-	-	-	34 425
Service charges - electricity revenue		-	-	-	-	-	-	-
Service charges - water revenue		-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-
Service charges - refuse revenue		-	-	-	3 608	-	-	3 608
Rental of facilities and equipment		-	831	-	-	-	-	831
Interest earned - external investments		-	8 090	-	-	-	-	8 090
Interest earned - outstanding debtors		-	2 294	-	-	-	-	2 294
Dividends received		-	-	-	-	-	-	-
Fines, penalties and forfeits		-	102	-	624	-	-	726
Licences and permits		-	-	-	753	-	-	753
Agency services		-	-	-	32	-	-	32
Other revenue		-	775	105	1	-	123	1 004
Transfers and subsidies		-	136 138	-	4 548	2 952	-	143 638
Gains		-	8 581	-	-	-	-	8 581
Total Revenue (excluding capital transfers and contributions)		-	191 236	105	9 566	2 952	123	203 982
Expenditure By Type								
Employee related costs		6 208	13 278	9 409	20 005	18 285	3 034	70 219
Remuneration of councillors		11 901	-	-	-	-	-	11 901
Debt impairment		-	11 060	-	-	-	-	11 060
Depreciation & asset impairment		-	41 625	-	-	-	-	41 625
Finance charges		-	291	-	-	-	-	291
Bulk purchases		-	-	-	-	-	-	-
Other materials		6	-	210	3 632	150	-	3 998
Contracted services		1 886	2 690	9 006	5 860	13 017	1 400	33 860
Transfers and subsidies		-	1 990	-	-	-	-	1 990
Other expenditure		3 796	6 220	5 632	4 796	7 487	401	28 331
Losses		-	-	-	-	-	-	-
Total Expenditure		23 798	77 154	24 257	34 292	38 939	4 835	203 276
Surplus/(Deficit)								
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(23 798)	114 082	(24 152)	(24 726)	(35 987)	(4 712)	706
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		-	-	-	-	26 989	-	26 989
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(23 798)	114 082	(24 152)	(24 726)	(8 998)	(4 712)	27 695

2.14.1 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 sub-divided, and the changes are only captured on the system we still waiting for the process to be finalized.

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

The municipality is implementing MSCOA.

2.14.3 Financial Modeling and Key Planning Drivers

As part of the compilation of the 2020/2021 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 2020/21 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 2019/2020 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.

2.14.4 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.

2.14.5 Disposal of Assets

The municipality has identified land will be disposed in the 2020/2021 financial year. The report with a list of properties is provided as a supporting document.

- **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 3,5 Million has been set aside to procure those plant and Machineries. Labour intensive program will be phased in on small to medium renovation projects.

Electricity

95% of Dr NDZ households have access to electricity. R 6.3 million has been set aside for infills and few farm communities.

Roads

The municipality currently have more than 137 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 3% 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.

2.15 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 2020/2021 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 _____