

ANNUAL BUDGET OF MKHAMBATHINI MUNICIPALITY



2019/20 TO 2021/22 MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

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Table of Contents

PART 1 – ANNUAL BUDGET	2 - 37
1.1 MAYOR’S REPORT	
1.2 COUNCIL RESOLUTIONS	
1.3 EXECUTIVE SUMMARY	
1.4 OPERATING REVENUE FRAMEWORK	
1.5 OPERATING EXPENDITURE FRAMEWORK	
1.6 CAPITAL EXPENDITURE	
1.7 ANNUAL BUDGET TABLES	
PART 2 – SUPPORTING DOCUMENTATION	38- 74
2.1 OVERVIEW OF THE ANNUAL BUDGET PROCESS	
2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP	
2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS	
2.4 OVERVIEW OF BUDGET RELATED-POLICIES	
2.5 COUNCILLOR AND EMPLOYEE BENEFITS	
2.6 ANNUAL BUDGETS AND SDBIPS – INTERNAL DEPARTMENTS	
2.7 CAPITAL EXPENDITURE DETAILS	
2.8 LEGISLATION COMPLIANCE STATUS	
2.9 OTHER SUPPORTING DOCUMENTS	
2.10 MUNICIPAL MANAGER’S QUALITY CERTIFICATE	
List of Tables	
Table 1 Consolidated Overview of the 2019/20 MTREF	
Table 2 Summary of revenue classified by main revenue source	
Table 3 Percentage growth in revenue by main revenue source	
Table 4 Operating Transfers and Grant Receipts	

Table 8 MBRR Table SA14 – Household bills

Table 9 Summary of operating expenditure by standard classification item

Table 10 Operational repairs and maintenance

Table 12 2015/16 Medium-term capital budget per vote

Table 13 MBRR Table A1 - Budget Summary

Table 14 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Table 15 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Table 16 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

Table 17 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Table 18 MBRR Table A6 - Budgeted Financial Position

Table 19 MBRR Table A7 - Budgeted Cash Flow Statement

Table 20 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Table 21 MBRR Table A9 - Asset Management

Table 23 MBRR Table A10 - Basic Service Delivery Measurement

Table 24 IDP Strategic Objectives

Table 25 MBRR SA Table SA8 – Performance indicators and benchmarks

Table 26 MBRR SA22 - Summary of councillor and staff benefits

Table 27 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

Table 28 MBRR SA24 – Summary of personnel numbers

Table 29 MBRR SA25 - Budgeted monthly revenue and expenditure

Table 30 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

Table 31 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

Table 32 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

Table 33 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

Table 34 MBRR SA30 - Budgeted monthly cash flow

Table 35 MBRR SA34a - Capital expenditure on the renewal of existing assets by asset class

Table 36 MBRR SA3b - Repairs and maintenance expenditure by asset class

Table 37 MBRR Table SA1 - Supporting detail to budgeted financial performance

Table 38 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

Table 39 MBRR Table SA3 – Supporting detail to Statement of Financial Position

Table 40 MBRR Table SA9 – Social, economic and demographic statistics and assumptions

Abbreviations and Acronyms

ASGISA	Accelerated and Shared Growth Initiative	M	Mayor
BPC	Budget Planning Committee	MBRR	Municipal Budget & Reporting Regulations
CFO	Chief Financial Officer	MEC	Member of the Executive Committee
CM	Municipality Manager	MFMA	Municipal Financial Management Act
CPI	Consumer Price Index	MIG	Municipal Infrastructure Grant
CRRF	Capital Replacement Reserve Fund	MPRA	Municipal Properties Rates Act
DBSA	Development Bank of South Africa	MSA	Municipal Systems Act
DoRA	Division of Revenue Act	MTEF	Medium-term Expenditure Framework
DWA	Department of Water Affairs	MTREF	Medium-term Revenue and Expenditure Framework
EE	Employment Equity	NERSA	National Electricity Regulator South Africa
EEDSM	Energy Efficiency Demand Side Management	NGO	Non-Governmental Organisations
FBS	Free basic services	NKPIs	National Key Performance Indicators
GAMAP	Generally Accepted Municipal Accounting Practice	OHS	Occupational Health and Safety
GDP	Gross Domestic Product	OP	Operational Plan
GDS	Gauteng Growth and Development Strategy	PBO	Public Benefit Organisations
GFS	Government Financial Statistics	PHC	Provincial Health Care
GRAP	General Recognised Accounting Practice	PMS	Performance Management System
HR	Human Resources	PPE	Property Plant and Equipment
HSRC	Human Science Research Council	PPP	Public Private Partnership
IDP	Integrated Development Plan	PTIS	Public Transport Infrastructure System
IT	Information Technology	RG	Restructuring Grant
kℓ	kilolitre	RSC	Regional Services Council
km	kilometre	SALGA	South African Local Government Association
KPA	Key Performance Area	SAPS	South African Police Service
KPI	Key Performance Indicator	SDBIP	Service Delivery Budget Implementation Plan
kWh	kilowatt hour	SMME	Small Micro and Medium Enterprises
ℓ	litre		
LED	Local Economic Development		

Part 1 – Annual Budget

1.1 Mayor’s Report

SPEECH BY THE MAYOR OF MKHAMBATHINI MUNICIPALITY

**CLLR. E. NGCONGO PRESENTED TO THE MUNICIPAL COUNCIL ON THE OCCASION OF THE
TABLING OF THE 2019/2020, 2020/2021 and 2021/2022 DRAFT BUDGET IN THE COUNCIL
CHAMBERS, CAMPERDOWN,**

ON THURSDAY, 28 MARCH 2018

Speaker of the Council,

Deputy Mayor,

Executive Committee Members,

Councillors,

Traditional leaders,

Acting Municipal Manager,

All Senior Managers,

Chief Financial Officer,

All Staff members present,

Members of the media if any are present and Public,

Distinguish guest, Ladies and Gentlemen.

It is a great honour to present to you the multi-year budget for Mkhambathini Municipality in respect of the 2019/20, 2020/21 and 2021/22 financial years.

Speaker and members of Council, this multi-year budget is tabled in terms of the Municipal Finance Management Act (MFMA), No 56 of 2003 and in terms of the Municipal Budget & Reporting Regulations. The MFMA requires that the budget be tabled ninety (90) days before the start of the financial year and we are fully complying with this requirement. It is the intention to have this budget finally approved on 31 May 2019 which will be in compliance of the requirements of the MFMA.

Inflation is forecast to remain within the target range of 6.1 to 5.8 percent as per MFMA circular 93 and 94 issued by National Treasury. This was taken into account when the budget was compiled.

Cognisance should be taken that the SALGA is currently engaging with the trade unions for the new collective agreement on the staff salaries increment which has not yet been finalised however the projected increment of 7% was used when doing the draft budget.

Speaker, Council's reviewed Draft IDP tabled today in this meeting informs the 2019/20 financial year's Draft Budget. I am pleased to announce that this draft budget is aligned to the draft revised IDP. Due to the current financial situation of Mkhambathini Municipality, the municipality will only be able to fund the capital projects through the Municipal Infrastructure Grant which amounts to R 16, 076 million and own generated revenue of R4, 4 million. Few projects are funded from the Municipality's own reserves as per the detailed capital budget.

Governance

The Internal Audit Activity stills operate as an outsourced Internal Audit Services which is an indication of a commitment in promoting good governance. Internal Audit Activity has formed a working relationship with the Provincial Internal Audit Unit and National Treasury Risk and Internal Audit Support Unit for skills and resources sharing and to strengthen the Internal Audit Activities operations. A risk based audit plan has been developed and systems of internal control were tested to effectively monitor the vulnerability of operations within the municipality. Internal Audit also meets on a regular basis as well MPAC.

Mkhambathini Municipality Youth Advisory Centre continues to service the youth who are seeking advice on careers, receiving vouchers for small businesses, life skills, and basic computer skills. The centre of gender issues also resides in the youth development office. The municipality have also established the Youth Council which was elected in 2018 and it is currently functional when it comes to youth programs.

Housing

Speaker, we have 4 housing projects within the Mkhambathini Municipality. To date, low income houses have been constructed. These include areas such as Mbambangalo, Maqongqo, KwaNjobokazi, KwaMahleka and Ward 7 Rural Housing. Furthermore, there are projects that are in the planning and packaging stage, which include Stockdale and Poortjie Project. The ward 7 rural housing projects currently have challenges which is caused by access to some of the sites due to road infrastructure problems however the matter was referred to Council for assistance and we believe that this will be resolved and the project will continue.

Property Rates

- The current General Valuation Roll validity period is coming to an end on 30 June 2019. The municipality appointed a service provider to prepare the New General Valuation Roll to be implemented as from 01 July 2019 with a validity period being 5 years. The process of inspection of the roll is currently under way.
- The currently year's Supplementary valuation roll has been received and is going to be advertised for comment in April 2019 for comment before being implemented. The Rates Policy has been amended to make provision for the changes in the amendments to the Property rates act and regulations.
- There will be rates exemption up to R300 000 of the valuation for residential properties in 2017/18 as granted in the previous years.

I must mention Speaker, that after this meeting, the municipality will have public participation process to showcase the IDP and Budget and to share with our people different views on what I am about to table to this Council.

Back to basics

Speaker, we all aware of the concept of Back to basics and the importance of implementing a back to basic plan. We are fortunate that through the COGTA assessment, Mkhambathini Municipality was found to be functional, but we must still make every effort to improve on upholding the 5 pillars of the Back to Basics concept and improve the lives of our citizens. We continue to align ourselves to the programmes rolled out by National and Provincial Government. We have provided an amount in our budget to deal with some priorities of Back to basics.

MSCOA

Speaker, Local Government has seen many reforms since the Implementation of the Municipal Management Finance Act over the years. Recently National Treasury has commenced with the roll out of programmes to implement the Municipal standard chart of accounts – mSCOA. A lot more needs to be done to implement this new reform as we go live on 1 July 2017. Funding for implementation mSCOA is from the Financial Management Grant and Municipal System Improvement Grant and own funding. Reports have been coming to Council during the last 2 years on the implementation and readiness towards mSCOA.

Current Economic Conditions and Funding

Speaker, as you are aware, the Country is experiencing harsh economic times and is experiencing a severe drought. As a result of this, food prices and other essential commodities are rising rapidly. This prompted National and Provincial Government to introduce cost cutting and saving measures in order to deliver services and sacrifice effectively. As the result of this funding to Local Government has been

being reduced. Grant funding has been reduced and affects, Equitable Share and MIG. The effect of Governments austerity measures, has placed the Municipal budget under pressure and the Municipality has also embarked on cost saving measures and introduced them in this budget. Prudent Financial Management and constant monitoring of the budget must take place during the year through in year monitoring.

I THANK YOU

1.2 Council Resolutions

1. That in terms of section 24 of the Municipal Finance Management Act, 56 of 2003, the annual budget of Mkhambathini Municipality for the financial year 2021/2020 and indicative allocations for the two projected outer years 2020/2021 and 2021/2022, and the multi-year and single year capital appropriations are approved as set out in the following tables:

1.1 Budgeted Financial Performance (revenue & expenditure by standard classification)

1.2 Budgeted Financial Performance (revenue and expenditure by municipal vote)

1.3 Budgeted Financial Performance (revenue by source and expenditure by type)

1.4 Single year capital appropriations by municipal vote and standard classification and associated funding by source

2. That the draft annual budget and Medium-Term Revenue and Expenditure Framework (MTEF) for the three-year period commencing in 2019/2020 financial year be adopted.

3. To take note of the operational and Capital budget for the outer years 2020/2021 and 2021/2022.

4. That the financial position, cash flow, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are adopted as set out in the following tables

4.1 Budgeted Financial Position

4.2 Budgeted Cash Flows

4.3 Cash backed reserves and accumulated surplus reconciliation

4.4 Asset Management

4.5 Basic service delivery measurement

5. That in terms of section 24(2)(c)(ii) of the Municipal Finance Management Act, 56 of 2003, the measurable performance objectives for capital and operating expenditure by vote for each year of the medium term revenue and expenditure framework be adopted
6. To take note that provision was made for a general increase of 7% on Employee Related Costs and 5% provision for the Upper limits for Remuneration and allowances for Councillors, implementation being subject to the confirmation by the SALGBC for employees and approval by MEC for Co-operative Governance and Traditional Affairs for Councillors.
7. To take note that the Municipal Budget related policies, mSCOA Regulations, Integrated Development Plan, MFMA Budget Circular (93 & 94) was observed and taken into account in the compilation of the budget.
8. Those copies of the budget are submitted to National Treasury, COGTA, and Provincial Treasury as per the requirements of the MFMA.
9. That in terms of section 5 of the Municipal Property Rates Act, 6 of 2004, the rates policy as amended be adopted
10. That in terms of section 24(2) (c) (v) of the Municipal Finance Management Act, 56 of 2003 the various budget-related policies as amended be adopted.
11. That in terms of section 14 of the Municipal Property Rates Act, 6 of 2004 the rate randage and conditions as set out in other Supporting Documents be adopted.
12. That the tabled budget for the year 2019/2020 & indicative figures for the 2 projected outer years be adopted by Council as set out in the following schedules:
 - Table A1 Budget Summary
 - Table A2 Budgeted Financial Performance (By Standard Classification)
 - Table A3 Budgeted Financial Performance (By Municipal Vote)
 - Table A4 Budgeted Financial Performance (Revenue & Expenditure)
 - Table A5 Budgeted Capital Expenditure
 - Table A6 Budgeted Financial Position
 - Table A7 Budgeted Cash Flows
 - Table A8 Cash Backed Reserves
 - Table A9 Asset Management
 - Table A10 Basic Service Delivery Measurement

 - Supporting documents from SA1 – SA37

That once this budget is tabled the information be uploaded to the LG Portal with the necessary MSCOA information

1.3 Executive Summary

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

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on non-core and 'nice to have' items. Key areas where savings were realized were on telephone and internet usage, printing, workshops, travel, accommodation, and catering.

The Municipality has embarked on implementing a revenue collection strategies to optimize the collection of debt owed by ratepayers. In addition to supplementing the declining revenue base, and reduction in grant funding the Municipality has introduced a refuse tariff to areas within the Municipality which refuse is being collected. The tariff which is being introduced will be reviewed during the course of the year to ensure that it is cost reflective and sustainable, however this is still a challenge as the service is only be carried out in the urban area of Camperdown

National Treasury's MFMA No. 93 and 94 were used to guide the compilation of the 2019/20 MTREF.

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

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained roads infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and limited cash position of the municipality;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- Affordability of capital projects – allocations had to be reduced to grant funded projects and the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2019/20 MTREF process; and
- The implementation of a sustainable refuse tariff

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

- The 2018/19 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2019/20 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;

- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the NT.
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

In view of the aforementioned, the following table is a consolidated overview of the proposed 2018/19 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2019/20 MTREF

Description	Adjusted Budget 2018/19	Draft Budget 2019/20	Year 1 Budget 2020/21	Year 2 Budget 2021/22
Total Operating Revenue	87,281,909	100,912,093	99,356,516	105,731,897
Total Operating Expenditure	91,651,391	101,112,228	105,070,784	111,167,577
Surplus/ Deficit	(4,369,482)	(200 135)	(5,714,268)	(5,435,680)
Total Capital Expenditure	28,369,825	20,276,000	17,843,320	19,092,352

Total operating revenue has increased by 16 per cent or R 13, 630 million for the 2019/20 financial year when compared to the 2018/19 Adjustments Budget. For the two outer years, operational revenue will decrease in 2020/21 financial year by R 1,556 million and increase in 2021/22 financial year by R 6,375 million equating to a total revenue growth of R18,450 million over the MTREF when compared to the 2018/19 financial year.

Total operating expenditure for the 2019/20 financial year has been appropriated at R101 112 million and translates into a budgeted deficit of R 200 135 which is a huge improvement from the deficit incurred on the Adjusted Budget of R4 369 million. When compared to the 2018/19 Adjusted Budget, operational expenditure has increased by 10.33 per cent in the 2019/20 budget and will increase by 3.91 per cent in 2020/21 financial year and further increased by 5.81 per cent in 2021/22 compared to 2020/21 financial year.

The capital budget of R20 276 million for 2019/20 is 29 per cent less when compared to the 2018/19 Adjusted Budget. The decrease is due to the reduction on the own funding available to fund projects compared to 2018/19 Adjusted budget where the municipality had to fund over-commitment of R11 million from own funding for Capital Projects. Capital projects funded through the Municipal Infrastructure Grant is included in the 2018/19 capital budget and a portion of essential expenditure from own funding for Municipal Building renovation, server room upgrade and purchase of new Generator to address the load shedding challenges. The projected capital expenditure will decrease to R17, 843 million in the 2020/21 financial year and increase to R19, 092 million in 2021/22.

1.4 Operating Revenue Framework

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

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

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges over the next two financial years.
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- 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 2019/20 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

KZN 226 Mkhambathini - Table A4 Budgeted Financial Performance (revenue management)

Description R thousand	2019/20 Medium Term Revenue & Expenditure Framework		
	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue By Type			
Property rates	18 614 206	19 358 774	20 133 125
Service charges - refuse revenue	541 780	563 451	585 989
Interest earned - external investments	3 408 647	3 544 993	3 686 793
Licences and permits	6 717 274	6 985 965	7 265 404
Transfers recognised - operational	69 122 000	66 347 000	71 402 000
Other revenue	2 508 186	2 556 332	2 658 585
Total Revenue (excluding capital transfers and contributions)	100 912 093	99 356 516	105 731 897

Table 3 Percentage growth in revenue by main revenue source

Revenue generated from rates forms a minor part of income generated by the Municipality. The majority of Municipal revenue come from equitable share. Operating Grants & Subsidies are also a source.

The format prescribed by National Treasury has been used to prepare the above schedule and the operating statement has excluded the capital transfers to allow the user to see whether the operating activities of municipality results to the deficit or surplus.

The municipality depends on grants mostly. The total projected income of R100 912 million will be received from grants (69%), Property Rates (18%), licences and permits (7%), interest earned from investment (3%), other revenue (2%) and Service charges – refuse (1%).

The revenue as per chart is as follows:

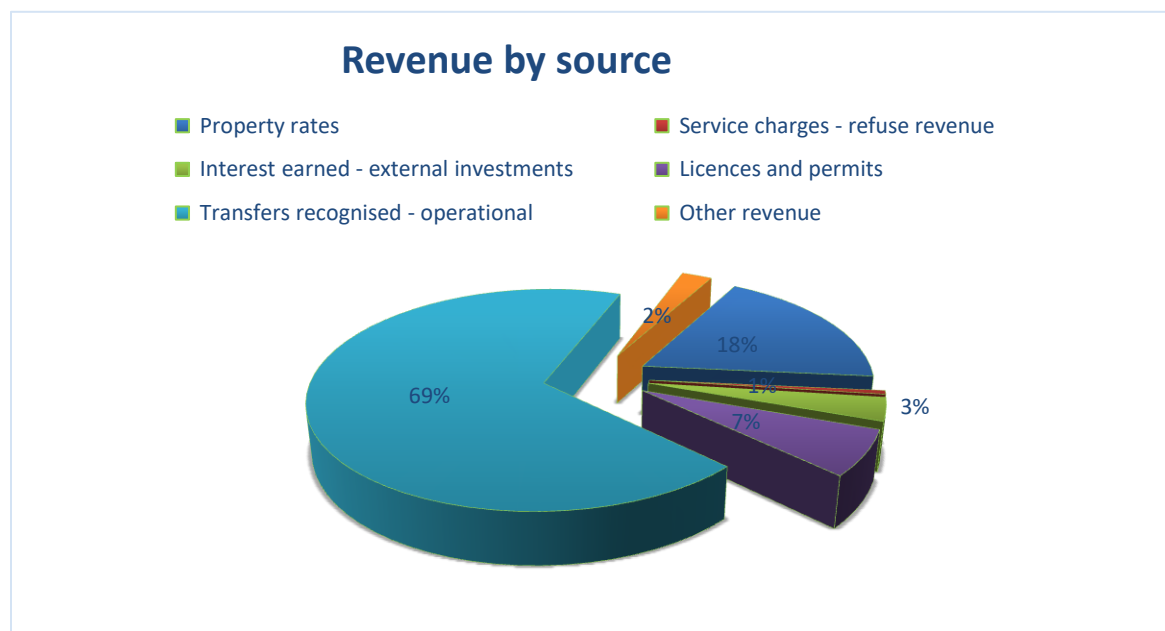


Table 4 Operating Transfers and Grant Receipts**KZN226 Mkhambathini - Supporting Table SA18 Transfers and grant receipts**

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		59 010	63 405	64 326	66 550	58 550	58 550	66 608	63 883	69 585
Local Government Equitable Share		51 341	50 183	51 173	55 546	55 546	55 546	62 733	61 448	66 718
Finance Management		1 800	1 826	1 900	1 970	1 970	1 970	2 435	2 435	2 867
Municipal Systems Improvement		930	–	–	–	–	–	–	–	–
Integrated National Electrification Programme		2 194	10 105	10 000	8 000	–	–	–	–	–
EPWP Incentive		1 012	1 291	1 253	1 034	1 034	1 034	1 440	–	–
Roll Overs		1 733	–	–	–	–	–	–	–	–
Provincial Government:		801	668	1 264	1 617	1 617	1 617	2 514	2 464	1 817
Library Grant		801	668	1 264	1 617	1 617	1 617	1 714	1 714	1 817
Spatial Development Framework Support		–	–	–	–	–	–	750	750	–
Planning Scheme Support		–	–	–	–	–	–	50	–	–
Sports and recreation Subsidy		–	–	–	–	–	–	–	–	–
Roll Overs		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
<i>[insert description]</i>		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
<i>[insert description]</i>		–	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	59 811	64 073	65 590	68 167	60 167	60 167	69 122	66 347	71 402
Capital Transfers and Grants										
National Government:		16 851	12 486	16 285	15 835	15 835	15 835	16 076	17 201	18 405
Municipal Infrastructure Grant (MIG)		16 851	12 486	16 285	15 835	15 835	15 835	16 076	17 201	18 405
Other capital transfers/grants <i>[insert desc]</i>		–	–	–	–	–	–	–	–	–
Provincial Government:		–	–	–	–	–	–	–	–	–
Other capital transfers/grants <i>[insert description]</i>		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
<i>[insert description]</i>		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
<i>[insert description]</i>		–	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	16 851	12 486	16 285	15 835	15 835	15 835	16 076	17 201	18 405
TOTAL RECEIPTS OF TRANSFERS & GRANTS		76 662	76 559	81 875	84 002	76 002	76 002	85 198	83 548	89 807

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

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

1.4.1 Property Rates

Property rates cover the cost of the provision of general services and repairs and maintenance. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circulars No.58 and 59 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0.25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process. The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). In addition to this rebate, a further R285 000 reduction on the market value of a property will be granted in terms of Mkhambathini Municipality's proposed draft Property Rates Policy to be implemented in 2019/2020 to address the value of the properties for indigent household taking into account the RDP House value.

The proposed property rates tariff for 2019/2020 financial year has been calculated in compliance with the MPRA regulations which stipulate the ratios of tariffs per category. It must be noted that the previous year's tariffs were not complying with the MPRA regulations when it comes to ratios per category. The revenue forgone has been calculated to R 1 737 312 based on the R285 000 reduction amount on all residential properties and 20% rebate for all properties owned by pensioners.

Table 5 MBRR Table SA14 – Household bills

KZN226 Mkhambathini - Supporting Table SA14 Household bills

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20 % incr.	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		431.00	560.00	593.00	593.00	593.00	593.00	6.1%	629.17	666.29	704.94
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal											
Other											
sub-total		431.00	560.00	593.00	593.00	593.00	593.00	6.1%	629.17	666.29	704.94
VAT on Services											
Total large household bill:		431.00	560.00	593.00	593.00	593.00	593.00	6.1%	629.17	666.29	704.94
% increase/-decrease			29.9%	5.9%	-	-	-	6.1%	6.1%	5.9%	5.8%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates									451.25	477.42	505.11
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal											
Other											
sub-total		-	-	-	-	-	-	-	451.25	477.42	505.11
VAT on Services											
Total small household bill:		-	-	-	-	-	-	-	451.25	477.42	505.11
% increase/-decrease			-	-	-	-	-	-	-	5.8%	5.8%
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		N/A	N/A	N/A	N/A	N/A	N/A	#VALUE!	N/A	N/A	N/A
Electricity: Basic levy		N/A	N/A	N/A	N/A	N/A	N/A	#VALUE!	N/A	N/A	N/A
Electricity: Consumption		N/A	N/A	N/A	N/A	N/A	N/A	#VALUE!	N/A	N/A	N/A
Water: Basic levy		N/A	N/A	N/A	N/A	N/A	N/A	#VALUE!	N/A	N/A	N/A
Water: Consumption		N/A	N/A	N/A	N/A	N/A	N/A	#VALUE!	N/A	N/A	N/A
Sanitation		N/A	N/A	N/A	N/A	N/A	N/A	#VALUE!	N/A	N/A	N/A
Refuse removal		N/A	N/A	N/A	N/A	N/A	N/A	#VALUE!	N/A	N/A	N/A
Other		N/A	N/A	N/A	N/A	N/A	N/A	#VALUE!	N/A	N/A	N/A
sub-total		-	-	-	-	-	-	-	-	-	-
VAT on Services											
Total small household bill:		-	-	-	-	-	-	-	-	-	-
% increase/-decrease			-	-	-	-	-	-	-	-	-

1.5 Operating Expenditure Framework

The Municipality's expenditure framework for the 2019/20 budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;

- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plan no budget*. If there is no business plan no funding allocation can be made.

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

KZN226 Mkhambathini - Table A4 Budgeted Financial Performance (revenue and expenditure)

REVENUE AND EXPENDITURE - Table A4 Budgeted Financial Performance (Revenue and Expenditure)

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	1										
Revenue By Source											
Property rates	2	11 281	11 961	14 219	14 272	14 272	14 272	14 272	18 614	19 359	20 133
Service charges - electricity revenue	2	-	-	-	-	-	-	-	(296)	(308)	(320)
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	466	498	562	562	562	562	542	563	586
Rental of facilities and equipment		1 875	3 004		307	307	307	307	326	339	352
Interest earned - external investments		2 073	2 686	3 484	3 016	3 216	3 216	3 216	3 409	3 545	3 687
Interest earned - outstanding debtors				3 601	1 285	1 708	1 708	1 708	1 811	1 883	1 959
Dividends received		93	38								
Fines, penalties and forfeits		3 861	4 694	26	77	77	77	77	24	25	26
Licences and permits		-		4 603	5 331	6 397	6 397	6 397	6 717	6 986	7 265
Agency services		58 121	64 122	-							
Transfers and subsidies				55 612	68 167	60 217	60 217	60 217	69 122	66 347	71 402
Other revenue	2	604	625	2 616	559	525	525	525	644	617	642
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		77 908	87 598	84 659	93 577	87 282	87 282	87 282	100 912	99 357	105 732
Expenditure By Type											
Employee related costs	2	21 595	23 995	34 408	32 227	32 227	32 227	32 227	36 027	37 675	40 313
Remuneration of councillors		4 620	4 798	5 173	5 864	5 864	5 864	5 864	5 989	6 258	6 540
Debt impairment	3	2 093	2 681	2 985	700	700	700	700	2 755	3 030	3 333
Depreciation & asset impairment	2	5 588	6 756	8 690	6 466	7 113	7 113	7 113	8 294	9 124	10 036
Finance charges				-	196	196	196	196	205	214	222
Bulk purchases	2	-	-	-	-	-	-	-	-	-	-
Other materials	8			-	8 300	8 300	8 300	8 300	14 260	14 831	15 424
Contracted services		-	-	22 916	11 815	11 815	11 815	11 815	17 132	17 817	18 529
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	26 428	33 696	9 781	47 082	53 807	53 807	53 807	36 726	33 966	35 863
Loss on disposal of PPE											
Total Expenditure		60 324	71 926	83 953	112 650	120 021	120 021	120 021	121 388	122 914	130 260
Surplus/(Deficit)		17 584	15 672	706	(19 073)	(32 739)	(32 739)	(32 739)	(20 476)	(23 558)	(24 528)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		16 851	12 485	17 725	15 835	15 835	15 835	15 835	16 076	16 745	17 706
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)											
Surplus/(Deficit) after capital transfers & contributions		34 435	28 157	18 431	(3 238)	(16 904)	(16 904)	(16 904)	(4 400)	(6 813)	(6 822)
Taxation											
Surplus/(Deficit) after taxation		34 435	28 157	18 431	(3 238)	(16 904)	(16 904)	(16 904)	(4 400)	(6 813)	(6 822)
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		34 435	28 157	18 431	(3 238)	(16 904)	(16 904)	(16 904)	(4 400)	(6 813)	(6 822)
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		34 435	28 157	18 431	(3 238)	(16 904)	(16 904)	(16 904)	(4 400)	(6 813)	(6 822)

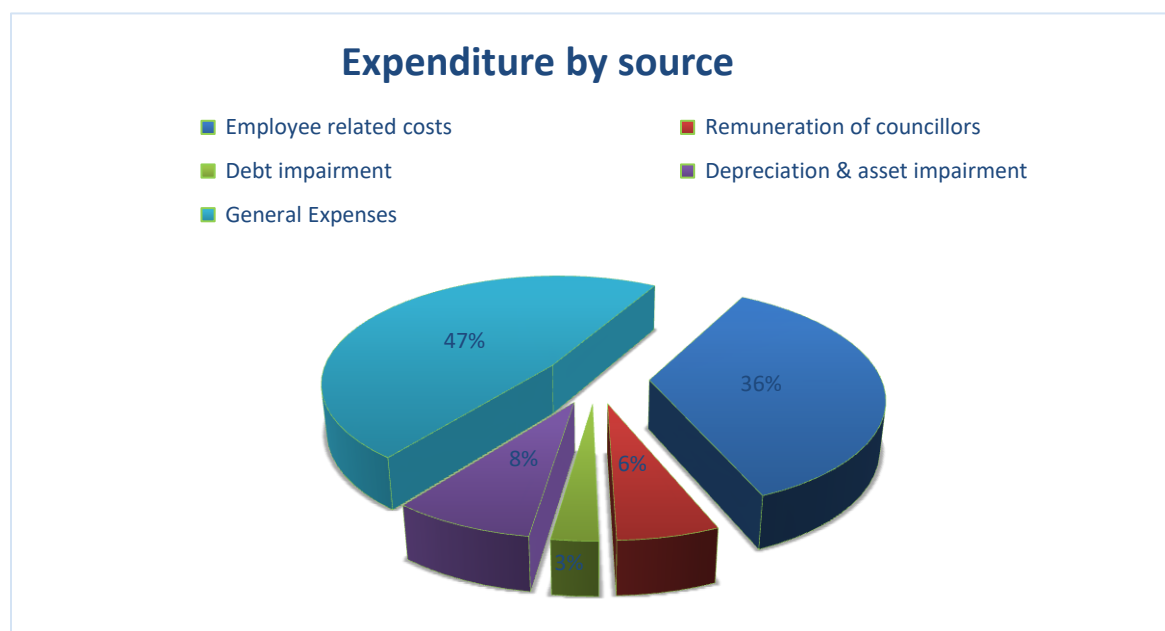
Table 6 Summary of operating expenditure by standard classification item

The budgeted allocation for employee related costs for the 2019/20 financial year totals R36.027 million, which equals 36 per cent of the total operating expenditure. Salary increases have been factored into this budget at a percentage increase of 7 per cent for the 2019/20 financial year. An annual increase on salaries of 5 per cent and 7 per cent has been included in the two outer years of the MTREF to be conservative and implement cost cutting measures. The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R8 294 million for the 2019/20 financial and equates to 8 per cent of the total operating expenditure.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Growth has been limited to 3 per cent for 2019/20 and curbed at 4 per cent for the two outer years, indicating that significant cost savings have been already realised.

The expenditure as per chart is as follows:



1.5.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2019/20 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the Municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance

1.5.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act. And takes the form of social relief for the family of deceased persons who are destitute without income.

Table 7 Operational repairs and maintenance**KZN226 Mkhambathini - Supporting Table SA34c Repairs and maintenance expenditure by asset class**

Description R thousand	Ref 1	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<u>Repairs and maintenance expenditure by Asset Class/Sub-class</u>										
-										
<u>Infrastructure</u>		150	2 000	2 600	2 759	2 759	2 759	2 000	2 080	2 163
Roads Infrastructure		150	2 000	2 600	2 759	2 759	2 759	2 000	2 080	2 163
<i>Roads</i>		150	2 000	2 600	2 759	2 759	2 759	2 000	2 080	2 163
<i>Capital Spares</i>										
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
<i>Landfill Sites</i>										
<u>Community Assets</u>		1 500	1 500	1 400	3 122	3 122	3 122	6 000	6 240	6 490
Community Facilities		1 500	1 500	1 400	3 122	3 122	3 122	6 000	6 240	6 490
<i>Halls</i>		1 500	1 500	1 400	3 122	3 122	3 122	6 000	6 240	6 490
<i>Crèches</i>										
<u>Heritage assets</u>		-	-	-	-	-	-	-	-	-
Other Heritage										
<u>Investment properties</u>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
<i>Improved Property</i>										
<u>Other assets</u>		320	1 600	1 600	1 695	695	695	-	-	-
Operational Buildings		320	1 600	1 600	1 000	-	-	-	-	-
<i>Municipal Offices</i>		320	800	700	1 000					
<i>Workshops</i>			800	900						
Housing		-	-	-	695	695	695	-	-	-
<i>Capital Spares</i>					695	695	695			
<u>Zoo's, Marine and Non-biological Animals</u>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										
Total Repairs and Maintenance Expenditure	1	1 970	5 100	5 600	7 576	6 576	6 576	8 000	8 320	8 653
<i>R&M as a % of PPE</i>		2.1%	4.8%	4.7%	6.1%	4.9%	4.9%	5.9%	5.3%	5.7%
<i>R&M as % Operating Expenditure</i>		3.3%	7.1%	6.7%	6.7%	5.5%	5.5%	6.7%	6.9%	7.0%

1.6 Capital expenditure

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

Table 8 2019/20 Medium-term capital budget per vote

Vote Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital Expenditure - Functional											
Governance and administration		1 500	35	780	2 450	2 750	2 750	2 750	4 400	642	687
Executive and council			35	500	400	400	400	400			
Finance and administration		1 500		280	2 050	2 350	2 350	2 350	4 400	642	687
Internal audit											
Community and public safety		–	630	15 091	7 452	15 821	15 821	15 821	9 645	10 320	11 042
Community and social services		–	630	15 091	7 452	15 821	15 821	15 821	9 645	10 320	11 042
Sport and recreation											
Public safety											
Housing											
Health											
Economic and environmental services		16 427	12 139	25 139	9 383	12 249	12 249	12 249	6 431	6 881	7 363
Planning and development				6 028							
Road transport		16 427	12 139	19 110	9 383	12 249	12 249	12 249	6 431	6 881	7 363
Environmental protection											
Trading services		–	–	–	–	–	–	–	–	–	–
Energy sources											
Water management											
Waste water management											
Waste management											
Other											
Total Capital Expenditure - Functional	3	17 927	12 804	41 009	19 285	30 820	30 820	30 820	20 476	17 843	19 092
Funded by:											
National Government		14 427	12 139	15 626	15 835	15 835	15 835	15 835	16 076	17 201	18 405
Provincial Government											
District Municipality											
Other transfers and grants				20 612							
Transfers recognised - capital	4	14 427	12 139	36 238	15 835	15 835	15 835	15 835	16 076	17 201	18 405
Borrowing	6										
Internally generated funds		3 500	665	4 771	3 450	14 985	14 985	14 985	4 400	642	687
Total Capital Funding	7	17 927	12 804	41 009	19 285	30 820	30 820	30 820	20 476	17 843	19 092

For 2019/20 an amount of R 20, 276 million has been appropriated for the development of infrastructure. In the outer years this amount totals R17, 843 million, and R19, 092 million, respectively for each of the financial years.

Annual Budget Tables - Parent Municipality

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2019/20 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 9 MBRR Table A1 - Budget Summary**KZN226 Mkhambathini - Table A1 Budget Summary**

Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousands										
Financial Performance										
Property rates	11 281	11 961	14 219	14 272	14 272	14 272	14 272	18 614	19 359	20 133
Service charges	–	466	498	562	562	562	562	246	256	266
Investment revenue	2 073	2 686	3 484	3 016	3 216	3 216	3 216	3 409	3 545	3 687
Transfers recognised - operational	–	–	55 612	68 167	60 217	60 217	60 217	69 122	66 347	71 402
Other own revenue	64 553	72 484	10 847	7 560	9 014	9 014	9 014	9 522	9 850	10 244
Total Revenue (excluding capital transfers and contributions)	77 908	87 598	84 659	93 577	87 282	87 282	87 282	100 912	99 357	105 732
Employee costs	21 595	23 995	34 408	32 227	32 227	32 227	32 227	36 027	37 675	40 313
Remuneration of councillors	4 620	4 798	5 173	5 864	5 864	5 864	5 864	5 989	6 258	6 540
Depreciation & asset impairment	5 588	6 756	8 690	6 466	7 113	7 113	7 113	8 294	9 124	10 036
Finance charges	–	–	–	196	196	196	196	205	214	222
Materials and bulk purchases	–	–	–	8 300	8 300	8 300	8 300	14 260	14 831	15 424
Transfers and grants	–	–	–	–	–	–	–	–	–	–
Other expenditure	28 522	36 377	35 682	59 597	66 322	66 322	66 322	56 612	54 813	57 726
Total Expenditure	60 324	71 926	83 953	112 650	120 021	120 021	120 021	121 388	122 914	130 260
Surplus/(Deficit)	17 584	15 672	706	(19 073)	(32 739)	(32 739)	(32 739)	(20 476)	(23 558)	(24 528)
Transfers and subsidies - capital (monetary allocations) (N)	16 851	12 485	17 725	15 835	15 835	15 835	15 835	16 076	16 745	17 706
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	34 435	28 157	18 431	(3 238)	(16 904)	(16 904)	(16 904)	(4 400)	(6 813)	(6 822)
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	34 435	28 157	18 431	(3 238)	(16 904)	(16 904)	(16 904)	(4 400)	(6 813)	(6 822)
Capital expenditure & funds sources										
Capital expenditure	17 927	12 804	41 009	19 285	30 820	30 820	30 820	20 476	17 843	19 092
Transfers recognised - capital	14 427	12 139	36 238	15 835	15 835	15 835	15 835	16 076	17 201	18 405
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	3 500	665	4 771	3 450	14 985	14 985	14 985	4 400	642	687
Total sources of capital funds	17 927	12 804	41 009	19 285	30 820	30 820	30 820	20 476	17 843	19 092
Financial position										
Total current assets	24 938	46 821	76 610	63 847	57 557	57 557	57 557	59 859	62 254	64 744
Total non current assets	99 727	111 564	123 675	129 946	140 483	140 483	140 483	160 959	158 326	159 575
Total current liabilities	12 749	11 840	11 603	4 340	4 340	4 340	4 340	4 514	4 694	4 882
Total non current liabilities	2 200	2 816	–	–	–	–	–	–	–	–
Community wealth/Equity	109 764	144 428	189 241	193 793	193 700	193 700	193 700	216 305	215 886	219 437
Cash flows										
Net cash from (used) operating	41 559	34 468	28 172	23 690	23 690	23 690	23 690	27 125	18 669	20 944
Net cash from (used) investing	(18 912)	(18 912)	(22 014)	(12 785)	(24 320)	(24 320)	(24 320)	(20 476)	(17 843)	(19 092)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	37 260	52 816	58 973	58 573	47 038	47 038	47 038	53 687	54 513	56 364
Cash backing/surplus reconciliation										
Cash and investments available	14 614	37 260	58 973	54 737	54 737	54 737	54 737	56 926	59 204	61 572
Application of cash and investments	12 707	12 126	119	(440)	4 928	4 928	4 928	4 445	4 898	4 903
Balance - surplus (shortfall)	1 907	25 134	58 854	55 177	49 809	49 809	49 809	52 482	54 306	56 669
Asset management										
Asset register summary (WDV)	12 542	43 733	25 777	37 921	49 156	49 156	49 156	37 403	39 654	42 062
Depreciation	4 418	4 700	4 800	6 100	6 100	6 100	6 100	8 294	9 124	10 036
Renewal and Upgrading of Existing Assets	–	–	300	9 495	12 249	12 249	12 249	6 431	6 881	7 363
Repairs and Maintenance	1 970	5 100	5 600	7 576	6 576	6 576	6 576	8 000	8 320	8 653
Free services										
Cost of Free Basic Services provided	–	–	–	–	–	–	296	296	308	320
Revenue cost of free services provided	1 927	1 462	464	1 608	1 608	1 608	1 737	1 737	1 807	1 879
Households below minimum service level										
Water:	1	1	1	1	1	1	1	1	1	1
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	0	0	0	0	0	0	0	0	0	0

Explanatory notes to MBRR Table A1 - Budget Summary

1. 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).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - 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 recognised is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.

Table 10 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**KZN226 Mkhambathini - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)**

Functional Classification Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	1									
Revenue - Functional										
Governance and administration		74 288	77 310	82 970	47 413	41 118	41 118	89 428	89 658	95 720
Executive and council		1 132	1 058	-	6 110	6 110	6 110	-	-	-
Finance and administration		73 156	76 252	82 970	41 303	35 008	35 008	89 428	89 658	95 720
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		908	1 049	2 536	16 003	16 003	16 003	3 176	1 840	1 841
Community and social services		908	1 049	2 536	16 003	16 003	16 003	3 176	1 840	1 841
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		19 562	21 724	16 379	45 433	45 433	45 433	24 138	24 348	25 611
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		19 562	21 724	16 379	45 433	45 433	45 433	24 138	24 348	25 611
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	-	500	562	562	562	542	563	586
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	500	562	562	562	542	563	586
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	94 759	100 083	102 384	109 412	103 117	103 117	117 284	116 409	123 758
Expenditure - Functional										
Governance and administration		43 910	27 785	46 151	55 922	55 922	55 922	58 732	57 171	58 675
Executive and council		10 700	8 894	7 802	17 305	17 305	17 305	20 417	21 457	22 554
Finance and administration		33 210	18 890	38 349	38 616	38 616	38 616	38 315	35 715	36 121
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		5 865	6 423	17 860	15 259	15 259	15 259	19 253	19 361	20 336
Community and social services		5 865	6 423	17 860	15 259	15 259	15 259	19 253	19 361	20 336
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		10 549	37 718	19 942	41 470	48 841	48 841	43 700	46 690	51 569
Planning and development		-	-	-	-	-	-	20 476	22 993	26 578
Road transport		10 549	37 718	19 942	41 470	48 841	48 841	23 224	23 697	24 991
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	60 324	71 926	83 953	112 650	120 021	120 021	121 684	123 222	130 580
Surplus/(Deficit) for the year		34 435	28 157	18 431	(3 238)	(16 904)	(16 904)	(4 400)	(6 813)	(6 822)

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 9 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under Executive & Council.

Table 11 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**KZN226 Mkhambathini - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Vote Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
Revenue by Vote	1									
Vote 1 - Executive and Council		1 132	1 058	–	6 110	6 110	6 110	–	–	–
Vote 2 - Municipal Manager		–	–	–	–	–	–	–	–	–
Vote 3 - Budget and Treasury Office		72 446	76 586	82 970	29 277	29 277	29 277	89 366	89 594	95 653
Vote 4 - Corporate Services		934	930	–	6 696	6 696	6 696	62	64	67
Vote 5 - Community Services		684	818	1 253	14 386	14 386	14 386	1 462	23	24
Vote 6 - Library		–	–	1 283	1 617	1 617	1 617	1 714	1 817	1 817
Vote 7 - Vehicle Registration and Testing		3 311	3 576	4 391	5 331	5 331	5 331	6 717	6 986	7 265
Vote 8 - Solid Waste		–	–	500	562	562	562	542	563	586
Vote 9 - Technical Services		16 251	17 115	11 988	45 433	39 138	39 138	17 421	17 362	18 345
Vote 10 - Technical Services		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	94 759	100 083	102 384	109 412	103 117	103 117	117 284	116 409	123 758
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive and Council		5 930	5 279	5 994	5 864	5 864	5 864	7 671	8 007	8 359
Vote 2 - Municipal Manager		4 770	1 615	1 808	11 442	11 442	11 442	12 745	13 449	14 195
Vote 3 - Budget and Treasury Office		29 193	38 199	32 910	18 711	18 711	18 711	27 363	29 365	31 534
Vote 4 - Corporate Services		9 282	1 837	11 433	14 991	18 441	18 441	10 952	6 349	4 587
Vote 5 - Community Services		4 897	13 290	15 486	13 642	13 642	13 642	16 798	17 621	18 488
Vote 6 - Library		968	2 530	2 374	1 617	1 617	1 617	2 455	1 741	1 848
Vote 7 - Vehicle Registration and Testing		17	3 428	4 468	4 915	4 915	4 915	6 008	6 381	6 779
Vote 8 - Solid Waste		–	–	–	–	–	–	–	–	–
Vote 9 - Technical Services		5 266	5 748	9 479	41 470	45 391	45 391	37 692	40 308	44 790
Vote 10 - Technical Services		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	60 324	71 926	83 953	112 650	120 021	120 021	121 684	123 222	130 580
Surplus/(Deficit) for the year	2	34 435	28 157	18 431	(3 238)	(16 904)	(16 904)	(4 400)	(6 813)	(6 822)

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. 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 organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the electricity trading service.

Table 16 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

KZN226 Mkhambathini - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	1										
Revenue By Source											
Property rates	2	11 281	11 961	14 219	14 272	14 272	14 272	14 272	18 614	19 359	20 133
Service charges - electricity revenue	2	-	-	-	-	-	-	-	(296)	(308)	(320)
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	466	498	562	562	562	562	542	563	586
Rental of facilities and equipment		1 875	3 004		307	307	307	307	326	339	352
Interest earned - external investments		2 073	2 686	3 484	3 016	3 216	3 216	3 216	3 409	3 545	3 687
Interest earned - outstanding debtors				3 601	1 285	1 708	1 708	1 708	1 811	1 883	1 959
Dividends received		93	38								
Fines, penalties and forfeits		3 861	4 694	26	77	77	77	77	24	25	26
Licences and permits		-		4 603	5 331	6 397	6 397	6 397	6 717	6 986	7 265
Agency services		58 121	64 122	-							
Transfers and subsidies				55 612	68 167	60 217	60 217	60 217	69 122	66 347	71 402
Other revenue	2	604	625	2 616	559	525	525	525	644	617	642
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		77 908	87 598	84 659	93 577	87 282	87 282	87 282	100 912	99 357	105 732
Expenditure By Type											
Employee related costs	2	21 595	23 995	34 408	32 227	32 227	32 227	32 227	36 027	37 675	40 313
Remuneration of councillors		4 620	4 798	5 173	5 864	5 864	5 864	5 864	5 989	6 258	6 540
Debt impairment	3	2 093	2 681	2 985	700	700	700	700	2 755	3 030	3 333
Depreciation & asset impairment	2	5 588	6 756	8 690	6 466	7 113	7 113	7 113	8 294	9 124	10 036
Finance charges				-	196	196	196	196	205	214	222
Bulk purchases	2	-	-	-	-	-	-	-	-	-	-
Other materials	8			-	8 300	8 300	8 300	8 300	14 260	14 831	15 424
Contracted services		-	-	22 916	11 815	11 815	11 815	11 815	17 132	17 817	18 529
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	26 428	33 696	9 781	47 082	53 807	53 807	53 807	36 726	33 966	35 863
Loss on disposal of PPE											
Total Expenditure		60 324	71 926	83 953	112 650	120 021	120 021	120 021	121 388	122 914	130 260
Surplus/(Deficit)		17 584	15 672	706	(19 073)	(32 739)	(32 739)	(32 739)	(20 476)	(23 558)	(24 528)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		16 851	12 485	17 725	15 835	15 835	15 835	15 835	16 076	16 745	17 706
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)	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		34 435	28 157	18 431	(3 238)	(16 904)	(16 904)	(16 904)	(4 400)	(6 813)	(6 822)
Taxation											
Surplus/(Deficit) after taxation		34 435	28 157	18 431	(3 238)	(16 904)	(16 904)	(16 904)	(4 400)	(6 813)	(6 822)
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		34 435	28 157	18 431	(3 238)	(16 904)	(16 904)	(16 904)	(4 400)	(6 813)	(6 822)
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		34 435	28 157	18 431	(3 238)	(16 904)	(16 904)	(16 904)	(4 400)	(6 813)	(6 822)

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

1. Total revenue is R100, 912 million in 2019/20 and escalates to R 105, 732 million by 2021/22.
2. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government.
3. Employee related costs is the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage increases in future years.

Table 127 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 6 - Library		-	-	-	-	-	-	-	-	-	-
Vote 7 - Vehicle Registration and Testing		-	-	-	-	-	-	-	-	-	-
Vote 8 - Solid Waste		-	-	-	-	-	-	-	-	-	-
Vote 9 - Technical Services		-	-	-	-	-	-	-	-	-	-
Vote 10 - Technical Services		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - Executive and Council		60	200	500	400	400	400	400	-	-	-
Vote 2 - Municipal Manager		-	-	140	-	-	-	-	-	-	-
Vote 3 - Budget and Treasury Office		-	-	140	-	-	-	-	-	-	-
Vote 4 - Corporate Services		-	1 250	140	2 050	2 350	2 350	2 350	4 400	642	687
Vote 5 - Community Services		600	-	140	10 097	15 821	15 821	15 821	9 645	10 320	11 042
Vote 6 - Library		-	-	-	-	-	-	-	-	-	-
Vote 7 - Vehicle Registration and Testing		-	-	-	-	-	-	-	-	-	-
Vote 8 - Solid Waste		-	-	-	-	-	-	-	-	-	-
Vote 9 - Technical Services		12 055	17 851	19 337	6 738	12 249	12 249	12 249	6 431	6 881	7 363
Vote 10 - Technical Services		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		12 715	19 301	20 397	19 285	30 820	30 820	30 820	20 476	17 843	19 092
Total Capital Expenditure - Vote		12 715	19 301	20 397	19 285	30 820	30 820	30 820	20 476	17 843	19 092
Capital Expenditure - Functional											
Governance and administration		1 500	35	780	2 450	2 750	2 750	2 750	4 400	642	687
Executive and council		-	35	500	400	400	400	400	-	-	-
Finance and administration		1 500	-	280	2 050	2 350	2 350	2 350	4 400	642	687
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		-	630	15 091	7 452	15 821	15 821	15 821	9 645	10 320	11 042
Community and social services		-	630	15 091	7 452	15 821	15 821	15 821	9 645	10 320	11 042
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		16 427	12 139	25 139	9 383	12 249	12 249	12 249	6 431	6 881	7 363
Planning and development		-	-	6 028	-	-	-	-	-	-	-
Road transport		16 427	12 139	19 110	9 383	12 249	12 249	12 249	6 431	6 881	7 363
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		-	-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	17 927	12 804	41 009	19 285	30 820	30 820	30 820	20 476	17 843	19 092
Funded by:											
National Government		14 427	12 139	15 626	15 835	15 835	15 835	15 835	16 076	17 201	18 405
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	20 612	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	14 427	12 139	36 238	15 835	15 835	15 835	15 835	16 076	17 201	18 405
Borrowing	6										
Internally generated funds		3 500	665	4 771	3 450	14 985	14 985	14 985	4 400	642	687
Total Capital Funding	7	17 927	12 804	41 009	19 285	30 820	30 820	30 820	20 476	17 843	19 092

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

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.

Table 138 MBRR Table A6 - Budgeted Financial Position**KZN226 Mkhambathini - Table A6 Budgeted Financial Position**

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand											
ASSETS											
Current assets											
Cash		533	1 042	1 598	2 000	2 000	2 000	2 000	2 080	2 163	2 250
Call investment deposits	1	14 080	36 218	57 376	52 737	52 737	52 737	52 737	54 846	57 040	59 322
Consumer debtors	1	7 345	8 951	17 636	9 110	2 820	2 820	2 820	2 933	3 050	3 172
Other debtors		2 979	610								
Current portion of long-term receivables											
Inventory	2										
Total current assets		24 938	46 821	76 610	63 847	57 557	57 557	57 557	59 859	62 254	64 744
Non current assets											
Long-term receivables											
Investments											
Investment property		5 252	5 251	4 524	5 251	5 251	5 251	5 251	5 251	5 251	5 251
Investment in Associate											
Property, plant and equipment	3	94 475	106 313	119 103	123 997	135 232	135 232	135 232	155 708	153 075	154 324
Biological											
Intangible		48	698	-							
Other non-current assets											
Total non current assets		99 727	111 564	123 675	129 946	140 483	140 483	140 483	160 959	158 326	159 575
TOTAL ASSETS		124 665	158 385	200 285	193 793	198 040	198 040	198 040	220 818	220 580	224 319
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	-	-	-	-	-	-	-	-	-	-
Consumer deposits											
Trade and other payables	4	11 067	9 911	9 488	2 340	2 340	2 340	2 340	2 434	2 531	2 632
Provisions		1 683	1 928	2 115	2 000	2 000	2 000	2 000	2 080	2 163	2 250
Total current liabilities		12 749	11 840	11 603	4 340	4 340	4 340	4 340	4 514	4 694	4 882
Non current liabilities											
Borrowing		-	-	-	-	-	-	-	-	-	-
Provisions		2 200	2 816	-	-	-	-	-	-	-	-
Total non current liabilities		2 200	2 816	-	-	-	-	-	-	-	-
TOTAL LIABILITIES		14 949	14 656	11 603	4 340	4 340	4 340	4 340	4 514	4 694	4 882
NET ASSETS	5	109 716	143 730	188 682	189 453	193 700	193 700	193 700	216 305	215 886	219 437
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		109 764	144 428	189 241	193 793	193 700	193 700	193 700	216 305	215 886	219 437
Reserves	4	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	109 764	144 428	189 241	193 793	193 700	193 700	193 700	216 305	215 886	219 437

Explanatory notes to Table A6 - Budgeted Financial Position

- Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
- This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
- The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
- Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt.

Table 19 MBRR Table A7 - Budgeted Cash Flow Statement**KZN226 Mkhambathini - Table A7 Budgeted Cash Flows**

REN2020 Mid-Year Budget - Table A: Budgeted Cash Flows											
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		8 566	9 169	14 718	11 846	11 846	11 846	11 846	18 614	14 843	15 437
Service charges		–	–	–	481	481	481	481	542	563	586
Other revenue		6 761	7 761	6 302	6 274	6 274	6 274	6 274	7 711	7 967	8 286
Government - operating	1	60 106	64 073	60 095	68 167	68 167	68 167	68 167	69 122	66 347	71 402
Government - capital	1	16 851	12 486	17 725	15 835	15 835	15 835	15 835	16 076	16 745	17 706
Interest		2 353	2 353	3 484	4 237	4 237	4 237	4 237	5 220	5 428	5 645
Dividends					–	–	–	–	–	–	–
Payments											
Suppliers and employees		(52 938)	(61 233)	(74 151)	(82 943)	(82 943)	(82 943)	(82 943)	(89 954)	(93 011)	(97 896)
Finance charges		(140)	(140)	–	(207)	(207)	(207)	(207)	(205)	(214)	(222)
Transfers and Grants	1								–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		41 559	34 468	28 172	23 690	23 690	23 690	23 690	27 125	18 669	20 944
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		37	37						–	–	–
Decrease (Increase) in non-current debtors					6 500	6 500	6 500	6 500	–	–	–
Decrease (increase) other non-current receivables									–	–	–
Decrease (increase) in non-current investments									–	–	–
Payments											
Capital assets		(18 949)	(18 949)	(22 014)	(19 285)	(30 820)	(30 820)	(30 820)	(20 476)	(17 843)	(19 092)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(18 912)	(18 912)	(22 014)	(12 785)	(24 320)	(24 320)	(24 320)	(20 476)	(17 843)	(19 092)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									–	–	–
Borrowing long term/refinancing									–	–	–
Increase (decrease) in consumer deposits									–	–	–
Payments											
Repayment of borrowing									–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	–	–	–	–	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD		22 647	15 556	6 158	10 905	(630)	(630)	(630)	6 649	826	1 851
Cash/cash equivalents at the year begin:	2	14 613	37 260	52 816	47 668	47 668	47 668	47 668	47 038	53 687	54 513
Cash/cash equivalents at the year end:	2	37 260	52 816	58 973	58 573	47 038	47 038	47 038	53 687	54 513	56 364

Table 20 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**KZN226 Mkhambathini - Table A8 Cash backed reserves/accumulated surplus reconciliation**

RZNN20 MirindaBainin - Table A6 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<u>Cash and investments available</u>											
Cash/cash equivalents at the year end	1	37 260	52 816	58 973	58 573	47 038	47 038	47 038	53 687	54 513	56 364
Other current investments > 90 days		(22 646)	(15 556)	–	(3 836)	7 699	7 699	7 699	3 239	4 691	5 208
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		14 614	37 260	58 973	54 737	54 737	54 737	54 737	56 926	59 204	61 572
<u>Application of cash and investments</u>											
Unspent conditional transfers		–	–	–	–	–	–	–	–	–	–
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2	239	239	387	387	387	387	387	387	387	387
Other working capital requirements	3	8 978	8 004	(5 013)	(5 227)	141	141	141	(342)	111	116
Other provisions		3 490	3 883	4 745	4 400	4 400	4 400	4 400	4 400	4 400	4 400
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:		12 707	12 126	119	(440)	4 928	4 928	4 928	4 445	4 898	4 903
Surplus(shortfall)		1 907	25 134	58 854	55 177	49 809	49 809	49 809	52 482	54 306	56 669

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

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

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence 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/commitments that exist.
3. 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".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.

Table 141 MBRR Table A9 - Asset Management

KZN226 Mkhambathini - Table A9 Asset Management

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	17 011	16 401	18 326	10 902	19 271	19 271	14 045	10 962	11 729
Roads Infrastructure		5 000	14 351	15 626	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		5 000	14 351	15 626	-	-	-	-	-	-
Community Facilities		5 251	-	-	7 452	15 821	15 821	9 645	10 320	11 042
Sport and Recreation Facilities		6 000	-	-	-	-	-	-	-	-
Community Assets		11 251	-	-	7 452	15 821	15 821	9 645	10 320	11 042
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		760	-	-	1 800	1 800	1 800	3 200	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		760	-	-	1 800	1 800	1 800	3 200	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	850	350	100	100	100	200	214	229
Furniture and Office Equipment		-	200	350	400	400	400	400	428	458
Machinery and Equipment		-	-	-	-	-	-	600	-	-
Transport Assets		-	1 000	2 000	1 150	1 150	1 150	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	-	-	300	9 495	12 249	12 249	6 431	6 881	7 363
Roads Infrastructure		-	-	-	9 495	12 249	12 249	6 431	6 881	7 363
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	9 495	12 249	12 249	6 431	6 881	7 363
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	300	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	300	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-

Total Upgrading of Existing Assets	6	-	-	-	-	-	-	-	-	-
<i>Roads Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
<i>Community Facilities</i>		-	-	-	-	-	-	-	-	-
<i>Sport and Recreation Facilities</i>		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
<i>Revenue Generating</i>		-	-	-	-	-	-	-	-	-
<i>Non-revenue Generating</i>		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
<i>Operational Buildings</i>		-	-	-	-	-	-	-	-	-
<i>Housing</i>		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
<i>Servitudes</i>		-	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	17 011	16 401	18 626	20 397	31 520	31 520	20 476	17 843	19 092
<i>Roads Infrastructure</i>		5 000	14 351	15 626	9 495	12 249	12 249	6 431	6 881	7 363
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		5 000	14 351	15 626	9 495	12 249	12 249	6 431	6 881	7 363
<i>Community Facilities</i>		5 251	-	-	7 452	15 821	15 821	9 645	10 320	11 042
<i>Sport and Recreation Facilities</i>		6 000	-	-	-	-	-	-	-	-
Community Assets		11 251	-	-	7 452	15 821	15 821	9 645	10 320	11 042
Heritage Assets		-	-	-	-	-	-	-	-	-
<i>Revenue Generating</i>		-	-	-	-	-	-	-	-	-
<i>Non-revenue Generating</i>		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
<i>Operational Buildings</i>		760	-	300	1 800	1 800	1 800	3 200	-	-
<i>Housing</i>		-	-	-	-	-	-	-	-	-
Other Assets		760	-	300	1 800	1 800	1 800	3 200	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
<i>Servitudes</i>		-	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	850	350	100	100	100	200	214	229
Furniture and Office Equipment		-	200	350	400	400	400	400	428	458
Machinery and Equipment		-	-	-	-	-	-	600	-	-
Transport Assets		-	1 000	2 000	1 150	1 150	1 150	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		17 011	16 401	18 626	20 397	31 520	31 520	20 476	17 843	19 092

MKHAMBATHINI Municipality 2019/20 Draft Annual Budget and MTREF

ASSET REGISTER SUMMARY - PPE (WDV)	5	12 542	43 733	25 777	37 921	49 156	49 156	37 403	39 654	42 062
Roads Infrastructure		7 242	14 351	15 626	15 835	15 835	15 835	16 076	17 201	18 405
Storm water Infrastructure										
Electrical Infrastructure										
Water Supply Infrastructure										
Sanitation Infrastructure										
Solid Waste Infrastructure										
Rail Infrastructure										
Coastal Infrastructure										
Information and Communication Infrastructure										
Infrastructure		7 242	14 351	15 626	15 835	15 835	15 835	16 076	17 201	18 405
Community Assets			12 751	4 900	7 452	15 821	15 821	9 645	10 320	11 042
Heritage Assets			11 380		9 383	12 249	12 249	6 431	6 881	7 363
Investment properties		5 252	5 251	5 251	5 251	5 251	5 251	5 251	5 251	5 251
Other Assets										
Biological or Cultivated Assets										
Intangible Assets										
Computer Equipment		48	-							
Furniture and Office Equipment										
Machinery and Equipment										
Transport Assets										
Land										
Zoo's, Marine and Non-biological Animals										
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	12 542	43 733	25 777	37 921	49 156	49 156	37 403	39 654	42 062
EXPENDITURE OTHER ITEMS		6 388	9 800	10 400	13 676	12 676	12 676	16 294	17 444	18 689
<u>Depreciation</u>	7	4 418	4 700	4 800	6 100	6 100	6 100	8 294	9 124	10 036
<u>Repairs and Maintenance by Asset Class</u>	3	1 970	5 100	5 600	7 576	6 576	6 576	8 000	8 320	8 653
Roads Infrastructure		150	2 000	2 600	2 759	2 759	2 759	2 000	2 080	2 163
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		150	2 000	2 600	2 759	2 759	2 759	2 000	2 080	2 163
Community Facilities		1 500	1 500	1 400	3 122	3 122	3 122	6 000	6 240	6 490
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		1 500	1 500	1 400	3 122	3 122	3 122	6 000	6 240	6 490
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		320	1 600	1 600	1 000	-	-	-	-	-
Housing		-	-	-	695	695	695	-	-	-
Other Assets		320	1 600	1 600	1 695	695	695	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		6 388	9 800	10 400	13 676	12 676	12 676	16 294	17 444	18 689
<i>Renewal and upgrading of Existing Assets as % of total capex</i>		0.0%	0.0%	1.6%	46.6%	38.9%	38.9%	31.4%	38.6%	38.6%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>		0.0%	0.0%	6.3%	155.7%	200.8%	200.8%	77.5%	75.4%	73.4%
<i>R&M as a % of PPE</i>		2.1%	4.8%	4.7%	6.1%	4.9%	4.9%	5.1%	5.4%	5.6%
<i>Renewal and upgrading and R&M as a % of PPE</i>		16.0%	12.0%	23.0%	45.0%	38.0%	38.0%	39.0%	38.0%	38.0%

Explanatory notes to Table A9 - Asset Management

1. 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.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE.
3. The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTREF. It highlights the Municipality's strategy to address the maintenance backlog.

Table 23 MBRR Table A10 - Basic Service Delivery Measurement

KZN226 Mkhambathini - Table A10 Basic service delivery measurement

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Household service targets	1									
Water:										
Piped water inside dwelling		2 742	3 071	3 132	3 195	3 195	3 195	3 195	3 195	3 195
Piped water inside yard (but not in dwelling)		8 944	9 838	10 035	10 235	10 235	10 235	10 235	10 235	10 235
Using public tap (at least min.service level)	2	1 472	1 576	1 608	1 640	1 640	1 640	1 640	1 640	1 640
Other water supply (at least min.service level)	4	–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>		13 158	14 485	14 775	15 070	15 070	15 070	15 070	15 070	15 070
Using public tap (< min.service level)	3	340	204	208	212	212	212	212	212	212
Other water supply (< min.service level)	4	–	–	–	–	–	–	–	–	–
No water supply		544	299	305	311	311	311	311	311	311
<i>Below Minimum Service Level sub-total</i>		884	503	513	523	523	523	523	523	523
Total number of households	5	14 042	14 988	15 288	15 594	15 594	15 594	15 594	15 594	15 594
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		1 684	1 785	1 821	1 857	1 857	1 857	1 857	1 857	1 857
Flush toilet (with septic tank)		1 688	1 789	1 825	1 861	1 861	1 861	1 861	1 861	1 861
Chemical toilet		503	533	544	555	555	555	555	555	555
Pit toilet (ventilated)		8 138	8 627	8 800	8 976	8 976	8 976	8 976	8 976	8 976
Other toilet provisions (> min.service level)		45	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>		12 058	12 734	12 989	13 248	13 248	13 248	13 248	13 248	13 248
Bucket toilet		–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)		–	–	–	–	–	–	–	–	–
No toilet provisions		–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>		–	–	–	–	–	–	–	–	–
Total number of households	5	12 058	12 734	12 989	13 248	13 248	13 248	13 248	13 248	13 248
Energy:										
Electricity (at least min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (min.service level)		–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>		–	–	–	–	–	–	–	–	–
Electricity (< min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
Other energy sources		–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Refuse:										
Removed at least once a week		–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>		–	–	–	–	–	–	–	–	–
Removed less frequently than once a week		52	52	52	52	52	52	52	52	52
Using communal refuse dump		–	–	–	–	–	–	–	–	–
Using own refuse dump		–	–	–	–	–	–	–	–	–
Other rubbish disposal		–	–	–	–	–	–	–	–	–
No rubbish disposal		–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>		52	52	52	52	52	52	52	52	52
Total number of households	5	52	52	52	52	52	52	52	52	52
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (free minimum level service)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed at least once a week)		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Formal Settlements (R'000)	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)		–	–	–	–	–	–	296	308	320
Refuse (removed once a week for indigent households)		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		–	–	–	–	–	–	–	–	–
Total cost of FBS provided		–	–	–	–	–	–	296	308	320
Highest level of free service provided per household										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
Revenue cost of subsidised services provided (R'000)	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)		1 927	1 462	464	1 608	1 608	1 608	1 737	1 807	1 879
Water (in excess of 6 kilolitres per indigent household per month)		–	–	–	–	–	–	–	–	–
Sanitation (in excess of free sanitation service to indigent households)		–	–	–	–	–	–	–	–	–
Electricity/other energy (in excess of 50 kwh per indigent household per month)		–	–	–	–	–	–	–	–	–
Refuse (in excess of one removal a week for indigent households)		–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
Total revenue cost of subsidised services provided	6	1 927	1 462	464	1 608	1 608	1 608	1 737	1 807	1 879

Explanatory notes to Table A10 - Basic Service Delivery Measurement

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

2 Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act. EXCO acts as the Budget Steering Committee.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Mayor.

The primary aim of the Budget Steering Committee is to ensure:

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

2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2018) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule in August 2018. Key dates applicable to the process were noted and used in the compilation of the IDP and Budget process.

2.1.2 IDP and Service Delivery and Budget Implementation Plan

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2019/20 MTREF, based on the approved 2018/19 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

2.1.3 Financial Modelling and Key Planning Drivers

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

- Municipality growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2018/19 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 93 and 94 have been taken into consideration in the planning and prioritisation process.

2.1.4 Community Consultation

The municipality will conduct public participation from 07 to 12 April 2019 on the Draft 2019/20 MTREF as tabled before Council on 28 March 2019 for the community to provide its comments on the draft budget before it is approved by Council as final document in May 2019. The notice will be published on the municipality's website, and hard copies will be made available at municipal offices, municipal notice boards and libraries for comments.

All documents in the appropriate format (electronic and printed) will be provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Ward Committees will be utilised to facilitate the community consultation process starting in April 2019. The date of this meeting will be advertised in the local media. The following notice will be published in the local media:

2.2 Overview of alignment of annual budget with IDP

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

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (PGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPis);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2015/16 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 15 IDP Strategic Objectives

2019/20 Financial Year	2019/20 MTREF
1. The provision of quality basic services and infrastructure	1. Provision of quality basic services and infrastructure
2. Acceleration of higher and shared economic growth and development	2. Economic growth and development that leads to sustainable job creation
3. Fighting of poverty, building clean, healthy, safe and sustainable communities	3.1 Fight poverty and build clean, healthy, safe and sustainable communities
	3.2 Integrated Social Services for empowered and sustainable communities
4. Fostering participatory democracy and adherence to MKHAMBATHINI principles through a caring, accessible and accountable service	4. Foster participatory democracy and Mk principles through a caring, accessible and accountable service
5. Good governance, Financial viability and institutional governance	5.1 Promote sound governance
	5.2 Ensure financial sustainability
	5.3 Optimal institutional transformation to ensure capacity to achieve set objectives

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

1. Provision of quality basic services and infrastructure which includes, amongst others:
 - Provide electricity;
 - Provide waste removal;
 - Provide housing;
 - Provide roads and storm water;
 - Provide Municipality planning services; and
 - Maintaining the infrastructure of the Municipality.
2. Economic growth and development that leads to sustainable job creation by:
 - Ensuring there is a clear structural plan for the Municipality;
 - Ensuring planning processes function in accordance with set timeframes;
 - Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.
- 3.1 Fight poverty and build clean, healthy, safe and sustainable communities:
 - Effective implementation of the Indigent Policy;
 - Working with the provincial department of health to provide primary health care services;
 - Extending waste removal services and ensuring effective Municipality cleansing;
 - Ensuring all waste water treatment works are operating optimally;
 - Working with strategic partners such as SAPS to address crime;
 - Ensuring safe working environments by effective enforcement of building and health regulations;
 - Promote viable, sustainable communities through proper zoning; and
 - Promote environmental sustainability by protecting wetlands and key open spaces.
- 3.2 Integrated Social Services for empowered and sustainable communities
 - Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme
4. Foster participatory democracy and MKHAMBATHINI principles through a caring, accessible and accountable service by:
 - Optimising effective community participation in the ward committee system; and
 - Implementing MKHAMBATHINI in the revenue management strategy.
- 5.1 Promote sound governance through:
 - Publishing the outcomes of all tender processes on the municipal website
- 5.2 Ensure financial sustainability through:
 - Reviewing the use of contracted services

- Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan

5.3 Optimal institutional transformation to ensure capacity to achieve set objectives

- Review of the organizational structure to optimize the use of personnel;

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

In addition to the five-year IDP, the Municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the Municipality so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the Municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the Municipality and other service delivery partners.

This development strategy introduces important policy shifts which have further been translated into seven strategic focus areas/objectives as outlined below:

- Developing dormant areas;
- Enforcing hard development lines – so as to direct private investment;
- Maintaining existing urban areas;
- Strengthening key economic clusters;
- Building social cohesion;
- Strong developmental initiatives in relation to the municipal institution as a whole; and
- Sound financial fundamentals.

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the 2017/18 revised IDP, including:

- Strengthening the analysis and strategic planning processes of the Municipality;
- Initiating zonal planning processes that involve the communities in the analysis and planning processes. More emphasis was placed on area based interventions, within the overall holistic framework;
- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

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

2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

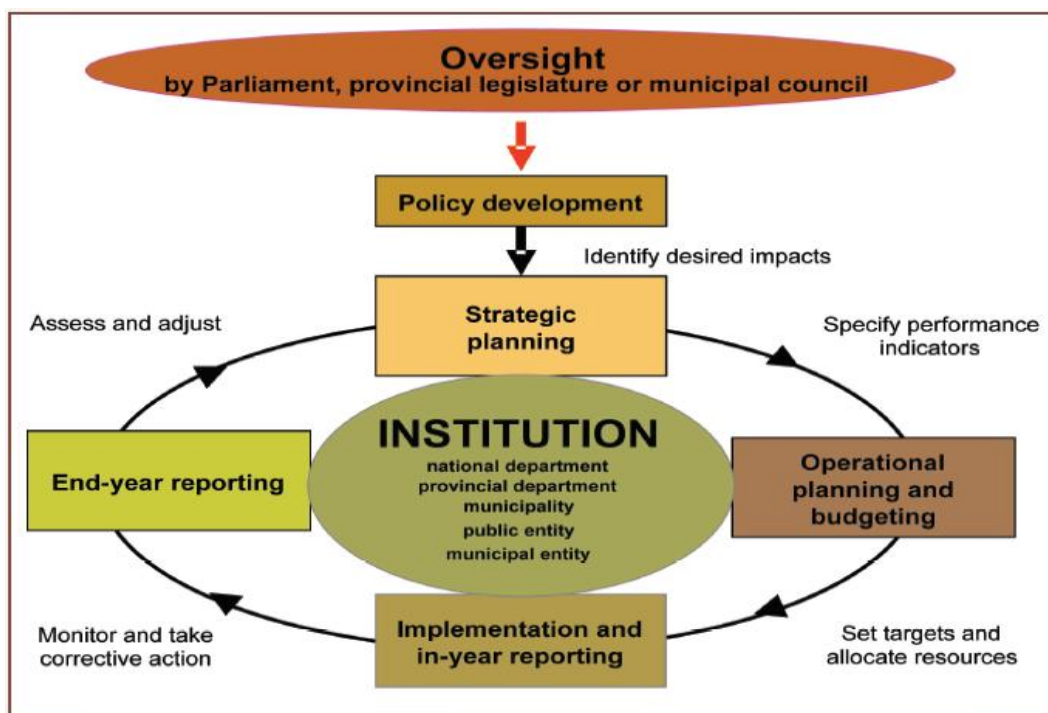


Figure 1 Planning, budgeting and reporting cycle

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting

stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury:

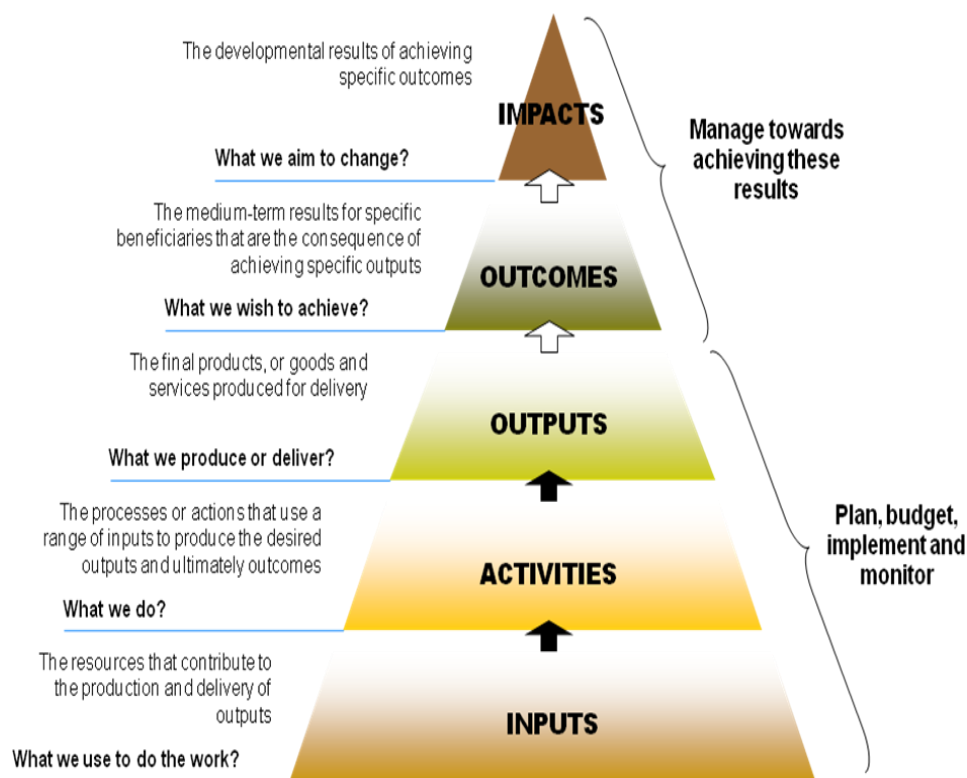


Figure 2 Definition of performance information concepts

Table 165 MBRR Table SA8 - Performance indicators and benchmarks

2.3.1 Performance indicators and benchmarks

KZN226 Mkhambathini - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.0%	0.0%	0.0%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.0%	0.0%	0.0%	0.8%	0.7%	0.7%	0.7%	0.6%	0.6%	0.6%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	2.0	4.0	6.6	14.7	13.3	13.3	13.3	13.3	13.3	13.3
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	2.0	4.0	6.6	14.7	13.3	13.3	13.3	13.3	13.3	13.3
Liquidity Ratio	Monetary Assets/Current Liabilities	1.1	3.1	5.1	12.6	12.6	12.6	12.6	12.6	12.6	12.6
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		75.9%	73.8%	100.0%	126.9%	126.9%	126.9%	126.9%	101.6%	78.5%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		75.9%	73.8%	100.0%	83.1%	83.1%	83.1%	83.1%	101.6%	78.5%	78.5%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	13.3%	10.9%	20.8%	9.7%	3.2%	3.2%	3.2%	2.9%	3.1%	3.0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))										
Creditors to Cash and Investments		18.8%	12.8%	16.1%	4.0%	5.0%	5.0%	5.0%	4.5%	4.6%	4.7%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	27.7%	27.4%	40.6%	34.4%	36.9%	36.9%	36.9%	35.7%	37.9%	38.1%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	36.1%	34.9%	38.0%	40.7%	43.6%	43.6%		41.6%	44.2%	44.3%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	2.5%	5.8%	6.6%	8.1%	7.5%	7.5%		7.9%	8.4%	8.2%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	7.2%	7.7%	10.3%	7.1%	8.4%	8.4%	8.4%	8.4%	9.4%	9.7%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	33.1	25.1	6.9	6.0	6.0	6.0	5.2	5.9	5.8	6.1
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	78.5%	62.0%	119.8%	60.2%	18.6%	18.6%	18.6%	15.3%	15.3%	15.3%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	11.5	14.1	10.2	9.6	7.5	7.5	7.5	7.8	7.7	7.6

2.3.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. The following financial performance indicators have formed part of the compilation of the 2019/20 MTREF:

- Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing. The average over MTREF is nil per cent.

2.3.1.2 Safety of Capital

2.3.1.3 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2018/19 MTREF the current ratio is 2.6 in the 2017/18 financial year and 4.5 and 5.2 for the two outer years of the MTREF. These are only estimates at this stage
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations.

2.3.1.4 Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management framework is going to be implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection. For this purpose and exercise with Trans Union has commenced.

2.3.1.5 Creditors Management

- The Municipality managed to ensure that creditors are settled within the legislated 30 days of invoice.

2.4 Overview of budget related-policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies. The following budget-related policies have been approved by Council, or have been reviewed or amended and/or are currently being reviewed/amended in line with National Guidelines and other legislation. The policies are opened for inspection and comment and the final copies will be tabled when the budget is adopted in May 2019.

2.4.1 Budget Policy

2.4.2 Supply Chain Management Policy

2.4.3. Property Rates Policy

2.4.4 Tariff Policy

2.4.5 Credit Control & Debt Collection Policy

2.4.6 Subsistence & Travel Policy

2.4.7 Leave Policy

2.4.8 Virement Policy

2.4.9 Cash Management and Investment Policy

2.4.10 Overtime Policy

2.4.11 Budget policy

2.4.12 Banking Policy

2.4.12 Indigent Policy

2.5 Councillor and employee benefits

Table 26 MBRR SA22 - Summary of councillor and staff benefits

KZN226 Mkhambathini - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		4 122	4 800	5 088	3 998	3 998	3 998	5 368	5 636	5 918
Pension and UIF Contributions										
Medical Aid Contributions										
Motor Vehicle Allowance					1 244	1 244	1 244			
Cellphone Allowance					622	622	622	622	622	622
Housing Allowances										
Other benefits and allowances										
Sub Total - Councillors		4 122	4 800	5 088	5 864	5 864	5 864	5 989	6 258	6 540
% increase	4		16.5%	6.0%	15.2%	-	-	2.1%	4.5%	4.5%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		4 892	4 256	4 165	3 860	3 860	3 860	4 431	4 431	4 431
Pension and UIF Contributions					24	24	24			
Medical Aid Contributions										
Overtime										
Performance Bonus					79	79	79			
Motor Vehicle Allowance	3				223	223	223	223	223	223
Cellphone Allowance	3		42	50	43	43	43			
Housing Allowances	3				63	63	63	63	63	63
Other benefits and allowances	3				108	108	108	44	44	44
Payments in lieu of leave					62	62	62			
Long service awards										
Post-retirement benefit obligations	6				26	26	26			
Sub Total - Senior Managers of Municipality		4 892	4 298	4 215	4 490	4 490	4 490	4 761	4 761	4 761
% increase	4		(12.1%)	(1.9%)	6.5%	-	-	6.1%	-	-
Other Municipal Staff										
Basic Salaries and Wages		12 250	15 780	15 021	18 093	18 093	18 093	21 621	23 270	25 907
Pension and UIF Contributions		3 455	2 223	3 522	3 281	3 281	3 281	3 281	3 281	3 281
Medical Aid Contributions		620	833	1 522	1 417	1 417	1 417	1 417	1 417	1 417
Overtime		710	855	1 060	1 132	1 132	1 132	1 132	1 132	1 132
Performance Bonus		917	828	1 544	1 658	1 658	1 658	1 658	1 658	1 658
Motor Vehicle Allowance	3	359	318	-	223	223	223	223	223	223
Cellphone Allowance	3	60	52	66	70	70	70	70	70	70
Housing Allowances	3	42	52	97	281	281	281	281	281	281
Other benefits and allowances	3	268	90	8	405	405	405	405	405	405
Payments in lieu of leave		411	423		1 178	1 178	1 178	1 178	1 178	1 178
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Other Municipal Staff		19 092	21 454	22 840	27 738	27 738	27 738	31 265	32 914	35 551
% increase	4		12.4%	6.5%	21.4%	-	-	12.7%	5.3%	8.0%
Total Parent Municipality		28 105	30 552	32 144	38 091	38 091	38 091	42 016	43 933	46 852
			8.7%	5.2%	18.5%	-	-	10.3%	4.6%	6.6%
TOTAL SALARY, ALLOWANCES & BENEFITS		28 105	30 552	32 144	38 091	38 091	38 091	42 016	43 933	46 852
% increase	4		8.7%	5.2%	18.5%	-	-	10.3%	4.6%	6.6%
TOTAL MANAGERS AND STAFF	5,7	23 984	25 752	27 056	32 227	32 227	32 227	36 027	37 675	40 313

Table 27 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

KZN226 Mkhambathini - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4		653 710		44 400			698 110
Chief Whip			653 710		44 400			698 110
Executive Mayor			869 536		44 400			913 936
Deputy Executive Mayor			364 056		44 400			408 456
Executive Committee			353 380					353 380
Total for all other councillors			2 473 446		444 000			2 917 446
Total Councillors	8	-	5 367 838	-	621 600			5 989 438
Senior Managers of the Municipality	5							
Municipal Manager (MM)			1 282 075					1 282 075
Chief Finance Officer			662 225	69 876	182 000			914 101
Strategic Manager : Corporate Services			789 140	23 746	54 545			867 431
Strategic Manager : Community Services			848 855					848 855
Strategic Manager : Technical Services			848 855					848 855
List of each official with packages >= senior manager								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
Total Senior Managers of the Municipality	8,10	-	4 431 151	93 622	236 545	-		4 761 318
A Heading for Each Entity	6,7							
List each member of board by designation								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
Total for municipal entities	8,10	-	-	-	-	-		-
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	-	9 798 989	93 622	858 145	-		10 750 756

Table 28 MBRR SA24 – Summary of personnel numbers

KZN226 Mkhambathini - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2017/18			Current Year 2018/19			Budget Year 2019/20		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)	4	14	3	11	14	3	11	14		14
Board Members of municipal entities	5									
Municipal employees										
Municipal Manager and Senior Managers	3	5	–	5	5	–	5	5		5
Other Managers	7									
Professionals		44	39	17	44	39	17	31	31	–
Finance			6	7		6	7	9	9	–
Spatial/town planning								1	1	–
Information Technology		1	–	1	1	–	1	1	1	–
Roads										
Electricity										
Water										
Sanitation										
Refuse										
Other		43	33	9	43	33	9	20	20	–
Technicians		–	–	–	–	–	–	–	–	–
Finance										
Spatial/town planning										
Information Technology										
Roads										
Electricity										
Water										
Sanitation										
Refuse										
Other										
Clerks (Clerical and administrative)		36	36	–	36	36	–	21	21	
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators										
Elementary Occupations								36	36	–
TOTAL PERSONNEL NUMBERS	9	99	78	33	99	78	33	107	88	19
% increase					–	–	–	8.1%	12.8%	(42.4%)
Total municipal employees headcount	6, 10									
Finance personnel headcount	8, 10									
Human Resources personnel headcount	8, 10									

Monthly targets for revenue, expenditure and cash flow**Table 29 MBRR SA25 - Budgeted monthly revenue and expenditure**

MKHAMBATHINI Municipality 2019/20 Draft Annual Budget and MTREF

KZN226 Mkhambathini - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand																
Revenue By Source																
Property rates		1 551	1 551	1 551	1 551	1 551	1 551	1 551	1 551	1 551	1 551	1 551	1 551	18 614	19 359	20 133
Service charges - electricity revenue		–	–	–	–	–	–	–	–	–	–	–	(296)	(296)	(308)	(320)
Service charges - water revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue		45	45	45	45	45	45	45	45	45	45	45	45	542	563	586
Rental of facilities and equipment		27	27	27	27	27	27	27	27	27	27	27	27	326	339	352
Interest earned - external investments		284	284	284	284	284	284	284	284	284	284	284	284	3 409	3 545	3 687
Interest earned - outstanding debtors		151	151	151	151	151	151	151	151	151	151	151	151	1 811	1 883	1 959
Dividends received		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		2	2	2	2	2	2	2	2	2	2	2	2	24	25	26
Licences and permits		560	560	560	560	560	560	560	560	560	560	560	560	6 717	6 986	7 265
Agency services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies		18 118	360	–	648	1 714	28 230	–	–	20 052	–	–	–	69 122	66 347	71 402
Other revenue		54	54	54	54	54	54	54	54	54	54	54	54	644	617	642
Gains on disposal of PPE		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		20 792	3 034	2 674	3 322	4 388	30 904	2 674	2 674	22 726	2 674	2 674	2 378	100 912	99 357	105 732
Expenditure By Type																
Employee related costs		3 002	3 002	3 002	3 002	3 002	3 002	3 002	3 002	3 002	3 002	3 002	3 002	36 027	37 675	40 313
Remuneration of councillors		499	499	499	499	499	499	499	499	499	499	499	499	5 989	6 258	6 540
Debt impairment		230	230	230	230	230	230	230	230	230	230	230	230	2 755	3 030	3 333
Depreciation & asset impairment		691	691	691	691	691	691	691	691	691	691	691	691	8 294	9 124	10 036
Finance charges		17	17	17	17	17	17	17	17	17	17	17	17	205	214	222
Bulk purchases		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other materials		1 188	1 188	1 188	1 188	1 188	1 188	1 188	1 188	1 188	1 188	1 188	1 188	14 260	14 831	15 424
Contracted services		1 428	1 428	1 428	1 428	1 428	1 428	1 428	1 428	1 428	1 428	1 428	1 428	17 132	17 817	18 529
Transfers and subsidies		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other expenditure		3 085	3 085	3 085	3 085	3 085	3 085	3 085	3 085	3 085	3 085	3 085	2 789	36 726	33 966	35 863
Loss on disposal of PPE		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		10 140	10 140	10 140	10 140	10 140	10 140	10 140	10 140	10 140	10 140	10 140	9 844	121 388	122 914	130 260
Surplus/(Deficit)																
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		5 144	–	–	–	–	6 270	–	–	4 662	–	–	–	16 076	16 745	17 706
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions																
Taxation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Attributable to minorities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of surplus/ (deficit) of associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)																
	1	15 796	(7 106)	(7 466)	(6 818)	(5 752)	27 033	(7 466)	(7 466)	17 247	(7 466)	(7 466)	(7 467)	(4 400)	(6 813)	(6 822)

Table 30 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)**KZN226 Mkhambathini - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)**

Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand																
Revenue by Vote																
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget and Treasury Office		7 447	7 447	7 447	7 447	7 447	7 447	7 447	7 447	7 447	7 447	7 447	7 447	89 366	89 594	95 653
Vote 4 - Corporate Services		5	5	5	5	5	5	5	5	5	5	5	5	62	64	67
Vote 5 - Community Services		122	122	122	122	122	122	122	122	122	122	122	122	1 462	23	24
Vote 6 - Library		143	143	143	143	143	143	143	143	143	143	143	143	1 714	1 817	1 817
Vote 7 - Vehicle Registration and Testing		560	560	560	560	560	560	560	560	560	560	560	560	6 717	6 986	7 265
Vote 8 - Solid Waste		45	45	45	45	45	45	45	45	45	45	45	45	542	563	586
Vote 9 - Technical Services		1 452	1 452	1 452	1 452	1 452	1 452	1 452	1 452	1 452	1 452	1 452	1 452	17 421	17 362	18 345
Vote 10 - Technical Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote		9 774	9 774	9 774	9 774	9 774	9 774	9 774	9 774	9 774	9 774	9 774	9 774	117 284	116 409	123 758
Expenditure by Vote to be appropriated																
Vote 1 - Executive and Council		639	639	639	639	639	639	639	639	639	639	639	639	7 671	8 007	8 359
Vote 2 - Municipal Manager		1 062	1 062	1 062	1 062	1 062	1 062	1 062	1 062	1 062	1 062	1 062	1 062	12 745	13 449	14 195
Vote 3 - Budget and Treasury Office		2 280	2 280	2 280	2 280	2 280	2 280	2 280	2 280	2 280	2 280	2 280	2 280	27 363	29 365	31 534
Vote 4 - Corporate Services		913	913	913	913	913	913	913	913	913	913	913	913	10 952	6 349	4 587
Vote 5 - Community Services		1 400	1 400	1 400	1 400	1 400	1 400	1 400	1 400	1 400	1 400	1 400	1 400	16 798	17 621	18 488
Vote 6 - Library		205	205	205	205	205	205	205	205	205	205	205	205	2 455	1 741	1 848
Vote 7 - Vehicle Registration and Testing		501	501	501	501	501	501	501	501	501	501	501	501	6 008	6 381	6 779
Vote 8 - Solid Waste		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Technical Services		3 141	3 141	3 141	3 141	3 141	3 141	3 141	3 141	3 141	3 141	3 141	3 141	37 692	40 308	44 790
Vote 10 - Technical Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		10 140	10 140	10 140	10 140	10 140	10 140	10 140	10 140	10 140	10 140	10 140	10 140	121 684	123 222	130 580
Surplus/(Deficit) before assoc.		(367)	(367)	(367)	(367)	(367)	(367)	(367)	(367)	(367)	(367)	(367)	(367)	(4 400)	(6 813)	(6 822)
Taxation														-	-	-
Attributable to minorities														-	-	-
Share of surplus/ (deficit) of associate														-	-	-
Surplus/(Deficit)	1	(367)	(367)	(367)	(367)	(367)	(367)	(367)	(367)	(367)	(367)	(367)	(367)	(4 400)	(6 813)	(6 822)

Table 31 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

KZN226 Mkhambathini - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand																
Revenue - Functional																
Governance and administration		7 452	7 452	7 452	7 452	7 452	7 452	7 452	7 452	7 452	7 452	7 452	7 452	89 428	89 658	95 720
Executive and council														—	—	—
Finance and administration		7 452	7 452	7 452	7 452	7 452	7 452	7 452	7 452	7 452	7 452	7 452	7 452	89 428	89 658	95 720
Internal audit														—	—	—
Community and public safety		265	265	265	265	265	265	265	265	265	265	265	265	3 176	1 840	1 841
Community and social services		265	265	265	265	265	265	265	265	265	265	265	265	3 176	1 840	1 841
Sport and recreation														—	—	—
Public safety														—	—	—
Housing														—	—	—
Health														—	—	—
Economic and environmental services		2 012	2 012	2 012	2 012	2 012	2 012	2 012	2 012	2 012	2 012	2 012	2 012	24 138	24 348	25 611
Planning and development														—	—	—
Road transport		2 012	2 012	2 012	2 012	2 012	2 012	2 012	2 012	2 012	2 012	2 012	2 012	24 138	24 348	25 611
Environmental protection														—	—	—
Trading services		45	45	45	45	45	45	45	45	45	45	45	45	542	563	586
Energy sources														—	—	—
Water management														—	—	—
Waste water management														—	—	—
Waste management		45	45	45	45	45	45	45	45	45	45	45	45	542	563	586
Other														—	—	—
Total Revenue - Functional		9 774	9 774	9 774	9 774	9 774	9 774	9 774	9 774	9 774	9 774	9 774	9 774	117 284	116 409	123 758
Expenditure - Functional																
Governance and administration		4 894	4 894	4 894	4 894	4 894	4 894	4 894	4 894	4 894	4 894	4 894	4 894	58 732	57 171	58 675
Executive and council		1 701	1 701	1 701	1 701	1 701	1 701	1 701	1 701	1 701	1 701	1 701	1 701	20 417	21 457	22 554
Finance and administration		3 193	3 193	3 193	3 193	3 193	3 193	3 193	3 193	3 193	3 193	3 193	3 193	38 315	35 715	36 121
Internal audit		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Community and public safety		1 604	1 604	1 604	1 604	1 604	1 604	1 604	1 604	1 604	1 604	1 604	1 604	19 253	19 361	20 336
Community and social services		1 604	1 604	1 604	1 604	1 604	1 604	1 604	1 604	1 604	1 604	1 604	1 604	19 253	19 361	20 336
Sport and recreation		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Public safety		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Economic and environmental services		3 642	3 642	3 642	3 642	3 642	3 642	3 642	3 642	3 642	3 642	3 642	3 642	43 700	46 690	51 569
Planning and development		1 706	1 706	1 706	1 706	1 706	1 706	1 706	1 706	1 706	1 706	1 706	1 706	20 476	22 993	26 578
Road transport		1 935	1 935	1 935	1 935	1 935	1 935	1 935	1 935	1 935	1 935	1 935	1 935	23 224	23 697	24 991
Environmental protection		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Trading services		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Energy sources		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Water management		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waste management		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other														—	—	—
Total Expenditure - Functional		10 140	10 140	10 140	10 140	10 140	10 140	10 140	10 140	10 140	10 140	10 140	10 140	121 684	123 222	130 580
Surplus/(Deficit) before assoc.		(367)	(367)	(367)	(367)	(367)	(367)	(367)	(367)	(367)	(367)	(367)	(367)	(4 400)	(6 813)	(6 822)
Share of surplus/ (deficit) of associate														—	—	—
Surplus/(Deficit)	1	(367)	(367)	(367)	(367)	(367)	(367)	(367)	(367)	(367)	(367)	(367)	(367)	(4 400)	(6 813)	(6 822)

Table 32 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)**KZN226 Mkhambathini - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)**

Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand																
Multi-year expenditure to be appropriated	1															
Vote 1 - Executive and Council													-	-	-	-
Vote 2 - Municipal Manager													-	-	-	-
Vote 3 - Budget and Treasury Office													-	-	-	-
Vote 4 - Corporate Services													-	-	-	-
Vote 5 - Community Services													-	-	-	-
Vote 6 - Library													-	-	-	-
Vote 7 - Vehicle Registration and Testing													-	-	-	-
Vote 8 - Solid Waste													-	-	-	-
Vote 9 - Technical Services													-	-	-	-
Vote 10 - Technical Services													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated																
Vote 1 - Executive and Council													-	-	-	-
Vote 2 - Municipal Manager													-	-	-	-
Vote 3 - Budget and Treasury Office													-	-	-	-
Vote 4 - Corporate Services		367	367	367	367	367	367	367	367	367	367	367	367	4 400	642	687
Vote 5 - Community Services		804	804	804	804	804	804	804	804	804	804	804	804	9 645	10 320	11 042
Vote 6 - Library		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Vehicle Registration and Testing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Solid Waste		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Technical Services		536	536	536	536	536	536	536	536	536	536	536	536	6 431	6 881	7 363
Vote 10 - Technical Services													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Capital single-year expenditure sub-total	2	1 706	1 706	1 706	1 706	1 706	1 706	1 706	1 706	1 706	1 706	1 706	1 706	20 476	17 843	19 092
Total Capital Expenditure	2	1 706	1 706	1 706	1 706	1 706	1 706	1 706	1 706	1 706	1 706	1 706	1 706	20 476	17 843	19 092

Table 33 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)**KZN226 Mkhambathini - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)**

Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand																
Capital Expenditure - Functional	1															
Governance and administration		367	367	367	367	367	367	367	367	367	367	367	367	4 400	642	687
Executive and council														—	—	—
Finance and administration		367	367	367	367	367	367	367	367	367	367	367	367	4 400	642	687
Internal audit														—	—	—
Community and public safety		804	804	804	804	804	804	804	804	804	804	804	804	9 645	10 320	11 042
Community and social services		804	804	804	804	804	804	804	804	804	804	804	804	9 645	10 320	11 042
Sport and recreation														—	—	—
Public safety														—	—	—
Housing														—	—	—
Health														—	—	—
Economic and environmental services		536	536	536	536	536	536	536	536	536	536	536	536	6 431	6 881	7 363
Planning and development														—	—	—
Road transport		536	536	536	536	536	536	536	536	536	536	536	536	6 431	6 881	7 363
Environmental protection														—	—	—
Trading services		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Energy sources														—	—	—
Water management														—	—	—
Waste water management														—	—	—
Waste management														—	—	—
Other														—	—	—
Total Capital Expenditure - Functional	2	1 706	1 706	1 706	1 706	1 706	1 706	1 706	1 706	1 706	1 706	1 706	1 706	20 476	17 843	19 092
Funded by:																
National Government		1 340	1 340	1 340	1 340	1 340	1 340	1 340	1 340	1 340	1 340	1 340	1 340	16 076	17 201	18 405
Provincial Government														—	—	—
District Municipality														—	—	—
Other transfers and grants														—	—	—
Transfers recognised - capital		1 340	1 340	1 340	1 340	1 340	1 340	1 340	1 340	1 340	1 340	1 340	1 340	16 076	17 201	18 405
Borrowing														—	—	—
Internally generated funds		367	367	367	367	367	367	367	367	367	367	367	367	4 400	642	687
Total Capital Funding		1 706	1 706	1 706	1 706	1 706	1 706	1 706	1 706	1 706	1 706	1 706	1 706	20 476	17 843	19 092

Table 34 MBRR SA30 - Budgeted monthly cash flow

KZN226 Mkhambathini - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Cash Receipts By Source													1		
Property rates	1 551	1 551	1 551	1 551	1 551	1 551	1 551	1 551	1 551	1 551	1 551	1 551	18 614	14 843	15 437
Service charges - electricity revenue															
Service charges - water revenue															
Service charges - sanitation revenue															
Service charges - refuse revenue												542	542	563	586
Rental of facilities and equipment	27	27	27	27	27	27	27	27	27	27	27	27	326	339	352
Interest earned - external investments	284	284	284	284	284	284	284	284	284	284	284	284	3 409	3 545	3 687
Interest earned - outstanding debtors	151	151	151	151	151	151	151	151	151	151	151	151	1 811	1 883	1 959
Dividends received	—	—	—	—	—	—	—	—	—	—	—	—			
Fines, penalties and forfeits	2	2	2	2	2	2	2	2	2	2	2	2	24	25	26
Licences and permits	560	560	560	560	560	560	560	560	560	560	560	560	6 717	6 986	7 265
Agency services	—	—	—	—	—	—	—	—	—	—	—	—			
Transfer receipts - operational	18 118	360		648	1 714	28 230			20 052				69 122	66 347	71 402
Other revenue	54	54	54	54	54	54	54	54	54	54	54	54	644	617	642
Cash Receipts by Source	20 747	2 989	2 629	3 277	4 343	30 859	2 629	2 629	22 681	2 629	2 629	3 170	101 208	95 149	101 356
Other Cash Flows by Source															
Transfer receipts - capital	5 144					6 270			4 662			—	16 076	16 745	17 706
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)												—			
Proceeds on disposal of PPE												—			
Short term loans												—			
Borrowing long term/refinancing												—			
Increase (decrease) in consumer deposits												—			
Decrease (increase) in non-current debtors												—			
Decrease (increase) other non-current receivables												—			
Decrease (increase) in non-current investments												—			
Total Cash Receipts by Source	25 891	2 989	2 629	3 277	4 343	37 128	2 629	2 629	27 343	2 629	2 629	3 170	117 284	111 894	119 062
Cash Payments by Type															
Employee related costs	3 002	3 002	3 002	3 002	3 002	3 002	3 002	3 002	3 002	3 002	3 002	3 002	36 027	37 675	40 313
Remuneration of councillors	499	499	499	499	499	499	499	499	499	499	499	499	5 989	6 258	6 540
Finance charges	17	17	17	17	17	17	17	17	17	17	17	17	205	214	222
Bulk purchases - Electricity	—	—	—	—	—	—	—	—	—	—	—	—			
Bulk purchases - Water & Sewer	—	—	—	—	—	—	—	—	—	—	—	—			
Other materials	1 188	1 188	1 188	1 188	1 188	1 188	1 188	1 188	1 188	1 188	1 188	1 188	14 260	14 831	15 424
Contracted services	1 428	1 428	1 428	1 428	1 428	1 428	1 428	1 428	1 428	1 428	1 428	1 428	17 132	17 817	18 529
Transfers and grants - other municipalities	—	—	—	—	—	—	—	—	—	—	—	—			
Transfers and grants - other	—	—	—	—	—	—	—	—	—	—	—	—			
Other expenditure	1 379	1 379	1 379	1 379	1 379	1 379	1 379	1 379	1 379	1 379	1 379	1 379	16 546	16 431	17 091
Cash Payments by Type	7 513	7 513	7 513	7 513	7 513	7 513	7 513	7 513	7 513	7 513	7 513	7 513	90 159	93 225	98 119
Other Cash Flows/Payments by Type															
Capital assets	1 706	1 706	1 706	1 706	1 706	1 706	1 706	1 706	1 706	1 706	1 706	1 706	20 476	17 843	19 092
Repayment of borrowing												—			
Other Cash Flows/Payments												—			
Total Cash Payments by Type	9 220	9 220	9 220	9 220	9 220	9 220	9 220	9 220	9 220	9 220	9 220	9 220	110 635	111 068	117 211
NET INCREASE/(DECREASE) IN CASH HELD	16 672	(6 231)	(6 591)	(5 943)	(4 877)	27 909	(6 591)	(6 591)	18 123	(6 591)	(6 591)	(6 049)	6 649	826	1 851
Cash/cash equivalents at the month/year begin:	47 038	63 710	57 479	50 888	44 945	40 068	67 977	61 386	54 795	72 918	66 327	59 736	47 038	53 687	54 513
Cash/cash equivalents at the month/year end:	63 710	57 479	50 888	44 945	40 068	67 977	61 386	54 795	72 918	66 327	59 736	53 687	53 687	54 513	56 364

2.6 Annual budgets and SDBIPs – internal departments

In terms of section 53(1)©(ii) the Mayor must take all reasonable steps to ensure that the municipality's service delivery and budget implementation plan is approved by the mayor within 28 days after the approval of the budget.

2.7 Capital expenditure details

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

R thousand	Program/Project description	Asset Sub-Class 3	Total Project Estimate	Project information	
				Ward location	New or renewal
Transportation and Roads	Nobhala Road	Roads, Pavements & Bridges	2 850 500	3	Renew
Community Facilities	Ezinembeni Crèche	Community facilities	2 700 000	2	New
Transportation and Roads	Mkhishwa Road	Roads, Pavements & Bridges	2 775 660	?	Renew
Transportation and Roads	Mdala Road	Roads, Pavements & Bridges	53 475	4	Renew
Community Facilities	Nkosi Mdluli Hall	Community facilities	4 159 971	5	New
Community Facilities	Camperdown Hall	Community facilities	3 295 394	3	New
Total Capital expenditure funded by MIG			15 835 000		

2.8 Legislation compliance status

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

1. 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 and includes monthly published financial performance on the Municipality's website.
2. Internship programme
The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. Since the introduction of the Internship programme the Municipality has successfully employed and trained 5 interns through this programme and a majority of them were appointed either in Mkhambathini Municipality or other municipalities.
3. Budget and Treasury Office
The Budget and Treasury Office has been established in accordance with the MFMA.

4. Audit Committee
An Audit Committee has been established and is fully functional.
5. Service Delivery and Implementation Plan
The detail SDBIP document is at a draft stage and will be finalised after approval of the 2019/20 MTREF in May 2019 directly aligned and informed by the 2018/19 MTREF.
6. Annual Report
Annual report is compiled in terms of the MFMA and National Treasury requirements.

2.9 Other supporting documents

Table 40 MBRR Table SA1 - Supporting detail to budgeted financial performance

KZN226 Mkhambathini - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

RENZVO Mkhambathini - Supporting Table SAT Supporting detail to Budgetary Financial Performance											
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand											
REVENUE ITEMS:											
Property rates											
Total Property Rates	6	13 209	13 424	14 683	15 881	15 881	15 881	15 881	20 352	21 166	22 012
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		1 927	1 462	464	1 608	1 608	1 608	1 608	1 737	1 807	1 879
Net Property Rates		11 281	11 961	14 219	14 272	14 272	14 272	14 272	18 614	19 359	20 133
Service charges - electricity revenue											
Total Service charges - electricity revenue	6										
less Revenue Foregone (in excess of 50 kwh per indigent household per month)											
less Cost of Free Basis Services (50 kwh per indigent household per month)		-	-	-	-	-	-	-	296	308	320
Net Service charges - electricity revenue		-	-	-	-	-	-	-	(296)	(308)	(320)
Service charges - water revenue											
Total Service charges - water revenue	6										
less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)											
less Cost of Free Basis Services (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-	-
Net Service charges - water revenue		-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue											
Total Service charges - sanitation revenue											
less Revenue Foregone (in excess of free sanitation service to indigent households)											
less Cost of Free Basis Services (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-	-
Net Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue											
Total refuse removal revenue	6		466	498	562	562	562	562	542	563	586
Total landfill revenue											
less Revenue Foregone (in excess of one removal a week to indigent households)											
less Cost of Free Basis Services (removed once a week to indigent households)		-	-	-	-	-	-	-	-	-	-
Net Service charges - refuse revenue		-	466	498	562	562	562	562	542	563	586
Other Revenue by source											
Photocopies and Faxes									17	18	19
Clearance Certificate		16	10	-							
Tender Proposal		81	48			106	106	106	106	111	115
Trading		13	16						1	1	1
Building plans		248	194			378	378	378	378	364	379
Other Revenue		217	327	2 616	559	41	41	41	23		
Rental from Fixed Assets											
Library fees		20	23								
Skills Development Levy Refund									62	64	67
Overdue Books Fine		10	6						4	4	4
Photocopies and Faxes									17	18	19
Application Fees for Land Usage									35	37	38
Total 'Other' Revenue	3	604	625	2 616	559	525	525	525	644	617	642
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	14 753	18 321	28 239	22 583	22 583	22 583	22 583	26 382	27 645	29 881
Pension and UIF Contributions		3 455	2 223	293	3 281	3 281	3 281	3 281	3 281	3 412	3 549
Medical Aid Contributions		620	833	1 353	1 417	1 417	1 417	1 417	1 417	1 474	1 533
Overtime		710	855	1 606	1 132	1 132	1 132	1 132	1 132	1 177	1 224
Performance Bonus		917	828	1 357	1 658	1 658	1 658	1 658	1 658	1 725	1 794
Motor Vehicle Allowance		359	318	-	223	223	223	223	223	231	241
Cellphone Allowance		60	52	-	70	70	70	70	70	73	76
Housing Allowances		42	52	219	281	281	281	281	281	292	303
Other benefits and allowances		268	90	318	405	405	405	405	405	421	438
Payments in lieu of leave		411	423	1 022	1 178	1 178	1 178	1 178	1 178	1 225	1 274
Long service awards		-	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-	-
sub-total	4	21 595	23 995	34 408	32 227	32 227	32 227	32 227	36 027	37 675	40 313
Less: Employees costs capitalised to PPE											
Total Employee related costs	1	21 595	23 995	34 408	32 227	32 227	32 227	32 227	36 027	37 675	40 313

**Table 40 MBRR Table SA1 - Supporting detail to budgeted financial performance
Continued)**

MKHAMBATHINI Municipality 2019/20 Draft Annual Budget and MTREF

Contributions recognised - capital										
<i>List contributions by contract</i>										
Total Contributions recognised - capital		-	-	-	-	-	-	-	-	-
Depreciation & asset impairment										
Depreciation of Property, Plant & Equipment		5 588	6 756	8 690	6 466	7 113	7 113	7 113	8 294	9 124
Lease amortisation										
Capital asset impairment										
Depreciation resulting from revaluation of PPE										
Total Depreciation & asset impairment		5 588	6 756	8 690	6 466	7 113	7 113	7 113	8 294	9 124
Bulk purchases										
Electricity Bulk Purchases										
Water Bulk Purchases										
Total bulk purchases		-	-	-	-	-	-	-	-	-
Transfers and grants										
Cash transfers and grants		-	-	-	-	-	-	-	-	-
Non-cash transfers and grants		-	-	-	-	-	-	-	-	-
Total transfers and grants		-	-	-	-	-	-	-	-	-
Contracted services										
<i>List services provided by contract</i>				14 494	11 815	11 815	11 815	11 815	17 132	17 817
<i>List services provided by contract</i>				8 422						
sub-total		-	-	22 916	11 815	11 815	11 815	11 815	17 132	17 817
Allocations to organs of state:										
Electricity										
Water										
Sanitation										
Other										
Total contracted services		-	-	22 916	11 815	11 815	11 815	11 815	17 132	17 817
Other Expenditure By Type										
Collection costs										
Contributions to 'other' provisions										
Consultant fees		2 401	3 005							
Audit fees		1 188	1 089	1 273						
General expenses		7 164	17 011	475		6 725	6 725	6 725	26 608	23 443
HIV/ AIDS AWARENESS CAMPAIGNS		5 500	2 415	-	32 176	32 176	32 176	32 176	123	128
HIV/AIDS STRATEGY		2 507	2 507	530	267	267	267	267	105	109
DISTRICT SALGA SELECTION PROGRAMME (PRACTICE)		1 500	1 500	-	525	525	525	525	63	66
MAYORAL GAMES TOURNAMENT		318	318	850	495	495	495	495	358	372
DISTRICT SALGA GAMES		530	530	-	243	243	243	243	673	700
PROVINCIAL SALGA GAMES		530	530	500	497	497	497	497	243	253
INDIGENOUS GAMES		-	-	-	8 000	8 000	8 000	8 000	90	94
YOUTH COUNCIL CAMPAIGNS AND MEETINGS		-	-	-	1 034	1 034	1 034	1 034	200	208
UMKHAMBATHINI CAREER EXPO		-	-	-	1 617	1 617	1 617	1 617	130	135
MKHAMBATHINI SCHOOLS AND MATRICULANTS ACHIEVEMENTS AWARDS		-	-	-	98	98	98	98	450	468
MKHAMBATHINI SENIOR CITIZENS CHRISTMAS CELEBRATION		318	318	500	145	145	145	145	415	432
COMMUNITY OUTREACH ACTIVITIES		371	371	300	175	175	175	175	600	624
MKHAMBATHINI ARTS AND CULTURE COMPETITIONS		900	900	400	95	95	95	95	551	573
MKHAMBA FAIR BUSINESS EXPO		890	890	650	105	105	105	105	300	312
SMMEs AND COOPERATIVES SUPPORT AND TRAINING		530	530	500	194	194	194	194	152	158
TOURISM PROJECTS		424	424	500	120	120	120	120	180	187
REFUSE REMOVAL AND DISPOSAL		-	-	500	194	194	194	194	600	624
EPWP JOB OPPORTUNITIES (projects)		212	212	600	255	255	255	255	2 000	2 080
CRAFTERS DEVELOPMENT TRAINING		212	212	830	650	650	650	650	100	104
MKHAMBATHINI ANNUAL DISABILITY CELEBRATION		742	742	600	20	20	20	20	230	239
MKHAMBATHINI YOUTH SKILLS DEVELOPMENT		-	-	150	108	108	108	108	885	920
UMKHAMBATHINI CAREER EXPO		191	191	622	70	70	70	70	130	135
Total 'Other' Expenditure		26 428	33 696	9 781	47 082	53 807	53 807	53 807	36 726	33 966
by Expenditure Item										
Employee related costs					695					
Other materials					395					
Contracted Services										
Other Expenditure		3 280	5 850	6 350	7 800				8 000	8 320
Total Repairs and Maintenance Expenditure		3 280	5 850	6 350	8 890	-	-	-	8 000	8 320

Table 39 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

KZN226 Mkhambathini - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - Executive and Council	Vote 2 - Municipal Manager	Vote 3 - Budget and Treasury Office	Vote 4 - Corporate Services	Vote 5 - Community Services	Vote 6 - Library	Vote 7 - Vehicle Registration and Testing	Vote 8 - Solid Waste	Vote 9 - Technical Services	Vote 10 - Technical Services	Vote 11 - [NAME OF VOTE 11]	Vote 12 - [NAME OF VOTE 12]	Vote 13 - [NAME OF VOTE 13]	Vote 14 - [NAME OF VOTE 14]	Vote 15 - [NAME OF VOTE 15]	Total
R thousand	1																
Revenue By Source																	
Property rates				18 614													18 614
Service charges - electricity revenue																	-
Service charges - water revenue																	-
Service charges - sanitation revenue																	-
Service charges - refuse revenue						542											542
Rental of facilities and equipment				326													326
Interest earned - external investments				3 409													3 409
Interest earned - outstanding debtors				1 811													1 811
Dividends received																	-
Fines, penalties and forfeits				20		4											24
Licences and permits					6 717												6 717
Agency services																	-
Other revenue				19		18				545							582
Transfers and subsidies				65 168		3 154				800							69 122
Gains on disposal of PPE																	-
Total Revenue (excluding capital transfers and contribution)		-	-	89 366	6 717	3 718	-	-	-	1 345	-	-	-	-	-	-	101 146
Expenditure By Type																	
Employee related costs																	36 027
Remuneration of councillors		5 989	6 010	5 483	6 683	5 045	2 009	4 434		6 363							5 989
Debt impairment				2 755													2 755
Depreciation & asset impairment				8 294													8 294
Finance charges																	-
Bulk purchases																	-
Other materials		500	800		1 205	11 695				60							14 260
Contracted services		110	2 530	3 421	2 972		99			8 000							17 132
Transfers and subsidies																	-
Other expenditure		572	2 183	4 562	9 213	58	347	1 574		18 657							37 166
Loss on disposal of PPE																	-
Total Expenditure		7 171	11 523	24 515	20 073	16 798	2 455	6 008	-	33 080	-	-	-	-	-	-	121 622
Surplus/(Deficit)		(7 171)	(11 523)	64 851	(13 356)	(13 080)	(2 455)	(6 008)	-	(31 735)	-	-	-	-	-	-	(20 476)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)										16 076							16 076
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)																	-
Transfers and subsidies - capital (in-kind - all)																	-
Surplus/(Deficit) after capital transfers & contributions		(7 171)	(11 523)	64 851	(13 356)	(13 080)	(2 455)	(6 008)	-	(15 659)	-	-	-	-	-	-	(4 400)

Table 40 MBRR Table SA3 – Supporting detail to Statement of Financial Position

KZN226 Mkhambathini - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand											
ASSETS											
Call investment deposits											
Call deposits				57 376	52 737	52 737	52 737	52 737	54 846	57 040	59 322
Other current investments		14 080	36 218								
Total Call investment deposits	2	14 080	36 218	57 376	52 737	52 737	52 737	52 737	54 846	57 040	59 322
Consumer debtors											
Consumer debtors		12 235	15 568	17 636	9 110	2 820	2 820	2 820	2 933	3 050	3 172
Less: Provision for debt impairment		(4 890)	(6 617)								
Total Consumer debtors	2	7 345	8 951	17 636	9 110	2 820	2 820	2 820	2 933	3 050	3 172
Debt impairment provision											
Balance at the beginning of the year		2 630	7 522								
Contributions to the provision		2 258	1 600								
Bad debts written off											
Balance at end of year		4 888	9 122	-	-	-	-	-	-	-	-
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		116 453	132 991		123 997	135 232	135 232	135 232	155 708	153 075	154 324
Leases recognised as PPE				119 103							
Less: Accumulated depreciation		21 978	26 678								
Total Property, plant and equipment (PPE)	2	94 475	106 313	119 103	123 997	135 232	135 232	135 232	155 708	153 075	154 324
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)											
Current portion of long-term liabilities											
Total Current liabilities - Borrowing		-	-	-	-	-	-	-	-	-	-
Trade and other payables											
Trade Payables		7 011	6 741	9 488	2 340	2 340	2 340	2 340	2 434	2 531	2 632
Other creditors		4 055	3 171								
Unspent conditional transfers											
VAT											
Total Trade and other payables	2	11 067	9 911	9 488	2 340	2 340	2 340	2 340	2 434	2 531	2 632
Non current liabilities - Borrowing											
Borrowing											
Finance leases (including PPP asset element)											
Total Non current liabilities - Borrowing	4	-	-	-	-	-	-	-	-	-	-
Provisions - non-current											
Retirement benefits											
List other major provision items											
Refuse landfill site rehabilitation											
Other		2 200	2 816								
Total Provisions - non-current		2 200	2 816	-	-	-	-	-	-	-	-
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		71 770	96 951								
GRAP adjustments											
Restated balance		71 770	96 951	-	-	-	-	-	-	-	-
Surplus/(Deficit)		34 435	28 157	18 431	(3 238)	(16 904)	(16 904)	(16 904)	(4 400)	(6 813)	(6 822)
Appropriations to Reserves											
Transfers from Reserves											
Depreciation offsets											
Other adjustments											
Accumulated Surplus/(Deficit)	1	106 205	125 108	18 431	(3 238)	(16 904)	(16 904)	(16 904)	(4 400)	(6 813)	(6 822)
Reserves											
Housing Development Fund											
Capital replacement											
Self-insurance											
Other reserves											
Revaluation											
Total Reserves	2	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	106 205	125 108	18 431	(3 238)	(16 904)	(16 904)	(16 904)	(4 400)	(6 813)	(6 822)

Table 41 MBRR Table SA9 – Social, economic and demographic statistics and assumptions

KZN226 Mkhambathini - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2015/16	2016/17	2017/18	Current Year 2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population						59	59	59	59	59	59	59
Females aged 5 - 14						8	8	8	8	8	8	8
Males aged 5 - 14						7	7	7	7	7	7	7
Females aged 15 - 34						11	11	11	11	11	11	11
Males aged 15 - 34						10	10	10	10	10	10	10
Unemployment						8	8	8	8	8	8	8
Monthly household income (no. of households)	1, 12											
No income												
R1 - R1 600												
R1 601 - R3 200												
R3 201 - R6 400												
R6 401 - R12 800												
R12 801 - R25 600												
R25 601 - R51 200												
R52 201 - R102 400												
R102 401 - R204 800												
R204 801 - R409 600												
R409 601 - R819 200												
> R819 200												
Poverty profiles (no. of households)												
< R2 060 per household per month	13											
Insert description	2											
Household/demographics (000)												
Number of people in municipal area						59	59	59	59	59	59	59
Number of poor people in municipal area												
Number of households in municipal area												
Number of poor households in municipal area												
Definition of poor household (R per month)						2 160	2 160	2 160	2 160	2 160	2 160	2 160
Housing statistics												
Formal	3					3 797	3 797	3 797	3 797	3 797	3 797	3 797
Informal						481	481	481	481	481	481	481
Total number of households			-	-	-	4 278	4 278	4 278	4 278	4 278	4 278	4 278
Dwellings provided by municipality	4											
Dwellings provided by province/s												
Dwellings provided by private sector	5											
Total new housing dwellings			-	-	-	-	-	-	-	-	-	-
Economic	6											
Inflation/inflation outlook (CPIX)						5.4%	5.4%	5.4%	6.0%	6.1%	5.9%	5.8%
Interest rate - borrowing						8.0%	8.0%	8.0%	6.0%	6.0%	6.0%	6.0%
Interest rate - investment						7.0%	7.0%	7.0%	6.0%	7.3%	5.9%	5.8%
Remuneration increases												
Consumption growth (electricity)												
Consumption growth (water)												
Collection rates	7											
Property tax/service charges						85.0%	60.0%	65.0%	70.0%	80.0%	85.0%	90.0%
Rental of facilities & equipment						8.0%	8.0%	8.0%	6.0%	6.0%	6.0%	6.0%
Interest - external investments						6.0%	6.0%	6.0%	0.0%	1.0%	1.0%	1.0%
Interest - debtors												
Revenue from agency services												



Municipal Manager's Quality Certificate

OFFICE OF THE MUNICIPAL MANAGER

QUALITY CERTIFICATE

I, Miss ZM Mdlazi, Acting Municipal Manager of Mkhambathini Local Municipality, hereby certify that the Draft Budget and SDBIP with the supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and the budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name: Mrs. ZM Mdlazi

Acting Municipal Manager of Mkhambathini Local Municipality KZ226

Signature: _____

Date: 28 March 2019