

**DRAFT BUDGET OF**

**UMHLABUYALINGANA MUNICIPALITY**

**2020/2021**

**MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK**

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## **Part 1 – Annual Budget**

### **1.1 Mayor’s Report**

Madam Speaker, and

Fellow Councilors

During the month of October 2019 the council had public consultations within the communities of Umhlabuyalingana Municipality. In those consultations the public voiced out their needs and the municipality has taken those needs and concerns into consideration when reviewing the Integrated Development Plan for 2020/2021 financial year.

Management within local government has a significant role to play in strengthening the link between the citizen and government’s overall priorities and spending plans. The goal should be to enhance service delivery aimed at improving the quality of life for all people within Umhlabuyalingana Municipality. Budgeting is primarily about the choice that the municipality has to make between competing priorities and fiscal realities. The challenge is to do more with the available resources. We need to remain focused on the effective delivery of the core municipal services through the application of efficient and effective service delivery mechanisms.

The application of sound financial management principles for the compilation of Umhlabuyalingana financial plan is essential and critical to ensure that the municipality remains financial viable and that sustainable municipal services are provided economically and equitably to all communities.

With the limited financial resources the municipality have it has reserved R231 528 655 for operational expenditure and R34 425 152 for capital expenditure and R266 953 807 as total revenue in 2020/2021 financial year. The municipality has also reserved R246 224 073 for operational expenditure and R37 019 284 for capital expenditure and R282 963 357 as total revenue for 2021/2022 financial year, and reserved R259 093 966 for operational expenditure and R38 685 152 for capital expenditure as well as R300 251 519 as total revenue for 2022/2023 financial year.

### **Conclusion**

In closing I would like to take this opportunity to thank the honorable councilors for listening to me, and I would like to thank the Finance Portfolio Committee, Municipal Manager, CFO and his finance team for their hard work in putting together the 2020/2021 Draft MTREF under these circumstances of lockdown after the country is attacked by the COVID 19 pandemic.

Thank you

Mayor, Councilor N.S Mthethwa

## 1.2 Council Resolutions

On the 31<sup>th</sup> of March 2020 the council of Umhlabuyalingana Local Municipality met in its Council Chambers to consider the draft annual budget of the municipality for the 2020/2021 financial year. The Council approved and adopted the following resolutions:

1. The Council of Umhlabuyalingana Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, approves and adopts:
  - 1.1 The draft annual budget of the municipality for the financial year 2020/2021 and the multi-year and single-year capital appropriations as set out in the following tables:
    - 1.1.1 Budgeted Financial Performance (revenue and expenditure by standard classification)
    - 1.1.2 Budgeted Financial Performance (revenue and expenditure by municipal vote)
    - 1.1.3 Budgeted financial Performance (revenue by source and expenditure by type)
    - 1.1.4 Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source
  - 1.2 The financial position, cash flow budget, cash backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
    - 1.2.1 Budgeted Financial Position
    - 1.2.2 Budgeted Cash Flow
    - 1.2.3 Cash backed reserves and accumulated surplus reconciliation
    - 1.2.4 Asset management
    - 1.2.5 Basic service delivery measurement

Attached as annexure A in the budget document

### 1.3 Executive Summary

Legislation stipulates clearly that a municipality must not only give effect to its IDP but must also conduct its affairs in a manner which is consistent with its IDP. This include the compilation of Medium –term Revenue and Expenditure Framework

The municipality's Growth and Development Strategy and Infrastructure Development Plan are its strategic planning instrument which directly guide and inform its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation, which directly informs the Service Delivery and Budget Implementation Plan

The compilation of the MTREF remains a huge challenge to balance the budget between the limited revenue resources available and the immense need to provide quality service delivery to our community. Tariff increases must be limited to be within the affordability levels of our community and must still promote economic growth to ensure financial sustainability. Council on the other hand must address the huge demand to improve the standard of service delivery and to do more with less funds available.

The MTREF used the guidelines set by the minister of finance in his Medium-term Budget Policy statement speech as well as the guidelines in terms of Circular 99 dated 9 March 2020 as issued by National Treasury.

The Consumer Price Inflation as set out in Circular 99 issued in 9 March 2020 is set out at 4.5% for 2020/2021 and 4.6% for 2021/2022 and 2022/2023 financial years

All tariffs were not adjusted in this financial year especially after the country's economy has been affected by the COVID 19 pandemic. The council of umhlabuyalingana looked at the possibility of adjusting all tariffs upwards and resolved not to adjust them upwards at this point because of the negative effect the COVID 19 has had to the economy of this country and that our citizens will not be able to afford the increase in tariffs at this point in time. All tariffs include property rates tariffs, refuse removal and rental of facilities tariffs.

The financial sustainability of the 2020/2021 MTREF is largely dependent on the collection level of billed income. Provision is made for a collection rate of 70%. To achieve this collection rate and more the municipality will have to implement more robust credit control measures.

In terms of Council's social commitment to assist the communities in Umhlabuyalingana provision has been made for a free basic electricity to registered Indigents in Umhlabuyalingana Indigent Register The total amount budgeted for free basic electricity to our community amounts to R547 040

The MTREF for the 2020/2021 multi-year budget with comparative information is as follows:

**Table 1 Budget Summary**

DESCRIPTION	Original Budget	Adjusted Budget	Full Year Forecast	Pre Audited Outcome	Budget Year 2020/2021	Budget Year 2021/2022	Budget Year 2022/2023
<b>MUNICIPAL REVENUE</b>							
Operating Grants	174,495,000	176,387,080	176,387,080	176,387,080	187,282,000	198,349,000	211,338,000
Capital Grants	53,918,000	59,539,268	59,539,268	59,539,268	34,702,000	37,486,000	39,523,000
Own income	32,914,564	35,934,876	35,934,876	35,934,876	36,823,288	38,590,806	40,443,165
Interest income	4,756,292	7,765,985	7,765,985	7,765,985	8,146,518	8,537,551	8,947,354
Surplus Fund	-	-	-	-	-	-	-
<b>Subtotal (a)</b>	<b>266,083,856</b>	<b>279,627,208</b>	<b>279,627,208</b>	<b>279,627,208</b>	<b>266,953,807</b>	<b>282,963,357</b>	<b>300,251,519</b>
<b>OPERATING EXPENDITURE</b>							
Councillor allowance	13,455,753	13,455,755	13,455,755	13,455,755	13,455,755	14,061,264	14,694,021
Employees related costs	72,405,800	81,074,557	81,074,557	81,074,557	85,136,149	88,967,276	92,970,803
operational cost	100,887,133	99,341,088	99,341,088	109,801,546	44,881,436	46,901,101	49,011,650
Repairs and Maintenance	1,215,761	1,415,761	1,415,761	1,415,761	-	-	-
Contract services	25,807,366	32,387,253	32,397,253	32,397,253	31,640,200	33,064,009	34,551,889
transfer and subsidies	8,801,115	1,398,000	1,398,000	1,398,000	1,120,000	1,170,400	1,223,068
Interest	105,260	105,260	105,260	105,260	106,000	110,770	115,755
Inventory consumed	1,767,500	2,117,500	2,117,500	2,117,500	2,110,000	2,204,950	2,304,173
Operational lease	605,761	605,761	605,761	605,761	600,000	631,950	665,605
Provisions	36,626,819	31,088,555	31,088,555	31,088,555	52,479,115	59,112,354	63,557,002
<b>Subtotal (b)</b>	<b>261,678,267</b>	<b>262,989,491</b>	<b>262,999,491</b>	<b>273,459,949</b>	<b>231,528,655</b>	<b>246,224,073</b>	<b>259,093,966</b>
<b>CAPITAL EXPENDITURE</b>							
Municipal Access Roads	21,918,000	-	33,639,909	33,639,909	33,500,000	35,007,500	36,582,838
Municipal Buildings (Halls, Markets etc)	12,000,000	1,068,995	1,068,995	1,068,995	-	-	-
Sport grounds	-	53,843	53,843	53,843	-	-	-
Electrification	24,000,000	24,000,000	24,000,000	24,000,000	-	-	-
Other Assets	9,460,000	9,780,000	9,780,000	9,780,000	1,925,152	2,011,784	2,102,314
<b>Subtotal ©</b>	<b>67,378,000</b>	<b>34,902,838</b>	<b>68,542,747</b>	<b>68,542,747</b>	<b>35,425,152</b>	<b>37,019,284</b>	<b>38,685,152</b>
<b>CONSOLIDATED MUNICIPAL EXPENDITURE</b>	<b>329,056,267</b>	<b>297,892,329</b>	<b>331,542,238</b>	<b>342,002,696</b>	<b>266,953,807</b>	<b>283,243,357</b>	<b>297,779,118</b>

**Table 2 Consolidated Overview of the 2018/2019 MTREF**

	2019/2020		MTREF		
	Original budget	Adjusted budget	2020/2021	2021/2022	2022/2023
Total Revenue	252,083,673	255,626,964	266,953,725	282,963,276	300,251,437
Total Operating Expenditure	203,705,757	210,254,462	231,528,655	244,604,943	257,176,975
Total Capital Expenditure	67,378,000	44,542,746	35,425,152	37,019,284	38,685,152

Total operating revenue has increased by 4% or R11 326 761 for the 2020/2021 financial year when compared to the 2019/2020 budget. For the two outer years, operational revenue is increasing at a similar percentage of 6% or R16 009 551 and R17 288 161

Total operating expenditure has increased by 9% or R21 274 193 for the 2020/2021 financial year when compared to the 2019/2020 budget. For the two outer years operational expenditure has increased by 5% or R13 076 288 and 5% or R12 572 032

Total capital expenditure has decreased by 26% or R9 117 594 for the 2020/2021 financial year when compared to the 2019/2020 budget. For the two outer years it will increase by 4% or R1 594 132 and R1 665 868

## 1.4 Operating Revenue Framework

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

- National Treasury's guidelines and macroeconomic policy;
- Efficient revenue management, which aims to ensure a 70% annual collection rate for property rates and other key service charges;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004;



- The municipality's indigent policy and rendering of free basic services; and
- Tariff policies of the municipality.

The following table is a summary of the 2020/2021 MTREF (classified by main revenue source)

**Table 3 Summary of revenue classified by main revenue source**

**KZN271 Umhlabuyalingana - 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
<b>Revenue By Source</b>	1										
Property rates	2	19,118	19,830	20,367	26,978	25,474	25,474	25,474	26,474	27,745	29,077
Service charges - electricity revenue	2	(0)	(0)	(0)	(0)	(0)	(0)	-	(0)	(0)	(0)
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	202	283	583	655	624	624	624	655	686	719
Rental of facilities and equipment		254	303	368	413	376	376	376	394	413	433
Interest earned - external investments		5,121	3,273	4,802	1,290	6,843	6,843	6,843	955	1,001	1,049
Interest earned - outstanding debtors		895	1,268	610	721	923	923	923	968	1,014	1,063
Dividends received											
Fines, penalties and forfeits		1,710	1,606	1,578	1,168	3,073	3,073	3,073	3,220	3,375	3,537
Licences and permits		3,707	3,882	3,569	3,592	5,332	5,332	5,332	5,593	5,862	6,143
Agency services											
Transfers and subsidies		133,777	142,522	154,883	174,495	176,387	176,387	176,387	187,282	198,349	211,338
Other revenue	2	406	543	630	2,853	1,055	1,055	1,055	6,710	7,032	7,369
Gains			462	1,841							
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>165,189</b>	<b>173,973</b>	<b>189,231</b>	<b>212,166</b>	<b>220,088</b>	<b>220,088</b>	<b>220,088</b>	<b>232,252</b>	<b>245,477</b>	<b>260,728</b>

Revenue generated from property rates contributes 10% (in 2020/2010) of the total revenue basket for the municipality.

Revenue generated from refuse removal, rental income and interest from outstanding debtors contributes less than 1% of the total revenue basket.

Revenue generated from interest on investments, fines and other revenue contributes 1% of the total revenue.

Revenue generated from licenses and permits contributes 2% of the total revenue.

Operating grants and transfers total R193 495 million or 70% of the total income budget in the 2020/2021 financial year. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over a medium term

**Table 4 Operating Transfers and Grant receipts**

KZN271 Umhlabuyalingana - Supporting Table SA18 Transfers and grant receipts

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
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		125,223	139,913	150,623	190,440	171,440	171,440	183,960	195,554	208,405
Local Government Equitable Share		121,121	133,848	145,676	166,017	166,017	166,017	179,108	193,654	206,505
Finance Management		1,825	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900
EPWP Incentive		2,277	4,165	3,047	3,523	3,523	3,523	2,952	-	-
Integrated National Electrification Programme		-	-	-	19,000	-	-	-	-	-
Other transfers/grants [insert description]										
<b>Provincial Government:</b>		3,550	1,657	6,323	3,055	4,947	4,947	3,322	2,795	2,933
Provincialisation of Libraries		3,550	1,657	1,873	2,249	2,249	2,249	1,809	1,871	1,964
Community Library Services Grant					806	806	806	863	924	969
Town Planning Grant				1,000	-	503	503	-	-	-
Tourism Grant				2,450	-	1,389	1,389	-	-	-
Corridor Development Grant				1,000	-	-	-	-	-	-
Ward Base Plan					-	-	-	650	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total Operating Transfers and Grants</b>	5	128,773	141,570	156,946	193,495	176,387	176,387	187,282	198,349	211,338
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		36,825	35,481	56,265	34,918	53,947	53,947	50,702	54,486	54,523
Municipal Infrastructure Grant (MIG)		36,825	35,481	34,265	34,918	34,947	34,947	34,702	37,486	39,523
Integrated National Electrification Programme				22,000	-	19,000	19,000	16,000	17,000	15,000
Other capital transfers/grants [insert desc]										
<b>Provincial Government:</b>		-	-	11,000	5,000	5,592	5,592	-	-	-
Massification Grant				5,000	5,000	5,000	5,000			
Small Town Rehabilitation Grant				6,000	-	592	592			
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total Capital Transfers and Grants</b>	5	36,825	35,481	67,265	39,918	59,539	59,539	50,702	54,486	54,523
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		165,598	177,051	224,211	233,413	235,926	235,926	237,984	252,835	265,861

1.4.1 Property Rates

The following factors were taken into consideration in the determination of proposed rates:

- Operational and capital funding requirements
- Market values of properties as published in the general valuation roll including supplementary valuation rolls published after the implementation date;
- Anticipated property development and growth in supplementary property values.

Property rates tariffs were not adjusted or increased in the 2020/2021 financial year because the municipality felt that due to the COVID 19 pandemic the country's economy is affected negatively and our customers will not be able to afford tariff increase in this financial year.

#### **1.4.2 Waste Removal service**

Waste removal tariffs were not adjusted in 2020/2021 financial year. Waste collection billing is currently done to Manguzi Hospital, Mseleni Hospital, Ithala Business Centre and 16 new customers that signed their contract in the 2018/2019 financial year. Assumptions is that we will collect 50% of the billed revenue for refuse removal since there are new customers who are not paying frequently. Waste collection service is not properly done because there is no proper plan in place when and where refuse will be collected on a daily or weekly basis.

Currently waste removal is done at a deficit because the operational costs for rendering this services is more than the revenue being generated and collected due to the number of properties being serviced and billed.

#### **1.4.3 Rental of properties and facilities**

The tariff for the rental of properties and facilities was not increased or adjusted in 2020/2021 financial year. The only increase relates to annual percentage increase not tariff adjustment.

#### **1.4.4 Interest on investments**

Revenue to be generated from interest on investments or short term deposits is R955 102. The municipality will invest excess funds when it becomes available.

#### **1.4.5 Interest on outstanding debtors**

Revenue to be generated from raising interest on outstanding debtors accounts on property rates accounts. There is a slight increase on this revenue source because the municipality anticipate that property rates debtors will pay for their accounts and not incur additional charges such as interest and penalties.

#### **1.4.6 Fines and penalties**

Revenue to be generated from traffic fines and penalties on late returns of library books is estimated to be R3 220 419. The municipality is estimating that it will collect 100% of that raised traffic fines in the 2020/2021 financial year.

#### **1.4.7 Licences and permits**

Revenue to be generated from licenses and permits includes motor vehicle renewal licenses, learners licenses applications, motor vehicle registrations and business licensing. Tariffs for motor vehicle licenses

are not regulated by the municipality but by the Department of Transport because this service is not a function of the municipality but of Department of Transport.

## 1.5 Operating Expenditure Framework

The municipality's expenditure framework for the 2020/2021 budget and MTREF is informed by the following:

- The asset renewal and the repairs and maintenance requirements;
- Balanced budget constraint (operating expenditure should not exceed operating revenue)
- Funding of the budget over the medium-term, as informed by Section 18 and 19 of the MFMA
- Capital programme is aligned to the asset renewal needs and backlog eradication goals
- The prioritization of capital needs is based on the Capital Investment Framework

**Table 5 Summary of operating expenditure by standard classification item**

**KZN271 Umhlabuyalingana - 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
<b>Expenditure By Type</b>											
Employee related costs	2	46,864	58,302	66,635	89,314	81,075	81,075	81,075	85,136	88,967	92,971
Remuneration of councillors		10,386	12,161	12,472	13,456	13,456	13,456	13,456	13,456	14,061	14,694
Debt impairment	3	3,152	8,016	35,733	11,400	5,862	5,862	5,862	5,000	5,225	5,460
Depreciation & asset impairment	2	21,177	24,474	22,750	25,627	25,627	25,627	25,627	47,479	53,887	58,097
Finance charges		878	955	3	105	105	105	105	106	111	116
Bulk purchases	2	-	-	-	-	-	-	-	-	-	-
Other materials	8	2,603	2,246	2,084	1,768	2,118	2,118	2,118	2,110	2,205	2,304
Contracted services		49,887	33,934	40,483	26,183	33,268	33,268	33,268	31,640	31,626	33,049
Transfers and subsidies		21,852	3,007	1,907	1,700	1,758	1,758	1,758	1,120	1,170	1,223
Other expenditure	4, 5	43,342	33,295	47,566	34,153	46,987	46,987	46,987	45,481	47,352	49,263
Losses											
<b>Total Expenditure</b>		<b>200,142</b>	<b>176,388</b>	<b>229,634</b>	<b>203,706</b>	<b>210,254</b>	<b>210,254</b>	<b>210,254</b>	<b>231,529</b>	<b>244,605</b>	<b>257,177</b>
<b>Surplus/(Deficit)</b>		<b>(34,952)</b>	<b>(2,416)</b>	<b>(40,403)</b>	<b>8,460</b>	<b>9,833</b>	<b>9,833</b>	<b>9,833</b>	<b>723</b>	<b>872</b>	<b>3,551</b>

The budget allocation for employee related costs and remuneration of Councillors for the 2020/2021 financial year totals R98 591 904, which represents 40% of the total operating expenditure. Employee related costs increased by R4 061 595 million which includes 6.25% general salary increase for all staff members and 3% increase for Senior Managers.

Councillors remuneration were not increased since they did not get any increase in the 2019/2020 financial year. The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act,. Currently the municipality has a Mayor, Speaker and Deputy Mayor who are full time in the office.

The provision of debt impairment was determined based on an annual collection rate of 70% and the principles as set out in the Provision of Doubtful Debt and Debt Write-off Policy. For the 2020/2021 financial year this amount equates to R5 million .

Provision for depreciation and asset impairment has been informed by the municipality's Asset Management Policy. Budget appropriations in this regard total R42 479 115 in the 2020/2021 financial year

### 1.5.1 Repairs and maintenance

Repairs and maintenance comprise of, amongst others, the purchase of materials for maintenance, and appointment of contractors to perform maintenance work. The budget appropriation for 2020/2021 against repairs and maintenance is R7 892 200 which represents 23% of the total operating expenditure. It is below the norm of 8% but due to the affordability of the municipality it will remain below the norm

Aligned to the priority given to preserving and maintaining the municipality's current infrastructure the 2020/2021 budget and MTREF provide for growth in the area of asset maintenance as informed by the asset renewal and repairs and maintenance requirements of the municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered as direct expenditure driver but an outcome of certain other expenditures such as remuneration, purchase of, materials and contracted services. The following table is extracted from Table SA1 to reflect the amount provided for repairs and maintenance in context with the amount provided for PPE, depreciation and the renewal of assets.

**Table 6 Operational repairs and maintenance**

KZN271 Umhlabuyalingana - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

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
R thousand											
Repairs and Maintenance	8										
Employee related costs											
Other materials											
Contracted Services		11,285	4,322	4,094	4,561	3,911	3,911	3,911	7,892	8,247	8,618
Other Expenditure											
<b>Total Repairs and Maintenance Expenditure</b>	<b>9</b>	<b>11,285</b>	<b>4,322</b>	<b>4,094</b>	<b>4,561</b>	<b>3,911</b>	<b>3,911</b>	<b>3,911</b>	<b>7,892</b>	<b>8,247</b>	<b>8,618</b>

The table below provides a breakdown of repairs and maintenance in relation to asset class as summarized from SA34c

**Table 7 Consolidated repairs and maintenance by asset class**

KZN271 Umhlabuyalingana - Supporting Table SA34c Repairs and maintenance expenditure 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										

<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		<b>6,834</b>	<b>1,134</b>	<b>3,543</b>	<b>1,600</b>	<b>2,100</b>	<b>2,100</b>	<b>3,500</b>	<b>3,658</b>	<b>3,822</b>
Roads Infrastructure		6,609	1,050	3,543	1,600	2,100	2,100	3,500	3,658	3,822
Roads		6,609	936		1,600	2,100	2,100	3,500	3,658	3,822
Road Structures			114							
Road Furniture				3,543						
<b>Community Assets</b>		<b>1,232</b>	<b>314</b>	<b>328</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>-</b>	<b>-</b>	<b>-</b>
Community Facilities		1,232	314	328	200	200	200	-	-	-
Libraries		-	-	328	200	200	200			
<b>Other assets</b>		<b>1,505</b>	<b>509</b>	<b>-</b>	<b>450</b>	<b>280</b>	<b>280</b>	<b>1,700</b>	<b>1,777</b>	<b>1,856</b>
Operational Buildings		1,505	509	-	450	280	280	1,700	1,777	1,856
Municipal Offices		1,505	509		450	280	280	1,500	1,568	1,638
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards							200	209	218	
<b>Computer Equipment</b>		<b>163</b>	<b>67</b>	<b>48</b>	<b>81</b>	<b>81</b>	<b>81</b>	<b>95</b>	<b>99</b>	<b>104</b>
Computer Equipment		163	67	48	81	81	81	95	99	104
<b>Furniture and Office Equipment</b>		<b>4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Furniture and Office Equipment		4								
<b>Machinery and Equipment</b>		<b>26</b>	<b>59</b>	<b>175</b>	<b>430</b>	<b>650</b>	<b>650</b>	<b>700</b>	<b>732</b>	<b>764</b>
Machinery and Equipment		26	59	175	430	650	650	700	732	764
<b>Transport Assets</b>		<b>1,467</b>	<b>2,240</b>	<b>-</b>	<b>1,800</b>	<b>600</b>	<b>600</b>	<b>1,897</b>	<b>1,983</b>	<b>2,072</b>
Transport Assets		1,467	2,240		1,800	600	600	1,897	1,983	2,072
<b>Land</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Land										
<b>Zoo's, Marine and Non-biological Animals</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Zoo's, Marine and Non-biological Animals										
<b>Total Repairs and Maintenance Expenditure</b>	<b>1</b>	<b>11,285</b>	<b>4,322</b>	<b>4,094</b>	<b>4,561</b>	<b>3,911</b>	<b>3,911</b>	<b>7,892</b>	<b>8,247</b>	<b>8,618</b>
<b>R&amp;M as a % of PPE</b>		<b>4.1%</b>	<b>1.5%</b>	<b>1.4%</b>	<b>1.4%</b>	<b>1.2%</b>	<b>1.2%</b>	<b>2.5%</b>	<b>2.5%</b>	<b>2.5%</b>
<b>R&amp;M as % Operating Expenditure</b>		<b>5.6%</b>	<b>2.5%</b>	<b>1.8%</b>	<b>2.2%</b>	<b>1.9%</b>	<b>1.9%</b>	<b>3.8%</b>	<b>3.6%</b>	<b>3.5%</b>

The amount budgeted for repairs and maintenance in the 2020/2021 financial year represents 2% of the value of Property Plant and Equipment according to A6 financial position

## 1.5.2 Free Basic Services: Basic Social Services Package

The municipality provides free basic electricity through Eskom Electricity distribution to its indigent residents after they have applied for that benefit from the municipality. Free basic electricity budget provision is R547 040 for 518 people who have been approved to benefit from this provision in 2020/2021 financial year. Indigent register is not yet complete this number might change before the final budget is adopted.

## 1.6 Capital expenditure

Capital budget will be funded as follows:

- Municipal Infrastructure Grant – Allocations as per the 2019 Division of Revenue Act to fund road infrastructure projects, Community Assets
- Integrated National Electrification Programme - Allocation as per the 2019 Division of Revenue Act to fund the implementation of Electrification projects within Umhlabiyalingana

- Cash generated from revenue – to fund movable assets and other assets

The capital program me is aligned to asset renewal needs and backlog eradication goals.

Projects were subjected to project prioritization based on capital prioritization as informed by the capital investment framework.

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

**Table 8 Capital budget per vote, function and classification**

Vote 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
R thousand	1										

<b>Single-year expenditure to be appropriated</b>	2										
Vote 1 - Finance & Admin		-	-	-	-	-	-	-	-	-	-
Vote 2 - Executive & Council		146	1,001	157,801	1,360	1,980	1,980	1,980	400	418	437
Vote 3 - Community and Social Services		-	-	473	-	-	-	-	1,325	1,385	1,447
Vote 4 - Internal Audit		4,922	13,962	47,007	12,000	1,269	1,269	1,269	-	-	-
Vote 5 - Water Management		48,295	24,454	97,214	53,418	41,094	41,094	41,094	33,500	35,008	36,583
Vote 6 - [NAME OF VOTE 6]		-	-	9,429	600	200	200	200	-	-	-
Vote 7 - Waste Management		-	-	-	-	-	-	-	200	209	218
Vote 8 - Energy Sources		-	-	869	-	-	-	-	-	-	-
Vote 9 - Planning and Development		-	-	-	-	-	-	-	-	-	-
Vote 10 - Sports and Recreation		-	-	-	-	-	-	-	-	-	-
Vote 11 - Road Transport		-	-	-	-	-	-	-	-	-	-
Vote 12 - Health		-	-	-	-	-	-	-	-	-	-
Vote 13 - Housing		-	-	-	-	-	-	-	-	-	-
Vote 14 - Public Safety		-	-	-	-	-	-	-	-	-	-
Vote 15 - Finance and Admin 2		-	-	4,791	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		<b>53,363</b>	<b>39,418</b>	<b>317,584</b>	<b>67,378</b>	<b>44,543</b>	<b>44,543</b>	<b>44,543</b>	<b>35,425</b>	<b>37,019</b>	<b>38,685</b>
<b>Total Capital Expenditure - Vote</b>		<b>53,363</b>	<b>39,418</b>	<b>317,584</b>	<b>67,378</b>	<b>44,543</b>	<b>44,543</b>	<b>44,543</b>	<b>35,425</b>	<b>37,019</b>	<b>38,685</b>
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		<b>146</b>	<b>1,001</b>	<b>163,065</b>	<b>1,360</b>	<b>9,180</b>	<b>9,180</b>	<b>9,180</b>	<b>1,525</b>	<b>1,594</b>	<b>1,666</b>
Executive and council											
Finance and administration		146	1,001	163,065	1,360	9,180	9,180	9,180	1,525	1,594	1,666
Internal audit											
<b>Community and public safety</b>		<b>4,922</b>	<b>13,962</b>	<b>90,006</b>	<b>12,000</b>	<b>1,323</b>	<b>1,323</b>	<b>1,323</b>	<b>200</b>	<b>209</b>	<b>218</b>
Community and social services		4,922	13,962	47,007	12,000	1,269	1,269	1,269			
Sport and recreation				41,727		54	54	54			
Public safety				404					200	209	218
Housing											
Health				869							
<b>Economic and environmental services</b>		<b>48,295</b>	<b>24,454</b>	<b>55,487</b>	<b>29,418</b>	<b>33,840</b>	<b>33,840</b>	<b>33,840</b>	<b>33,700</b>	<b>35,217</b>	<b>36,801</b>
Planning and development		4,204	3,751	33,759	7,500				200	209	218
Road transport		44,091	20,704	21,728	21,918	33,840	33,840	33,840	33,500	35,008	36,583
Environmental protection											
<b>Trading services</b>		<b>-</b>	<b>-</b>	<b>9,429</b>	<b>24,600</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>-</b>	<b>-</b>	<b>-</b>
Energy sources				0	24,000						
Water management											
Waste water management											
Waste management				9,429	600	200	200	200			
<b>Other</b>		<b>-</b>	<b>-</b>	<b>21,080</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Functional</b>	3	<b>53,363</b>	<b>39,418</b>	<b>339,068</b>	<b>67,378</b>	<b>44,543</b>	<b>44,543</b>	<b>44,543</b>	<b>35,425</b>	<b>37,019</b>	<b>38,685</b>
<b>Funded by:</b>											
National Government		36,825	35,481	58,289	52,918	34,117	34,117	34,117	33,500	35,008	36,583
Provincial Government				7,779	5,000	592	592	592			
District Municipality				-	-	-	-	-			
Transfers and subsidies - capital (monetary allocations) (National / Provincial)											
Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)											
<b>Transfers recognised - capital</b>	4	<b>36,825</b>	<b>35,481</b>	<b>66,068</b>	<b>57,918</b>	<b>34,709</b>	<b>34,709</b>	<b>34,709</b>	<b>33,500</b>	<b>35,008</b>	<b>36,583</b>
<b>Borrowing</b>	6										
<b>Internally generated funds</b>		<b>16,538</b>	<b>3,937</b>	<b>116,690</b>	<b>9,460</b>	<b>9,834</b>	<b>9,834</b>	<b>9,834</b>	<b>1,925</b>	<b>2,012</b>	<b>2,102</b>
<b>Total Capital Funding</b>	7	<b>53,363</b>	<b>39,418</b>	<b>182,758</b>	<b>67,378</b>	<b>44,543</b>	<b>44,543</b>	<b>44,543</b>	<b>35,425</b>	<b>37,019</b>	<b>38,685</b>

## 1.7 Annual Budget Tables

The following pages in this section presents the main 10 budget tables as required in terms of Section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2020/2021 budget and MTREF as approved by Council.

Attached to budget document as annexure B





**Table 9 MBRR Table A1 – Budget Summary**

**KZN271 Umhlabuyalingana - 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
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	19,118	19,830	20,367	26,978	25,474	25,474	25,474	26,474	27,745	29,077
Service charges	202	283	583	655	624	624	624	655	686	719
Investment revenue	5,121	3,273	4,802	1,290	6,843	6,843	6,843	955	1,001	1,049
Transfers recognised - operational	133,777	142,522	154,883	174,495	176,387	176,387	176,387	187,282	198,349	211,338
Other own revenue	6,971	8,065	8,595	8,748	10,759	10,759	10,759	16,885	17,696	18,545
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>165,189</b>	<b>173,973</b>	<b>189,231</b>	<b>212,166</b>	<b>220,088</b>	<b>220,088</b>	<b>220,088</b>	<b>232,252</b>	<b>245,477</b>	<b>260,728</b>
Employee costs	46,864	58,302	66,635	89,314	81,075	81,075	81,075	85,136	88,967	92,971
Remuneration of councillors	10,386	12,161	12,472	13,456	13,456	13,456	13,456	13,456	14,061	14,694
Depreciation & asset impairment	21,177	24,474	22,750	25,627	25,627	25,627	25,627	47,479	53,887	58,097
Finance charges	878	955	3	105	105	105	105	106	111	116
Materials and bulk purchases	2,603	2,246	2,084	1,768	2,118	2,118	2,118	2,110	2,205	2,304
Transfers and grants	21,852	3,007	1,907	1,700	1,758	1,758	1,758	1,120	1,170	1,223
Other expenditure	96,381	75,244	123,783	71,736	86,117	86,117	86,117	82,122	84,203	87,772
<b>Total Expenditure</b>	<b>200,142</b>	<b>176,388</b>	<b>229,634</b>	<b>203,706</b>	<b>210,254</b>	<b>210,254</b>	<b>210,254</b>	<b>231,529</b>	<b>244,605</b>	<b>257,177</b>
<b>Surplus/(Deficit)</b>	<b>(34,952)</b>	<b>(2,416)</b>	<b>(40,403)</b>	<b>8,460</b>	<b>9,833</b>	<b>9,833</b>	<b>9,833</b>	<b>723</b>	<b>872</b>	<b>3,551</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	36,825	35,481	40,844	39,918	35,539	35,539	35,539	34,702	37,486	39,523
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)	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>1,873</b>	<b>33,065</b>	<b>441</b>	<b>48,378</b>	<b>45,373</b>	<b>45,373</b>	<b>45,373</b>	<b>35,425</b>	<b>38,358</b>	<b>43,074</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>1,873</b>	<b>33,065</b>	<b>441</b>	<b>48,378</b>	<b>45,373</b>	<b>45,373</b>	<b>45,373</b>	<b>35,425</b>	<b>38,358</b>	<b>43,074</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>53,363</b>	<b>39,418</b>	<b>339,068</b>	<b>67,378</b>	<b>44,543</b>	<b>44,543</b>	<b>44,543</b>	<b>35,425</b>	<b>37,019</b>	<b>38,685</b>
Transfers recognised - capital	36,825	35,481	66,068	57,918	34,709	34,709	34,709	33,500	35,008	36,583
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	16,538	3,937	116,690	9,460	9,834	9,834	9,834	1,925	2,012	2,102
<b>Total sources of capital funds</b>	<b>53,363</b>	<b>39,418</b>	<b>182,758</b>	<b>67,378</b>	<b>44,543</b>	<b>44,543</b>	<b>44,543</b>	<b>35,425</b>	<b>37,019</b>	<b>38,685</b>
<b>Financial position</b>										
Total current assets	32,783	47,832	76,729	103,236	171,486	171,486	171,486	120,467	165,910	215,149
Total non current assets	275,389	289,628	301,586	327,623	321,792	321,792	321,792	327,623	343,423	355,123
Total current liabilities	25,365	20,482	34,139	71,168	12,153	12,153	12,153	73,043	68,375	69,946
Total non current liabilities	12,935	14,042	11,664	5,040	25,168	25,168	25,168	5,000	5,225	5,460
Community wealth/Equity	269,871	302,936	332,513	354,652	455,958	455,958	455,958	354,305	390,017	433,880
<b>Cash flows</b>										
Net cash from (used) operating	30,388	54,662	55,279	94,228	77,813	77,813	77,813	87,710	97,318	103,431
Net cash from (used) investing	(74,316)	(38,294)	(40,256)	(67,378)	(68,543)	(68,543)	(68,543)	(51,425)	(53,739)	(56,158)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>18,261</b>	<b>34,628</b>	<b>49,652</b>	<b>78,323</b>	<b>58,922</b>	<b>58,922</b>	<b>58,922</b>	<b>85,937</b>	<b>129,516</b>	<b>176,790</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	18,261	34,755	49,652	68,706	55,858	55,858	55,858	85,937	129,516	176,790
Application of cash and investments	13,532	2,255	(22,939)	47,728	(74,890)	(74,890)	(74,890)	51,859	46,047	46,412
<b>Balance - surplus (shortfall)</b>	<b>4,729</b>	<b>32,500</b>	<b>72,591</b>	<b>20,979</b>	<b>130,748</b>	<b>130,748</b>	<b>130,748</b>	<b>34,078</b>	<b>83,469</b>	<b>130,377</b>
<b>Asset management</b>										
Asset register summary (WDV)	275,389	289,628	301,221	327,623	302,047	302,047	302,047	327,623	343,423	355,123
Depreciation	21,177	24,474	22,750	25,627	25,627	25,627	25,627	42,437	53,285	57,693
Renewal and Upgrading of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	11,285	4,322	4,094	4,561	3,911	3,911	3,911	7,892	8,247	8,618
<b>Free services</b>										
Cost of Free Basic Services provided	0	0	0	0	0	0	0	0	0	0
Revenue cost of free services provided	4,766	5,867	-	5,800	1,000	1,000	-	-	-	-
<b>Households below minimum service level</b>										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sew erage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

- Table A1 is a budget summary and provides a concise overview of the municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow and MFMA funding compliance).
- The table provides an overview of the amounts approved by Council from operating performance and resources deployed to capital expenditure, financial position, cash and funding compliance and the municipality's commitment to eliminating basic service delivery backlogs.
- Financial management reforms emphasizes the importance of funding for the municipal budget. 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:
  - (a) The operating surplus/deficit (after total expenditure) is positive over the MTREF
  - (b) Capital expenditure is balanced by capital funding sources of which:
    - (i) Transfers recognized are reflected on the Financial Performance Budget.
    - (ii) Internally generated funds are financed from current operating surplus

**Table 10 MBRR Table A2 – Budget Financial Performance (revenue and expenditure by standard classification)**

**KZN271 Umhlabuyalingana - 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
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		148,669	161,084	177,520	204,915	203,562	203,562	216,015	232,242	246,854
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		148,669	161,084	177,520	204,915	203,562	203,562	216,015	232,242	246,854
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		1,663	1,778	14,577	3,097	3,584	3,584	3,121	3,265	3,426
Community and social services		1,663	1,778	14,551	3,067	3,554	3,554	3,089	3,232	3,391
Sport and recreation		-	-	17	-	-	-	-	-	-
Public safety		-	-	9	30	30	30	31	33	35
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		51,481	46,309	33,712	43,416	48,578	48,578	47,163	46,770	49,253
Planning and development		46,064	40,764	6,663	3,748	6,511	6,511	4,823	2,498	2,961
Road transport		5,417	5,545	27,050	39,668	42,067	42,067	42,340	44,272	46,292
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		202	283	583	655	624	624	655	686	719
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		202	283	583	655	624	624	655	686	719
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	<b>202,015</b>	<b>209,454</b>	<b>226,393</b>	<b>252,084</b>	<b>256,348</b>	<b>256,348</b>	<b>266,954</b>	<b>282,963</b>	<b>300,252</b>
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		116,554	105,948	117,602	118,636	131,562	131,562	135,427	146,022	154,608
Executive and council		69,338	35,009	38,493	33,804	37,620	37,620	35,237	32,380	33,838
Finance and administration		43,375	69,958	76,544	83,382	91,893	91,893	98,590	111,970	119,023
Internal audit		3,841	981	2,565	1,450	2,050	2,050	1,600	1,672	1,747
<i>Community and public safety</i>		41,672	33,522	43,548	35,931	42,723	42,723	48,161	50,329	52,593
Community and social services		41,672	33,522	42,441	35,931	40,817	40,817	48,161	50,329	52,593
Sport and recreation		-	-	-	-	54	54	-	-	-
Public safety		-	-	1,107	-	1,852	1,852	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		41,237	36,153	(2,900)	46,839	76,569	76,569	81,469	84,630	90,978
Planning and development		32,970	24,701	(14,935)	29,670	30,249	30,249	37,253	38,424	42,693
Road transport		8,267	11,452	12,035	17,168	46,320	46,320	44,216	46,206	48,285
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		802	765	3,276	2,300	4,664	4,664	1,897	1,982	2,072
Energy sources		-	-	330	-	547	547	547	572	597
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		802	765	2,946	2,300	4,117	4,117	1,350	1,411	1,474
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	3	<b>200,265</b>	<b>176,388</b>	<b>161,525</b>	<b>203,706</b>	<b>255,518</b>	<b>255,518</b>	<b>266,954</b>	<b>282,963</b>	<b>300,252</b>
<b>Surplus/(Deficit) for the year</b>		<b>1,750</b>	<b>33,065</b>	<b>64,867</b>	<b>48,378</b>	<b>830</b>	<b>830</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>

- Table A2 is an overview of the budgeted financial performance in relation to revenue and expenditure per standard classification.
- Total revenue in this table includes capital revenues (transfers recognized – capital) and so does not balance with the operating revenue shown on Table A4.

**Table 11 MBRR Table A3 Consolidated – Budgeted Financial Performance (revenue and expenditure by municipal vote)**

**KZN271 Umhlabuyalingana - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Vote 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
<b>Revenue by Vote</b>	1									
Vote 1 - Finance & Admin		-	-	-	-	-	-	-	-	-
Vote 2 - Executive & Council		148,574	160,983	177,374	171,902	203,491	203,491	215,941	232,164	246,772
Vote 3 - Community and Social Services		95	101	146	20	71	71	74	78	82
Vote 4 - Internal Audit		1,663	1,778	14,551	3,662	3,584	3,584	3,121	3,265	3,426
Vote 5 - Water Management		46,064	40,764	28,502	56,917	44,353	44,353	38,323	37,506	39,544
Vote 6 - [NAME OF VOTE 6]		202	283	583	671	624	624	655	686	719
Vote 7 - Waste Management		5,417	5,545	-	4,654	4,225	4,225	8,840	9,264	9,709
Vote 8 - Energy Sources		-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		-	-	-	-	-	-	-	-	-
Vote 10 - Sports and Recreation		-	-	-	-	-	-	-	-	-
Vote 11 - Road Transport		-	-	-	-	-	-	-	-	-
Vote 12 - Health		-	-	-	-	-	-	-	-	-
Vote 13 - Housing		-	-	-	-	-	-	-	-	-
Vote 14 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 15 - Finance and Admin 2		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>202,015</b>	<b>209,454</b>	<b>221,156</b>	<b>237,826</b>	<b>256,348</b>	<b>256,348</b>	<b>266,954</b>	<b>282,963</b>	<b>300,252</b>
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - Finance & Admin		73,178	35,990	41,046	33,306	39,670	39,670	36,837	34,052	35,585
Vote 2 - Executive & Council		25,867	44,480	44,761	55,409	68,355	68,355	71,539	83,697	89,473
Vote 3 - Community and Social Services		17,509	25,478	48,705	19,392	23,537	23,537	27,051	28,273	29,551
Vote 4 - Internal Audit		41,672	33,522	41,007	31,225	40,817	40,817	48,161	50,329	52,593
Vote 5 - Water Management		32,970	24,701	39,257	31,064	66,790	66,790	71,300	74,004	79,874
Vote 6 - [NAME OF VOTE 6]		802	765	2,946	1,100	4,117	4,117	1,350	1,411	1,474
Vote 7 - Waste Management		8,267	11,452	-	13,000	12,232	12,232	10,716	11,198	11,702
Vote 8 - Energy Sources		-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		-	-	-	-	-	-	-	-	-
Vote 10 - Sports and Recreation		-	-	-	-	-	-	-	-	-
Vote 11 - Road Transport		-	-	-	-	-	-	-	-	-
Vote 12 - Health		-	-	-	-	-	-	-	-	-
Vote 13 - Housing		-	-	-	-	-	-	-	-	-
Vote 14 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 15 - Finance and Admin 2		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>200,265</b>	<b>176,388</b>	<b>217,721</b>	<b>184,497</b>	<b>255,518</b>	<b>255,518</b>	<b>266,954</b>	<b>282,963</b>	<b>300,252</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>1,750</b>	<b>33,065</b>	<b>3,435</b>	<b>53,329</b>	<b>830</b>	<b>830</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>

Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of the municipality.

**Table 12 MBRR Table A4 – Budgeted Financial Performance (revenue and expenditure)**

KZN271 Umhlabuyalingana - 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
<b>Revenue By Source</b>											
Property rates	2	19,118	19,830	20,367	26,978	25,474	25,474	25,474	26,474	27,745	29,077
Service charges - electricity revenue	2	(0)	(0)	(0)	(0)	(0)	(0)	-	(0)	(0)	(0)
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	202	283	583	655	624	624	624	655	686	719
Rental of facilities and equipment		254	303	368	413	376	376	376	394	413	433
Interest earned - external investments		5,121	3,273	4,802	1,290	6,843	6,843	6,843	955	1,001	1,049
Interest earned - outstanding debtors		895	1,268	610	721	923	923	923	968	1,014	1,063
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1,710	1,606	1,578	1,168	3,073	3,073	3,073	3,220	3,375	3,537
Licences and permits		3,707	3,882	3,569	3,592	5,332	5,332	5,332	5,593	5,862	6,143
Agency services		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		133,777	142,522	154,883	174,495	176,387	176,387	176,387	187,282	198,349	211,338
Other revenue	2	406	543	630	2,853	1,055	1,055	1,055	6,710	7,032	7,369
Gains		-	462	1,841	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>165,189</b>	<b>173,973</b>	<b>189,231</b>	<b>212,166</b>	<b>220,088</b>	<b>220,088</b>	<b>220,088</b>	<b>232,252</b>	<b>245,477</b>	<b>260,728</b>
<b>Expenditure By Type</b>											
Employee related costs	2	46,864	58,302	66,635	89,314	81,075	81,075	81,075	85,136	88,967	92,971
Remuneration of councillors		10,386	12,161	12,472	13,456	13,456	13,456	13,456	13,456	14,061	14,694
Debt impairment	3	3,152	8,016	35,733	11,400	5,862	5,862	5,862	5,000	5,225	5,460
Depreciation & asset impairment	2	21,177	24,474	22,750	25,627	25,627	25,627	25,627	47,479	53,887	58,097
Finance charges		878	955	3	105	105	105	105	106	111	116
Bulk purchases	2	-	-	-	-	-	-	-	-	-	-
Other materials	8	2,603	2,246	2,084	1,768	2,118	2,118	2,118	2,110	2,205	2,304
Contracted services		49,887	33,934	40,483	26,183	33,268	33,268	33,268	31,640	31,626	33,049
Transfers and subsidies		21,852	3,007	1,907	1,700	1,758	1,758	1,758	1,120	1,170	1,223
Other expenditure	4, 5	43,342	33,295	47,566	34,153	46,987	46,987	46,987	45,481	47,352	49,263
Losses		-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>200,142</b>	<b>176,388</b>	<b>229,634</b>	<b>203,706</b>	<b>210,254</b>	<b>210,254</b>	<b>210,254</b>	<b>231,529</b>	<b>244,605</b>	<b>257,177</b>
<b>Surplus/(Deficit)</b>											
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(34,952)	(2,416)	(40,403)	8,460	9,833	9,833	9,833	723	872	3,551
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	36,825	35,481	40,844	39,918	35,539	35,539	35,539	34,702	37,486	39,523
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>1,873</b>	<b>33,065</b>	<b>441</b>	<b>48,378</b>	<b>45,373</b>	<b>45,373</b>	<b>45,373</b>	<b>35,425</b>	<b>38,358</b>	<b>43,074</b>
<b>Taxation</b>											
<b>Surplus/(Deficit) after taxation</b>		<b>1,873</b>	<b>33,065</b>	<b>441</b>	<b>48,378</b>	<b>45,373</b>	<b>45,373</b>	<b>45,373</b>	<b>35,425</b>	<b>38,358</b>	<b>43,074</b>
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>1,873</b>	<b>33,065</b>	<b>441</b>	<b>48,378</b>	<b>45,373</b>	<b>45,373</b>	<b>45,373</b>	<b>35,425</b>	<b>38,358</b>	<b>43,074</b>
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>		<b>1,873</b>	<b>33,065</b>	<b>441</b>	<b>48,378</b>	<b>45,373</b>	<b>45,373</b>	<b>45,373</b>	<b>35,425</b>	<b>38,358</b>	<b>43,074</b>

- Revenue generated from property rates and service charges contributes 10% of the total revenue basket. In 2020/2021 revenue from property rates and service charges totaled R26 474 312 in the income budget. It is not increasing because there is no increase in the tariffs
- Interest from short term deposits/investments in 2020/2021 is totaled R955 102 this projection is based on that excess funds will be invested to short term deposits accounts of the municipality with the intention of generation more revenue on interest received from investments when they become available.
- Other revenue in 2020/2021 will be 6 709 847 , this revenue includes revenue to be generated from interest from current accounts, sale of tender documents, income from photocopies and faxes

from the library services, income generated from the issue of rates clearance certificates, and income received from commissions or handling fees.

- Employee related costs in 2020/2021 will be R85 136 149 excluding councilors allowances. It has increased as a result of applying annual increase of 6.25% and there are no proposed vacancies in this financial year.
- Councilors allowances did not increase in 2020/2021 when compared to 2019/2020 financial year. remuneration of councilors is gazetted and we have not received the new gazette as they did not get any increase in 2019/2020 financial year.
- Debt impairment decreased to R5 000 000 when compared with the 2019/2020 adjustment figures.
- .
- Depreciation and asset impairment is estimated to be R42 479 115 in the 2020/2021 financial year.
- Contracted services decreased to R31 640 200 in 2021/2020 when compared to the 2019/2020 adjustment budget. The decrease is a result of implementation of the Mscoa which re-classify each expenditure accordingly as well as
- Other materials decreased to R2 110 00 when compared to 2019/2020 adjustment budget.
- Transfers and subsidies expenditure decreased to R1 120 000 when compared to 2019/2020 adjustment budget.
- Other expenditure decreased to R45 481 436 when compared to 2019/2020 adjustment budget.

**Table 13 MBRR Table A5 – Budgeted Capital Expenditure by vote, standard classification and funding source**

Vote 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
<b>R thousand</b>	1										
<b>Capital expenditure - Vote</b>	2										
<b>Multi-year expenditure to be appropriated</b>											
Vote 1 - Finance & Admin		-	-	-	-	-	-	-	-	-	-
Vote 2 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 3 - Community and Social Services		-	-	-	-	-	-	-	-	-	-
Vote 4 - Internal Audit		-	-	-	-	-	-	-	-	-	-
Vote 5 - Water Management		-	-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-
Vote 7 - Waste Management		-	-	-	-	-	-	-	-	-	-
Vote 8 - Energy Sources		-	-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		-	-	-	-	-	-	-	-	-	-
Vote 10 - Sports and Recreation		-	-	-	-	-	-	-	-	-	-
Vote 11 - Road Transport		-	-	-	-	-	-	-	-	-	-
Vote 12 - Health		-	-	-	-	-	-	-	-	-	-
Vote 13 - Housing		-	-	-	-	-	-	-	-	-	-
Vote 14 - Public Safety		-	-	-	-	-	-	-	-	-	-
Vote 15 - Finance and Admin 2		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure to be appropriated</b>	2										
Vote 1 - Finance & Admin		-	-	-	-	-	-	-	-	-	-
Vote 2 - Executive & Council		146	1,001	157,801	1,360	1,980	1,980	1,980	400	418	437
Vote 3 - Community and Social Services		-	-	473	-	-	-	-	1,325	1,385	1,447
Vote 4 - Internal Audit		4,922	13,962	47,007	12,000	1,269	1,269	1,269	-	-	-
Vote 5 - Water Management		48,295	24,454	97,214	53,418	41,094	41,094	41,094	33,500	35,008	36,583
Vote 6 - [NAME OF VOTE 6]		-	-	9,429	600	200	200	200	-	-	-
Vote 7 - Waste Management		-	-	-	-	-	-	-	200	209	218
Vote 8 - Energy Sources		-	-	869	-	-	-	-	-	-	-
Vote 9 - Planning and Development		-	-	-	-	-	-	-	-	-	-
Vote 10 - Sports and Recreation		-	-	-	-	-	-	-	-	-	-
Vote 11 - Road Transport		-	-	-	-	-	-	-	-	-	-
Vote 12 - Health		-	-	-	-	-	-	-	-	-	-
Vote 13 - Housing		-	-	-	-	-	-	-	-	-	-
Vote 14 - Public Safety		-	-	-	-	-	-	-	-	-	-
Vote 15 - Finance and Admin 2		-	-	4,791	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		53,363	39,418	317,584	67,378	44,543	44,543	44,543	35,425	37,019	38,685
<b>Total Capital Expenditure - Vote</b>		53,363	39,418	317,584	67,378	44,543	44,543	44,543	35,425	37,019	38,685
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		146	1,001	163,065	1,360	9,180	9,180	9,180	1,525	1,594	1,666
Executive and council		-	-	-	-	-	-	-	-	-	-
Finance and administration		146	1,001	163,065	1,360	9,180	9,180	9,180	1,525	1,594	1,666
Internal audit		-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		4,922	13,962	90,006	12,000	1,323	1,323	1,323	200	209	218
Community and social services		4,922	13,962	47,007	12,000	1,269	1,269	1,269	-	-	-
Sport and recreation		-	-	41,727	-	54	54	54	-	-	-
Public safety		-	-	404	-	-	-	-	200	209	218
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	869	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		48,295	24,454	55,487	29,418	33,840	33,840	33,840	33,700	35,217	36,801
Planning and development		4,204	3,751	33,759	7,500	-	-	-	200	209	218
Road transport		44,091	20,704	21,728	21,918	33,840	33,840	33,840	33,500	35,008	36,583
Environmental protection		-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		-	-	9,429	24,600	200	200	200	-	-	-
Energy sources		-	-	0	24,000	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	9,429	600	200	200	200	-	-	-
Other		-	-	21,080	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	3	53,363	39,418	339,068	67,378	44,543	44,543	44,543	35,425	37,019	38,685
<b>Funded by:</b>											
National Government		36,825	35,481	58,289	52,918	34,117	34,117	34,117	33,500	35,008	36,583
Provincial Government		-	-	7,779	5,000	592	592	592	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial)		-	-	-	-	-	-	-	-	-	-
Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	36,825	35,481	66,068	57,918	34,709	34,709	34,709	33,500	35,008	36,583
<b>Borrowing</b>	6										
<b>Internally generated funds</b>		16,538	3,937	116,690	9,460	9,834	9,834	9,834	1,925	2,012	2,102
<b>Total Capital Funding</b>	7	53,363	39,418	182,758	67,378	44,543	44,543	44,543	35,425	37,019	38,685



- Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote, standard classification and funding source including capital transfers from national departments.
- Capital expenditure has been appropriated at R35 425 152 and it has decreased when compared to 2019/2020 adjustment budget. The reason for the decrease is because of the reduction of MIG funding because almost 90% of our capital expenditure is funded by grants.

**Table 14 MBRR Table A6 – Budgeted Financial Position**

KZN271 Umhlabuyalingana - Table A6 Budgeted Financial Position

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
<b>ASSETS</b>											
<b>Current assets</b>											
Cash		761	22,476	36,592	55,725	41,888	41,888	41,888	71,467	114,045	160,270
Call investment deposits	1	17,500	12,278	13,060	12,982	13,970	13,970	13,970	14,470	15,471	16,520
Consumer debtors	1	12,387	11,799	600	33,005	115,513	115,513	115,513	33,005	34,787	36,666
Other debtors		2,135	1,278	26,288	460	-	-	-	460	484	511
Current portion of long-term receivables											
Inventory	2			189	1,065	115	115	115	1,065	1,123	1,183
<b>Total current assets</b>		<b>32,783</b>	<b>47,832</b>	<b>76,729</b>	<b>103,236</b>	<b>171,486</b>	<b>171,486</b>	<b>171,486</b>	<b>120,467</b>	<b>165,910</b>	<b>215,149</b>
<b>Non current assets</b>											
Long-term receivables											
Investments											
Investment property											
Investment in Associate											
Property, plant and equipment	3	274,298	288,550	300,761	327,623	320,832	320,832	320,832	327,623	343,423	355,123
Biological											
Intangible		1,091	1,079	825		960	960	960			
Other non-current assets											
<b>Total non current assets</b>		<b>275,389</b>	<b>289,628</b>	<b>301,586</b>	<b>327,623</b>	<b>321,792</b>	<b>321,792</b>	<b>321,792</b>	<b>327,623</b>	<b>343,423</b>	<b>355,123</b>
<b>TOTAL ASSETS</b>		<b>308,171</b>	<b>337,460</b>	<b>378,315</b>	<b>430,860</b>	<b>493,279</b>	<b>493,279</b>	<b>493,279</b>	<b>448,090</b>	<b>509,334</b>	<b>570,273</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	1										
Borrowing	4										
Consumer deposits											
Trade and other payables	4	25,365	20,482	34,139	71,168	6,647	6,647	6,647	73,043	68,375	69,946
Provisions						5,506	5,506	5,506			
<b>Total current liabilities</b>		<b>25,365</b>	<b>20,482</b>	<b>34,139</b>	<b>71,168</b>	<b>12,153</b>	<b>12,153</b>	<b>12,153</b>	<b>73,043</b>	<b>68,375</b>	<b>69,946</b>
<b>Non current liabilities</b>											
Borrowing											
Provisions		12,935	14,042	11,664	5,040	25,168	25,168	25,168	5,000	5,225	5,460
<b>Total non current liabilities</b>		<b>12,935</b>	<b>14,042</b>	<b>11,664</b>	<b>5,040</b>	<b>25,168</b>	<b>25,168</b>	<b>25,168</b>	<b>5,000</b>	<b>5,225</b>	<b>5,460</b>
<b>TOTAL LIABILITIES</b>		<b>38,300</b>	<b>34,524</b>	<b>45,803</b>	<b>76,208</b>	<b>37,321</b>	<b>37,321</b>	<b>37,321</b>	<b>78,043</b>	<b>73,600</b>	<b>75,407</b>
<b>NET ASSETS</b>	5	<b>269,871</b>	<b>302,936</b>	<b>332,513</b>	<b>354,652</b>	<b>455,958</b>	<b>455,958</b>	<b>455,958</b>	<b>370,047</b>	<b>435,733</b>	<b>494,866</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)	4	269,871	302,936	332,513	354,652	455,958	455,958	455,958	354,305	390,017	433,880
Reserves	4										
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>269,871</b>	<b>302,936</b>	<b>332,513</b>	<b>354,652</b>	<b>455,958</b>	<b>455,958</b>	<b>455,958</b>	<b>354,305</b>	<b>390,017</b>	<b>433,880</b>

- Table A6 is consistent with international standards of good financial management practice, and improves councilors and managements understanding of the impact of the budget on the statement of financial position.
- This format of financial position is aligned to GRAP 1.
- This table is supported by table SA3 which provides detailed analysis of the major components of a number of items, including;
  - Call investments deposits
  - Consumer debtors

- Property plant and equipment
- Trade and other payables
- Provisions non-current
- Changes in net assets; and
- Reserves

**Table 15 MBRR Table A7 – Budgeted Cash Flow Statement**

**KZN271 Umhlabuyalingana - Table A7 Budgeted Cash Flows**

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
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		11,912	14,979	23,647	17,805	18,657	18,657	18,657	18,532	19,422	20,354
Service charges		234	229	583	275	312	312	312	327	343	360
Other revenue		9,278	13,463	34,580	7,402	7,048	7,048	7,048	9,003	9,435	9,888
Transfers and Subsidies - Operational	1	133,777	142,658	155,006	174,495	174,495	174,495	174,495	187,282	198,349	211,338
Transfers and Subsidies - Capital	1	36,825	35,481	40,844	58,918	53,918	53,918	53,918	50,702	54,486	54,523
Interest		5,121	807	-	2,011	6,843	6,843	6,843	955	1,001	1,049
Dividends		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Suppliers and employees		(166,754)	(151,481)	(199,378)	(164,874)	(181,597)	(181,597)	(181,597)	(177,865)	(184,436)	(192,741)
Finance charges		(6)	(8)	(3)	(105)	(105)	(105)	(105)	(106)	(111)	(116)
Transfers and Grants	1	-	(1,466)	-	(1,700)	(1,758)	(1,758)	(1,758)	(1,120)	(1,170)	(1,223)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>30,388</b>	<b>54,662</b>	<b>55,279</b>	<b>94,228</b>	<b>77,813</b>	<b>77,813</b>	<b>77,813</b>	<b>87,710</b>	<b>97,318</b>	<b>103,431</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		234	268	448	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Capital assets		(74,549)	(38,563)	(40,704)	(67,378)	(68,543)	(68,543)	(68,543)	(51,425)	(53,739)	(56,158)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(74,316)</b>	<b>(38,294)</b>	<b>(40,256)</b>	<b>(67,378)</b>	<b>(68,543)</b>	<b>(68,543)</b>	<b>(68,543)</b>	<b>(51,425)</b>	<b>(53,739)</b>	<b>(56,158)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(43,928)</b>	<b>16,368</b>	<b>15,024</b>	<b>26,850</b>	<b>9,270</b>	<b>9,270</b>	<b>9,270</b>	<b>36,285</b>	<b>43,579</b>	<b>47,274</b>
Cash/cash equivalents at the year begin:	2	62,189	18,261	34,628	51,473	49,652	49,652	49,652	49,652	85,937	129,516
Cash/cash equivalents at the year end:	2	18,261	34,628	49,652	78,323	58,922	58,922	58,922	85,937	129,516	176,790

- The budgeted cash flow statement is the first measurement in determining if the budget is funded.
- It shows the expected level of cash inflow versus cash outflow that is likely to result from the implementation of the budget.
- The collection rate that has been applied in this cash flow is 70% on all billed revenue and 100% on other revenue sources as it is assumed that it is cash based.
- Payment of suppliers and employee costs is assumed to be 100% which includes the payment of capital projects as well as repayment of borrowings (Finance leases) as well as other cash flow payments which will include the payment of retention fees and other payments as per table SA30
- It can be seen that the municipality's cash levels are increasing steadily
- Cash and cash equivalents are expected to improve steadily

**Table 16 MBRR Table A8 – Cash-backed Reserves/Accumulated Surplus Reconciliation**

KZN271 Umhlabuyalingana - Table A8 Cash backed reserves/accumulated surplus reconciliation

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
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	18,261	34,628	49,652	78,323	58,922	58,922	58,922	85,937	129,516	176,790
Other current investments > 90 days		-	126	0	(9,616)	(3,064)	(3,064)	(3,064)	0	(0)	(0)
Non current assets - investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>18,261</b>	<b>34,755</b>	<b>49,652</b>	<b>68,706</b>	<b>55,858</b>	<b>55,858</b>	<b>55,858</b>	<b>85,937</b>	<b>129,516</b>	<b>176,790</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		6,080	3,326	-	-	1,876	1,876	1,876	1,876	1,876	1,876
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	7,452	(1,071)	(22,939)	47,728	(76,766)	(76,766)	(76,766)	49,984	44,172	44,537
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>13,532</b>	<b>2,255</b>	<b>(22,939)</b>	<b>47,728</b>	<b>(74,890)</b>	<b>(74,890)</b>	<b>(74,890)</b>	<b>51,859</b>	<b>46,047</b>	<b>46,412</b>
<b>Surplus(shortfall)</b>		<b>4,729</b>	<b>32,500</b>	<b>72,591</b>	<b>20,979</b>	<b>130,748</b>	<b>130,748</b>	<b>130,748</b>	<b>34,078</b>	<b>83,469</b>	<b>130,377</b>

- Cash-backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42-Funding a Municipal Budget.
- The table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities that exist.
- The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality’s budget must be “funded”
- The end objective of the MTREF is to ensure that the budget is funded and aligned to Section 18 of the MFMA
- From the table it can be seen that the cash surplus is increasing over the years.

## Table 17 MBRR Table A9 – Asset Management

KZN271 Umhlabuyalingana - Table A9 Asset Management

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited	Audited	Audited	Original	Adjusted	Full Year	Budget Year	Budget Year	Budget Year
		Outcome	Outcome	Outcome	Budget	Budget	Forecast	2020/21	+1 2021/22	+2 2022/23
<b>R thousand</b>										
<b>CAPITAL EXPENDITURE</b>										
<b>Total New Assets</b>	1	53,363	39,418	40,562	67,378	44,543	44,543	35,425	37,019	38,685
<i>Roads Infrastructure</i>		44,091	20,704	18,096	21,918	33,840	33,840	33,500	35,008	36,583
<i>Storm water Infrastructure</i>		-	-	4,550	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	24,000	-	-	-	-	-
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	1,391	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>44,091</b>	<b>20,704</b>	<b>24,036</b>	<b>45,918</b>	<b>33,840</b>	<b>33,840</b>	<b>33,500</b>	<b>35,008</b>	<b>36,583</b>
Community Facilities		4,922	13,962	12,134	12,000	1,269	1,269	-	-	-
Sport and Recreation Facilities		-	-	2,799	-	54	54	-	-	-
<b>Community Assets</b>		<b>4,922</b>	<b>13,962</b>	<b>14,932</b>	<b>12,000</b>	<b>1,323</b>	<b>1,323</b>	-	-	-
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	350	350	-	-	-
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		-	-	-	-	350	350	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	500	500	1,325	1,385	1,447
<b>Intangible Assets</b>		-	-	-	-	500	500	1,325	1,385	1,447
Computer Equipment		146	1,001	151	400	470	470	200	209	218
Furniture and Office Equipment		-	-	1	1,260	490	490	-	-	-
Machinery and Equipment		-	-	543	600	370	370	400	418	437
Transport Assets		4,204	3,751	898	7,200	7,200	7,200	-	-	-
<b>Total Capital Expenditure</b>	4	<b>53,363</b>	<b>39,418</b>	<b>40,562</b>	<b>67,378</b>	<b>44,543</b>	<b>44,543</b>	<b>35,425</b>	<b>37,019</b>	<b>38,685</b>
<i>Roads Infrastructure</i>		44,091	20,704	18,096	21,918	33,840	33,840	33,500	35,008	36,583
<i>Storm water Infrastructure</i>		-	-	4,550	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	24,000	-	-	-	-	-
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	1,391	-	-	-	-	-	-
<b>Infrastructure</b>		<b>44,091</b>	<b>20,704</b>	<b>24,036</b>	<b>45,918</b>	<b>33,840</b>	<b>33,840</b>	<b>33,500</b>	<b>35,008</b>	<b>36,583</b>
Community Facilities		4,922	13,962	12,134	12,000	1,269	1,269	-	-	-
Sport and Recreation Facilities		-	-	2,799	-	54	54	-	-	-
<b>Community Assets</b>		<b>4,922</b>	<b>13,962</b>	<b>14,932</b>	<b>12,000</b>	<b>1,323</b>	<b>1,323</b>	-	-	-
Licences and Rights		-	-	-	-	500	500	1,325	1,385	1,447
<b>Intangible Assets</b>		-	-	-	-	500	500	1,325	1,385	1,447
Computer Equipment		146	1,001	151	400	470	470	200	209	218
Furniture and Office Equipment		-	-	1	1,260	490	490	-	-	-
Machinery and Equipment		-	-	543	600	370	370	400	418	437
Transport Assets		4,204	3,751	898	7,200	7,200	7,200	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>		<b>53,363</b>	<b>39,418</b>	<b>40,562</b>	<b>67,378</b>	<b>44,543</b>	<b>44,543</b>	<b>35,425</b>	<b>37,019</b>	<b>38,685</b>

KZN271 Umhlabuyalingana - Table A9 Asset Management

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited	Audited	Audited	Original	Adjusted	Full Year	Budget Year	Budget Year	Budget Year
		Outcome	Outcome	Outcome	Budget	Budget	Forecast	2020/21	+1 2021/22	+2 2022/23
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	275,389	289,628	301,221	327,623	302,047	302,047	327,623	343,423	355,123
Roads Infrastructure		229,561	246,995	262,763	57,918	119,151	119,151	57,918	45,800	38,000
Storm water Infrastructure						7,214	7,214			
Electrical Infrastructure						2,289	2,289			
Water Supply Infrastructure										
Sanitation Infrastructure										
Solid Waste Infrastructure						5,263	5,263			
Rail Infrastructure										
Coastal Infrastructure										
Information and Communication Infrastructure										
<b>Infrastructure</b>		<b>229,561</b>	<b>246,995</b>	<b>262,763</b>	<b>57,918</b>	<b>133,918</b>	<b>133,918</b>	<b>57,918</b>	<b>45,800</b>	<b>38,000</b>
Community Assets		3,737				129,204	129,204			
Heritage Assets										
Investment properties										
Other Assets		40,342	40,895	37,799		27,160	27,160			
Biological or Cultivated Assets										
Intangible Assets		1,091	1,079			825	825			
Computer Equipment					400	762	762	400	-	-
Furniture and Office Equipment					960	1,112	1,112	960	-	-
Machinery and Equipment					261,145	4,364	4,364	261,145	297,623	317,123
Transport Assets					7,200	4,043	4,043	7,200	-	-
Land		659	659	659		659	659	-	-	-
Zoo's, Marine and Non-biological Animals										
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	<b>275,389</b>	<b>289,628</b>	<b>301,221</b>	<b>327,623</b>	<b>302,047</b>	<b>302,047</b>	<b>327,623</b>	<b>343,423</b>	<b>355,123</b>
<b>EXPENDITURE OTHER ITEMS</b>		<b>32,462</b>	<b>28,796</b>	<b>26,844</b>	<b>30,188</b>	<b>29,538</b>	<b>29,538</b>	<b>50,329</b>	<b>61,533</b>	<b>66,311</b>
Depreciation	7	21,177	24,474	22,750	25,627	25,627	25,627	42,437	53,285	57,693
Repairs and Maintenance by Asset Class	3	11,285	4,322	4,094	4,561	3,911	3,911	7,892	8,247	8,618
Roads Infrastructure		6,609	1,050	3,543	1,600	2,100	2,100	3,500	3,658	3,822
Storm water Infrastructure		207	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	52	-	-	-	-	-	-	-
Sanitation Infrastructure		18	32	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>6,834</b>	<b>1,134</b>	<b>3,543</b>	<b>1,600</b>	<b>2,100</b>	<b>2,100</b>	<b>3,500</b>	<b>3,658</b>	<b>3,822</b>
Community Facilities		1,232	314	328	200	200	200	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		<b>1,232</b>	<b>314</b>	<b>328</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>-</b>	<b>-</b>	<b>-</b>
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings		1,505	509	-	450	280	280	1,700	1,777	1,856
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		<b>1,505</b>	<b>509</b>	<b>-</b>	<b>450</b>	<b>280</b>	<b>280</b>	<b>1,700</b>	<b>1,777</b>	<b>1,856</b>
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		55	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		<b>55</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Computer Equipment		163	67	48	81	81	81	95	99	104
Furniture and Office Equipment		4	-	-	-	-	-	-	-	-
Machinery and Equipment		26	59	175	430	650	650	700	732	764
Transport Assets		1,467	2,240	-	1,800	600	600	1,897	1,983	2,072
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		<b>32,462</b>	<b>28,796</b>	<b>26,844</b>	<b>30,188</b>	<b>29,538</b>	<b>29,538</b>	<b>50,329</b>	<b>61,533</b>	<b>66,311</b>
Renewal and upgrading of Existing Assets as % of total capex		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Renewal and upgrading of Existing Assets as % of deprec		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M as a % of PPE		4.1%	1.5%	1.4%	1.4%	1.2%	1.2%	2.4%	2.4%	2.4%
Renewal and upgrading and R&M as a % of PPE		4.0%	1.0%	1.0%	1.0%	1.0%	1.0%	2.0%	2.0%	2.0%

- Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
- Capital budget has an allocation of 13% to the total budget in 2020/2021 financial year.

**Table 18 MBRR Table A10 – Basic Service Delivery Measurement**

KZN271 Umhlabuyalingana - Table A10 Basic service delivery measurement

Description	Ref	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
<b>Refuse:</b>										
Removed at least once a week		376	376	376	376	376	376	376	376	376
<i>Minimum Service Level and Above sub-total</i>		376	376	376	376	376	376	376	376	376
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	376	376	376	376	376	376	376	376	376
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		520	520	520	520	520	520	520	520	520
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>	8									
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		0	0	0	0	0	0	0	0	0
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>										
<b>Total cost of FBS provided</b>		0	0	0	0	0	0	0	0	0
<b>Highest level of free service provided per household</b>										
Property rates (R value threshold)		-	-	-	-	-	-	-	-	-
Water (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		-	-	-	-	-	-	-	-	-
Electricity (kwh per household per month)		76	76	82	82	82	82	82	82	82
Refuse (average litres per week)		-	-	-	-	-	-	-	-	-
<b>Revenue cost of subsidised services provided (R'000)</b>	9									
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)		4,766	5,867	-	5,800	1,000	1,000	-	-	-
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		-	-	-	-	-	-	-	-	-
<b>Total revenue cost of subsidised services provided</b>	6	4,766	5,867	-	5,800	1,000	1,000	-	-	-

- It is anticipated that free basic services relating to electricity will cost the municipality R547 040 and it is the only support it gives to its customers although we are not selling electricity but they get a rebate when purchasing their electricity vouchers from ESKOM.

## **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.

#### **2.1.1 Budget Process Overview**

The key deadlines for the compilation of the IDP and MTREF was submitted to council for approval during August 2018 as required by Section 21(b) of the MFMA. In terms of the approved key deadlines the draft IDP and Budget must be tabled to Council at the end of March 2019

The IDP unit conducted meetings with ward committees in the month of October 2019 to get input and community needs for the review of the IDP.

IDP engagement meetings with other sector departments were in September 2019 and February 2020

Departments received budget compilation guidelines and templates to be submitted in support of their budget requests in February 2020

Department submitted their Operational Budget and Capital Budget requests to finance department for consolidation during February 2020. Consolidation of the departmental input received and analysis of the requests took place in two sessions in the month of March 2020

Key dates as approved by Council in August 2019 were as follows:

- First round public engagements at ward level with ward councilors and ward committees were from October 2019. The focus was on the following:
  - Feed back on how the priorities have / have not been accommodated in the 2020/2021 budget
  - Give strategic direction and obtain the 5 priorities for the 2020/2021 budget cycle.
- The Mid-Year Budget and Performance Assessments engagement with the National Treasury in February 2020
- Public meetings regarding the tabled 2020/2021 MTREF is scheduled to take place from the 15<sup>th</sup> to 30<sup>th</sup> of April 2020
- Final approval of the 2021/2020 MTREF will be on the 31<sup>st</sup> of May 2020.

#### **2.1.2 IDP and Service Delivery and Budget Implementation Plan**

The IDP is the municipal principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into planning statements covering the 5 year objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan.

All departments were part of the process of reviewing the IDP and SDBIP of the municipality for 2020/2021 financial year.

### 2.1.3 Community Consultation

Section 29(1)(b) of Chapter 5 of the Municipal Systems Act of 2000 states that municipalities through appropriate mechanisms, processes and procedures established in terms of public participation allow for communities to be consulted on their development needs and priorities and that the local community to participate in drafting of the IDP.

The municipality used ward committees as mechanism for the purpose of engaging and consulting communities on their needs and priorities. The IDP review meetings were held in 4 strategic points identified by the planning committee. The meetings took place in October 2019

The following are community needs identified during the IDP review in October 2019

### 2.2 Overview of alignment of annual budget with IDP

The alignment of the budget with the IDP has been achieved through the setting of targets by departments which were guided by the following principles:

- It had to be aligned to the national outcome related to their mandate.
- Focus on basic service delivery in terms of the eradication of backlogs, provision of basic services as well as the maintenance of existing infrastructure and community needs.
- All targets set in the IDP were cross referenced to the budget as part of the result-based budget process. Each outcome with its supporting activities set for the coming year has been linked to specific votes in the budget to be utilized to achieve it.
- The 2020/2021 MTREF is informed by the IDP revision process as per the table below.

**Table 19 MBRR Table SA4-Reconciliation between the IDP Strategic objectives and budgeted revenue**

KZN271 Umhlabuyalingana - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	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
To improve revenue and all possible revenue streams applicable to KZN271	Implementation of revenue enhancement strategy			202,015	208,992	228,769	266,084	279,627	279,627	266,954	282,963	300,252
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	202,015	208,992	228,769	266,084	279,627	279,627	266,954	282,963	300,252



**Table 21 MBRR Table SA6 – Reconciliation between the IDP strategic objectives and budgeted capital expenditure**

KZN271 Umhlabuyalingana - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	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												
		A										
		B										
		C										
		D										
		E										
		F										
		G										
		H										
		I										
		J										
Improve access to basic services	Provision of free basic services	K		74,549	38,563	40,704	67,378	44,543	44,543	35,425	37,019	38,685
		L										
		M										
		N										
		O										
		P										
Allocations to other priorities			3									
<b>Total Capital Expenditure</b>			1	<b>74,549</b>	<b>38,563</b>	<b>40,704</b>	<b>67,378</b>	<b>44,543</b>	<b>44,543</b>	<b>35,425</b>	<b>37,019</b>	<b>38,685</b>

### **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.

The performance of the municipality relates directly to the extent to which it has achieved success in realizing its goals and objectives, complied with legislative requirements and meeting stakeholders expectations. The municipality has adopted one Integrated Performance Management System which comprises of planning, monitoring, measurement, review, reporting and improvement. The performance information concepts used by the municipality in its IPMS are aligned to the framework of managing programme performance information issued by National Treasury. The following table provides the main measurable performance objective the municipality undertakes to achieve this financial year.

**Table 22 MBRR Table SA7 – Measurable performance objectives**

KZN271 Umhlabuyalingana - Supporting Table SA7 Measurable performance objectives

Description	Unit of measurement	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
<b>EXECUTIVE &amp; COUNCIL</b>										
Mayor and Council	number of households	180.00	180.00	180.00	180.00	180.00	180.00	180.00	180.00	180.00
Sub-function 1 - (name)										
<i>Insert measure/s description</i>										
Sub-function 2 - (name)										
<i>Insert measure/s description</i>										
Sub-function 3 - (name)										
<i>Insert measure/s description</i>										
Municipal Manager, Town Secretary and Internal Audit	Number of internal audit	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
<i>Insert measure/s description</i>										
Public account committee	number of public	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
<i>Insert measure/s description</i>										
Sub-function 3 - (name)										
<i>Insert measure/s description</i>										
<b>FINANCE &amp; ADMIN</b>										
Finance										
Finance	Date of approval of	31-May-16	31-May-17	31-May-18	31-May-19	25-Feb-20	25-Feb-20	31-May-20	31-May-20	31-May-20
<i>Approval of annual report</i>										
Supply Chain Management										
<i>Comply with financial reporting requirements</i>	Number of reports on	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
Revenue management										
<i>To improve revenue and all possible revenue</i>	Date of approval of	30 June%	30 June%	30 June%	30 June%	30 June%	30 June%	30 June%	30 June%	30 June%
Function 2 - (name)										
Sub-function 1 - (name)										
<i>Insert measure/s description</i>										
Sub-function 2 - (name)										
<i>Insert measure/s description</i>										
Sub-function 3 - (name)										
<i>Insert measure/s description</i>										
<b>CORPORATE SERVICES</b>										
Human Resources										
Sub-function 1 - (name)										
<i>Development and approval of the reviewed</i>	Number of organograms	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Sub-function 2 - (name)										
<i>Insert measure/s description</i>										
Sub-function 3 - (name)										
<i>Insert measure/s description</i>										
Function 2 - (name)										
Sub-function 1 - (name)										
<i>Insert measure/s description</i>										
Sub-function 2 - (name)										
<i>Insert measure/s description</i>										
Sub-function 3 - (name)										
<i>Insert measure/s description</i>										
And so on for the rest of the Votes										

The following table sets out the municipality's main performance objectives and benchmarks for 2020/2021 MTREF.

**Table 23 MBRR Table SA8 – Performance indicators and benchmarks**

**KZN271 Umhlabuyalingana - Supporting Table SA8 Performance indicators and benchmarks**

Description of financial indicator	Basis of calculation	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
<b><u>Borrowing Management</u></b>											
<b>Credit Rating</b>			0	0	0	0	0	0			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.4%	0.5%	0.0%	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	2.8%	3.0%	0.0%	0.3%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Borrowed funding of 'ow n' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Safety of Capital</u></b>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Liquidity</u></b>											
Current Ratio	Current assets/current liabilities	1.3	2.3	2.2	1.5	14.1	14.1	14.1	1.6	2.4	3.1
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 day/current liabilities	1.3	2.3	2.2	1.0	4.6	4.6	4.6	1.2	1.9	2.6
Liquidity Ratio	Monetary Assets/Current Liabilities	0.7	1.7	1.5	1.0	4.6	4.6	4.6	1.2	1.9	2.5
<b><u>Revenue Management</u></b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		62.9%	75.6%	115.7%	65.4%	72.7%	72.7%	72.7%	69.5%	69.5%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		62.9%	75.6%	115.7%	65.4%	72.7%	72.7%	72.7%	69.5%	69.5%	69.5%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	8.8%	7.5%	14.2%	15.8%	52.5%	52.5%	52.5%	14.4%	14.4%	14.3%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	60.0%	62.0%	60.0%	6500.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%
<b><u>Creditors Management</u></b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		50.7%	6.5%	68.8%	2.2%	3.0%	3.0%	3.0%	2.0%	1.4%	1.1%
<b><u>Other Indicators</u></b>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)	0	0	0	0	0	0	0	0	0	0
	Total Cost of Losses (Rand '000)	-	-	-	-	-	-	-	-	-	-
	% Volume (units purchased and generated less units sold)/units purchased and generated	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Water Distribution Losses (2)	Total Volume Losses (kℓ)	-	-	-	-	-	-	-	-	-	-
	Total Cost of Losses (Rand '000)	0	0	0	0	0	0	0	0	0	0
	% Volume (units purchased and generated less units sold)/units purchased and generated	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Employee costs	Employee costs/(Total Revenue - capital revenue)	28.4%	33.5%	35.2%	42.1%	36.8%	36.8%	36.8%	36.7%	36.2%	35.7%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	42.5%	28.9%	0.0%	48.4%	43.0%	43.0%	43.0%	42.5%	42.0%	41.3%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	6.8%	2.5%	2.2%	2.1%	1.8%	1.8%	1.8%	3.4%	3.4%	3.3%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	13.4%	14.6%	12.0%	12.1%	11.7%	11.7%	11.7%	20.5%	22.0%	22.3%
<b><u>IDP regulation financial viability indicators</u></b>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	38.9	-	17.1	5.5	5.5	5.5	45.8	44.9	44.9	47.1
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	74.2%	64.1%	126.1%	119.3%	436.3%	436.3%	436.3%	121.6%	122.3%	123.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.4	3.2	3.4	6.0	4.6	4.6	4.6	6.6	9.7	12.6

## **2.3.1 Performance indicators and benchmarks**

### 2.3.1.1 Borrowing Management

The municipality does not have borrowings

### 2.3.1.3 Liquidity

The municipality's ability to adhere to its short term obligations is better since the ratios is high. For the 2020/2021 MTREF the ratios is expected to be 1.2 and improve to 1.9 by 2021/2022 financial year and improve to 2.5 by 2022/2023

### 2.3.1.4 Revenue Management

- Annual debtors collection rate indicates the percentage payment levels of the municipality. The municipal payment level percentage according to table SA 8 it is expected to be 72%
- Current debtors collection rate payment levels is 69%

### 2.3.1.5 Repairs and maintenance as a percentage of revenue (excluding capital revenue)

- It has increased from 1.8% in 2019/2020 adjustment budget to 3.4% in 2020/2021 financial year but it is still below the average ratio of 8%

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

The social package assist residents that have difficulty paying for services and registered as indigent households in terms of the Indigent Policy of the municipality. The municipality provides for free basic electricity through Eskom only since they do not provide other services to the residents of umhlabuyalingana except for refuse removal which is also not yet been rolled out to residential properties. Currently we provide free basic electricity to 518 indigents as per the indigent register of the municipality. The municipality also provided property rates rebates to business and commercial debtors.

### 2.4 Overview of budget related policies

The following is the list of budget related policies of Umhlabuyalingana Municipality, all these policies are currently under review and will be adopted by council by 31 May 2020

- Budget policy
- Asset management policy
- Asset disposal policy
- Asset maintenance policy
- Credit control and debt collection policy
- Indigent policy
- Cash and Investment policy
- Petty cash policy
- Property rates policy
- Supply Chain Management Policy
- Tariffs policy
- Virement policy
- Cost containment policy

Attached to budget document as annexure C

### 2.5 Overview of budget assumptions

#### 2.5.1 General inflation outlook and its impact on the municipal activities

The following factors have been taken into consideration in the compilation of the 2020/20201 MTREF.

- National Government macro –economic targets.
- General inflationary outlook and the impact on the municipality’s residents and business.
- The impact of municipal cost drivers
- The increase in the cost of remuneration

The inflation outlook for the MTREF is as follows

The following table reflects the inflation forecast as contained in circular 91 of National Treasury

Fiscal Year	2019/202	2020/2021	2021/2022	2022/2023
	Estimate	Forecast		
CPI Inflation	4.1%	4.5%	4.6%	4.6%

### **2.5.3 Collection rate for revenue services**

The rate of revenue collection is currently expressed as a percentage 70% of annual billings. Cash flow is assumed to be 70% of billings for property rates, refuse removal and rental of facilities. Other cash flows are assumed to be 100% as they are not based on billing but cash based.

### **2.5.4 Salary increases**

Salaries have been increase by 6.25% as per the provisions of the SALGA agreement

### **2.5.5 Impact of national, provincial and local policies**

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

- National Development Plan addressing inter alia economic growth and job creation.
- Enhancing education and skills development.
- Improving health services.
- Rural development and agriculture
- Fighting crime and corruption

### **2.5.6. Ability of the municipality to spend and deliver on the programs**

It is estimated that a spending rate of 100% will be achieved on operational expenditure and capital program for the 2020/2021 MTREF of which performance has been factored into the cash flow budget

## **2.6 Overview of budget funding**

### **2.6.1 Medium-term outlook: Operating Revenue**

#### Tariffs changes

- Tariffs did not change from the 2019/2020 financial year. The reason why tariffs were not adjusted is that the economy of the country has been negatively affected by the COVID 19 pandemic and the municipality felt that our customers will not be able to afford tariff increase in this financial year.

The table below provide detailed investment information and investment particulars by maturity.

**Table 24 MBRR SA15- Detailed Investment Information**

KZN271 Umhlabuyalingana - Supporting Table SA15 Investment particulars by type

Investment type	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
<b>R thousand</b>										
<b>Parent municipality</b>										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		17,500	12,278	13,060	12,982	13,515	13,515	14,470	15,471	16,520
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
<b>Municipality sub-total</b>	1	<b>17,500</b>	<b>12,278</b>	<b>13,060</b>	<b>12,982</b>	<b>13,515</b>	<b>13,515</b>	<b>14,470</b>	<b>15,471</b>	<b>16,520</b>
<b>Entities</b>										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
<b>Entities sub-total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Consolidated total:</b>		<b>17,500</b>	<b>12,278</b>	<b>13,060</b>	<b>12,982</b>	<b>13,515</b>	<b>13,515</b>	<b>14,470</b>	<b>15,471</b>	<b>16,520</b>

**Table 25 MBRR SA16 – Investment particulars by maturity**

KZN271 Umhlabuyalingana - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (€)	Investment Top Up	Closing Balance
Name of institution & investment ID	1	Yrs/Months												
<b>Parent municipality</b>														
FNB - 7427526516		Months	Call accounts	Yes	Variable	10%	None	None	30 June 2021	4,895	175	-	-	5,070
Nedbank - 29702097		Months	Call accounts	Yes	Variable	10%	None	None	30 June 2021	36	1	-	-	37
FNB - 74622521601		Months	Call accounts	Yes	Variable	10%	None	None	30 June 2021	7,188	745	-	-	7,933
STD Bank - 068824491		Months	Call accounts	Yes	Variable	10%	None	None	30 June 2021	20	1	-	-	21
FNB - 6226899825		Months	Call accounts	Yes	Variable	10%	None	None	30 June 2021	1,376	34	-	-	1,410
FNB - 62059161146		Months	Call accounts	Yes	Variable	0%	None	None	30 June 2021	0	-	-	-	0
FNB - 62059161146		Months	Call accounts	Yes	Variable	0%	None	None	30 June 2021	1	-	-	-	1
<b>Municipality sub-total</b>										<b>13,515</b>				<b>14,470</b>
<b>Entities</b>														
<b>Entities sub-total</b>										<b>-</b>				<b>-</b>
<b>TOTAL INVESTMENTS AND INTEREST</b>										<b>13,515</b>				<b>14,470</b>



## **2.6.2 Medium-term outlook : capital revenue**

### **Table 26 MBRR SA17 – Detail of borrowings**

The table below is blank because the municipality does not have borrowings.

**KZN271 Umhlabuyalingana - Supporting Table SA17 Borrowing**

Borrowing - Categorised by type  R thousand	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
<b>Parent municipality</b>										
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
<b>Municipality sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>Entities</b>										
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
<b>Entities sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>Total Borrowing</b>	1	-	-	-	-	-	-	-	-	-

<b>Unspent Borrowing - Categorised by type</b>										
<b>Parent municipality</b>										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
<b>Municipality sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>Entities</b>										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
<b>Entities sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>Total Unspent Borrowing</b>	1	-	-	-	-	-	-	-	-	-

**Table 27 MBRR SA18 – Capital transfers and grant receipts**

KZN271 Umhlabuyalingana - Supporting Table SA18 Transfers and grant receipts

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
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		125,223	139,913	150,623	190,440	171,440	171,440	183,960	195,554	208,405
Local Government Equitable Share		121,121	133,848	145,676	166,017	166,017	166,017	179,108	193,654	206,505
Finance Management		1,825	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900
EPWP Incentive		2,277	4,165	3,047	3,523	3,523	3,523	2,952	-	-
Integrated National Electrification Programme		-	-	-	19,000	-	-	-	-	-
Other transfers/grants [insert description]										
<b>Provincial Government:</b>		3,550	1,657	6,323	3,055	4,947	4,947	3,322	2,795	2,933
Provincialisation of Libraries		3,550	1,657	1,873	2,249	2,249	2,249	1,809	1,871	1,964
Community Library Services Grant					806	806	806	863	924	969
Town Planning Grant				1,000		503	503	-	-	-
Tourism Grant				2,450		1,389	1,389	-	-	-
Corridor Development Grant				1,000						
Ward Base Plan								650	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total Operating Transfers and Grants</b>	5	128,773	141,570	156,946	193,495	176,387	176,387	187,282	198,349	211,338
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		36,825	35,481	56,265	34,918	53,947	53,947	50,702	54,486	54,523
Municipal Infrastructure Grant (MIG)		36,825	35,481	34,265	34,918	34,947	34,947	34,702	37,486	39,523
Integrated National Electrification Programme				22,000	-	19,000	19,000	16,000	17,000	15,000
Other capital transfers/grants [insert desc]										
<b>Provincial Government:</b>		-	-	11,000	5,000	5,592	5,592	-	-	-
Massification Grant				5,000	5,000	5,000	5,000			
Small Town Rehabilitation Grant				6,000	-	592	592			
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total Capital Transfers and Grants</b>	5	36,825	35,481	67,265	39,918	59,539	59,539	50,702	54,486	54,523
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		165,598	177,051	224,211	233,413	235,926	235,926	237,984	252,835	265,861

The table above indicate the capital transfers and grants received in 2020/2021 financial year.

### 2.6.3 Cash flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understanding of councilors and management. It includes:

- Clear separation of receipts and payments within each cash flow category/
- Clear separation of capital and operating receipts from government

- Separation of borrowings and loan agreements to assist with MFMA compliance assessment regarding the use of long term borrowing

**Table 28 MBRR Table A7 – Budgeted Cash Flows**

**KZN271 Umhlabuyalingana - Table A7 Budgeted Cash Flows**

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
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		11,912	14,979	23,647	17,805	18,657	18,657	18,657	18,532	19,422	20,354
Service charges		234	229	583	275	312	312	312	327	343	360
Other revenue		9,278	13,463	34,580	7,402	7,048	7,048	7,048	9,003	9,435	9,888
Transfers and Subsidies - Operational	1	133,777	142,658	155,006	174,495	174,495	174,495	174,495	187,282	198,349	211,338
Transfers and Subsidies - Capital	1	36,825	35,481	40,844	58,918	53,918	53,918	53,918	50,702	54,486	54,523
Interest		5,121	807	-	2,011	6,843	6,843	6,843	955	1,001	1,049
Dividends		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Suppliers and employees		(166,754)	(151,481)	(199,378)	(164,874)	(181,597)	(181,597)	(181,597)	(177,865)	(184,436)	(192,741)
Finance charges		(6)	(8)	(3)	(105)	(105)	(105)	(105)	(106)	(111)	(116)
Transfers and Grants	1	-	(1,466)	-	(1,700)	(1,758)	(1,758)	(1,758)	(1,120)	(1,170)	(1,223)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>30,388</b>	<b>54,662</b>	<b>55,279</b>	<b>94,228</b>	<b>77,813</b>	<b>77,813</b>	<b>77,813</b>	<b>87,710</b>	<b>97,318</b>	<b>103,431</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		234	268	448	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Capital assets		(74,549)	(38,563)	(40,704)	(67,378)	(68,543)	(68,543)	(68,543)	(51,425)	(53,739)	(56,158)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(74,316)</b>	<b>(38,294)</b>	<b>(40,256)</b>	<b>(67,378)</b>	<b>(68,543)</b>	<b>(68,543)</b>	<b>(68,543)</b>	<b>(51,425)</b>	<b>(53,739)</b>	<b>(56,158)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(43,928)</b>	<b>16,368</b>	<b>15,024</b>	<b>26,850</b>	<b>9,270</b>	<b>9,270</b>	<b>9,270</b>	<b>36,285</b>	<b>43,579</b>	<b>47,274</b>
Cash/cash equivalents at the year begin:	2	62,189	18,261	34,628	51,473	49,652	49,652	49,652	49,652	85,937	129,516
Cash/cash equivalents at the year end:	2	18,261	34,628	49,652	78,323	58,922	58,922	58,922	85,937	129,516	176,790

**Table 29 MBRR Table SA30 –Budgeted monthly cash flow**

KZN271 Umhlabyalingana - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	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
<b>Cash Receipts By Source</b>													1		
Property rates	1,544	1,544	1,544	1,544	1,544	1,544	1,544	1,544	1,544	1,544	1,544	1,544	18,532	19,422	20,354
Service charges - electricity revenue													-		
Service charges - water revenue													-		
Service charges - sanitation revenue													-		
Service charges - refuse revenue	27	27	27	27	27	27	27	27	27	27	27	27	327	343	360
Rental of facilities and equipment	16	16	16	16	16	16	16	16	16	16	16	16	189	198	208
Interest earned - external investments	80	80	80	80	80	80	80	80	80	80	80	80	955	1,001	1,049
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received													-		
Fines, penalties and forfeits	268	268	268	268	268	268	268	268	268	268	268	268	3,220	3,375	3,537
Licences and permits	466	466	466	466	466	466	466	466	466	466	466	466	5,593	5,862	6,143
Agency services													-		
Transfers and Subsidies - Operational	60,687	5,222				60,687			60,687			0	187,282	198,346	211,338
Other revenue													-		
<b>Cash Receipts by Source</b>	<b>63,088</b>	<b>7,623</b>	<b>2,401</b>	<b>2,401</b>	<b>2,401</b>	<b>63,088</b>	<b>2,401</b>	<b>2,401</b>	<b>63,088</b>	<b>2,401</b>	<b>2,401</b>	<b>2,402</b>	<b>216,100</b>	<b>228,550</b>	<b>242,988</b>
<b>Other Cash Flows by Source</b>															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	16,901					16,901			16,901			0	50,702	54,486	54,523
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													-		
Short term loans													-		
Borrowing long term/refinancing													-		
Increase (decrease) in consumer deposits													-		
Decrease (increase) in non-current receivables													-		
Decrease (increase) in non-current investments													-		
<b>Total Cash Receipts by Source</b>	<b>79,989</b>	<b>7,623</b>	<b>2,401</b>	<b>2,401</b>	<b>2,401</b>	<b>79,989</b>	<b>2,401</b>	<b>2,401</b>	<b>79,989</b>	<b>2,401</b>	<b>2,401</b>	<b>2,402</b>	<b>266,802</b>	<b>283,036</b>	<b>297,511</b>
<b>Cash Payments by Type</b>															
Employee related costs	7,095	7,095	7,095	7,095	7,095	7,095	7,095	7,095	7,095	7,095	7,095	7,095	85,136	88,967	92,971
Remuneration of councillors	1,121	1,121	1,121	1,121	1,121	1,121	1,121	1,121	1,121	1,121	1,121	1,121	13,456	14,061	14,694
Finance charges	9	9	9	9	9	9	9	9	9	9	9	9	106	111	116
Bulk purchases - Electricity													-		
Bulk purchases - Water & Sewer													-		
Other materials	176	176	176	176	176	176	176	176	176	176	176	176	2,110	2,205	2,304
Contracted services	2,637	2,637	2,637	2,637	2,637	2,637	2,637	2,637	2,637	2,637	2,637	2,637	31,640	31,626	33,049
Transfers and grants - other municipalities													-		
Transfers and grants - other	93	93	93	93	93	93	93	93	93	93	93	93	1,120	1,170	1,223
Other expenditure	3,794	3,794	3,794	3,794	3,794	3,794	3,794	3,794	3,794	3,794	3,794	3,794	45,523	47,577	49,723
<b>Cash Payments by Type</b>	<b>14,924</b>	<b>14,924</b>	<b>14,924</b>	<b>14,924</b>	<b>14,924</b>	<b>14,924</b>	<b>14,924</b>	<b>14,924</b>	<b>14,924</b>	<b>14,924</b>	<b>14,924</b>	<b>14,924</b>	<b>179,091</b>	<b>185,718</b>	<b>194,080</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	4,285	4,285	4,285	4,285	4,285	4,285	4,285	4,285	4,285	4,285	4,285	4,285	51,425	53,739	56,158
Repayment of borrowing													-		
Other Cash Flows/Payments													-		
<b>Total Cash Payments by Type</b>	<b>19,210</b>	<b>19,210</b>	<b>19,210</b>	<b>19,210</b>	<b>19,210</b>	<b>19,210</b>	<b>19,210</b>	<b>19,210</b>	<b>19,210</b>	<b>19,210</b>	<b>19,210</b>	<b>19,210</b>	<b>230,517</b>	<b>239,457</b>	<b>250,238</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>60,779</b>	<b>(11,586)</b>	<b>(16,808)</b>	<b>(16,808)</b>	<b>(16,808)</b>	<b>60,779</b>	<b>(16,808)</b>	<b>(16,808)</b>	<b>60,779</b>	<b>(16,808)</b>	<b>(16,808)</b>	<b>(16,808)</b>	<b>36,285</b>	<b>43,579</b>	<b>47,274</b>
Cash/cash equivalents at the monthly year begin:	49,652	110,431	98,845	82,037	65,228	48,420	109,199	92,391	75,583	136,362	119,554	102,745	49,652	85,937	129,516
Cash/cash equivalents at the monthly year end:	110,431	98,845	82,037	65,228	48,420	109,199	92,391	75,583	136,362	119,554	102,745	85,937	85,937	129,516	176,790

## 2.6.4 Cash-backed Reserves/Accumulated Surplus Reconciliation

The table below meets the requirements of MFMA circular 42 which deals with the funding of a municipal budget in accordance with Section 18 and 19 of the MFMA.

The table shows the predicted cash and cash investments that are available at the end of the budget year, how these funds are used and what is the net fund available or funding deficit?

**Table 30 MBRR Table A8 – Cash-backed reserves/ accumulated surplus reconciliation**

KZN271 Umhlabuyalingana - Table A8 Cash backed reserves/accumulated surplus reconciliation

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
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	18,261	34,628	49,652	78,323	58,922	58,922	58,922	85,937	129,516	176,790
Other current investments > 90 days		-	126	0	(9,616)	(3,064)	(3,064)	(3,064)	0	(0)	(0)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>18,261</b>	<b>34,755</b>	<b>49,652</b>	<b>68,706</b>	<b>55,858</b>	<b>55,858</b>	<b>55,858</b>	<b>85,937</b>	<b>129,516</b>	<b>176,790</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		6,080	3,326	-	-	1,876	1,876	1,876	1,876	1,876	1,876
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	7,452	(1,071)	(22,939)	47,728	(76,766)	(76,766)	(76,766)	49,984	44,172	44,537
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
<b>Total Application of cash and investments:</b>		<b>13,532</b>	<b>2,255</b>	<b>(22,939)</b>	<b>47,728</b>	<b>(74,890)</b>	<b>(74,890)</b>	<b>(74,890)</b>	<b>51,859</b>	<b>46,047</b>	<b>46,412</b>
<b>Surplus(shortfall)</b>		<b>4,729</b>	<b>32,500</b>	<b>72,591</b>	<b>20,979</b>	<b>130,748</b>	<b>130,748</b>	<b>130,748</b>	<b>34,078</b>	<b>83,469</b>	<b>130,377</b>

Unspent conditional grants reflected in the table above relates to old balances as per Annual Financial Statements that have not been spent.

## 2.6.5 Funding compliance measurement

The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA

**Table 31 MBRR Table A10 –Basic service delivery measurement**

KZN271 Umhlabuyalingana - Table A10 Basic service delivery measurement

Description	Ref	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
<b>Refuse:</b>										
Removed at least once a week		376	376	376	376	376	376	376	376	376
<i>Minimum Service Level and Above sub-total</i>		376	376	376	376	376	376	376	376	376
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	<b>5</b>	<b>376</b>	<b>376</b>	<b>376</b>	<b>376</b>	<b>376</b>	<b>376</b>	<b>376</b>	<b>376</b>	<b>376</b>
<b>Households receiving Free Basic Service</b>										
Water (6 kilolitres per household per month)	7	-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		520	520	520	520	520	520	520	520	520
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>										
Water (6 kilolitres per indigent household per month)	8	-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		0	0	0	0	0	0	0	0	0
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>										
<b>Total cost of FBS provided</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Highest level of free service provided per household</b>										
Property rates (R value threshold)		-	-	-	-	-	-	-	-	-
Water (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		-	-	-	-	-	-	-	-	-
Electricity (kwh per household per month)		76	76	82	82	82	82	82	82	82
Refuse (average litres per week)		-	-	-	-	-	-	-	-	-
<b>Revenue cost of subsidised services provided (R'000)</b>										
Property rates (tariff adjustment) ( impermissible values per section 17 of MPRA)	9	-	-	-	-	-	-	-	-	-
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		4,766	5,867	-	5,800	1,000	1,000	-	-	-
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	6	-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Total revenue cost of subsidised services provided</b>		<b>4,766</b>	<b>5,867</b>	<b>-</b>	<b>5,800</b>	<b>1,000</b>	<b>1,000</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 2.7 Expenditure on grants and reconciliation of unspent funds

### Table 32 MBRR Table SA 19 – Expenditure on transfers and grant programs

KZN271 Umhlabuyalingana - Supporting Table SA19 Expenditure on transfers and grant programme

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
<b>EXPENDITURE:</b>										
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		125,223	139,913	150,623	190,440	170,551	170,551	183,960	195,554	208,405
Local Government Equitable Share		121,121	133,848	145,676	166,017	166,017	166,017	179,108	193,654	206,505
Finance Management		1,825	1,900	1,900	1,900	1,466	1,466	1,900	1,900	1,900
EPWP Incentive		2,277	4,165	3,047	3,523	3,069	3,069	2,952	-	-
Integrated National Electrification Programme		-	-	-	19,000	-	-	-	-	-
Other transfers/grants [insert description]										
<b>Provincial Government:</b>		3,550	1,657	4,431	3,055	2,691	2,691	3,322	2,795	2,933
Provincialisation of Libraries		3,550	1,657	1,873	2,249	1,870	1,870	1,809	1,871	1,964
Community Library Services Grant					806	155	155	863	924	969
Town Planning Grant				497		406	406	-	-	-
Tourism Grant				1,061		260	260	-	-	-
Corridor Development Grant				1,000				650	-	-
Ward Base Plan										
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total operating expenditure of Transfers and Grants</b>		128,773	141,570	155,054	193,495	173,242	173,242	187,282	198,349	211,338
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		36,825	35,481	56,236	34,918	27,718	27,718	50,702	54,486	54,523
Municipal Infrastructure Grant (MIG)		36,825	35,481	34,236	34,918	9,982	9,982	34,702	37,486	39,523
Integrated National Electrification Programme				22,000		17,736	17,736	16,000	17,000	15,000
Other capital transfers/grants [insert desc]										
<b>Provincial Government:</b>		-	-	5,408	5,000	1,792	1,792	-	-	-
Massification Grant					5,000	1,310	1,310			
Small Town Rehabilitation Grant				5,408		481	481			
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total capital expenditure of Transfers and Grants</b>		36,825	35,481	61,644	39,918	29,509	29,509	50,702	54,486	54,523
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		165,598	177,051	216,698	233,413	202,752	202,752	237,984	252,835	265,861



**Table 33 MBRR Table SA20 – Reconciliation between transfers, grant receipts and unspent funds**

KZN271 Umhlabuyalingana - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

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
<b>Operating transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year		–	2,916	–	–	–	–	–	–	–
Current year receipts		24,102	31,065	4,947	24,423	5,423	5,423	183,960	195,554	208,405
<b>Conditions met - transferred to revenue</b>		<b>21,186</b>	<b>33,981</b>	<b>4,947</b>	<b>24,423</b>	<b>4,534</b>	<b>4,534</b>	<b>183,960</b>	<b>195,554</b>	<b>208,405</b>
Conditions still to be met - transferred to liabilities		2,916	–	–	–	889	889	–	–	–
<b>Provincial Government:</b>										
Balance unspent at beginning of the year		9,126	3,164	3,326	2,076	4,393	4,393	–	–	–
Current year receipts		2,592	28,000	5,123	3,055	3,055	3,055	3,322	2,795	2,933
<b>Conditions met - transferred to revenue</b>		<b>8,554</b>	<b>27,838</b>	<b>4,056</b>	<b>5,131</b>	<b>5,009</b>	<b>5,009</b>	<b>3,322</b>	<b>2,795</b>	<b>2,933</b>
Conditions still to be met - transferred to liabilities		3,164	3,326	4,393	–	2,440	2,440	–	–	–
<b>District Municipality:</b>										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
<b>Conditions met - transferred to revenue</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
<b>Other grant providers:</b>										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
<b>Conditions met - transferred to revenue</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
<b>Total operating transfers and grants revenue</b>		<b>29,740</b>	<b>61,819</b>	<b>9,003</b>	<b>29,554</b>	<b>9,543</b>	<b>9,543</b>	<b>187,282</b>	<b>198,349</b>	<b>211,338</b>
<b>Total operating transfers and grants - CTBM</b>	2	<b>6,080</b>	<b>3,326</b>	<b>4,393</b>	<b>–</b>	<b>3,328</b>	<b>3,328</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Capital transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year		–	–	–	–	29	29	–	–	–
Current year receipts		36,825	35,481	56,265	34,918	53,918	53,918	50,702	54,486	54,523
<b>Conditions met - transferred to revenue</b>		<b>36,825</b>	<b>35,481</b>	<b>56,236</b>	<b>34,918</b>	<b>46,776</b>	<b>46,776</b>	<b>50,702</b>	<b>54,486</b>	<b>54,523</b>
Conditions still to be met - transferred to liabilities		–	–	29	–	7,171	7,171	–	–	–
<b>Provincial Government:</b>										
Balance unspent at beginning of the year		–	–	–	–	592	592	–	–	–
Current year receipts		–	–	11,000	5,000	5,000	5,000	–	–	–
<b>Conditions met - transferred to revenue</b>		<b>–</b>	<b>–</b>	<b>5,408</b>	<b>5,000</b>	<b>2,484</b>	<b>2,484</b>	<b>–</b>	<b>–</b>	<b>–</b>
Conditions still to be met - transferred to liabilities		–	–	5,592	–	3,108	3,108	–	–	–
<b>District Municipality:</b>										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
<b>Conditions met - transferred to revenue</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
<b>Other grant providers:</b>										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
<b>Conditions met - transferred to revenue</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
<b>Total capital transfers and grants revenue</b>		<b>36,825</b>	<b>35,481</b>	<b>61,644</b>	<b>39,918</b>	<b>49,260</b>	<b>49,260</b>	<b>50,702</b>	<b>54,486</b>	<b>54,523</b>
<b>Total capital transfers and grants - CTBM</b>	2	<b>–</b>	<b>–</b>	<b>5,621</b>	<b>–</b>	<b>10,279</b>	<b>10,279</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>		<b>66,565</b>	<b>97,300</b>	<b>70,646</b>	<b>69,472</b>	<b>58,803</b>	<b>58,803</b>	<b>237,984</b>	<b>252,835</b>	<b>265,861</b>
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>		<b>6,080</b>	<b>3,326</b>	<b>10,015</b>	<b>–</b>	<b>13,608</b>	<b>13,608</b>	<b>–</b>	<b>–</b>	<b>–</b>

**Table 34 MBRR Table SA 21 Transfers and grants made by the municipality**

KZN271 Umhlabuyalingana - Supporting Table SA21 Transfers and grants made by the municipality

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
<b>Cash Transfers to other municipalities</b>											
<i>Insert description</i>	1										
<b>Total Cash Transfers To Municipalities:</b>		-	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to Entities/Other External Mechanisms</b>											
<i>Insert description</i>	2										
<b>Total Cash Transfers To Entities/Ems'</b>		-	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to other Organs of State</b>											
<i>Insert description</i>	3										
<b>Total Cash Transfers To Other Organs Of State:</b>		-	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to Organisations</b>											
<i>Insert description</i>											
<b>Total Cash Transfers To Organisations</b>		-	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to Groups of Individuals</b>											
<i>Insert description</i>		21,852	3,007	1,907	1,700	1,758	1,758	1,758	1,120	1,170	1,223
<b>Total Cash Transfers To Groups Of Individuals:</b>		21,852	3,007	1,907	1,700	1,758	1,758	1,758	1,120	1,170	1,223
<b>TOTAL CASH TRANSFERS AND GRANTS</b>	6	21,852	3,007	1,907	1,700	1,758	1,758	1,758	1,120	1,170	1,223
<b>Non-Cash Transfers to other municipalities</b>											
<i>Insert description</i>	1										
<b>Total Non-Cash Transfers To Municipalities:</b>		-	-	-	-	-	-	-	-	-	-
<b>Non-Cash Transfers to Entities/Other External Mechanisms</b>											
<i>Insert description</i>	2										
<b>Total Non-Cash Transfers To Entities/Ems'</b>		-	-	-	-	-	-	-	-	-	-
<b>Non-Cash Transfers to other Organs of State</b>											
<i>Insert description</i>	3										
<b>Total Non-Cash Transfers To Other Organs Of State:</b>		-	-	-	-	-	-	-	-	-	-
<b>Non-Cash Grants to Organisations</b>											
<i>Insert description</i>	4										
<b>Total Non-Cash Grants To Organisations</b>		-	-	-	-	-	-	-	-	-	-
<b>Groups of Individuals</b>											
<i>Insert description</i>	5										
<b>Total Non-Cash Grants To Groups Of Individuals:</b>		-	-	-	-	-	-	-	-	-	-
<b>TOTAL NON-CASH TRANSFERS AND GRANTS</b>		-	-	-	-	-	-	-	-	-	-
<b>TOTAL TRANSFERS AND GRANTS</b>	6	21,852	3,007	1,907	1,700	1,758	1,758	1,758	1,120	1,170	1,223

The above table is indicating the grants in kind made by the municipality to communities as programs donated to communities.

## 2.8 Councilor and employee benefits

Table 35 MBRR Table SA 22 – Summary of councilor and staff benefits

### KZN271 Umhlabuyalingana - Supporting Table SA22 Summary councilor and staff benefits

Summary of Employee and Councillor remuneration R thousand	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
		A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>	1									
Basic Salaries and Wages		8,323	5,240		8,893	8,893	8,893	8,893	9,293	9,711
Pension and UIF Contributions		-	-		-	-	-	-	-	-
Medical Aid Contributions		-	-		-	-	-	-	-	-
Motor Vehicle Allowance		-	-		-	-	-	-	-	-
Cellphone Allowance		1,187	1,021		1,598	1,598	1,598	1,598	1,670	1,745
Housing Allowances		-	-		-	-	-	-	-	-
Other benefits and allowances		2,652	1,747		2,964	2,964	2,964	2,964	3,098	3,237
<b>Sub Total - Councillors</b>		<b>12,161</b>	<b>8,008</b>	<b>-</b>	<b>13,456</b>	<b>13,456</b>	<b>13,456</b>	<b>13,456</b>	<b>14,061</b>	<b>14,694</b>
<b>% increase</b>	4		<b>(34.1%)</b>	<b>(100.0%)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>4.5%</b>	<b>4.5%</b>
<b>Senior Managers of the Municipality</b>	2									
Basic Salaries and Wages		5,013	2,716		5,377	5,836	5,836	5,019	5,245	5,481
Pension and UIF Contributions		121	84		133	72	72	189	198	207
Medical Aid Contributions		36	25		39	42	42	42	43	45
Overtime		-	-		-	-	-	-	-	-
Performance Bonus		-	-		-	452	452	449	469	490
Motor Vehicle Allowance	3	816	444		828	828	828	828	865	904
Cellphone Allowance	3	129	77		143	143	143	143	149	156
Housing Allowances	3	518	262		538	522	522	297	311	325
Other benefits and allowances	3	633	162		722	462	462	149	156	163
Payments in lieu of leave		115	-		994	939	939	919	961	1,004
Long service awards		-	-		-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-		-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>7,381</b>	<b>3,769</b>	<b>-</b>	<b>8,773</b>	<b>9,294</b>	<b>9,294</b>	<b>8,036</b>	<b>8,398</b>	<b>8,776</b>
<b>% increase</b>	4		<b>(48.9%)</b>	<b>(100.0%)</b>	<b>-</b>	<b>5.9%</b>	<b>-</b>	<b>(13.5%)</b>	<b>4.5%</b>	<b>4.5%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		37,246	28,722		51,446	46,278	46,278	49,920	52,166	54,513
Pension and UIF Contributions		3,299	2,806		5,626	5,900	5,900	5,846	6,109	6,384
Medical Aid Contributions		1,675	1,233		2,187	2,404	2,404	2,429	2,538	2,653
Overtime		1,498	1,274		4,332	1,557	1,557	1,625	1,698	1,774
Performance Bonus		-	-		-	-	-	3,277	3,424	3,579
Motor Vehicle Allowance	3	1,865	1,438		2,384	2,921	2,921	3,414	3,568	3,729
Cellphone Allowance	3	406	413		662	824	824	1,057	1,105	1,154
Housing Allowances	3	109	-		134	134	134	162	170	177
Other benefits and allowances	3	3,781	2,608		5,934	5,163	5,163	2,819	2,946	3,078
Payments in lieu of leave		564	1		7,069	6,516	6,516	6,465	6,756	7,060
Long service awards		160	-		768	85	85	85	89	93
Post-retirement benefit obligations	6	-	-		-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>		<b>50,602</b>	<b>38,494</b>	<b>-</b>	<b>80,542</b>	<b>71,781</b>	<b>71,781</b>	<b>77,100</b>	<b>80,570</b>	<b>84,195</b>
<b>% increase</b>	4		<b>(23.9%)</b>	<b>(100.0%)</b>	<b>-</b>	<b>(10.9%)</b>	<b>-</b>	<b>7.4%</b>	<b>4.5%</b>	<b>4.5%</b>
<b>Total Parent Municipality</b>		<b>70,145</b>	<b>50,271</b>	<b>-</b>	<b>102,770</b>	<b>94,530</b>	<b>94,530</b>	<b>98,592</b>	<b>103,029</b>	<b>107,665</b>
<b>% increase</b>			<b>(28.3%)</b>	<b>(100.0%)</b>	<b>-</b>	<b>(8.0%)</b>	<b>-</b>	<b>4.3%</b>	<b>4.5%</b>	<b>4.5%</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>70,145</b>	<b>50,271</b>	<b>-</b>	<b>102,770</b>	<b>94,530</b>	<b>94,530</b>	<b>98,592</b>	<b>103,029</b>	<b>107,665</b>
<b>% increase</b>	4		<b>(28.3%)</b>	<b>(100.0%)</b>	<b>-</b>	<b>(8.0%)</b>	<b>-</b>	<b>4.3%</b>	<b>4.5%</b>	<b>4.5%</b>
<b>TOTAL MANAGERS AND STAFF</b>	5,7	<b>57,984</b>	<b>42,263</b>	<b>-</b>	<b>89,314</b>	<b>81,075</b>	<b>81,075</b>	<b>85,136</b>	<b>88,967</b>	<b>92,971</b>

A provision of 6.25% increase on employee related costs and councilors allowances has been made, with the exception of Senior Managers who are having a provision of 3% increase.

**Table 36 MBRR Table SA24 – Summary of personnel numbers**

KZN271 Umhlabuyalingana - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2018/19			Current Year 2019/20			Budget Year 2020/21		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>										
Councillors (Political Office Bearers plus Other Councillors)		35	–	35	35	–	35	35	–	35
Board Members of municipal entities	4									
<b>Municipal employees</b>	5									
Municipal Manager and Senior Managers	3	5	1	4	5	1	4	5	1	4
Other Managers	7	–	–	–	–	–	–	–	–	–
Professionals		524	127	397	531	134	397	531	134	397
<i>Finance</i>		25	19	6	26	20	6	26	20	6
<i>Spatial/town planning</i>		4	2	2	4	2	2	4	2	2
<i>Information Technology</i>		7	3	4	7	3	4	7	3	4
<i>Roads</i>										
<i>Electricity</i>					–	–	–	–	–	–
<i>Water</i>										
<i>Sanitation</i>										
<i>Refuse</i>		126	24	102	132	30	102	132	30	102
<i>Other</i>		362	79	283	362	79	283	362	79	283
Technicians		4	3	1	4	3	1	4	3	1
<i>Finance</i>										
<i>Spatial/town planning</i>										
<i>Information Technology</i>										
<i>Roads</i>										
<i>Electricity</i>										
<i>Water</i>										
<i>Sanitation</i>										
<i>Refuse</i>										
<i>Other</i>		4	3	1	4	3	1	4	3	1
Clerks (Clerical and administrative)		15	15	–	15	15	–	15	15	–
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators		4	4	–	4	4	–	4	4	–
Elementary Occupations										
<b>TOTAL PERSONNEL NUMBERS</b>	9	<b>587</b>	<b>150</b>	<b>437</b>	<b>594</b>	<b>157</b>	<b>437</b>	<b>594</b>	<b>157</b>	<b>437</b>
<b>% increase</b>					1.2%	4.7%	–	–	–	–
<b>Total municipal employees headcount</b>	6, 10									
Finance personnel headcount	8, 10									
Human Resources personnel headcount	8, 10									

## 2.9 Monthly targets for revenue, expenditure and cash flow

### Table 37 MBRR Table SA 25 – Budgeted monthly revenue and expenditure

KZN271 Umhlabuyalingana - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	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	
<b>Revenue By Source</b>																	
Property rates		2,206	2,206	2,206	2,206	2,206	2,206	2,206	2,206	2,206	2,206	2,206	2,206	(0)	26,474	27,745	29,077
Service charges - electricity revenue														(0)	(0)	(0)	
Service charges - water revenue														-	-	-	
Service charges - sanitation revenue														-	-	-	
Service charges - refuse revenue		55	55	55	55	55	55	55	55	55	55	55	55	655	686	719	
Rental of facilities and equipment		33	33	33	33	33	33	33	33	33	33	33	33	394	413	433	
Interest earned - external investments		80	80	80	80	80	80	80	80	80	80	80	80	955	1,001	1,049	
Interest earned - outstanding debtors		81	81	81	81	81	81	81	81	81	81	81	81	968	1,014	1,063	
Dividends received														-	-	-	
Fines, penalties and forfeits		268	268	268	268	268	268	268	268	268	268	268	268	3,220	3,375	3,537	
Licences and permits		466	466	466	466	466	466	466	466	466	466	466	466	5,593	5,862	6,143	
Agency services														-	-	-	
Transfers and subsidies		60,687	5,222	-	-	-	60,687	-	-	60,687	-	-	-	187,282	198,349	211,338	
Other revenue		559	559	559	559	559	559	559	559	559	559	559	559	6,710	7,032	7,369	
Gains														-	-	-	
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>64,434</b>	<b>8,969</b>	<b>3,747</b>	<b>3,747</b>	<b>3,747</b>	<b>64,434</b>	<b>3,747</b>	<b>3,747</b>	<b>64,434</b>	<b>3,747</b>	<b>3,747</b>	<b>3,747</b>	<b>232,252</b>	<b>245,477</b>	<b>260,728</b>	
<b>Expenditure By Type</b>																	
Employee related costs		7,095	7,095	7,095	7,095	7,095	7,095	7,095	7,095	7,095	7,095	7,095	7,095	85,136	88,967	92,971	
Remuneration of councillors		1,121	1,121	1,121	1,121	1,121	1,121	1,121	1,121	1,121	1,121	1,121	1,121	13,456	14,061	14,694	
Debt impairment		-	-	1,250	-	-	1,250	-	-	1,250	-	-	1,250	5,000	5,225	5,460	
Depreciation & asset impairment		3,536	3,536	3,536	3,536	3,536	3,536	3,536	3,536	3,536	3,536	3,536	3,536	8,578	47,479	53,887	
Finance charges		9	9	9	9	9	9	9	9	9	9	9	9	106	111	116	
Bulk purchases														-	-	-	
Other materials		176	176	176	176	176	176	176	176	176	176	176	176	2,110	2,205	2,304	
Contracted services		2,637	2,637	2,637	2,637	2,637	2,637	2,637	2,637	2,637	2,637	2,637	2,637	31,640	31,626	33,049	
Transfers and subsidies		93	93	93	93	93	93	93	93	93	93	93	93	1,120	1,170	1,223	
Other expenditure		4,210	4,210	4,210	4,210	4,210	4,210	4,210	4,210	4,210	4,210	4,210	(832)	45,481	47,352	49,263	
Losses														-	-	-	
<b>Total Expenditure</b>		<b>18,877</b>	<b>18,877</b>	<b>20,127</b>	<b>18,877</b>	<b>18,877</b>	<b>20,127</b>	<b>18,877</b>	<b>18,877</b>	<b>20,127</b>	<b>18,877</b>	<b>18,877</b>	<b>20,127</b>	<b>231,529</b>	<b>244,605</b>	<b>257,177</b>	
<b>Surplus/(Deficit)</b>		<b>45,557</b>	<b>(9,908)</b>	<b>(16,380)</b>	<b>(15,130)</b>	<b>(15,130)</b>	<b>44,307</b>	<b>(15,130)</b>	<b>(15,130)</b>	<b>44,307</b>	<b>(15,130)</b>	<b>(15,130)</b>	<b>(16,380)</b>	<b>723</b>	<b>872</b>	<b>3,551</b>	
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		16,901	-	-	-	-	16,901	-	-	16,901	-	-	(16,000)	34,702	37,486	39,523	
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)														-	-	-	
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>62,457</b>	<b>(9,908)</b>	<b>(16,380)</b>	<b>(15,130)</b>	<b>(15,130)</b>	<b>61,207</b>	<b>(15,130)</b>	<b>(15,130)</b>	<b>61,207</b>	<b>(15,130)</b>	<b>(15,130)</b>	<b>(32,380)</b>	<b>35,425</b>	<b>38,358</b>	<b>43,074</b>	
Taxation														-	-	-	
Attributable to minorities														-	-	-	
Share of surplus/ (deficit) of associate														-	-	-	
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>62,457</b>	<b>(9,908)</b>	<b>(16,380)</b>	<b>(15,130)</b>	<b>(15,130)</b>	<b>61,207</b>	<b>(15,130)</b>	<b>(15,130)</b>	<b>61,207</b>	<b>(15,130)</b>	<b>(15,130)</b>	<b>(32,380)</b>	<b>35,425</b>	<b>38,358</b>	<b>43,074</b>	

**Table 38 MBRR – Table 26 – Budgeted Monthly income and expenditure revenue (municipal vote)**

KZN271 Umhlabuyalingana - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	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
<b>Revenue by Vote</b>																
Vote 1 - Finance & Admin														-	-	-
Vote 2 - Executive & Council		17,995	17,995	17,995	17,995	17,995	17,995	17,995	17,995	17,995	17,995	17,995	17,995	215,941	232,164	246,772
Vote 3 - Community and Social Services							74							74	78	82
Vote 4 - Internal Audit		260	260	260	260	260	260	260	260	260	260	260	260	3,121	3,265	3,426
Vote 5 - Water Management		3,194	3,194	3,194	3,194	3,194	3,194	3,194	3,194	3,194	3,194	3,194	3,194	38,323	37,506	39,544
Vote 6 - [NAME OF VOTE 6]													655	655	686	
Vote 7 - Waste Management		737	737	737	737	737	737	737	737	737	737	737	737	8,840	9,264	9,709
Vote 8 - Energy Sources														-	-	-
Vote 9 - Planning and Development														-	-	-
Vote 10 - Sports and Recreation														-	-	-
Vote 11 - Road Transport														-	-	-
Vote 12 - Health														-	-	-
Vote 13 - Housing														-	-	-
Vote 14 - Public Safety														-	-	-
Vote 15 - Finance and Admin 2														-	-	-
<b>Total Revenue by Vote</b>		<b>22,185</b>	<b>22,185</b>	<b>22,185</b>	<b>22,185</b>	<b>22,185</b>	<b>22,260</b>	<b>22,185</b>	<b>22,185</b>	<b>22,185</b>	<b>22,185</b>	<b>22,185</b>	<b>22,840</b>	<b>266,954</b>	<b>282,963</b>	<b>300,252</b>
<b>Expenditure by Vote to be appropriated</b>																
Vote 1 - Finance & Admin		3,070	3,070	3,070	3,070	3,070	3,070	3,070	3,070	3,070	3,070	3,070	3,070	36,837	34,052	35,585
Vote 2 - Executive & Council		5,962	5,962	5,962	5,962	5,962	5,962	5,962	5,962	5,962	5,962	5,962	5,962	71,539	63,697	69,473
Vote 3 - Community and Social Services		2,254	2,254	2,254	2,254	2,254	2,254	2,254	2,254	2,254	2,254	2,254	2,254	27,051	26,273	29,551
Vote 4 - Internal Audit		4,013	4,013	4,013	4,013	4,013	4,013	4,013	4,013	4,013	4,013	4,013	4,013	48,161	50,329	52,593
Vote 5 - Water Management		5,942	5,942	5,942	5,942	5,942	5,942	5,942	5,942	5,942	5,942	5,942	5,942	71,300	74,004	79,874
Vote 6 - [NAME OF VOTE 6]		113	113	113	113	113	113	113	113	113	113	113	113	1,350	1,411	1,474
Vote 7 - Waste Management		893	893	893	893	893	893	893	893	893	893	893	893	10,716	11,198	11,702
Vote 8 - Energy Sources														-	-	-
Vote 9 - Planning and Development														-	-	-
Vote 10 - Sports and Recreation														-	-	-
Vote 11 - Road Transport														-	-	-
Vote 12 - Health														-	-	-
Vote 13 - Housing														-	-	-
Vote 14 - Public Safety														-	-	-
Vote 15 - Finance and Admin 2														-	-	-
<b>Total Expenditure by Vote</b>		<b>22,246</b>	<b>22,246</b>	<b>22,246</b>	<b>22,246</b>	<b>22,246</b>	<b>22,246</b>	<b>22,246</b>	<b>22,246</b>	<b>22,246</b>	<b>22,246</b>	<b>22,246</b>	<b>22,246</b>	<b>266,954</b>	<b>282,963</b>	<b>300,252</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>(61)</b>	<b>(61)</b>	<b>(61)</b>	<b>(61)</b>	<b>(61)</b>	<b>14</b>	<b>(61)</b>	<b>(61)</b>	<b>(61)</b>	<b>(61)</b>	<b>(61)</b>	<b>594</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>
Taxation														-	-	-
Attributable to minorities														-	-	-
Share of surplus/ (deficit) of associate														-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>(61)</b>	<b>(61)</b>	<b>(61)</b>	<b>(61)</b>	<b>(61)</b>	<b>14</b>	<b>(61)</b>	<b>(61)</b>	<b>(61)</b>	<b>(61)</b>	<b>(61)</b>	<b>594</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>

**Table 39 MBRR Table SA27 – Budgeted Income and expenditure (standard classification)**

KZN271 Umhlabuyalingana - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	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
<b>Revenue - Functional</b>																
<i>Governance and administration</i>		64,520	2,917	2,917	2,917	2,917	62,620	2,917	2,917	62,620	2,917	2,917	2,917	216,015	232,242	246,854
Executive and council																
Finance and administration		64,520	2,917	2,917	2,917	2,917	62,620	2,917	2,917	62,620	2,917	2,917	2,917	216,015	232,242	246,854
Internal audit																
<i>Community and public safety</i>		37	2,709	37	37	37	37	37	37	37	37	37	37	3,121	3,265	3,426
Community and social services		35	2,707	35	35	35	35	35	35	35	35	35	35	3,089	3,232	3,391
Sport and recreation																
Public safety		3	3	3	3	3	3	3	3	3	3	3	3	31	33	35
Housing																
Health																
<i>Economic and environmental services</i>		12,005	4,440	838	838	838	12,005	838	838	12,005	838	838	838	47,163	46,770	49,253
Planning and development		102	3,704	102	102	102	102	102	102	102	102	102	102	4,823	2,498	2,961
Road transport		11,903	737	737	737	737	11,903	737	737	11,903	737	737	737	42,340	44,272	46,292
Environmental protection																
<i>Trading services</i>		55	55	55	55	55	55	55	55	55	55	55	55	655	686	719
Energy sources																
Water management																
Waste water management																
Waste management		55	55	55	55	55	55	55	55	55	55	55	55	655	686	719
<i>Other</i>																
<b>Total Revenue - Functional</b>		<b>76,617</b>	<b>10,122</b>	<b>3,848</b>	<b>3,848</b>	<b>3,848</b>	<b>74,717</b>	<b>3,848</b>	<b>3,848</b>	<b>74,717</b>	<b>3,848</b>	<b>3,848</b>	<b>3,848</b>	<b>266,954</b>	<b>282,963</b>	<b>300,252</b>
<b>Expenditure - Functional</b>																
<i>Governance and administration</i>		11,286	11,286	11,286	11,286	11,286	11,286	11,286	11,286	11,286	11,286	11,286	11,286	135,427	146,022	154,608
Executive and council		2,936	2,936	2,936	2,936	2,936	2,936	2,936	2,936	2,936	2,936	2,936	2,936	35,237	32,380	33,838
Finance and administration		8,216	8,216	8,216	8,216	8,216	8,216	8,216	8,216	8,216	8,216	8,216	8,216	98,590	111,970	119,023
Internal audit		133	133	133	133	133	133	133	133	133	133	133	133	1,600	1,672	1,747
<i>Community and public safety</i>		4,013	4,013	4,013	4,013	4,013	4,013	4,013	4,013	4,013	4,013	4,013	4,013	48,161	50,329	52,593
Community and social services		4,013	4,013	4,013	4,013	4,013	4,013	4,013	4,013	4,013	4,013	4,013	4,013	48,161	50,329	52,593
Sport and recreation																
Public safety																
Housing																
Health																
<i>Economic and environmental services</i>		6,789	6,789	6,789	6,789	6,789	6,789	6,789	6,789	6,789	6,789	6,789	6,789	81,469	84,630	90,978
Planning and development		3,104	3,104	3,104	3,104	3,104	3,104	3,104	3,104	3,104	3,104	3,104	3,104	37,253	38,424	42,693
Road transport		3,685	3,685	3,685	3,685	3,685	3,685	3,685	3,685	3,685	3,685	3,685	3,685	44,216	46,206	48,285
Environmental protection																
<i>Trading services</i>		158	158	158	158	158	158	158	158	158	158	158	158	1,897	1,982	2,072
Energy sources		46	46	46	46	46	46	46	46	46	46	46	46	547	572	597
Water management																
Waste water management																
Waste management		113	113	113	113	113	113	113	113	113	113	113	113	1,350	1,411	1,474
<i>Other</i>																
<b>Total Expenditure - Functional</b>		<b>22,246</b>	<b>22,246</b>	<b>22,246</b>	<b>22,246</b>	<b>22,246</b>	<b>22,246</b>	<b>22,246</b>	<b>22,246</b>	<b>22,246</b>	<b>22,246</b>	<b>22,246</b>	<b>22,246</b>	<b>266,954</b>	<b>282,963</b>	<b>300,252</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>54,371</b>	<b>(12,124)</b>	<b>(18,398)</b>	<b>(18,398)</b>	<b>(18,398)</b>	<b>52,471</b>	<b>(18,398)</b>	<b>(18,398)</b>	<b>52,471</b>	<b>(18,398)</b>	<b>(18,398)</b>	<b>(18,398)</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>
Share of surplus/ (deficit) of associate																
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>54,371</b>	<b>(12,124)</b>	<b>(18,398)</b>	<b>(18,398)</b>	<b>(18,398)</b>	<b>52,471</b>	<b>(18,398)</b>	<b>(18,398)</b>	<b>52,471</b>	<b>(18,398)</b>	<b>(18,398)</b>	<b>(18,398)</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>

**Table 39 MBRR Table SA28 – Budgeted Income and expenditure (standard classification)**

KZN271 Umhlabuyalingana - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	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	
<b>Multi-year expenditure to be appropriated</b>	1																
Vote 1 - Finance & Admin																	
Vote 2 - Executive & Council																	
Vote 3 - Community and Social Services																	
Vote 4 - Internal Audit																	
Vote 5 - Water Management																	
Vote 6 - [NAME OF VOTE 6]																	
Vote 7 - Waste Management																	
Vote 8 - Energy Sources																	
Vote 9 - Planning and Development																	
Vote 10 - Sports and Recreation																	
Vote 11 - Road Transport																	
Vote 12 - Health																	
Vote 13 - Housing																	
Vote 14 - Public Safety																	
Vote 15 - Finance and Admin 2																	
<b>Capital multi-year expenditure sub-total</b>	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure to be appropriated</b>																	
Vote 1 - Finance & Admin																	
Vote 2 - Executive & Council		33	33	33	33	33	33	33	33	33	33	33	33	33	400	418	437
Vote 3 - Community and Social Services		110	110	110	110	110	110	110	110	110	110	110	110	110	1,325	1,385	1,447
Vote 4 - Internal Audit																	
Vote 5 - Water Management		2,792	2,792	2,792	2,792	2,792	2,792	2,792	2,792	2,792	2,792	2,792	2,792	33,500	35,008	36,583	
Vote 6 - [NAME OF VOTE 6]																	
Vote 7 - Waste Management						200									200	209	218
Vote 8 - Energy Sources																	
Vote 9 - Planning and Development																	
Vote 10 - Sports and Recreation																	
Vote 11 - Road Transport																	
Vote 12 - Health																	
Vote 13 - Housing																	
Vote 14 - Public Safety																	
Vote 15 - Finance and Admin 2																	
<b>Capital single-year expenditure sub-total</b>	2	2,935	2,935	2,935	2,935	2,935	3,135	2,935	2,935	2,935	2,935	2,935	2,935	35,425	37,019	38,685	
<b>Total Capital Expenditure</b>	2	2,935	2,935	2,935	2,935	2,935	3,135	2,935	2,935	2,935	2,935	2,935	2,935	35,425	37,019	38,685	

**Table 39 MBRR Table SA29 – Budgeted monthly capital expenditure (functional classification)**

KZN271 Umhlabuyalingana - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	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	
<b>Capital Expenditure - Functional</b>	1																
<b>Governance and administration</b>																	
Executive and council		127	127	127	127	127	127	127	127	127	127	127	127	1,525	1,594	1,666	
Finance and administration		127	127	127	127	127	127	127	127	127	127	127	127	1,525	1,594	1,666	
Internal audit																	
<b>Community and public safety</b>																	
Community and social services							200							200	209	218	
Sport and recreation																	
Public safety							200							200	209	218	
Housing																	
Health																	
<b>Economic and environmental services</b>																	
Planning and development		2,792	2,792	2,792	2,792	2,792	2,992	2,792	2,792	2,792	2,792	2,792	2,792	33,700	35,217	36,801	
Road transport		2,792	2,792	2,792	2,792	2,792	200	2,792	2,792	2,792	2,792	2,792	2,792	200	209	218	
Environmental protection																	
<b>Trading services</b>																	
Energy sources																	
Water management																	
Waste water management																	
Waste management																	
<b>Other</b>																	
<b>Total Capital Expenditure - Functional</b>	2	2,919	2,919	2,919	2,919	2,919	3,319	2,919	2,919	2,919	2,919	2,919	2,919	35,425	37,019	38,685	
<b>Funded by:</b>																	
National Government		2,792	2,792	2,792	2,792	2,792	2,792	2,792	2,792	2,792	2,792	2,792	2,792	33,500	35,008	36,583	
Provincial Government																	
District Municipality																	
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public																	
<b>Transfers recognised - capital</b>		2,792	2,792	2,792	2,792	2,792	2,792	2,792	2,792	2,792	2,792	2,792	2,792	33,500	35,008	36,583	
<b>Borrowing</b>																	
<b>Internally generated funds</b>		160	160	160	160	160	160	160	160	160	160	160	160	1,925	2,012	2,102	
<b>Total Capital Funding</b>		2,952	2,952	2,952	2,952	2,952	2,952	2,952	2,952	2,952	2,952	2,952	2,952	35,425	37,019	38,685	



**Table 40 MBR SA 30 – Budgeted monthly cash flow**

KZN271 Umhlabuyalingana - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	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
<b>Cash Receipts By Source</b>													1		
Property rates	1,544	1,544	1,544	1,544	1,544	1,544	1,544	1,544	1,544	1,544	1,544	1,544	18,532	19,422	20,354
Service charges - electricity revenue													-		
Service charges - water revenue													-		
Service charges - sanitation revenue													-		
Service charges - refuse revenue	27	27	27	27	27	27	27	27	27	27	27	27	327	343	360
Rental of facilities and equipment	16	16	16	16	16	16	16	16	16	16	16	16	189	198	208
Interest earned - external investments	80	80	80	80	80	80	80	80	80	80	80	80	955	1,001	1,049
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received													-		
Fines, penalties and forfeits	268	268	268	268	268	268	268	268	268	268	268	268	3,220	3,375	3,537
Licences and permits	466	466	466	466	466	466	466	466	466	466	466	466	5,593	5,862	6,143
Agency services													-		
Transfers and Subsidies - Operational	60,687	5,222				60,687			60,687			0	187,282	198,346	211,338
Other revenue													-		
<b>Cash Receipts by Source</b>	<b>63,088</b>	<b>7,623</b>	<b>2,401</b>	<b>2,401</b>	<b>2,401</b>	<b>63,088</b>	<b>2,401</b>	<b>2,401</b>	<b>63,088</b>	<b>2,401</b>	<b>2,401</b>	<b>2,402</b>	<b>216,100</b>	<b>228,550</b>	<b>242,988</b>
<b>Other Cash Flows by Source</b>															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	16,901					16,901			16,901			0	50,702	54,486	54,523
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													-		
Short term loans													-		
Borrowing long term/refinancing													-		
Increase (decrease) in consumer deposits													-		
Decrease (increase) in non-current receivables													-		
Decrease (increase) in non-current investments													-		
<b>Total Cash Receipts by Source</b>	<b>79,989</b>	<b>7,623</b>	<b>2,401</b>	<b>2,401</b>	<b>2,401</b>	<b>79,989</b>	<b>2,401</b>	<b>2,401</b>	<b>79,989</b>	<b>2,401</b>	<b>2,401</b>	<b>2,402</b>	<b>266,802</b>	<b>283,036</b>	<b>297,511</b>
<b>Cash Payments by Type</b>															
Employee related costs	7,095	7,095	7,095	7,095	7,095	7,095	7,095	7,095	7,095	7,095	7,095	7,095	85,136	88,967	92,971
Remuneration of councillors	1,121	1,121	1,121	1,121	1,121	1,121	1,121	1,121	1,121	1,121	1,121	1,121	13,456	14,061	14,694
Finance charges	9	9	9	9	9	9	9	9	9	9	9	9	106	111	116
Bulk purchases - Electricity													-		
Bulk purchases - Water & Sewer													-		
Other materials	176	176	176	176	176	176	176	176	176	176	176	176	2,110	2,205	2,304
Contracted services	2,637	2,637	2,637	2,637	2,637	2,637	2,637	2,637	2,637	2,637	2,637	2,637	31,640	31,626	33,049
Transfers and grants - other municipalities													-		
Transfers and grants - other	93	93	93	93	93	93	93	93	93	93	93	93	1,120	1,170	1,223
Other expenditure	3,794	3,794	3,794	3,794	3,794	3,794	3,794	3,794	3,794	3,794	3,794	3,794	45,523	47,577	49,723
<b>Cash Payments by Type</b>	<b>14,924</b>	<b>14,924</b>	<b>14,924</b>	<b>14,924</b>	<b>14,924</b>	<b>14,924</b>	<b>14,924</b>	<b>14,924</b>	<b>14,924</b>	<b>14,924</b>	<b>14,924</b>	<b>14,924</b>	<b>179,091</b>	<b>185,718</b>	<b>194,080</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	4,285	4,285	4,285	4,285	4,285	4,285	4,285	4,285	4,285	4,285	4,285	4,285	51,425	53,739	56,158
Repayment of borrowing													-		
Other Cash Flows/Payments													-		
<b>Total Cash Payments by Type</b>	<b>19,210</b>	<b>19,210</b>	<b>19,210</b>	<b>19,210</b>	<b>19,210</b>	<b>19,210</b>	<b>19,210</b>	<b>19,210</b>	<b>19,210</b>	<b>19,210</b>	<b>19,210</b>	<b>19,210</b>	<b>230,517</b>	<b>239,457</b>	<b>250,238</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>60,779</b>	<b>(11,586)</b>	<b>(16,808)</b>	<b>(16,808)</b>	<b>(16,808)</b>	<b>60,779</b>	<b>(16,808)</b>	<b>(16,808)</b>	<b>60,779</b>	<b>(16,808)</b>	<b>(16,808)</b>	<b>(16,808)</b>	<b>36,285</b>	<b>43,579</b>	<b>47,274</b>
Cash/cash equivalents at the monthly year begin:	49,652	110,431	98,845	82,037	65,228	48,420	109,199	92,391	75,583	136,362	119,554	102,745	49,652	85,937	129,516
Cash/cash equivalents at the monthly year end:	110,431	98,845	82,037	65,228	48,420	109,199	92,391	75,583	136,362	119,554	102,745	85,937	85,937	129,516	176,790

**2.10 SDBIP's – Internal departments**

Departmental draft SDBIP's for 2020/2021 financial year are attached to this report as annexure D

**2.11 Capital expenditure details**

The tables below indicates the capital expenditure by asset class, repairs and maintenance expenditure by asset class, depreciation by asset class, future implication of capital budget and detailed capital budget.

**Table 41 MBRR Table SA 34a – Capital expenditure on new assets by asset class**

KZN271 Umhlabuyalingana - 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
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>	1									
<b>Infrastructure</b>		44,091	20,704	24,036	45,918	33,840	33,840	33,500	35,008	36,583
Roads Infrastructure		44,091	20,704	18,096	21,918	33,840	33,840	33,500	35,008	36,583
Roads		44,091	20,704	18,096	21,918	33,840	33,840	33,500	35,008	36,583
Storm water Infrastructure		-	-	4,550	-	-	-	-	-	-
Drainage Collection										
Storm water Conveyance				4,550						
Attenuation										
Electrical Infrastructure		-	-	-	24,000	-	-	-	-	-
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks				-	24,000	-	-			
<b>Community Assets</b>		4,922	13,962	14,932	12,000	1,323	1,323	-	-	-
Community Facilities		4,922	13,962	12,134	12,000	1,269	1,269	-	-	-
Halls		4,922	13,962	9,019	12,000	1,269	1,269			
Sport and Recreation Facilities		-	-	2,799	-	54	54	-	-	-
Indoor Facilities										
Outdoor Facilities				2,799		54	54			
Capital Spares										
<b>Other assets</b>		-	-	-	-	350	350	-	-	-
Operational Buildings		-	-	-	-	350	350	-	-	-
Municipal Offices						350	350			
<b>Intangible Assets</b>		-	-	-	-	500	500	1,325	1,385	1,447
Servitudes										
Licences and Rights		-	-	-	-	500	500	1,325	1,385	1,447
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications				-		500	500	1,325	1,385	1,447
Load Settlement Software Applications										
Unspecified										
<b>Computer Equipment</b>		146	1,001	151	400	470	470	200	209	218
Computer Equipment		146	1,001	151	400	470	470	200	209	218
<b>Furniture and Office Equipment</b>		-	-	1	1,260	490	490	-	-	-
Furniture and Office Equipment				1	1,260	490	490			
<b>Machinery and Equipment</b>		-	-	543	600	370	370	400	418	437
Machinery and Equipment				543	600	370	370	400	418	437
<b>Transport Assets</b>		4,204	3,751	898	7,200	7,200	7,200	-	-	-
Transport Assets		4,204	3,751	898	7,200	7,200	7,200			
<b>Land</b>		-	-	-	-	-	-	-	-	-
Land										
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										
<b>Total Capital Expenditure on new assets</b>	1	53,363	39,418	40,562	67,378	44,543	44,543	35,425	37,019	38,685

**Table 42 MBRR Table SA34c Repairs and maintenance expenditure by asset class**

**KZN271 Umhlabuyalingana - Supporting Table SA34c Repairs and maintenance expenditure 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
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		6,834	1,134	3,543	1,600	2,100	2,100	3,500	3,658	3,822
Roads Infrastructure		6,609	1,050	3,543	1,600	2,100	2,100	3,500	3,658	3,822
Roads		6,609	936		1,600	2,100	2,100	3,500	3,658	3,822
Road Structures			114							
Road Furniture				3,543						
Capital Spares										
Storm water Infrastructure		207	-	-	-	-	-	-	-	-
Drainage Collection		207								
<b>Community Assets</b>		1,232	314	328	200	200	200	-	-	-
Community Facilities		1,232	314	328	200	200	200	-	-	-
Libraries		-	-	328	200	200	200			
<b>Other assets</b>		1,505	509	-	450	280	280	1,700	1,777	1,856
Operational Buildings		1,505	509	-	450	280	280	1,700	1,777	1,856
Municipal Offices		1,505	509		450	280	280	1,500	1,568	1,638
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards								200	209	218
<b>Computer Equipment</b>		163	67	48	81	81	81	95	99	104
Computer Equipment		163	67	48	81	81	81	95	99	104
<b>Furniture and Office Equipment</b>		4	-	-	-	-	-	-	-	-
Furniture and Office Equipment		4								
<b>Machinery and Equipment</b>		26	59	175	430	650	650	700	732	764
Machinery and Equipment		26	59	175	430	650	650	700	732	764
<b>Transport Assets</b>		1,467	2,240	-	1,800	600	600	1,897	1,983	2,072
Transport Assets		1,467	2,240		1,800	600	600	1,897	1,983	2,072
<b>Land</b>		-	-	-	-	-	-	-	-	-
Land										
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										
<b>Total Repairs and Maintenance Expenditure</b>	1	11,285	4,322	4,094	4,561	3,911	3,911	7,892	8,247	8,618
<b>R&amp;M as a % of PPE</b>		4.1%	1.5%	1.4%	1.4%	1.2%	1.2%	2.5%	2.5%	2.5%
<b>R&amp;M as % Operating Expenditure</b>		5.6%	2.5%	1.8%	2.2%	1.9%	1.9%	3.8%	3.6%	3.5%

**Table 43 MBRR Table SA34d – Depreciation by asset class**

KZN271 Umhlabuyalingana - Supporting Table SA34d Depreciation 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
<b>Depreciation by Asset Class/Sub-class</b>	1									
<b>Infrastructure</b>		12,896	13,403	13,167	14,611	14,611	14,611	19,471	24,286	27,389
Roads Infrastructure		12,896	13,363	12,885	13,955	13,955	13,955	18,465	23,234	26,290
Roads		12,896	13,363	12,885	13,500	13,500	13,500	18,000	22,749	25,782
Road Structures					165	165	165	175	183	191
Road Furniture					290	290	290	290	303	317
Capital Spares										
Solid Waste Infrastructure		-	40	44	656	656	656	1,006	1,052	1,099
Landfill Sites		-	40		320	320	320	556	581	608
Waste Transfer Stations					-	-	-			
Waste Processing Facilities				44	-	-	-			
Waste Drop-off Points					-	-	-			
Waste Separation Facilities					336	336	336	450	470	491
Electricity Generation Facilities					-	-	-			
Capital Spares					-	-	-			
<b>Community Assets</b>		-	3,704	4,459	6,798	6,798	6,798	15,146	20,827	21,765
Community Facilities		-	3,704	2,804	5,298	5,298	5,298	6,067	6,340	6,625
Halls		-	3,704	266	3,437	3,437	3,437	3,729	3,897	4,072
Centres				1,763	-	-	-			
Crèches				23	24	24	24	250	261	273
Clinics/Care Centres				27	31	31	31	31	32	34
Fire/Ambulance Stations				-	-	-	-			
Testing Stations				-	-	-	-			
Museums				-	-	-	-			
Galleries				-	-	-	-			
Theatres				-	-	-	-			
Libraries				725	76	76	76	77	80	84
Cemeteries/Crematoria				-	-	-	-			
Stalls				-	1,730	1,730	1,730	1,980	2,069	2,162
Abattoirs				-	-	-	-			
Airports				-	-	-	-			
Taxi Ranks/Bus Terminals				-	-	-	-			
Capital Spares				-	-	-	-			
Sport and Recreation Facilities		-	-	1,655	1,500	1,500	1,500	9,079	14,487	15,139
Indoor Facilities										
Outdoor Facilities				1,655	1,500	1,500	1,500	9,079	14,487	15,139
Capital Spares										
<b>Other assets</b>		6,086	5,344	1,715	1,367	1,367	1,367	2,500	2,613	2,730
Operational Buildings		6,086	5,344	1,715	1,367	1,367	1,367	2,500	2,613	2,730
Municipal Offices		6,086	5,344	1,715	1,367	1,367	1,367	2,500	2,613	2,730

<b>Intangible Assets</b>	463	157	314	365	365	365	490	512	535	
Servitudes										
Licences and Rights	463	157	314	365	365	365	490	512	535	
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications	463	157	314	365	365	365	490	512	535	
Load Settlement Software Applications										
Unspecified										
<b>Computer Equipment</b>	416	387	320	340	340	340	450	470	491	
Computer Equipment	416	387	320	340	340	340	450	470	491	
<b>Furniture and Office Equipment</b>	237	242	228	250	250	250	300	314	328	
Furniture and Office Equipment	237	242	228	250	250	250	300	314	328	
<b>Machinery and Equipment</b>	40	396	1,669	480	480	480	580	606	633	
Machinery and Equipment	40	396	1,669	480	480	480	580	606	633	
<b>Transport Assets</b>	1,038	841	878	1,415	1,415	1,415	3,500	3,658	3,822	
Transport Assets	1,038	841	878	1,415	1,415	1,415	3,500	3,658	3,822	
<b>Land</b>	-	-	-	-	-	-	-	-	-	
Land	-	-	-	-	-	-	-	-	-	
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	
<b>Total Depreciation</b>	1	21,177	24,474	22,750	25,627	25,627	25,627	42,437	53,285	57,693

**Table 45 MBRR Table SA 36 – Detailed capital budget**

KZN271 Umhlabuyalingana - Supporting Table SA36 Detailed capital budget												2027 Medium Term Revenue & Expenditure Forecasts					
Function	Project Description	Project Number	Type	MTRF Service Outcome	RDP	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Actual Outcome 2019/20	Current Year 2019/20 Full Year Forecast	2027 Medium Term Revenue & Expenditure Forecasts			
														Budget Year 2020/21	Budget Year 2021/22	Budget Year 2022/23	
<b>Parent municipality</b>																	
List of capital projects grouped by function																	
Roads	Infrastructure to KwaMashu Backstop		New	An efficient, competitive and responsive economic infrastructure network	Inclusion and access		Roads Infrastructure	Roads	Ward 2					3,500	3,500	3,523	
Roads	Infrastructure to KwaMashu Backstop		New	An efficient, competitive and responsive economic infrastructure network	Inclusion and access		Roads Infrastructure	Roads	Ward 6					2,000	2,070	2,140	
Roads	Establishment materials access road							Roads	Ward 7					6,000	6,270	6,552	
Roads	New school access road							Roads	Ward 6					6,000	6,270	6,552	
Roads	Old school access road							Roads	Ward 6					6,000	6,270	6,552	
Roads	Umhlabuyalingana back stop							Roads	Ward 1					7,000	7,375	7,644	
Other assets	movable assets		New	An efficient, effective and development-oriented public service	Inclusion and access		Non-revenue Generating	Unspecified	Admin building					1,525	2,010	2,102	
<b>Parent Capital expenditure</b>													-	-	34,425	37,819	38,863
<b>Entities:</b>																	
List of capital projects grouped by entity																	
<b>Entity A</b>																	
Water project A																	
<b>Entity B</b>																	
Electricity project B																	
<b>Entity Capital expenditure</b>													-	-	-	-	-
<b>Total Capital expenditure</b>													-	-	34,425	37,819	38,863

## **2.12 Legislation compliance status**

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

- In year reporting  
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Mayor (within 10 working days) has progressively improved.
- Internship programme  
The municipality is participating in the Municipal Financial Management internship programme and currently has 1 inter employed and has finished MFMP training on various divisions of the Financial Services Department. The other 4 interns will be employed in due cause HR unit has advertised the posts to local newspapers in the month of January 2020.
- Budget and Treasury Office  
The Budget and Treasury Office has been established in accordance with the MFMA.
- Audit Committee  
An Audit Committee has been established as is fully functional
- Service Delivery and Implementation Plan  
The detail SDBIP document is at a draft stage a final plan will be finalized after the approval of the 2020/2021 MTERF in May 2020
- Annual Report  
Annual report is compiled in terms of the MFMA and National Treasury requirements and was tabled to Council in January 2020
- Policies  
Budget related policies are being reviewed currently and will be finalized and approved by council in May 2020

## **2.13 Other supporting documents**

IDP copy is attached to this document as annexure E supporting document.

## 2.14 Municipal manager's quality certificate

I, **Nonhlanhla P. Gamede**, municipal manager of Umhlabuyalingana Municipality, hereby certify that the Municipal Finance Management Act and the regulation made under the Act, and that the draft annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name - **Nonhlanhla P Gamede**

Municipal manager of Umhlabuyalingana Municipality (KZN 271)

Signature

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Date

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