

**CITY OF CHOICE**



**PIETERMARITZBURG  
MSUNDUZI**

**TABLED ANNUAL BUDGET OF**

**Msunduzi  
Municipality  
KZN225**

**2020/21 TO 2022/23**

**MEDIUM TERM REVENUE AND  
EXPENDITURE FORECASTS**

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## Table of Contents

<b>PART 1 – ANNUAL BUDGET</b> .....	<b>1</b>
1.1 MAYOR’S REPORT .....	1
1.2 IT WAS RESOLVED TO RECOMMEND TO FULL COUNCIL THAT: .....	1
1.3 EXECUTIVE SUMMARY .....	4
1.4 OPERATING REVENUE FRAMEWORK.....	6
1.5 OPERATING EXPENDITURE FRAMEWORK.....	23
1.6 CAPITAL EXPENDITURE .....	27
1.7 ANNUAL BUDGET TABLES - PARENT MUNICIPALITY.....	28
<b>PART 2 – SUPPORTING DOCUMENTATION</b> .....	<b>6161</b>
2.1 OVERVIEW OF THE ANNUAL BUDGET PROCESS .....	61
2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP .....	64
2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS.....	709
2.4 OVERVIEW OF BUDGET RELATED-POLICIES.....	788
2.5 OVERVIEW OF BUDGET ASSUMPTIONS .....	822
2.6 OVERVIEW OF BUDGET FUNDING .....	1306
2.7 EXPENDITURE ON GRANTS AND RECONCILIATIONS OF UNSPENT FUNDS .....	94
2.8 COUNCILLOR AND EMPLOYEE BENEFITS.....	1567
2.9 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW.....	16110
2.10 ANNUAL BUDGETS AND SDBIPs – INTERNAL DEPARTMENTS.....	1680
2.11 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS .....	1686
2.12 CAPITAL EXPENDITURE DETAILS .....	1686
2.13 LEGISLATION COMPLIANCE STATUS.....	1784
2.14 OTHER SUPPORTING DOCUMENTS.....	1795
2.15 MUNICIPAL MANAGER’S QUALITY CERTIFICATE .....	18282

## List of Tables

Table 1 Consolidated Overview of the 2020/21 MTREF .....	6
Table 2 Summary of revenue classified by main revenue source.....	8
Table 3 Percentage growth in revenue by main revenue source .....	8
Table 4 Operating Transfers and Grant Receipts.....	10
Table 51 2020/21 Medium-term capital budget per vote.....	27
Table 7 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification).....	31
<b>Table 8 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote).....</b>	<b>33</b>
Table 9 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure).....	34
Table 10 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source.....	36
6. the 2020/21 budget year. Table 11 MBRR Table A6 - Budgeted Financial Position .....	38

Table 12 MBRR Table A7 - Budgeted Cash Flow Statement .....	41
Table 13 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation .....	42
Table 14 MBRR Table A9 - Asset Management.....	43
<b>Table 15 MBRR Table A10 - Basic Service Delivery Measurement .....</b>	<b>48</b>
Table 16 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue .....	69
Table 17 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure.....	69
Table 18 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure.....	70
<b>Table 20 MBRR Table SA8 - Performance indicators and benchmarks .....</b>	<b>73</b>
Table 21 Credit rating outlook remove this table and not replace.....	83
Table 22 Breakdown of the operating revenue over the medium-term .....	86
Table 23 Analysis of estimated revenue projections .....	89
<b>Table 24 MBRR SA15 – Detail Investment Information .....</b>	<b>91</b>
Table 25 Sources of capital revenue over the MTREF .....	92
Table 26 MBRR Table SA 17 - Detail of borrowings .....	93
Table 27 MBRR Table SA 18 - Capital transfers and grant receipts .....	94
• and Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).	
Table 28 MBRR Table A7 - Budget cash flow statement.....	95
Table 29 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation .....	98
Table 30 MBRR SA10 – Funding compliance measurement.....	100
2.7 Table 31 MBRR SA19 - Expenditure on transfers and grant programmes.....	106
Table 33 MBRR SA22 - Summary of councillor and staff benefits .....	107
Table 34 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers) .....	108
Table 35 MBRR SA24 – Summary of personnel numbers .....	109
2.9.1 Table 36 MBRR SA25 - Budgeted monthly revenue and expenditure .....	110
2.9.2 Table 37 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote).....	111
2.9.3 Table 38 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification).....	112
2.9.4 Table 39 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote) .....	113
2.9.5 Table 40 MBRR SA29 - Budgeted monthly capital expenditure (standard classification) .....	114
<b>2.9.6 Table 41 MBRR SA30 - Budgeted monthly cash flow .....</b>	<b>115</b>
<b>Table 42 MBRR SA 34a - Capital expenditure on new assets by asset class .....</b>	<b>117</b>
Table 43 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class.....	118
Table 44 MBRR SA34c - Repairs and maintenance expenditure by asset class.....	119
Table 45 MBRR SA36 - Detailed capital budget per municipal vote .....	120
Table 46 MBRR Table SA1 - Supporting detail to budgeted financial performance .....	125
Table 48 MBRR Table SA3 – Supporting detail to Statement of Financial Position .....	128
Table 22 Breakdown of the operating revenue over the medium-term .....	130
Table 23 Analysis of estimated revenue projections .....	133

<b>Table 24 MBRR SA15 – Detail Investment Information .....</b>	<b>135</b>
Table 25 Sources of capital revenue over the MTREF .....	136
Table 26 MBRR Table SA 17 - Detail of borrowings .....	138
Table 27 MBRR Table SA 18 - Capital transfers and grant receipts .....	140
• Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).	
Table 28 MBRR Table A7 - Budget cash flow statement.....	141
Table 29 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation .....	146
Table 30 MBRR SA10 – Funding compliance measurement .....	148
2.15 Table 31 MBRR SA19 - Expenditure on transfers and grant programmes	

**KZN225 Msunduzi - Supporting Table SA19 Expenditure on transfers and grant programme**

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20
<b>EXPENDITURE:</b>								
<b>Operating expenditure of Transfers and Grants</b>								
<b>National Government:</b>		<b>437,999</b>	<b>467,989</b>	<b>520,105</b>	<b>580,856</b>	<b>580,856</b>	<b>580,856</b>	<b>613,700</b>
Local Government Equitable Share		395,786	432,307	468,430	505,853	505,853	505,853	546,000
Finance Management		1,600	1,625	1,700	1,700	1,700	1,700	1,700
Municipal Systems Improvement		482						
EPWP Incentive		4,032	3,913	8,022	2,867	2,867	2,867	4,200
Water Services Operating Subsidy								
Public Transport Infrastructure		27,408	15,108	21,001	48,773	48,773	48,773	43,800
Energy Efficiency and Demand Management								
Operating costs-MIG		8,690	15,036	20,951	21,663	21,663	21,663	18,000
Neighbourhood Development Partnership Technical ass								
<b>Provincial Government:</b>		<b>28,051</b>	<b>28,143</b>	<b>69,167</b>	<b>28,281</b>	<b>28,281</b>	<b>28,281</b>	<b>58,300</b>
Provincial Government			1,075					
Expanded Public Works Grant								
Sport and Recreation								
Human Settlements		11,225	11,655	53,499	8,281	8,281	8,281	26,300
Arts and Culture- Community Library Services		6,618		612	643	643	643	10,000
Arts and Culture- Provincialisation		9,940	15,386	14,636	18,916	18,916	18,916	
Arts and Culture-Museum Subsidies								4,000
COGTA		268	27	420	441	441	441	21,400
<b>District Municipality:</b>		<b>106</b>	<b>1,145</b>					
[insert description]								
<b>Other grant providers:</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
[insert description]								
<b>Total operating expenditure of Transfers and Grants</b>		<b>466,156</b>	<b>497,277</b>	<b>589,271</b>	<b>609,137</b>	<b>609,137</b>	<b>609,137</b>	<b>672,100</b>
<b>Capital expenditure of Transfers and Grants</b>								
<b>National Government:</b>		<b>270,402</b>	<b>411,530</b>	<b>447,390</b>	<b>404,344</b>	<b>404,344</b>	<b>404,344</b>	<b>429,300</b>
Municipal Infrastructure Grant (MIG)		182,668	174,517	180,188	171,653	171,653	171,653	179,500
Public Transport and Systems		18,140	184,923	189,012	150,331	150,331	150,331	150,800
Neighbourhood Development Partnership		10,231	1,955	40,000	42,360	42,360	42,360	50,000
Dept of Mineral/Electricity								
Intergrated National Electrification Porgramme		8,771	4,115					
Municipal Systems Improvement								
Municipal Water Infrastructure Grant		415	38,021	38,191	40,000	40,000	40,000	41,000
Energy Efficiency and Demand Management		50,176	8,000					8,000
<b>Provincial Government:</b>		<b>17,710</b>	<b>23,144</b>	<b>12,867</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,900</b>
Airport Development Project								
Sport and Recreation								
KZNPA		1,004						
Arts and Culture-Museum Subsidies		3,635	8,598	5,467				9,900
COGTA		2,466		1,000				
Human Settlement		10,605	14,546	6,400				
<b>0</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
[insert description]								
<b>Other grant providers:</b>		<b>4,386</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
SANEDI		4,386						
<b>Total capital expenditure of Transfers and Grants</b>		<b>292,498</b>	<b>434,674</b>	<b>460,257</b>	<b>404,344</b>	<b>404,344</b>	<b>404,344</b>	<b>439,300</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		<b>758,654</b>	<b>931,951</b>	<b>1,049,529</b>	<b>1,013,481</b>	<b>1,013,481</b>	<b>1,013,481</b>	<b>1,111,400</b>

Table 33 MBRR SA22 - Summary of councillor and staff benefits ..... 156

Table 34 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers) ..... 158

Table 35 MBRR SA24 – Summary of personnel numbers ..... 159

2.9.1 Table 36 MBRR SA25 - Budgeted monthly revenue and expenditure ..... 161

2.9.2 Table 37 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)..... 163

2.9.3 Table 38 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)..... 163

2.9.4 Table 39 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote) ..... 165

2.9.5 Table 40 MBRR SA29 - Budgeted monthly capital expenditure (standard classification) ..... 166

**2.9.6 Table 41 MBRR SA30 - Budgeted monthly cash flow ..... 166**

<b>Table 42 MBRR SA 34a - Capital expenditure on new assets by asset class</b> .....	168
Table 43 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class.....	170
Table 44 MBRR SA34c - Repairs and maintenance expenditure by asset class.....	172
Table 45 MBRR SA36 - Detailed capital budget per municipal vote .....	174
Table 46 MBRR Table SA1 - Supporting detail to budgeted financial performance .....	179
Table 48 MBRR Table SA3 – Supporting detail to Statement of Financial Position.....	181

## List of Figures

Figure 1 Main operational expenditure categories for the 2020/21 financial year .....	26
Figure 2 Capital Infrastructure Programme .....	<b>Error! Bookmark not defined.</b>
Figure 3 Expenditure by major type.....	36
Figure 4 Depreciation in relation to repairs and maintenance over the MTREF .....	<b>Error! Bookmark not defined.</b>
Figure 5 Planning, budgeting and reporting cycle .....	71
Figure 6 Definition of performance information concepts.....	<b>Error! Bookmark not defined.</b>
Figure 7 Breakdown of operating revenue over the 2020/21 MTREF .....	131
Figure 8 Sources of capital revenue for the 2020/21 financial year .....	137
Figure 9 Growth in outstanding borrowing (long-term liabilities).....	<b>Error! Bookmark not defined.</b>
Figure 10 Cash and cash equivalents / Cash backed reserves and accumulated funds ....	<b>Error! Bookmark not defined.</b>

## Abbreviations and Acronyms

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



## **Part 1 – Annual Budget**

### **1.1 Mayor’s Report**

*Presentation to be done during Council sitting*

### **1.2 It was resolved to recommend to Full Council that:**

The Municipal Council of Msunduzi Local Municipality will meet in the Council Chambers of Msunduzi City Hall to consider the tabled annual budget for the financial year 2020/21 and the two-outer years.

It was resolved

That the Annual Budget of the Municipality for the budget year 2020/21, multi-year and single year capital appropriations as set out in Tables A2 – A5 of the report dated 12 March 2020 by the Chief Financial Officer, be APPROVED, as follows:

- (i) Budgeted Financial Performance (Revenue and Expenditure by Standard Classification) as contained in Table A2.
  - (ii) Budgeted Financial Performance (Revenue and Expenditure by Municipal Vote) as contained in Table A3.
  - (iii) Budgeted Financial Performance (Revenue by Source and Expenditure by Type) as contained in Table A4; and
  - (iv) Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table A5.
- (b) That the financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets as set out in Tables A6 – A10 of the report by the Chief Financial Officer, be APPROVED, as follows:
-

- (i) Budgeted Financial Position as contained in Table A6.
  - (ii) Budgeted Cash Flows as contained in Table A7.
  - (iii) Cash Backed Reserves and Accumulated Surplus Reconciliation as contained in Table A8.
  - (iv) Asset Management as contained in Table A9; and
  - (v) Basic Service Delivery Measurement as contained in Table A10.
- (c) That with effect from 1 July 2020, the tariffs as set out on pages 9 - 16 of the report by the Chief Financial Officer, be APPROVED, as follows:
- (i) the tariffs for electricity
  - (ii) the tariffs for the supply of water
  - (iii) the tariffs for sanitation services
  - (iv) the tariffs for solid waste services
  - (v) the tariffs for rates on different categories
- (d) That all the following budget related policies as per the Annexure (Annual Budget and Medium Term Revenue and Expenditure Framework 2020/21-2022/23 Book) submitted in terms of S7 of Municipal Budget and Reporting Regulations, be APPROVED;-
- a) Budget policy
  - b) Cost containment policy
  - c) Blacklisting policy
  - d) Virement policy
  - e) Cash Management and Investment policy
  - f) Funding and Reserves policy
  - g) Credit Control and Debt Collection policy
  - h) Tariff policy
  - i) Indigent policy
  - j) Supply Chain Management policy (part one & two)

- k) Assets Management policy
  - l) Grants policy
  - m) Insurance policy
  - n) Borrowing policy
  - o) Rates policy
  - p) Unauthorised, irregular or fruitless and wasteful expenditure policy
  - q) Infrastructure procurement and delivery management procedure manual
  - r) Contract management policy
  - s) Petty cash policy
  - t) Inventory management policy
  - u) Appointment of consultants policy
  - v) Commitments policy
  - w) Borrowing policy
  - x) General insurance policy
- (e) That with effect from 1 July 2020 the tariffs for other services, as set out on paragraph 5 of the report by the Chief Financial Officer, be APPROVED.
- (f) That authority be granted to the Municipal Manager to submit the Tabled Annual budget and Medium Term Revenue and Expenditure Framework 2020/21 to 2022/23 as per the requirements of Department of Cooperative Governance and Traditional Affairs (COGTA)
- (g) That authority be granted to the Municipal Manager to publish the Tabled Annual budget and Medium term Revenue and Expenditure Framework 2020/21 to 2022/23 in terms of Chapter 4 of the Municipal Systems Act of 2000 (as amended).
- (h) That authority be granted to the Municipal Manager to publish the budget related policies on the Internet and in all municipal buildings.

### 1.3 Executive Summary

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

The City's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low - to high-priority programmes to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore and 'nice to have' items.

The City has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the City has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

National Treasury's MFMA Circulars were used to guide the compilation of the 2020/21 MTREF. The latest being circular number 98

The main challenges experienced during the compilation of the 2020/21 MTREF can be summarized as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained water, roads and electricity infrastructure;
- The need to reprioritize projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk water and electricity (due to tariff increases from Umgeni Water and Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;
- Low debtors collection rate which impact negatively on municipal cash coverage ratio and implementation of critical projects
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;

The following budget principles and guidelines directly informed the compilation of the 2020/21 MTREF:

- The 2020/21 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 2020/21 tabled 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 CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

**While the municipality is optimistic about growth prospects in the next few year, there is no provision of such a growth in the municipality's revenue budget. Ordinarily, the municipality is expected to reflect such a growth in the revenue budget, however, the municipality chose to be cautious and conservative in this case. Taking into account, the MFMA provision that the budget must be funded from realistically anticipated revenue for collection, the municipality opted to use the current revenue base for the purposes of the MTREF but adjustments will be done in future when such a growth in the revenue base materialises. Therefore the constant % increases of revenue over the MTREF must not be read as meaning that the municipality is not anticipating growth in the revenue base of the MTREF. This is rather informed by a conservative or cautious approach in light of the prevailing economic conditions.**

Overall, the municipality's operating expenditure has increased by 9.77% and that is informed by the municipality's decision to cap operational costs through doing business in cost effective measures and to ensure that actual cash to be collected informs expenditure. This is informed by the municipality's desire to ensure that it remains financially sustainable and for that to be achieved; the municipality must budget for credible and sufficient operational budget surpluses. As a result, the municipality's operational budget surplus has decreased from R478 million to R342 million however the low capital outflow results into increased projected cash & cash equivalents at the end of budget year R478 million.

The above-mentioned cash surplus is based on a prevailing collection rate of a 85% average debt collection, 85% contracted services and 95% expenditure for other items including employee related costs.

**Table 1 Consolidated Overview of the 2020/21 MTREF**

KZN225 Msunduzi - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Total Revenue (excluding capital transfers and contributions)	1	4,599,339	4,873,445	5,229,284	5,604,668	5,613,597	5,613,597	5,613,597	5,980,481	6,353,033	6,851,376
Total Expenditure		4,608,946	5,609,414	5,675,285	5,328,507	5,136,020	5,136,020	5,136,020	5,638,039	5,975,252	6,429,822
Surplus/(Deficit)		(9,607)	(735,969)	(446,000)	276,161	477,577	477,577	477,577	342,443	377,781	421,554
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(9,607)	146,625	460,143	439,342	639,960	639,960	639,960	363,589	407,181	401,100
Surplus/(Deficit) after capital transfers & contributions		(19,213)	(589,344)	14,142	715,504	1,117,536	1,117,536	1,117,536	706,031	784,962	822,654

Total operating revenue of R 5,981 billion has grown by 6.54 per cent or R367 million for the 2020/21 financial year when compared to the 2020/21 Adjustments Budget. For the two outer years, operational revenue will increase by 12.34 percent (R 739 million) and 20.7 per cent (R 1,234 billion) respectively, equating to a total revenue growth of R 1, 944 billion over the MTREF when compared to the revenue budget of 2020/21 adjustment budget year.

Total operating expenditure for the 2020/21 financial year has been appropriated at R5, 638 billion and results to a budgeted surplus of R342 million. When compared to the 2020/21 Adjustments Budget, operational expenditure has grown overall by 9.77 per cent in the 2020/21 budget and by 14.88 and 22.95 per cent for each of the respective outer years of the MTREF.

The capital budget of R 413 million (R 364 million grant funding and R 50 million internal funding) for 2020/21 is R 287 million less when compared to the 2020/21 Adjustment Budget.

## 1.4 Operating Revenue Framework

In order for the Msunduzi Local Municipality to continue improving the quality of services that is 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 City and continued economic development;
- Efficient revenue management, which aims to ensure a 100 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the City.

While the municipality is optimistic about growth prospects in the next few year, there is no provision of such a growth in the municipality's revenue budget. Ordinarily, the municipality is expected to reflect such a growth in the revenue budget; however, the municipality chose to be cautious and conservative in this case. Taking into account, the MFMA provision that the budget must be funded from realistically anticipated revenue for collection, the municipality opted to use the current revenue base for the purposes of the MTREF but adjustments will be done in future when such a growth in the revenue base materialises.

The following table is a summary of the 2020/21 MTREF (classified by main revenue source):

**Table 2 Summary of revenue classified by main revenue source**

**KZN225 Msunduzi - Table A4 Budgeted Financial Performance (revenue and expenditure)**

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>Revenue By Source</b>											
Property rates	2	797,305	863,435	900,837	1,200,772	1,200,772	1,200,772	1,200,772	1,272,818	1,349,187	1,430,138
Service charges - electricity revenue	2	1,863,573	2,317,228	2,183,865	2,417,938	2,417,938	2,417,938	2,417,938	2,613,791	2,749,708	2,994,432
Service charges - water revenue	2	464,242	569,323	603,661	662,966	662,966	662,966	662,966	722,633	787,670	858,560
Service charges - sanitation revenue	2	121,806	135,950	137,072	145,475	145,475	145,475	145,475	154,204	163,456	173,263
Service charges - refuse revenue	2	88,928	100,293	106,276	111,324	111,324	111,324	111,324	118,003	125,083	132,588
Rental of facilities and equipment		26,144	19,799	35,220	27,827	27,827	27,827	27,827	29,496	31,266	33,142
Interest earned - external investments		54,664	39,130	39,866	14,702	14,603	14,603	14,603	15,479	16,408	17,393
Interest earned - outstanding debtors		96,347	164,249	117,861	193,740	193,740	193,740	193,740	205,364	217,686	230,747
Fines, penalties and forfeits		18,046	280	75,203	16,064	16,064	16,064	16,064	17,028	18,050	19,132
Licences and permits		341	126	113	1,071	1,071	1,071	1,071	1,136	1,204	1,276
Agency services		16,051		392	576	576	576	576	611	647	686
Transfers and subsidies		497,277	458,535	667,200	672,023	681,051	681,051	681,051	681,365	735,201	793,103
Other revenue	2	83,984	73,015	159,779	140,145	140,145	140,145	140,145	148,554	157,467	166,915
Gains		213,080	54,889								
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>4,341,789</b>	<b>4,796,251</b>	<b>5,027,345</b>	<b>5,604,622</b>	<b>5,613,551</b>	<b>5,613,551</b>	<b>5,613,551</b>	<b>5,980,481</b>	<b>6,353,033</b>	<b>6,851,376</b>

**Table 3 Percentage growth in revenue by main revenue source**

**KZN225 Msunduzi - Table A4 Budgeted Financial Performance (revenue and expenditure)**

Description	Ref	Current Year 2019/20		2020/21 Medium Term Revenue & Expenditure Framework				
		Adjusted Budget	% Increase	Budget Year 2020/21	% Increase	Budget Year +1 2021/22	% Increase	Budget Year +2 2022/23
<b>Revenue By Source</b>								
Property rates	2	1,200,772	6.00%	1,272,818	6.00%	1,349,187	6.00%	1,430,138
Service charges - electricity revenue	2	2,417,938	8.10%	2,613,791	5.20%	2,749,708	8.90%	2,994,432
Service charges - water revenue	2	662,966	9.00%	722,633	9.00%	787,670	9.00%	858,560
Service charges - sanitation revenue	2	145,475	6.00%	154,204	6.00%	163,456	6.00%	173,263
Service charges - refuse revenue	2	111,324	6.00%	118,003	6.00%	125,083	6.00%	132,588
Rental of facilities and equipment		27,827	6.00%	29,496	6.00%	31,266	6.00%	33,142
Interest earned - external investments		14,603	6.00%	15,479	6.00%	16,408	6.00%	17,393
Interest earned - outstanding debtors		193,740	6.00%	205,364	6.00%	217,686	6.00%	230,747
Fines, penalties and forfeits		16,064	6.00%	17,028	6.00%	18,050	6.00%	19,132
Licences and permits		1,071	6.00%	1,136	6.00%	1,204	6.00%	1,276
Agency services		576	6.00%	611	6.00%	647	6.00%	686
Transfers and subsidies		681,051	0.05%	681,365	7.90%	735,201	7.88%	793,103
Other revenue	2	140,145	6.00%	148,554	6.00%	157,467	6.00%	166,915
Gains								
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>5,613,551</b>		<b>5,980,481</b>		<b>6,353,033</b>		<b>6,851,376</b>

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.



Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the City. Rates and service charge revenues comprise more than two thirds of the total revenue mix. In the 2020/21 financial year, revenue from rates and services charges totalled to R4, 882 billion or 82 per cent. This increased to R5, 175 billion, R5, 489 billion in 2021/22 and 2022/23 respectively. A notable trend is the increase in the total percentage revenue generated from rates and services charges. The table above excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality.

Property rates are the second largest revenue source totalling 21, 28 per cent or R1, 273 billion. Other revenue consists of various items such as fines, licences and permits, agency services, sale of produce, training recoveries, landing fees, passenger levy etc.

Operating grants and transfers totals R 681 million in the 2020/21 financial year and steadily increases to R 735 million by 2021/22, R793 million by 2022/23. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

**Table 4 Operating Transfers and Grant Receipts**

KZN225 Msunduzi - Supporting Table SA18 Transfers and grant receipts										
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousand</b>										
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		<b>467,989</b>	<b>520,105</b>	<b>-</b>	<b>613,782</b>	<b>568,327</b>	<b>568,327</b>	<b>666,524</b>	<b>725,057</b>	<b>782,097</b>
Local Government Equitable Share		432,307	468,430		546,052	505,853	505,853	593,405	646,107	698,437
Finance Management		1,625	1,700		1,700	1,700	1,700	1,700	1,950	2,000
Municipal Systems Improvement								-	2,000	1,500
EPWP Incentive		3,913	8,022		4,200	2,867	2,867	3,164	-	-
Water Services Operating Subsidy								33,255	40,000	40,160
Public Transport Infrastructure		15,108	21,001		43,830	36,724	36,724			
Operating costs-MIG		15,036	20,951		18,000	21,183	21,183			
Neighbourhood Development Partnership Technical ass								35,000	35,000	40,000
<b>Provincial Government:</b>		<b>29,288</b>	<b>69,167</b>	<b>-</b>	<b>58,346</b>	<b>97,550</b>	<b>97,550</b>	<b>4,388</b>	<b>-</b>	<b>-</b>
Provincial Government		1,075								
Expanded Public Works Grant								4,388	-	-
Human Settlements		11,655	53,499		26,369	79,996	79,996			
Arts and Culture- Community Library Services			612		10,061	12,909	12,909			
Arts and Culture- Provincialisation		15,386	14,636							
Arts and Culture-Museum Subsidies		27	420		463	692	692			
COGTA		1,145			21,453	3,953	3,953			
<b>Other grant providers:</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,529</b>	<b>5,529</b>	<b>-</b>	<b>-</b>	<b>-</b>
Spoornet						5,529	5,529			
<b>Total Operating Transfers and Grants</b>	5	<b>497,277</b>	<b>589,271</b>	<b>-</b>	<b>672,127</b>	<b>671,406</b>	<b>671,406</b>	<b>670,912</b>	<b>725,057</b>	<b>782,097</b>
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		<b>411,530</b>	<b>447,390</b>	<b>-</b>	<b>429,351</b>	<b>389,413</b>	<b>389,413</b>	<b>202,516</b>	<b>221,043</b>	<b>240,653</b>
Municipal Infrastructure Grant (MIG)		174,517	180,188		179,516	172,133	172,133	196,128	214,043	227,153
Public Transport and Systems		184,923	189,012		150,835	162,380	162,380			
Neighbourhood Development Partnership		1,955	40,000		50,000	14,900	14,900	2,000	5,000	5,000
Integrated National Electrification Programme		4,115						-	-	7,000
Municipal Systems Improvement								-	2,000	1,500
Municipal Water Infrastructure Grant		38,021	38,191		41,000	40,000	40,000			
Energy Efficiency and Demand Management		8,000			8,000					
Expanded Public Works Programme Integrated Grant for Municipalities								4,388	-	-
<b>Provincial Government:</b>		<b>23,144</b>	<b>12,867</b>	<b>-</b>	<b>9,991</b>	<b>35,602</b>	<b>35,602</b>	<b>-</b>	<b>-</b>	<b>-</b>
Provincial Government Treasury: Airport						54	54			
Human Settlements		8,598	5,467		9,991	16,529	16,529			
Arts and Culture- Community Library Services						6,650	6,650			
Arts and Culture- Provincialisation						-	-			
Arts and Culture-Museum Subsidies			1,000			456	456			
COGTA		14,546	6,400			11,913	11,913			
<b>District Municipality:</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>261</b>	<b>261</b>	<b>-</b>	<b>-</b>	<b>-</b>
other						261	261			
<b>Total Capital Transfers and Grants</b>	5	<b>434,674</b>	<b>460,257</b>	<b>-</b>	<b>439,342</b>	<b>425,277</b>	<b>425,277</b>	<b>202,516</b>	<b>221,043</b>	<b>240,653</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		<b>931,951</b>	<b>1,049,529</b>	<b>-</b>	<b>1,111,470</b>	<b>1,096,683</b>	<b>1,096,683</b>	<b>873,428</b>	<b>946,100</b>	<b>1,022,750</b>

**1.4.1 Property Rates**

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.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. The regulations prescribing the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0, 25:1 came into effect on 1 July 2009, whilst the rate ratio for Public Benefit Organizations came into effect on 1 July 2010. The Property Rates Policy of the Municipality has been amended accordingly.

The categories of rateable properties for purposes of levying rates and the proposed rates for the 2020/21 financial year based on a 6.0 per cent increase from 1 July 2020 is contained below:

The following stipulations in the Property Rates Policy are highlighted:

- 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 100% rebate is granted on property values between R15 001 and R 100 000 is granted in terms of the City's own Property Rates Policy;
- For pensioners, disability grantees and child headed households, a maximum/total rebate of 40 per cent will be granted to owners of rate-able property if the total gross income of the applicant and/or his/her spouse, if any, does not to exceed the amount equal to R 3 700.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2020/21 financial year based on a 6.0 per cent increase from 1 July 2020 is contained in the tariffs of charges. The rate randage is bases on the new valuation roll. Rates randages are as follows:

#### BUDGET AND TREASURY OFFICE

##### Rates

	2019/20 Cents in the R	2020/21 Cents in the R	Inc.
<b>1. The RATE RANDAGES</b> , assessed in terms of the Local Government: Municipal Property Rates Act 6 of 2004 are as follows:			
(a) Vacant Land - No rebate granted	0.0229	0.0243	-6.0%
(b) Unauthorized Use (inclusive of surcharges)	0, 0393	0.0417	-6.0%
(c) Residential Property	0, 0126	0.0134	-6.0%
(d) Commercial Property (Previous Category: Other Property)	0.0222	0.0235	-6.0%
(e) Industrial Property (Previous Category: Other Property)	0.0222	0.0235	-6.0%
(f) Specialised Property ((Previous Category: Other Property)	0.0222	0.0235	-6.0%
(g) Agricultural Property	0.0031	0.0033	-6.0%
(h) Public Service Infrastructure	0.0031	0.0033	-6.0%
(i) Rural Communal Property	0.0172	0.0182	-6.0%
(j) Home Business Property (Now treated as Commercial Property)	0.000		
(k) Sectional Title Garages – Separately Registered	0.0126	0.0134	-6.0%
(l) Mining	0.0222	0.0235	-6.0%
(m) Public Benefit Organisations	0.0031	0.0033	-6.0%
Additional Rebate	100%	100%	

(n)	Public Service Property	0.0222	0.0235	NEW
(o)	Multipurpose Property Applicable tariff will be charged in respect of the combination of categories above.			

**Table 5 Comparison of proposed rates to levy for the 2020/21 financial year**

The Rate Randages assessed in terms of the Local Government Municipal Property Rates Act of 2004 are as follows:		2019/20	2020/21	% increase
		Cents in the R	Cents in the R	
(a)	Vacant Land -no rebate granted	0.0258	0.027348	0.06
(b)	Unauthorised Use (inclusive of surcharges)	0.0443	0.046958	0.06
(c)	Residential property	0.0142	0.015052	0.06
(d)	Commercial Property (Previous Category : Other)	0.025	0.0265	0.06
(e)	Industrial Property (Previous Category: Other Property)	0.025	0.0265	0.06
(f)	Specialised Property (Previous Category: Other Property)	0.025	0.0265	0.06
(g)	Agricultural Property	0.0035	0.00371	0.06
(h)	Public Service Infrastructure	0.0035	0.00371	0.06
(i)	Rural Communal Property	0.0193	0.020458	0.06
(j)	Home Business Property	0.0193	0.020458	0.06
(k)	Sectional Title Garages - Separately Registered	0.0142	0.015052	0.06
(l)	Mining Property	0.025	0.0265	0.06
(m)	Public Benefit Organisations	0.0035	0.00371	0.06
	Additional rebate	100%	100%	

### 1.4.2 Sale of Water and Impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Council is working towards ensuring that water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

Better maintenance of infrastructure, new dam construction and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability. Umgeni Water has increased its bulk tariffs with an average of 9.1 % from 1 July 2020.

Umgeni Water has undertaken a critical assessment of its capital infrastructure requirements. The assessment indicates that Umgeni Water's current infrastructure is unlikely to sustain its long-term ability to supply water and they had no other choice but to enter capital markets to raise funds for infrastructure upgrades, hence the above inflation increase in the bulk cost of water.

An average tariff increase of 9.1% as from 1 July 2020 for water is proposed. The specific increases for different categories are detailed in the tariffs of charges and in the extract below.

**Table 6 Proposed Water Tariffs**

<b>INFRASTRUCTURE SERVICES</b>			
<b>WATER DISTRIBUTION AND SANITATION MANAGEMENT</b>			
<u>Water Management</u>			
		<b>2019/20</b>	<b>2020/21</b>
		<b>Excl. Vat</b>	<b>Excl. Vat</b>
			<b>% Increase</b>
<u>Water Supply Tariffs</u>			
1	Scale 2 (1) – Domestic		
	Basic Charge	R 22.41	R 23.75
	0kl to 6kl	R 76.54	R 83.43
			6.00%
			9.00%
	2 (2) – Domestic		
	7kl to 30kl per kl	R 25.75	R 28.07
			9.00%
	2 (3) – Domestic		
	31kl to 60kl per kl	R 44.51	R 48.52
			9.00%
	2 (4) _Domestic		
	61kl and over per kl	R 51.95	R 56.63
			9.00%
	2 (5) _Domestic		
	Flat rate (unmetered households)	R 114.42	R 124.72
			9.00%
2	Scale 3A – Flats, Simplexes		
	Basic Charge	R 22.41	R 23.75
	Unit	R 24.28	R 26.46
			6.00%
			9.00%
3	Scale 3B – Flats (Non-Rateable)		
	Basic Charge	R 22.41	R 23.75
	Unit	R 33.40	R 36.41
			6.00%
			9.00%
4	Scale 4A (1) – Commercial		
	Basic Charge	R 37.34	R 39.58
	0 - 30 kl per kl	R 27.18	R 29.62
			6.00%
			9.00%
	4A (2) – Commercial		
	31kl to 60kl per kl	R 30.29	R 33.01
			9.00%

**INFRASTRUCTURE SERVICES**  
**WATER DISTRIBUTION AND SANITATION MANAGEMENT**

Water Management

		<b>2019/20</b>	<b>2020/21</b>	
		<b>Excl. Vat</b>	<b>Excl. Vat</b>	<b>% Increase</b>
<u>Water Supply Tariffs</u>				
	4A (3) – Commercial			
	61kl to 100kl per kl	R 35.54	R 38.73	9.00%
	4A (4) – Commercial			
	101kl and over per kl	R 27.18	R 29.62	9.00%
5	Scale 4B – Commercial (Non-Rateable)			
	Basic Charge	R 37.34	R 39.58	6.00%
	Unit	R 33.52	R 36.54	9.00%
6	Scale 5 – Builders, Construction Sites			
	Basic Charge	R 37.34	R 39.58	6.00%
	Unit	R 33.98	R 37.04	9.00%
	Flat Rate - Unmetered Fire Mains	R 286.06	R 311.80	9.00%
7	Scale 6 – Religious Organisations			
	Basic Charge	R 37.34	R 39.58	6.00%
	Unit	R 26.95	R 29.37	9.00%
8	Scale 7 – Registered Welfare & Charitable Institutions & certain Sporting Bodies which are exempted from payment of rates. Including such organizations & institutions exempted by the City Council.			
	Basic Charge	R 37.34	R 39.58	6.00%
	Unit	R 26.95	R 29.37	9.00%
10	Scale 8 – Municipal Departments			
	Unit	R 25.73	R 28.05	9.00%

**Indigent Benefit - Domestic Water supply only**

Qualifying indigent consumers will receive the first 6kl's of water free

#### **1.4.2 Sale of Electricity and Impact of Tariff Increases**

NERSA has announced the revised bulk electricity pricing structure. A 9.1 per cent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2020.

Considering the Eskom increases, the proposed consumer tariff had to be increased by 9.1 per cent to offset the additional bulk purchase cost from 1 July 2020.



**INFRASTRUCTURE SERVICES**Electricity Management

		2019/20	2020/21	%												
		Excl. Vat	Excl. Vat	Increase												
<b>Scale A: Domestic</b>																
1	A.I Single-Phase Supplies from 5A up to 80A –															
	Basic Charge per month	R 29.33	R 31.70	8.10%												
	Net Ampere Charge per amp per phase per	R 10.86	R 11.74	8.10%												
	Energy Charge per kWh (cents)	107.35	116.04	8.10%												
<table border="1"> <thead> <tr> <th>DESCRIPTION</th> <th>VOTE</th> <th>SUB</th> </tr> </thead> <tbody> <tr> <td>Domestic – Basic Charge</td> <td>704</td> <td>412</td> </tr> <tr> <td>Domestic – Amp Charge</td> <td>704</td> <td>412</td> </tr> <tr> <td>Domestic – Energy Charge</td> <td>704</td> <td>412</td> </tr> </tbody> </table>					DESCRIPTION	VOTE	SUB	Domestic – Basic Charge	704	412	Domestic – Amp Charge	704	412	Domestic – Energy Charge	704	412
DESCRIPTION	VOTE	SUB														
Domestic – Basic Charge	704	412														
Domestic – Amp Charge	704	412														
Domestic – Energy Charge	704	412														
2	Scale A.3 Three Phase Supplies from 5A up to 100A															
	Basic Charge per month	R 48.87	R 52.83	8.10%												
	Net Ampere Charge per amp per phase per	R 8.00	R 8.64	8.10%												
	Energy Charge per kWh (cents)	107.35	116.04	8.10%												
<b>Scale S0. Domestic Indigent 20 Amp</b>																
Qualifying Indigent consumers will receive the first 70kWh of electricity free.																
Conditional on being on Prepaid with 20 Amps Current limiting breaker																
3	Energy Charge only (cents)      No Basic Charge	128.78	139.21	8.10%												
<b>Scale S1: Domestic Life Line Tariff 20 Amp</b>																
4	Energy Charge only (cents)      No Basic Charge	148.70	160.74	8.10%												
<b>Scale S2: Domestic Straight Line Tariff - 40 Amps 1 phase</b>																
5.1	Energy Charge only (cents)	R 148.70	R 160.74	8.10%												
	Basic Charge (Included in the Municipal Bill/or deducted by	R 0.00														

**INFRASTRUCTURE SERVICES**Electricity Management

		<b>2019/20</b>	<b>2020/21</b>	<b>%</b>
		<b>Excl. Vat</b>	<b>Excl. Vat</b>	<b>Increase</b>
<b>Scale TD2: Time Of Use Domestic Three Phase</b>				
Supply Metered by a Smart Meter (Conditional on Municipality rolling out Smart Meters to Community)				
7	Scale TD.2 Time Of Use Domestic Three Phase			
	Basic Charge per month	R 91.74	R 99.17	8.10%
	Capacity charge per kVA per mor	R 7.85	R 8.49	8.10%
	Energy charge c/kWh (Periods as per shown in table below - public holidays treated as norm:			
	High Demand: (June, July, August)			
	Peak	378.01	408.63	8.10%
	Standard	124.31	134.38	8.10%
	Off Peak	73.90	79.89	8.10%
	Low Demand: (Other Months)			
	Peak	130.31	140.87	8.10%
	Standard	93.99	101.60	8.10%
	Off Peak	64.67	69.90	8.10%
<b>Scale B: Small Power users ≤ 65 kVA</b>				
8	Scale B.1 Small Power Single-Phase ≤100A			
	Basic Charge per month	R 75.23	R 81.32	8.10%
	Net Ampere Charge per amp per	R 22.83	R 24.68	8.10%
	Energy Charge per kWh (cents)	117.84	127.39	8.10%
9	Scale B.3 Small Power Three-Phase ≤100A			
	Basic Charge per month	R 134.89	R 145.82	8.10%
	Net Ampere Charge per amp per	R 19.26	R 20.82	8.10%
	Energy Charge per kWh (cents)	117.84	127.39	8.10%
<b>Scale C: Large Power users (Load greater than 65 kVA)</b>				
10	Scale C.1 Large Power at LV			
	Basic Charge per month	R 589.28	R 637.02	8.10%
	Demand charge per kVA per mor	R 226.42	R 244.76	8.10%
	Energy charge per kWh (cents)	107.90	116.64	8.10%

**INFRASTRUCTURE SERVICES**Electricity Management

	<b>2019/20</b>	<b>2020/21</b>	<b>%</b>
	<b>Excl. Vat</b>	<b>Excl. Vat</b>	<b>Increase</b>

**Scale T1: Time Of Use Large customer - MV**

## 12 Scale T1: Time of use large customer at MV

Basic Charge per month	R 2,946.39	R 3,185.05	8.10%
Demand charge per kVA (Peak a	R 95.69	R 103.45	8.10%
Access charge per kVA per montl	R 42.80	R 46.27	8.10%

Based on highest of notified or previous 12 months highest demand.

Energy charge c/kWh (Periods as per shown in table below - public holidays tree  
High Demand: (June, July, August)

Peak	360.72	389.94	8.10%
Standard	130.09	140.63	8.10%
Off Peak	84.28	91.11	8.10%

Low Demand: (Other Months)

Peak	137.76	148.92	8.10%
Standard	104.14	112.57	8.10%
Off Peak	76.98	83.21	8.10%

Reactive energy charge.

A charge for all reactive energy which exceed 30% of the real energy  
(kWh) per half hour period in the |

9.23	9.98	8.10%
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**Scale T2: Time Of Use Large customer at 400 V**

## 13 Scale T2: Time Of Use Large customer at LV

Basic Charge per month	R 548.73	R 593.17	8.10%
Demand charge per kVA (Peak a	R 105.27	R 113.79	8.10%
Access charge per kVA per montl	R 47.09	R 50.90	8.10%

Based on highest of notified or previous 12 months highest demand.

Energy charge c/kWh (Periods as per shown in table below - public holidays tree  
High Demand: (June, July, August)

Peak	378.77	409.45	8.10%
Standard	136.60	147.67	8.10%
Off Peak	88.49	95.65	8.10%

Low Demand: (Other Months)

Peak	144.67	156.39	8.10%
Standard	109.34	118.20	8.10%
Off Peak	80.81	87.35	8.10%

Reactive energy charge.

A charge for all reactive energy which exceed 30% of the real energy

The inadequate electricity bulk capacity and impact on service delivery and development remains a challenge for the City. The upgrading of the City's electricity network has therefore become a strategic priority, especially the substations and transmission lines. The City has embarked on an upgrade programme that will see the stabilising of the electricity distribution network.

Owing to the high increases in Eskom's bulk tariffs, it is clearly not possible to fund these necessary upgrades through increases in the municipal electricity tariffs- as a result tariff increases would be unaffordable for the consumers. As part of the 2020/21 MTREF, funding has been allocated to electricity infrastructure upgrade and the main funding source is DBSA loan.

### 1.4.3 Sanitation and Impact of Tariff Increases

A tariff increase of 6.0 per cent for sanitation from 1 July 2020 is proposed.

<b>INFRASTRUCTURE SERVICES</b>				
<b>WATER DISTRIBUTION AND SANITATION MANAGEMENT</b>				
<u>Sewerage Tariffs</u>				
		<b>2019/20</b>	<b>2020/21</b>	<b>%</b>
		<b>Excl. Vat</b>	<b>Excl. Vat</b>	<b>Increase</b>
Based on the relevant Water Scale				
<u>Sewerage Tariffs</u>				
1	Scale 2 – Domestic/House	R 163.01	R 172.79	6.00%
2	Multipurpose Property (Applicable to properties utilised for multiple purpose as	R 183.80	R 194.83	6.00%
3	Scale 3A – Flats/Simplexes per kl <i>(From 2018/19 ALL Flats/Simplexes on Scale 3A will be charged on 80% of water consumed)</i>	R 8.65	R 9.17	6.00%
4	Scale 4A – Business/Commercial per kl			
	0 - 400	R 8.84	R 9.37	6.00%
	401 - 1000	R 8.25	R 8.75	6.00%
	Greater than 1000	R 6.82	R 7.23	6.00%
<b>NOTE: The Maximum Tariff is no Longer Applicable from 2018/19</b>				
5	Vacant Land	R 163.01	R 172.79	6.00%
6	Scale 6 – Worship Places	R 310.99	R 329.65	6.00%
7	Scale 8M – Municipal Departments per kl	R 8.84	R 9.37	6.00%
8	Scale 3c, 4c, 7c – Registered Welfare & Charitable Institutions & certain Sporting Bodies which are exempted from payment of rates. Including such organizations & institutions exempted by the City Council.			
	per kl	R 8.84	R 9.37	6.00%
9	<i>Qualifying indigent consumers will receive 100% rebate in respect of the applicable charge.</i>			

### INTEREST RATE

1	Interest rate per annum	11.25%	10.75%
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#### 1.4.4 Waste Removal and Impact of Tariff Increases

A 6.0 per cent increase in the waste removal tariff is proposed from 1 July 2020

The following table compares current and proposed amounts payable from 1 July 2020:

<b>COMMUNITY SERVICES WASTE MANAGEMENT</b>				
<u>Refuse Removal Tariffs</u>				
		<b>2019/20 Excl. Vat</b>	<b>2020/21 Excl. Vat</b>	<b>% Increase</b>
Standard charges for Domestic and Commercial Refuse Removal Based on the relevant Electricity Scale				
<u>Refuse Removal Tariffs</u>				
1	Domestic			
	Single phase up to 80A	R 105.43	R 111.76	6.00%
	Three phase up to 100A	R 105.43	R 111.76	6.00%
	Prepayment Meter	R 105.42	R 111.75	6.00%
2	Multipurpose Property (Applicable to properties utilised for multiple purpose as per the rates category)			
	Single phase up to 80A	R 159.83	R 169.41	6.00%
	Three phase up to 100A	R 159.83	R 169.41	6.00%
	Prepayment Meter	R 159.83	R 169.41	6.00%
3	Small Power Users - Business/Commercial			
	Single phase up to 80A	R 302.05	R 320.18	6.00%
	Three phase up to 100A	R 302.05	R 320.18	6.00%
4	Large Power Users – Business/Commercial			
	Supply taken at 400V	R 302.05	R 320.18	6.00%
	Supply taken at 6.6 or 11kV	R 302.05	R 320.18	6.00%
5	Flats/Simplexes	R 89.34	R 94.70	6.00%
6	Previously PHB Housing and Informal Settlements (MA)	R 21.24	R 22.51	6.00%
7	Central Business District	R 401.68	R 425.78	6.00%
	Main cbd bordered by East(Masukwane), Winston/Victoria, Bulwer, Boschoff, Alan Paton, Prince Alfred, Railway, Pine.			
	Greytown Rd form East To Trichy, Balhambra Way from Greytown Road to Newholme Way, Khan Road to Deccan Road, Mysore Road from Greytown Road to Bangalore Road, Alan Paton up till King			
8	For areas not being billed but supplied with prepaid electricity meters to cover the cost of co-operative supplied refuse collection services.	R 16.85	R 17.87	6.00%
9	<a href="#">Qualifying indigent consumers will receive 100% rebate in respect of the applicable charge.</a>			

#### **Note: Home Business**

Refers to a property previously rated as residential where an owner or lessee runs a small business from and which is still primarily used as a place of residence by that owner or lessee and where special consent obtained in terms of the Town Planning scheme to run this business on the premises.

### 1.4.5 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

**Table 7 MBRR Table SA14 – Household bills**

**KZN225 Msunduzi - Supporting Table SA14 Household bills**

Description	Ref	2016/17	2017/18	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21 % incr.	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>Rand/cent</b>										
<b>Range'</b>	1									
<b>Rates and services charges:</b>										
Property rates		593.50	629.11	707.87	667.80	667.80	6.0%	707.87	750.34	795.36
Electricity: Basic levy		32.65	33.23	38.88	35.53	35.53	13.1%	40.18	45.43	51.37
Electricity: Consumption		872.22	888.62	1,038.37	949.06	949.06	13.1%	1,073.10	1,213.36	1,371.94
Water: Basic levy		18.74	19.88	23.10	21.07	21.07	9.6%	23.10	25.31	27.74
Water: Consumption		433.68	498.72	607.79	563.95	554.55	9.6%	607.79	666.13	730.08
Sanitation		136.35	144.53	162.55	153.35	153.35	6.0%	162.55	172.30	182.64
Refuse removal		88.19	94.19	105.14	99.18	99.18	6.0%	105.14	111.44	118.13
Other										
<b>sub-total</b>		<b>2,175.33</b>	<b>2,308.28</b>	<b>2,683.68</b>	<b>2,489.95</b>	<b>2,480.55</b>	<b>1.3%</b>	<b>2,719.72</b>	<b>2,984.32</b>	<b>3,277.27</b>
VAT on Services		326.30	346.24	402.55	373.49	372.08		407.96	447.65	491.59
<b>Total large household bill:</b>		<b>2,501.63</b>	<b>2,654.52</b>	<b>3,086.23</b>	<b>2,863.45</b>	<b>2,852.64</b>	<b>1.3%</b>	<b>3,127.68</b>	<b>3,431.97</b>	<b>3,768.86</b>
<b>% increase/-decrease</b>			<b>6.1%</b>	<b>-</b>	<b>(7.2%)</b>	<b>(0.4%)</b>	<b>9.6%</b>	<b>9.7%</b>	<b>9.8%</b>	
<b>Range'</b>	2									
<b>Rates and services charges:</b>										
Property rates		397.00	420.67	472.66	445.91	445.91	6.0%	472.66	501.02	531.09
Electricity: Basic levy		32.65	33.26	38.88	35.53	35.53	13.1%	40.18	45.43	51.37
Electricity: Consumption		436.10	444.00	519.01	474.37	474.37	13.1%	536.37	606.47	685.74
Water: Basic levy		18.74	19.88	23.10	21.07	21.07	9.6%	23.10	25.31	27.74
Water: Consumption		343.66	394.82	425.92	388.61	388.61	9.6%	425.92	466.81	511.62
Sanitation		136.36	144.54	162.55	153.35	153.35	6.0%	162.55	172.30	182.64
Refuse removal		88.19	93.48	105.14	99.18	99.18	6.0%	105.14	111.44	118.13
Other										
<b>sub-total</b>		<b>1,452.70</b>	<b>1,550.65</b>	<b>1,747.25</b>	<b>1,618.03</b>	<b>1,618.03</b>	<b>1.1%</b>	<b>1,765.91</b>	<b>1,928.79</b>	<b>2,108.33</b>
VAT on Services		217.91	232.60	262.09	242.70	242.70		289.99	289.32	316.25
<b>Total small household bill:</b>		<b>1,670.61</b>	<b>1,783.25</b>	<b>2,009.34</b>	<b>1,860.74</b>	<b>1,860.74</b>	<b>1.1%</b>	<b>2,030.80</b>	<b>2,218.11</b>	<b>2,424.58</b>
<b>% increase/-decrease</b>			<b>6.7%</b>	<b>-</b>	<b>(7.4%)</b>	<b>-</b>	<b>9.1%</b>	<b>9.2%</b>	<b>9.3%</b>	
				<b>(1.00)</b>	<b>-</b>	<b>(1.00)</b>				
<b>Household receiving free basic services</b>	3									
<b>Rates and services charges:</b>										
Property rates		198.33	210.00	235.96	222.60	222.60	6.0%	235.96	250.11	265.12
Electricity: Basic levy		-	-	-	-	-		-	-	-
Electricity: Consumption		261.66	266.58	311.50	284.71	284.71	13.1%	321.92	363.99	411.57
Water: Basic levy		19.65	19.88	23.10	21.07	21.07	9.6%	23.10	25.31	27.74
Water: Consumption		252.98	290.92	364.44	332.52	332.52	9.6%	364.44	399.43	437.78
Sanitation										
Refuse removal										
Other										
<b>sub-total</b>		<b>732.62</b>	<b>787.38</b>	<b>934.99</b>	<b>860.90</b>	<b>860.90</b>	<b>1.1%</b>	<b>945.41</b>	<b>1,038.85</b>	<b>1,142.21</b>
VAT on Services		109.89	118.11	140.25	129.14	129.14		141.81	155.83	171.33
<b>Total small household bill:</b>		<b>842.51</b>	<b>905.49</b>	<b>1,075.24</b>	<b>990.04</b>	<b>990.04</b>	<b>1.1%</b>	<b>1,087.23</b>	<b>1,194.68</b>	<b>1,313.54</b>
<b>% increase/-decrease</b>			<b>7.5%</b>	<b>-</b>	<b>(7.9%)</b>	<b>-</b>	<b>9.8%</b>	<b>9.9%</b>	<b>9.9%</b>	

## 1.5 Operating Expenditure Framework

The City's expenditure framework for the 2020/21 budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- Funded budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Low debt collection ratio which impacts negatively on budgeting for service delivery
- 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 plans no budget. If there is no business plan, no funding allocation can be made.**

The following table is a high-level summary of the 2020/21 budget and MTREF (classified per main type of operating expenditure):

**Table 8 Summary of operating expenditure by type**

KZN225 Msunduzi - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>Expenditure By Type</b>											
Employee related costs	2	990,111	1,120,868	1,268,314	1,455,869	1,445,368	1,445,368	1,445,368	1,538,851	1,646,571	1,761,831
Remuneration of councillors		43,574	45,020	44,131	51,488	51,488	51,488	51,488	54,062	56,765	59,604
Debt impairment	3	40,800	908,869	697,522	116,891	116,891	116,891	116,891	138,904	131,338	139,212
Depreciation & asset impairment	2	605,422	470,370	467,692	492,025	491,076	491,076	491,076	520,541	551,773	584,879
Finance charges		114,568	103,988	85,530	41,660	41,660	41,660	41,660	39,577	37,598	35,718
Bulk purchases	2	1,866,283	1,956,999	2,010,060	2,282,600	2,282,600	2,282,600	2,282,600	2,473,007	2,625,073	2,860,018
Other materials	8	46,025	69,287	56,437	55,756	42,433	42,433	42,433	66,378	68,423	72,271
Contracted services		556,503	622,403	671,010	587,242	455,597	455,597	455,597	542,329	569,829	611,066
Transfers and subsidies		36,447	25,891	42,492	46,379	58,900	58,900	58,900	48,495	49,960	52,849
Other expenditure	4, 5	201,572	167,375	206,294	198,552	149,965	149,965	149,965	215,895	237,920	252,374
Losses		107,640	118,343	125,803	43	43	43	43			
<b>Total Expenditure</b>		<b>4,608,946</b>	<b>5,609,414</b>	<b>5,675,285</b>	<b>5,328,507</b>	<b>5,136,020</b>	<b>5,136,020</b>	<b>5,136,020</b>	<b>5,638,039</b>	<b>5,975,252</b>	<b>6,429,822</b>

The budgeted allocation for employee related costs for the 2020/21 financial year totals R1, 539 billion, which equals to 27, 29 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 2020/21 and the two outer years.. In addition,

expenditure against overtime was critically reviewed for inefficiencies and significantly streamlined with provisions against this budget item only being provided for emergency services and other critical functions.

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 City's budget. An increase of 5% has been provided for.

The provision of debt impairment was determined based on an annual collection rate of 85 per cent, the results of the previous year risk profiling of debtors and the Debt Write-off Policy of the City. For the 2020/21 financial year this amount equates to R139 million and it stays static for 2022/23 budget year. While this expenditure is considered a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

The Municipality's Asset Management Policy has informed provision for depreciation and asset impairment. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R 521 million for the 2020/21 financial year, which equates to 9.23 per cent of the total operating expenditure. The asset register, the recent conditional assessment of assets, the current year's capital budget and the new year's proposed capital budget have been taken into account in determining the depreciation budget.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 1 per cent (R40 million) of operating expenditure excluding annual redemption for 2020/21 and decreases to R 36 million by 2022/23. As the capital portion of loans are repaid.

Bulk purchases are informed by the purchase of electricity from Eskom and water from Umgeni Water. The annual price increase have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

Other material comprises of amongst others the purchase of fuel, diesel, materials for maintenance, cleaning materials and consumables. In line with the City's repairs and maintenance plan, this group of expenditure has been prioritised to ensure sustainability of the City's infrastructure. Aligned to the priority being given to preserving and maintaining the City's current infrastructure, the 2020/21 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 City. In terms of the Municipal Budget and Reporting Regulations,



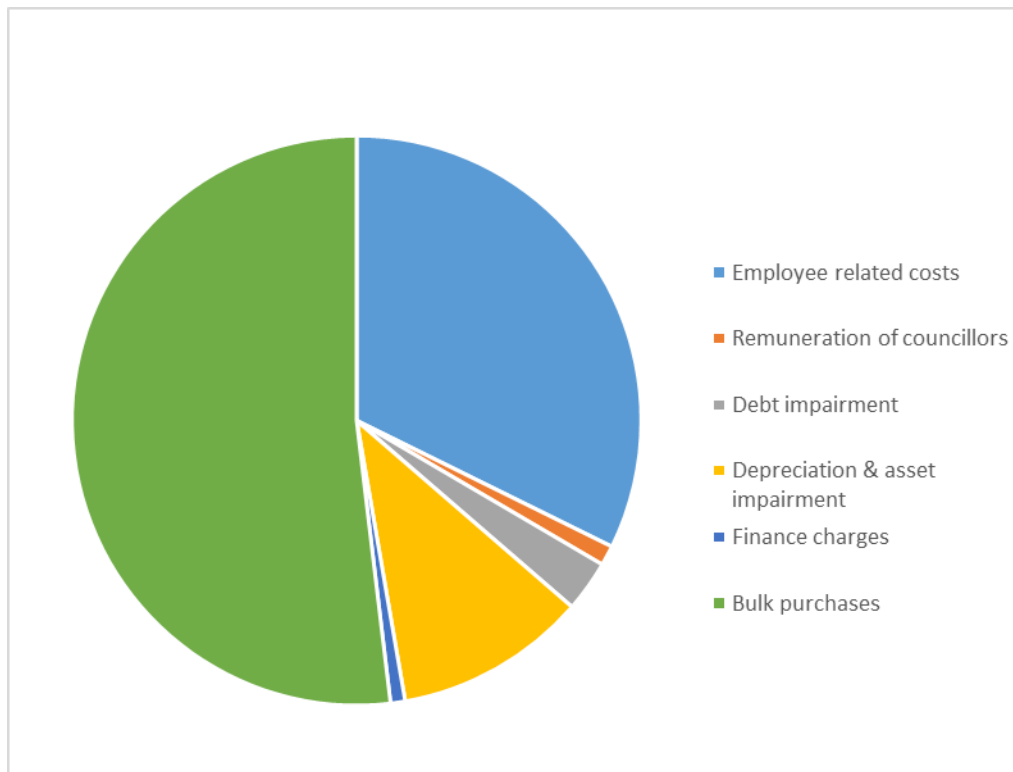
operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services.

For 2020/21, the appropriation against this item of expenditure is R97.3 million and increases to R99 million and R103 million for the two outer years.

Contracted Services and Other Material have been largely affected by the implementation of mSCOA and they form part of many operational projects as the municipality has adopted a project based budgeting as per mSCOA regulations. Repairs and Maintenance has also contributed to these items. Also included in contracted services are costs for the outsourced security services.

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 which is why it has decreased quite substantially.

**The following table gives a breakdown of the main expenditure categories for the 2020/21 financial year.**



## Figure 1 Main operational expenditure categories for the 2020/21 financial year

### 1.5.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the City's current infrastructure, the 2020/21 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 City. 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. The provision for repairs and maintenance is below the norm due to a huge provision on capital budget being towards infrastructure renewal.

Over the years, operational repairs and maintenance has been identified as a strategic imperative owing to the aging of the City's infrastructure and historic deferred maintenance. To this end, repairs and maintenance has been continually increasing in the municipality's budget over the past few years. The table below provides a breakdown of the repairs and maintenance in relation to asset class:

**Table 9 Repairs and maintenance per asset class**

KZN225 Msunduzi - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		127,246	133,888	-	187,469	187,469	187,469	182,809	188,339	197,064
<b>Community Assets</b>		17,218	17,639	-	9,433	9,433	9,433	23,513	24,224	25,346
<b>Other assets</b>		-	-	-	3,509	3,509	3,509	-	-	-
<b>Machinery and Equipment</b>		-	-	-	1,061	1,061	1,061	-	-	-
<b>Total Repairs and Maintenance Expenditure</b>	1	162,844	171,344	-	212,407	212,407	212,407	233,304	240,362	251,496
<b>R&amp;M as a % of PPE</b>		2.3%	2.5%	0.0%	3.0%	3.0%	3.0%	3.3%	3.5%	3.7%
<b>R&amp;M as % Operating Expenditure</b>		3.5%	3.1%	0.0%	4.0%	4.1%	4.1%	4.5%	4.3%	4.2%

For the 2020/21 financial year, 78, 36 per cent of total repairs and maintenance will be spent on infrastructure assets. The total amount allocated to Repairs and Maintenance is R 233 million.

## 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 City's Indigent Policy. Details relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement) on page 38.

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.

## 1.6 Capital expenditure

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

**Table 51 2020/21 Medium-term capital budget per vote**

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>Capital expenditure - Vote</b>	1										
<b>Capital Expenditure - Functional</b>											
<i>Governance and administration</i>		61,849	29,972	28,133	51,135	31,135	31,135	31,135	32,500	27,300	28,400
<i>Community and public safety</i>		119,183	66,164	94,240	28,966	229,325	229,325	229,325	159,422	58,520	56,773
<i>Economic and environmental services</i>		291,476	271,330	308,823	286,539	266,539	266,539	266,539	110,696	211,399	203,623
<i>Trading services</i>		173,199	226,940	177,154	180,492	165,492	165,492	165,492	114,755	170,658	176,010
<i>Other</i>		2,407	486	5,136	8,240	8,240	8,240	8,240			
<b>Total Capital Expenditure - Functional</b>	3	648,114	594,892	613,487	555,371	700,730	700,730	700,730	417,373	467,877	464,806
<b>Funded by:</b>											
National Government		376,644	232,550	393,481	429,351	429,351	429,351	429,351	255,155	279,198	295,850
Provincial Government		24,611	131,196	72,548	9,991	210,608	210,608	210,608	108,434	127,982	105,250
District Municipality											
<b>Transfers recognised - capital</b>	4	401,255	363,746	466,029	439,342	639,960	639,960	639,960	363,589	407,181	401,100
<b>Borrowing</b>	6	40,245	88,896	47,053	5,631	5,631	5,631	5,631			
<b>Internally generated funds</b>		206,613	142,250	100,404	110,398	55,139	55,139	55,139	53,784	60,696	63,705
<b>Total Capital Funding</b>	7	648,114	594,892	613,487	555,371	700,730	700,730	700,730	417,373	467,877	464,806

The total capital budget for 2020/21 is R 417, 4 million of which 87,11% (R 363, 6 million) is funded through conditional grants from national and provincial government, 12, 89% (R 53,8 million) funded through internal reserves. About 36, 95% (R 154, 2 million) of the total capital budget will go towards renewal of existing assets while 62, 15% (R 259, 4 million) is going to be spent on new assets.

Further details relating to asset classes and proposed capital expenditure is contained in Table 26 MBRR A9 (Asset Management) on page 36. In addition to the MBRR Table A9, MBRR Tables SA34a, b, c provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class (refer to pages 88, 89 and 90).

#### **1.6.1 Future operational cost of new infrastructure**

The future operational costs and revenues associated with the capital programme have been included in Table 61 MBRR SA35 on page 91. It needs to be noted that as part of the 2020/21 MTREF, this expenditure has been factored into the two outer years of the operational budget.

### **1.7 Annual Budget Tables - Parent Municipality**

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2020/21 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

**Table 14 MBRR Table A1 -**

## KZN225 Msunduzi - Table A1 Budget Summary

Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	793,014	864,164	930,980	1,200,772	1,200,772	1,200,772	1,200,772	1,272,818	1,349,187	1,430,138
Service charges	2,537,579	2,710,792	2,942,608	3,337,749	3,337,749	3,337,749	3,337,749	3,608,631	3,825,917	4,158,844
Investment revenue	53,631	39,046	20,379	14,702	14,603	14,603	14,603	15,479	16,408	17,393
Transfers recognised - operational	949,742	943,374	1,016,642	672,023	681,051	681,051	681,051	681,365	735,201	793,103
Other own revenue	265,372	316,068	318,676	379,423	379,423	379,423	379,423	402,188	426,319	451,899
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>4,599,339</b>	<b>4,873,445</b>	<b>5,229,284</b>	<b>5,604,668</b>	<b>5,613,597</b>	<b>5,613,597</b>	<b>5,613,597</b>	<b>5,980,481</b>	<b>6,353,033</b>	<b>6,851,376</b>
Employee costs	990,111	1,120,868	1,268,314	1,455,869	1,445,368	1,445,368	1,445,368	1,538,851	1,646,571	1,761,831
Remuneration of councillors	43,574	45,020	44,131	51,488	51,488	51,488	51,488	54,062	56,765	59,604
Depreciation & asset impairment	605,422	470,370	467,692	492,025	491,076	491,076	491,076	520,541	551,773	584,879
Finance charges	114,568	103,988	85,530	41,660	41,660	41,660	41,660	39,577	37,598	35,718
Materials and bulk purchases	1,912,308	2,026,286	2,066,497	2,338,356	2,325,032	2,325,032	2,325,032	2,539,385	2,693,496	2,932,289
Transfers and grants	36,447	25,891	42,492	46,379	58,900	58,900	58,900	48,495	49,960	52,849
Other expenditure	906,515	1,816,990	1,700,630	902,729	722,496	722,496	722,496	897,127	939,088	1,002,652
<b>Total Expenditure</b>	<b>4,608,946</b>	<b>5,609,414</b>	<b>5,675,285</b>	<b>5,328,507</b>	<b>5,136,020</b>	<b>5,136,020</b>	<b>5,136,020</b>	<b>5,638,039</b>	<b>5,975,252</b>	<b>6,429,822</b>
<b>Surplus/(Deficit)</b>	<b>(9,607)</b>	<b>(735,969)</b>	<b>(446,000)</b>	<b>276,161</b>	<b>477,577</b>	<b>477,577</b>	<b>477,577</b>	<b>342,443</b>	<b>377,781</b>	<b>421,554</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	(9,607)	146,625	460,143	439,342	639,960	639,960	639,960	363,589	407,181	401,100
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public	-	-	-	-	-	-	-	-	-	-
	(19,213)	(589,344)	14,142	715,504	1,117,536	1,117,536	1,117,536	706,031	784,962	822,654
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Share of surplus/ (deficit) of associate	(19,213)	(589,344)	14,142	715,504	1,117,536	1,117,536	1,117,536	706,031	784,962	822,654
<b>Surplus/(Deficit) for the year</b>	<b>(19,213)</b>	<b>(589,344)</b>	<b>14,142</b>	<b>715,504</b>	<b>1,117,536</b>	<b>1,117,536</b>	<b>1,117,536</b>	<b>706,031</b>	<b>784,962</b>	<b>822,654</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>648,114</b>	<b>594,892</b>	<b>613,487</b>	<b>555,371</b>	<b>700,730</b>	<b>700,730</b>	<b>700,730</b>	<b>417,373</b>	<b>467,877</b>	<b>464,806</b>
Transfers recognised - capital	401,255	363,746	466,029	439,342	639,960	639,960	639,960	363,589	407,181	401,100
Borrowing	40,245	88,896	47,053	5,631	5,631	5,631	5,631	-	-	-
Internally generated funds	206,613	142,250	100,404	110,398	55,139	55,139	55,139	53,784	60,696	63,705
<b>Total sources of capital funds</b>	<b>648,114</b>	<b>594,892</b>	<b>613,487</b>	<b>555,371</b>	<b>700,730</b>	<b>700,730</b>	<b>700,730</b>	<b>417,373</b>	<b>467,877</b>	<b>464,806</b>
<b>Financial position</b>										
Total current assets	1,867,416	2,259,302	1,112,297	1,437,364	1,508,845	1,508,845	1,147,726	1,842,463	1,902,454	2,068,275
Total non current assets	8,112,405	8,072,772	8,119,855	8,039,625	7,763,435	7,763,435	7,763,435	7,779,715	7,736,399	7,656,040
Total current liabilities	1,133,030	1,503,868	1,472,880	1,320,731	1,295,044	1,295,044	1,295,044	1,338,000	1,357,962	1,378,601
Total non current liabilities	1,268,708	1,253,158	366,292	1,202,464	1,182,802	1,182,802	1,182,802	1,018,849	1,026,925	1,037,549
Community wealth/Equity	7,666,303	6,962,118	6,768,878	6,953,794	6,794,434	6,794,434	6,433,315	7,265,328	7,753,966	8,208,165
<b>Cash flows</b>										
Net cash from (used) operating	350,310	574,768	369,217	645,280	674,691	674,691	674,691	573,193	628,138	640,908
Net cash from (used) investing	(629,172)	(676,625)	(480,423)	(527,603)	(595,676)	(595,676)	(595,676)	(413,589)	(465,581)	(459,500)
Net cash from (used) financing	(15,995)	(61,682)	(94,966)	(79,056)	(83,375)	(83,375)	(83,375)	(77,019)	(73,014)	(69,207)
<b>Cash/cash equivalents at the year end</b>	<b>674,767</b>	<b>511,229</b>	<b>305,056</b>	<b>499,741</b>	<b>461,119</b>	<b>461,119</b>	<b>461,119</b>	<b>478,121</b>	<b>567,664</b>	<b>679,865</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	909,779	747,008	593,405	499,741	461,119	461,119	100,000	478,121	567,664	679,865
Application of cash and investments	(83,798)	(47,330)	696,756	305,650	585,356	585,356	585,356	94,032	146,070	130,214
<b>Balance - surplus (shortfall)</b>	<b>993,577</b>	<b>794,337</b>	<b>(103,351)</b>	<b>194,091</b>	<b>(124,237)</b>	<b>(124,237)</b>	<b>(485,356)</b>	<b>384,090</b>	<b>421,594</b>	<b>549,650</b>
<b>Asset management</b>										
Asset register summary (WDV)	7,170,057	8,003,467	-	8,299,933	8,011,347	8,011,347	8,011,347	7,904,396	7,818,203	7,943,582
Depreciation	555,153	605,422	470,370	468,636	468,637	468,637	468,637	520,541	551,773	584,879
Renewal and Upgrading of Existing Assets	297,657	515,763	427,390	459,995	478,004	478,004	478,004	154,200	184,002	196,982
Repairs and Maintenance	162,844	171,344	-	212,407	212,407	212,407	212,407	233,304	240,362	251,496
<b>Free services</b>										
Cost of Free Basic Services provided	151,511	159,928	169,961	183,953	183,953	183,953	200,842	200,842	218,220	237,243
Revenue cost of free services provided	411,620	412,661	442,431	123,989	123,989	123,989	131,444	131,444	139,323	147,708
<b>Households below minimum service level</b>										
Water:	9	9	9	8	8	8	8	8	8	8
Sanitation/sewerage:	4	2	1	1	1	1	0	0	0	0
Energy:	14	10	8	6	6	6	4	4	4	4
Refuse:	44	45	41	37	37	37	29	29	30	30

## Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the City'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 6 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**

**KZN225 Msunduzi - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)**

Functional Classification Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>Revenue - Functional</b>										
<b>Governance and administration</b>		1,177,987	1,314,579	1,884,452	1,810,165	1,810,066	1,810,066	1,916,520	2,037,033	2,176,162
Executive and council		3,913	8,115	3,097	4,257	4,257	4,257	4,448	64	68
Finance and administration		1,174,075	1,306,467	1,881,355	1,805,908	1,805,809	1,805,809	1,912,071	2,036,969	2,176,094
Internal audit		-	(3)	-	-	-	-	-	-	-
<b>Community and public safety</b>		321,160	114,025	189,741	109,380	319,026	319,026	224,693	252,145	235,838
Community and social services		35,742	28,615	29,034	24,887	25,424	25,424	26,710	28,214	29,673
Sport and recreation		15,520	11,184	10,054	10,384	10,384	10,384	11,006	11,919	12,518
Public safety		38,770	18,372	23,856	3,606	3,606	3,606	3,823	4,052	4,295
Housing		231,128	55,854	126,797	70,503	279,611	279,611	183,154	207,960	189,351
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		294,113	284,890	316,616	316,347	316,347	316,347	107,597	114,430	123,446
Planning and development		15,852	57,661	58,631	53,904	53,904	53,904	39,139	39,387	44,650
Road transport		278,242	227,108	257,949	262,339	262,339	262,339	68,349	74,926	78,673
Environmental protection		19	122	36	104	104	104	110	116	123
<b>Trading services</b>		2,942,648	3,177,992	3,680,521	4,057,142	4,057,142	4,057,142	4,365,373	4,649,616	5,034,962
Energy sources		1,928,075	1,972,393	2,235,473	2,484,433	2,484,433	2,484,433	2,676,568	2,817,383	3,073,072
Water management		711,698	855,836	1,063,455	1,165,717	1,165,717	1,165,717	1,255,873	1,370,363	1,478,627
Waste water management		185,039	219,431	222,240	242,423	242,423	242,423	257,492	274,730	285,340
Waste management		117,836	130,333	159,353	164,570	164,570	164,570	175,439	187,140	197,924
<b>Other</b>	4	47,112	51,390	26,919	58,902	58,902	58,902	62,437	66,183	70,154
<b>Total Revenue - Functional</b>	2	4,783,020	4,942,876	6,098,249	6,351,937	6,561,484	6,561,484	6,676,619	7,119,407	7,640,562
<b>Expenditure - Functional</b>										
<b>Governance and administration</b>		958,977	908,163	1,594,305	1,417,089	1,412,398	1,412,398	1,492,919	1,573,289	1,674,294
Executive and council		152,627	215,359	157,678	189,361	188,105	188,105	196,812	202,985	215,534
Finance and administration		785,737	679,958	1,407,041	1,213,645	1,210,210	1,210,210	1,281,505	1,355,058	1,442,527
Internal audit		20,613	12,846	29,586	14,083	14,083	14,083	14,602	15,246	16,234
<b>Community and public safety</b>		558,219	468,537	527,521	520,693	485,957	485,957	551,869	587,550	626,887
Community and social services		130,559	113,020	114,265	115,536	115,598	115,598	121,309	130,437	139,096
Sport and recreation		167,481	137,259	121,846	125,730	125,730	125,730	132,781	141,425	151,014
Public safety		160,982	152,734	170,573	180,294	136,530	136,530	195,975	209,206	223,541
Housing		94,678	60,454	120,626	98,865	107,831	107,831	101,584	106,253	112,991
Health		4,520	5,070	212	268	268	268	220	228	245
<b>Economic and environmental services</b>		339,510	338,302	280,588	251,002	251,002	251,002	226,260	239,170	253,366
Planning and development		72,584	73,017	86,016	81,395	81,395	81,395	94,811	100,394	106,510
Road transport		255,232	253,089	177,739	151,400	151,400	151,400	112,215	118,339	125,027
Environmental protection		11,694	12,196	16,833	18,206	18,206	18,206	19,234	20,438	21,829
<b>Trading services</b>		3,073,241	3,151,997	3,070,326	3,377,237	3,224,177	3,224,177	3,626,344	3,857,476	4,181,550
Energy sources		1,885,208	1,737,651	1,813,419	2,021,215	1,881,437	1,881,437	2,175,008	2,288,591	2,483,053
Water management		886,438	1,067,152	878,195	907,107	893,825	893,825	981,811	1,064,599	1,156,111
Waste water management		195,840	265,210	258,355	319,855	319,855	319,855	334,914	361,599	390,280
Waste management		105,755	81,985	120,358	129,060	129,060	129,060	134,610	142,687	152,105
<b>Other</b>	4	89,507	65,476	72,380	70,459	70,459	70,459	73,196	76,959	81,812
<b>Total Expenditure - Functional</b>	3	5,019,454	4,932,474	5,545,120	5,636,480	5,443,993	5,443,993	5,970,588	6,334,444	6,817,908
<b>Surplus/(Deficit) for the year</b>		(236,435)	10,402	553,129	715,458	1,117,491	1,117,491	706,031	784,962	822,654

**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 15 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. The table highlights that this is the case for Electricity, however this is not the case for Water, Wastewater and the Waste management functions, as already noted above, the municipality will be undertaking a detailed study of these functions to explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under the Budget and Treasury Office.



**Table 7 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)****KZN225 Msunduzi - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>Revenue by Vote</b>	1									
Vote 1 - City Manager		-	89	0	57	57	57	60	64	68
Vote 2 - City Finance		1,162,602	1,292,219	1,841,339	1,777,245	1,777,146	1,777,146	1,891,748	2,014,552	2,151,927
Vote 3 - Community Services and Social Equity		213,712	199,491	236,959	210,737	210,737	210,737	224,707	239,520	253,103
Vote 4 - Corporate Services		5,676	9,383	5,862	6,542	6,542	6,542	6,870	2,631	2,789
Vote 5 - Infrastructure Services		3,106,589	3,280,433	3,801,264	4,173,277	4,173,277	4,173,277	4,267,906	4,548,479	4,927,856
Vote 6 - Sustainable Development and City Enterprises		294,440	161,260	212,824	184,080	393,725	393,725	285,328	314,161	304,819
<b>Total Revenue by Vote</b>	2	<b>4,783,020</b>	<b>4,942,876</b>	<b>6,098,249</b>	<b>6,351,937</b>	<b>6,561,484</b>	<b>6,561,484</b>	<b>6,676,619</b>	<b>7,119,407</b>	<b>7,640,562</b>
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - City Manager		166,773	176,239	194,108	177,602	177,602	177,602	193,814	203,590	215,268
Vote 2 - City Finance		371,290	275,761	975,350	691,436	691,436	691,436	735,802	776,196	824,870
Vote 3 - Community Services and Social Equity		768,570	668,362	724,943	742,913	742,913	742,913	776,032	825,580	880,815
Vote 4 - Corporate Services		193,613	258,379	196,081	289,335	276,053	276,053	315,389	330,830	353,114
Vote 5 - Infrastructure Services		3,237,035	3,336,666	3,150,242	3,451,918	3,312,139	3,312,139	3,656,492	3,889,640	4,215,278
Vote 6 - Sustainable Development and City Enterprises		282,174	217,067	304,397	283,276	243,849	243,849	293,057	308,608	328,564
<b>Total Expenditure by Vote</b>	2	<b>5,019,454</b>	<b>4,932,474</b>	<b>5,545,120</b>	<b>5,636,480</b>	<b>5,443,993</b>	<b>5,443,993</b>	<b>5,970,588</b>	<b>6,334,444</b>	<b>6,817,908</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>(236,435)</b>	<b>10,402</b>	<b>553,129</b>	<b>715,458</b>	<b>1,117,491</b>	<b>1,117,491</b>	<b>706,031</b>	<b>784,962</b>	<b>822,654</b>

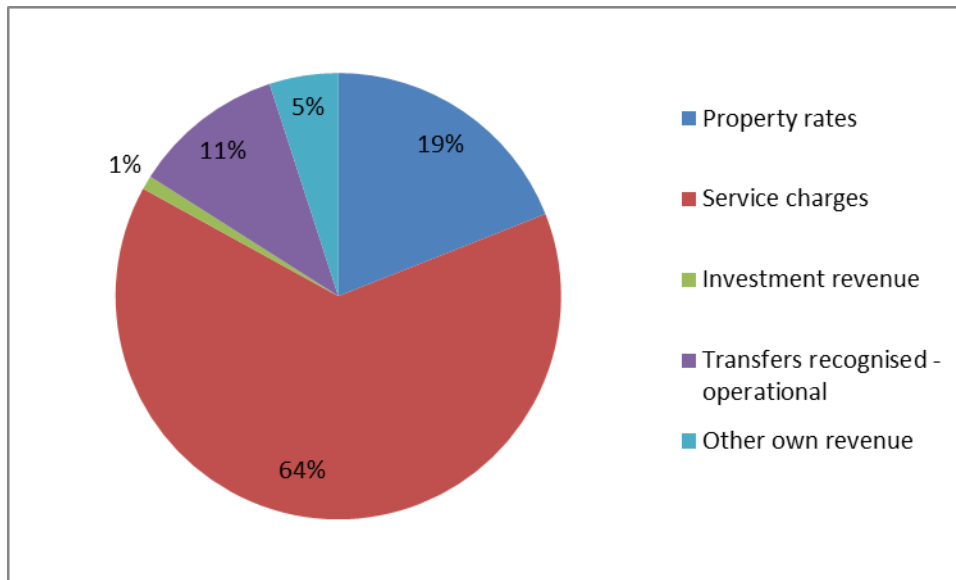
**Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**

- Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the City. 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 City's trading services.

Table 8 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

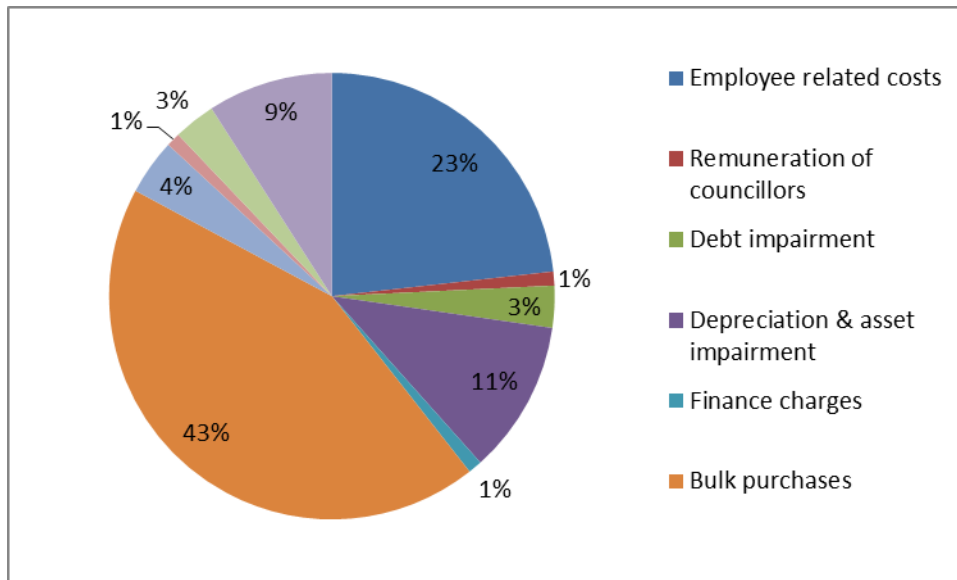
## KZN225 Msunduzi - Table A4 Budgeted Financial Performance (revenue and expenditure)

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
<b>Revenue By Source</b>											
Property rates	2	739,501	797,305	863,435	900,837	915,564	915,564	915,564	1,200,772	1,272,818	1,349,187
Service charges - electricity revenue	2	1,784,415	1,863,573	2,317,228	2,177,873	2,138,443	2,138,443	2,138,443	2,417,938	2,733,962	3,091,291
Service charges - water revenue	2	598,990	464,242	569,323	603,661	604,896	604,896	604,896	662,966	726,611	796,366
Service charges - sanitation revenue	2	126,183	121,806	135,950	137,072	126,057	126,057	126,057	145,475	154,204	163,456
Service charges - refuse revenue	2	84,201	88,928	100,293	106,276	116,206	116,206	116,206	111,324	118,003	125,083
Rental of facilities and equipment		20,264	26,144	19,799	35,220	26,252	26,252	26,252	27,827	29,496	31,266
Interest earned - external investments		68,435	54,664	39,130	39,956	26,857	26,857	26,857	14,603	15,333	16,100
Interest earned - outstanding debtors		60,214	96,347	164,249	118,141	182,773	182,773	182,773	193,740	205,364	217,686
Dividends received											
Fines, penalties and forfeits		72,894	18,046	280	75,203	15,154	15,154	15,154	16,064	17,028	18,050
Licences and permits		90	341	126	100	1,011	1,011	1,011	1,071	1,136	1,204
Agency services		28,531	16,051			543	543	543	576	611	647
Transfers and subsidies		466,156	497,277	458,535	672,679	669,406	669,406	669,406	672,023	734,742	795,945
Other revenue	2	62,910	83,984	73,015	165,019	132,212	132,212	132,212	140,145	148,554	157,467
Gains on disposal of PPE		21,665	213,080	54,889							
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>4,134,447</b>	<b>4,341,789</b>	<b>4,796,251</b>	<b>5,032,038</b>	<b>4,955,375</b>	<b>4,955,375</b>	<b>4,955,375</b>	<b>5,604,523</b>	<b>6,157,861</b>	<b>6,763,747</b>
<b>Expenditure By Type</b>											
Employee related costs	2	942,876	990,111	1,120,868	1,274,330	1,267,167	1,267,167	1,267,167	1,445,368	1,524,800	1,642,897
Remuneration of councillors		41,763	43,574	45,020	48,573	48,573	48,573	48,573	51,488	54,577	57,852
Debt impairment	3	92,508	505,131	350,124	110,178	110,280	110,280	110,280	116,891	123,901	131,332
Depreciation & asset impairment	2	555,153	605,422	470,370	468,636	467,692	467,692	467,692	491,076	515,630	541,411
Finance charges		75,095	68,463	63,181	50,688	50,672	50,672	50,672	41,660	31,793	24,371
Bulk purchases	2	1,799,214	1,866,283	1,956,999	2,050,322	2,034,195	2,034,195	2,034,195	2,282,600	2,561,795	2,875,643
Other materials	8	156,434	46,025	69,227	63,797	56,400	56,400	56,400	55,714	57,896	59,939
Contracted services		170,156	556,503	622,403	606,222	600,899	600,899	600,899	586,347	619,946	655,446
Transfers and subsidies		238	36,447	25,891	45,328	58,437	58,437	58,437	58,900	50,012	53,748
Other expenditure	4, 5	412,697	201,572	167,375	210,837	218,719	218,719	218,719	196,905	197,085	205,006
Loss on disposal of PPE		13,658	99,923	41,015		43	43	43	43	45	46
<b>Total Expenditure</b>		<b>4,259,793</b>	<b>5,019,454</b>	<b>4,932,474</b>	<b>4,928,912</b>	<b>4,913,078</b>	<b>4,913,078</b>	<b>4,913,078</b>	<b>5,326,992</b>	<b>5,737,482</b>	<b>6,247,692</b>
<b>Surplus/(Deficit)</b>		<b>(125,346)</b>	<b>(677,666)</b>	<b>(136,223)</b>	<b>103,126</b>	<b>42,297</b>	<b>42,297</b>	<b>42,297</b>	<b>277,531</b>	<b>420,380</b>	<b>516,056</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		303,484	441,231	146,625	404,341	429,010	429,010	429,010	439,342	446,236	473,589
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Transfers and subsidies - capital (in-kind - all)	6	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>178,139</b>	<b>(236,435)</b>	<b>10,402</b>	<b>507,467</b>	<b>471,307</b>	<b>471,307</b>	<b>471,307</b>	<b>716,873</b>	<b>866,616</b>	<b>989,645</b>
Taxation											
<b>Surplus/(Deficit) after taxation</b>		<b>178,139</b>	<b>(236,435)</b>	<b>10,402</b>	<b>507,467</b>	<b>471,307</b>	<b>471,307</b>	<b>471,307</b>	<b>716,873</b>	<b>866,616</b>	<b>989,645</b>
Attributable to minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		<b>178,139</b>	<b>(236,435)</b>	<b>10,402</b>	<b>507,467</b>	<b>471,307</b>	<b>471,307</b>	<b>471,307</b>	<b>716,873</b>	<b>866,616</b>	<b>989,645</b>
Share of surplus/ (deficit) of associate	7										
<b>Surplus/(Deficit) for the year</b>		<b>178,139</b>	<b>(236,435)</b>	<b>10,402</b>	<b>507,467</b>	<b>471,307</b>	<b>471,307</b>	<b>471,307</b>	<b>716,873</b>	<b>866,616</b>	<b>989,645</b>



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

1. Total revenue is R5.604 billion in 2020/21 and escalates to R6.764 billion by 2021/22. This represents an increase of 17.1% over the MTREF.
2. Revenue to be generated from property rates is R1.2 billion in the 2020/21 financial year and increases to R1.3 billion by 2021/22 which represents a 7.7 per cent increase of the operating revenue base of the City and therefore remains a significant funding source for the municipality.
3. Service charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the City totalling R3.337 billion for the 2020/21 financial year and increasing to R4.176 billion by 2021/22. For the 2020/21 financial year, services charges amount to 60 % of the total revenue base and grows by 125% over the entire MTREF. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government.
4. The following graph illustrates the major expenditure items per type.



**Figure 2 Expenditure by major type**

5. Bulk purchases have steadily increased over the 2020/21 to 2022/23 period escalating from R2, 473 billion to R2, 860 billion. This increase can be attributed to the annual increase in the cost of bulk electricity from Eskom and water from Umgeni Water.
6. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

**Table 9 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source**

KZN225 Msunduzi - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>Capital expenditure - Municipal Vote</b>	1										
<b>Multi-year expenditure appropriation</b>	2										
<b>Vote 1 - City Manager</b>		3,866	321	10	5,132	5,132	5,132	5,132	-	-	-
1.1 - Internal Audit and Compliance		164							-	-	-
1.2 - Office of the City Manager		3,684	321	10	5,132	5,132	5,132	5,132	-	-	-
1.3 - Political Support		19							-	-	-
1.4 - Strategic Planning									-	-	-
<b>Vote 2 - City Finance</b>		30,114	8,968	-	22,500	22,500	22,500	22,500	-	-	-
2.1 - Asset Management		15			500	500	500	500	-	-	-
2.2 - Budget and Treasury Management		29,348	8,968		22,000	22,000	22,000	22,000	-	-	-
2.3 - Expenditure Management		76							-	-	-
2.4 - Revenue Management		312							-	-	-
2.5 - Supply Chain Management		362							-	-	-
<b>Vote 3 - Community Services and Social Equity</b>		102,852	20,105	35,939	22,975	22,975	22,975	22,975	25,284	29,296	30,745
3.1 - Area Based Management		33			800	800	800	800	-	-	-
3.2 - Public Safety, Emergency Services and Enforcement		3,099	255	4,241	3,258	3,258	3,258	3,258	284	296	305
3.3 - Recreation and Facilities		91,227	15,518	31,613	11,916	11,916	11,916	11,916	23,000	23,000	24,080
3.4 - Waste Management		8,494	4,332	86	7,000	7,000	7,000	7,000	2,000	6,000	6,360
<b>Vote 4 - Corporate Services</b>		25,749	824	2,588	700	700	700	700	-	-	-
4.1 - Human Resources Management		93							-	-	-
4.2 - Information Technology		25,517	824	2,588					-	-	-
4.3 - Legal Services		8			500	500	500	500	-	-	-
4.4 - Secretariat and Auxiliary Services		132							-	-	-
4.5 - General Manager: Corporate Service					200	200	200	200	-	-	-
<b>Vote 5 - Infrastructure Services</b>		438,846	391,837	29,246	377,870	322,870	322,870	322,870	154,700	167,250	177,285
5.1 - Electricity		79,786	99,456	7,812	14,900	14,900	14,900	14,900	7,500	9,000	9,540
5.2 - Project Management Office		161							-	-	-
5.3 - Roads and Transportation		273,980	210,859	19,992	219,059	164,059	164,059	164,059	87,700	72,842	77,213
5.4 - Water and Sanitation		84,919	81,517	1,442	143,911	143,911	143,911	143,911	59,500	85,408	90,533
5.5 - General Manager: Infrastructure			4						-	-	-
<b>Vote 6 - Sustainable Development and City Enterprises</b>		46,682	72,410	75,459	60,790	260,674	260,674	260,674	700	7,677	8,138
6.1 - City Entities		4,718	78	4,174	6,540	6,282	6,282	6,282	-	-	-
6.2 - Development Services		19							-	-	-
6.3 - Human Settlement Development		25,493	19,805	42,805	4,000	204,142	204,142	204,142	700	7,677	8,138
6.4 - Town Planning		16,452	52,528	28,480	50,250	50,250	50,250	50,250	-	-	-
6.5 - 6.5 - General Manager: Sustainable Development and City Enterprises									-	-	-
<b>Capital multi-year expenditure sub-total</b>		648,110	494,465	143,242	489,966	634,849	634,849	634,849	180,684	204,223	216,168
<b>Capital expenditure - Municipal Vote</b>	1										
<b>Single-year expenditure appropriation</b>	2										
<b>Vote 1 - City Manager</b>		-	872	4,314	4,869	4,869	4,869	4,869	5,000	-	-
1.1 - Internal Audit and Compliance				120	250	250	250	250			
1.2 - Office of the City Manager			366	3,913	3,000	3,000	3,000	3,000	5,000		
1.3 - Political Support			506	281	1,219	1,219	1,219	1,219			
1.4 - Strategic Planning					400	400	400	400			
<b>Vote 2 - City Finance</b>		-	14,742	17,257	12,335	12,335	12,335	12,335	27,500	27,300	28,400
2.1 - Asset Management			12,968	5,250	8,580	8,580	8,580	8,580	15,000	9,300	10,400
2.2 - Budget and Treasury Management			360	8,147	750	750	750	750	12,500	18,000	18,000
2.3 - Expenditure Management			96	50							
2.4 - Revenue Management			548	2,050	1,665	1,665	1,665	1,665			
2.5 - Supply Chain Management			770	1,760	1,340	1,340	1,340	1,340			
<b>Vote 3 - Community Services and Social Equity</b>		-	62,492	15,738	12,991	12,991	12,991	12,991	10,784	1,396	305
3.1 - Area Based Management			355	2,350	700	700	700	700	5,000	300	
3.2 - Public Safety, Emergency Services and Enforcement			8,257	2,902	800	800	800	800	284	296	305
3.3 - Recreation and Facilities			24,597	9,747	11,491	11,491	11,491	11,491	3,000	-	-
3.4 - Waste Management			29,282	739					2,500	800	
<b>Vote 4 - Corporate Services</b>		-	4,127	876	4,500	4,500	4,500	4,500	-	-	-
4.1 - Human Resources Management			153	282	536	536	536	536			
4.2 - Information Technology			1,735	146	3,654	3,654	3,654	3,654			
4.3 - Legal Services			67	31							
4.4 - Secretariat and Auxiliary Services			2,171	416	310	310	310	310			
4.5 - General Manager: Corporate Service											
<b>Vote 5 - Infrastructure Services</b>		-	15,489	414,791	27,501	27,501	27,501	27,501	46,755	70,000	70,160
5.1 - Electricity			8,665	48,772	11,531	11,531	11,531	11,531			
5.2 - Project Management Office				100	100	100	100	100			
5.3 - Roads and Transportation			3,137	247,669	14,620	14,620	14,620	14,620	3,500	-	-
5.4 - Water and Sanitation			3,687	118,251	1,250	1,250	1,250	1,250	43,255	70,000	70,160
5.5 - General Manager: Infrastructure											
<b>Vote 6 - Sustainable Development and City Enterprises</b>		-	2,711	17,268	3,210	3,685	3,685	3,685	143,434	163,253	145,077
6.1 - City Entities			234	963	1,700	2,175	2,175	2,175			
6.2 - Development Services			517	-					40,560	158,003	139,827
6.3 - Human Settlement Development			780	7,225					102,874	5,250	5,250
6.4 - Town Planning			1,180	9,081	1,510	1,510	1,510	1,510			
6.5 - 6.5 - General Manager: Sustainable Development and City Enterprises											
<b>Capital single-year expenditure sub-total</b>		-	100,432	470,244	65,406	65,881	65,881	65,881	233,473	261,949	243,943
<b>Total Capital Expenditure</b>		648,110	594,897	613,487	555,371	700,730	700,730	700,730	414,157	466,173	460,111

## **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 (multi-year and 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. In relation to multi-year appropriations for 2020/21, an amount of R181 million has been allocated which is 43, 63% of the total capital budget.
3. Single-year capital expenditure has been appropriated at R234 million for the 2020/21 financial year.
4. Unlike multi-year capital appropriations, single-year appropriations mainly relate to low cost Housing project to be deployed. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the City. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
5. The capital programme is mainly grant dependent from both National and Provincial transfers. The insignificant portion being Council funding which comprises 12, 89% of the total Capital budget. For 2020/21, capital transfers totals R 364 million, internal funding of R 54 million has been set aside for
6. the 2020/21 budget year.

Table 10 MBRR Table A6 - Budgeted Financial Position

## KZN225 Msunduzi - Table A6 Budgeted Financial Position

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>ASSETS</b>											
<b>Current assets</b>											
Cash		674,767	511,229	305,056	100,000	100,000	100,000	100,000	102,187	104,419	106,695
Call investment deposits	1	8,799	8,869	15,675	399,741	361,119	361,119		375,934	463,246	573,170
Consumer debtors	1	1,010,800	1,346,514	454,838	835,519	819,137	819,137	819,137	1,126,839	1,087,979	1,131,877
Other debtors		113,450	34,953	7,569	66,724	83,875	83,875	83,875	85,553	87,264	89,009
Inventory	2	59,599	357,738	329,159	35,380	144,714	144,714	144,714	151,950	159,547	167,525
<b>Total current assets</b>		<b>1,867,416</b>	<b>2,259,302</b>	<b>1,112,297</b>	<b>1,437,364</b>	<b>1,508,845</b>	<b>1,508,845</b>	<b>1,147,726</b>	<b>1,842,463</b>	<b>1,902,454</b>	<b>2,068,275</b>
<b>Non current assets</b>											
Investments		226,212	226,910	272,674							
Investment property		708,753	741,015	702,385	738,050	723,578	723,578	723,578	857,525	900,401	945,421
Property, plant and equipment	3	7,062,055	6,983,281	7,020,447	7,154,795	7,014,505	7,014,505	7,014,505	6,896,839	6,810,647	6,685,267
Biological		770	928	948							
Intangible		50,603	52,109	41,058	146,780	25,352	25,352	25,352	25,352	25,352	25,352
Other non-current assets		64,012	68,528	82,343							
<b>Total non current assets</b>		<b>8,112,405</b>	<b>8,072,772</b>	<b>8,119,855</b>	<b>8,039,625</b>	<b>7,763,435</b>	<b>7,763,435</b>	<b>7,763,435</b>	<b>7,779,715</b>	<b>7,736,399</b>	<b>7,656,040</b>
<b>TOTAL ASSETS</b>		<b>9,979,821</b>	<b>10,332,074</b>	<b>9,232,152</b>	<b>9,476,989</b>	<b>9,272,280</b>	<b>9,272,280</b>	<b>8,911,161</b>	<b>9,622,178</b>	<b>9,638,853</b>	<b>9,724,315</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Borrowing	4	79,715	84,512	114,311	79,056	84,512	84,512	84,512	79,206	75,245	71,483
Consumer deposits		101,382	108,809	107,229	108,899	103,714	103,714	103,714	111,561	113,793	116,068
Trade and other payables	4	839,897	1,149,340	1,080,436	999,063	979,473	979,473	979,473	1,084,571	1,106,262	1,128,387
Provisions		112,037	161,206	170,904	133,712	127,345	127,345	127,345	62,662	62,662	62,662
<b>Total current liabilities</b>		<b>1,133,030</b>	<b>1,503,868</b>	<b>1,472,880</b>	<b>1,320,731</b>	<b>1,295,044</b>	<b>1,295,044</b>	<b>1,295,044</b>	<b>1,338,000</b>	<b>1,357,962</b>	<b>1,378,601</b>
<b>Non current liabilities</b>											
Borrowing		535,739	451,226	366,292	459,547	451,226	451,226	451,226	428,665	407,232	386,870
Provisions		732,969	801,932	-	742,917	731,576	731,576	731,576	590,185	619,694	650,678
<b>Total non current liabilities</b>		<b>1,268,708</b>	<b>1,253,158</b>	<b>366,292</b>	<b>1,202,464</b>	<b>1,182,802</b>	<b>1,182,802</b>	<b>1,182,802</b>	<b>1,018,849</b>	<b>1,026,925</b>	<b>1,037,549</b>
<b>TOTAL LIABILITIES</b>		<b>2,401,738</b>	<b>2,757,026</b>	<b>1,839,172</b>	<b>2,523,195</b>	<b>2,477,847</b>	<b>2,477,847</b>	<b>2,477,847</b>	<b>2,356,850</b>	<b>2,384,887</b>	<b>2,416,150</b>
<b>NET ASSETS</b>	5	<b>7,578,083</b>	<b>7,575,048</b>	<b>7,392,980</b>	<b>6,953,794</b>	<b>6,794,434</b>	<b>6,794,434</b>	<b>6,433,315</b>	<b>7,265,328</b>	<b>7,253,966</b>	<b>7,308,165</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		7,371,413	6,630,483	6,539,965	6,717,550	6,510,648	6,510,648	6,149,529	7,047,861	7,547,372	8,011,901
Reserves	4	294,890	331,635	228,913	236,244	283,785	283,785	283,785	217,468	206,594	196,265
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>7,666,303</b>	<b>6,962,118</b>	<b>6,768,878</b>	<b>6,953,794</b>	<b>6,794,434</b>	<b>6,794,434</b>	<b>6,433,315</b>	<b>7,265,328</b>	<b>7,753,966</b>	<b>8,208,165</b>

## 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.
3. Table A6 is supported by an extensive table of notes (SA3 which can be found on page 102) providing a detailed analysis of the major components of a number of items, including:
    - Call investments deposits;
    - Consumer debtors;
    - Property, plant and equipment;
    - Trade and other payables;
    - Provisions non-current;
    - Changes in net assets; and
    - Reserves
  4. 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.
  5. 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. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.



**Table 11 MBRR Table A7 - Budgeted Cash Flow Statement****KZN225 Msunduzi - Table A7 Budgeted Cash Flows**

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		735,045	842,539	869,542	960,617	824,008	824,008	824,008	1,081,895	1,146,809	1,215,617
Service charges		2,205,135	2,527,616	2,608,626	2,670,162	2,687,042	2,687,042	2,687,042	3,067,336	3,252,030	3,535,017
Other revenue		-	-	-	148,876	180,911	180,911	180,911	167,562	177,616	188,273
Transfers and Subsidies - Operational	1	564,422	605,812	629,286	672,023	671,406	671,406	671,406	681,365	735,201	793,103
Transfers and Subsidies - Capital	1	368,997	396,056	411,403	439,342	425,277	425,277	425,277	363,589	407,181	401,100
Interest		174,501	41,967	37,353	169,694	191,459	191,459	191,459	190,039	201,441	213,528
<b>Payments</b>											
Suppliers and employees		(3,629,325)	(3,784,262)	(4,139,589)	(4,329,714)	(4,196,304)	(4,196,304)	(4,196,304)	(4,890,522)	(5,204,582)	(5,617,164)
Finance charges		(68,463)	(54,960)	(47,404)	(41,660)	(50,672)	(50,672)	(50,672)	(39,577)	(37,598)	(35,718)
Transfers and Grants	1	-	-	-	(44,060)	(58,437)	(58,437)	(58,437)	(48,495)	(49,960)	(52,849)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>350,310</b>	<b>574,768</b>	<b>369,217</b>	<b>645,280</b>	<b>674,691</b>	<b>674,691</b>	<b>674,691</b>	<b>573,193</b>	<b>628,138</b>	<b>640,908</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		(366,848)	-	3,716	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		(24,381)	(8,617)	(614)	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		373	306	(6,155)	-	-	-	-	-	-	-
<b>Payments</b>											
Capital assets		(238,315)	(668,315)	(477,369)	(527,603)	(595,676)	(595,676)	(595,676)	(413,589)	(465,581)	(459,500)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(629,172)</b>	<b>(676,625)</b>	<b>(480,423)</b>	<b>(527,603)</b>	<b>(595,676)</b>	<b>(595,676)</b>	<b>(595,676)</b>	<b>(413,589)</b>	<b>(465,581)</b>	<b>(459,500)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Increase (decrease) in consumer deposits		7,865	-	-	-	-	-	-	2,187	2,231	2,276
<b>Payments</b>											
Repayment of borrowing		(23,861)	(61,682)	(94,966)	(79,056)	(83,375)	(83,375)	(83,375)	(79,206)	(75,245)	(71,483)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(15,995)</b>	<b>(61,682)</b>	<b>(94,966)</b>	<b>(79,056)</b>	<b>(83,375)</b>	<b>(83,375)</b>	<b>(83,375)</b>	<b>(77,019)</b>	<b>(73,014)</b>	<b>(69,207)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(294,857)</b>	<b>(163,538)</b>	<b>(206,172)</b>	<b>38,622</b>	<b>(4,360)</b>	<b>(4,360)</b>	<b>(4,360)</b>	<b>82,585</b>	<b>89,543</b>	<b>112,200</b>
Cash/cash equivalents at the year begin:	2	969,624	674,767	511,229	461,119	465,479	465,479	465,479	395,536	478,121	567,664
Cash/cash equivalents at the year end:	2	674,767	511,229	305,056	499,741	461,119	461,119	461,119	478,121	567,664	679,865

**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.
3. It can be seen that the cash levels of the City are stable over the MTREF period.
4. The City has embarked on an extensive debt collection drive to reduce the already high debtor's book.
5. The 2020/21 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
6. Projected cash and cash equivalents totals to R478 million as at the end of the 2020/21 financial year and increases to R680 million by 2022/23.

**Table 12 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

## KZN225 Msunduzi - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	674,767	511,229	305,056	499,741	461,119	461,119	461,119	478,121	567,664	679,865
Other current investments > 90 days		8,799	8,869	15,675	-	(0)	(0)	(361,119)	-	-	-
Non current assets - Investments	1	226,212	226,910	272,674	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>909,779</b>	<b>747,008</b>	<b>593,405</b>	<b>499,741</b>	<b>461,119</b>	<b>461,119</b>	<b>100,000</b>	<b>478,121</b>	<b>567,664</b>	<b>679,865</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		-	-	-	-	-	-	-	78,311	59,908	33,948
Statutory requirements	2										
Other working capital requirements	3	(83,798)	(47,330)	696,756	305,650	301,571	301,571	301,571	15,721	86,162	96,267
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5					283,785	283,785	283,785			
<b>Total Application of cash and investments:</b>		<b>(83,798)</b>	<b>(47,330)</b>	<b>696,756</b>	<b>305,650</b>	<b>585,356</b>	<b>585,356</b>	<b>585,356</b>	<b>94,032</b>	<b>146,070</b>	<b>130,214</b>
<b>Surplus(shortfall)</b>		<b>993,577</b>	<b>794,337</b>	<b>(103,351)</b>	<b>194,091</b>	<b>(124,237)</b>	<b>(124,237)</b>	<b>(485,356)</b>	<b>384,090</b>	<b>421,594</b>	<b>549,650</b>

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

- The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
- 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.
- The outcome of this exercise would be either 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".
- Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
- From the table it can be seen that for the MTREF period 2020/21 to 2022/23 the budgeted surplus gradually increases.
- Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2020/21 MTREF is sufficiently funded.
- As part of the budgeting and planning guidelines that informed the compilation of the 2020/21 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.
- As can be seen the budget has been modelled to retain a surplus throughout the MTREF period.

Table 13 MBRR Table A9 - Asset Management

## KZN225 Msunduzi - Table A9 Asset Management

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>CAPITAL EXPENDITURE</b>										
<b>Total New Assets</b>	1	185,312	132,351	167,503	111,387	117,672	117,672	259,389	281,579	262,519
<i>Roads Infrastructure</i>		34,983	2,747	15,103	1,293	1,516	1,516	6,000	1,650	1,749
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		27,836	10,171	48,684	40,854	41,028	41,028	7,500	9,000	9,540
<i>Water Supply Infrastructure</i>		3,412	-	-	3,290	3,968	3,968	179,389	208,481	185,958
<i>Sanitation Infrastructure</i>		8,377	-	-	13,269	13,617	13,617	23,500	29,849	30,792
<i>Solid Waste Infrastructure</i>		-	149	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>74,607</b>	<b>13,068</b>	<b>63,787</b>	<b>58,706</b>	<b>60,129</b>	<b>60,129</b>	<b>216,389</b>	<b>248,979</b>	<b>228,039</b>
Community Facilities		169	-	337	3,112	4,132	4,132	23,000	23,000	24,080
Sport and Recreation Facilities		34,335	5,106	-	10,458	11,384	11,384	-	-	-
<b>Community Assets</b>		<b>34,504</b>	<b>5,106</b>	<b>337</b>	<b>13,570</b>	<b>15,516</b>	<b>15,516</b>	<b>23,000</b>	<b>23,000</b>	<b>24,080</b>
<b>Heritage Assets</b>		<b>7,290</b>	<b>24,329</b>	<b>18,344</b>	<b>4,042</b>	<b>4,866</b>	<b>4,866</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings		5,183	-	2,885	-	-	-	-	-	-
Housing		-	-	-	5,123	5,902	5,902	-	-	-
<b>Other Assets</b>		<b>5,183</b>	<b>-</b>	<b>2,885</b>	<b>5,123</b>	<b>5,902</b>	<b>5,902</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Biological or Cultivated Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		29,287	195	8,968	282	374	374	5,000	300	-
<b>Intangible Assets</b>		<b>29,287</b>	<b>195</b>	<b>8,968</b>	<b>282</b>	<b>374</b>	<b>374</b>	<b>5,000</b>	<b>300</b>	<b>-</b>
Computer Equipment		-	19,862	34,960	2,325	2,536	2,536	-	-	-
Furniture and Office Equipment		9,149	50,762	4,305	7,118	7,450	7,450	-	-	-
Machinery and Equipment		24,823	10,859	33,840	9,698	10,176	10,176	-	-	-
Transport Assets		469	337	78	10,524	10,722	10,722	15,000	9,300	10,400
Land		-	7,833	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-

KZN225 Msunduzi - Table A9 Asset Management

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousand</b>										
<b>Total Renewal of Existing Assets</b>	2	297,657	515,763	251,586	387,397	314,315	314,315	154,200	184,002	196,982
<i>Roads Infrastructure</i>		108,918	98,714	32,198	169,403	142,551	142,551	81,700	71,192	75,464
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		66,802	51,961	44,447	56,974	47,943	47,943	5,000	-	-
<i>Water Supply Infrastructure</i>		71,046	48,980	-	35,120	29,553	29,553	30,500	57,818	64,307
<i>Sanitation Infrastructure</i>		28,814	-	1,198	54,751	46,072	46,072	19,500	36,992	39,212
<i>Solid Waste Infrastructure</i>		1,057	30,714	19,377	5,856	4,928	4,928	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>276,637</b>	<b>230,368</b>	<b>97,221</b>	<b>322,104</b>	<b>271,047</b>	<b>271,047</b>	<b>136,700</b>	<b>166,002</b>	<b>178,982</b>
Community Facilities	910	8,707	8,707	3,705	13,771	1,588	1,588	-	-	-
Sport and Recreation Facilities		2,823	28,616	24,871	-	-	-	-	-	-
<b>Community Assets</b>		<b>3,733</b>	<b>37,323</b>	<b>28,576</b>	<b>13,771</b>	<b>1,588</b>	<b>1,588</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Heritage Assets</b>		<b>311</b>	<b>16,066</b>	<b>15,408</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings		13,702	-	-	1,586	1,335	1,335	-	-	-
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		<b>13,702</b>	<b>-</b>	<b>-</b>	<b>1,586</b>	<b>1,335</b>	<b>1,335</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Biological or Cultivated Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	49,937	40,346	40,346	12,500	18,000	18,000
<b>Intangible Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>49,937</b>	<b>40,346</b>	<b>40,346</b>	<b>12,500</b>	<b>18,000</b>	<b>18,000</b>
Computer Equipment		-	1,950	-	-	-	-	-	-	-
Furniture and Office Equipment		2,019	5,781	-	-	-	-	5,000	-	-
Machinery and Equipment		300	15,350	-	-	-	-	-	-	-
Transport Assets		954	177,628	110,382	-	-	-	-	-	-
Land		-	31,297	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-

KZN225 Msunduzi - Table A9 Asset Management

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousand</b>										
<b>Total Capital Expenditure</b>	4	482,969	648,114	594,892	571,382	595,676	595,676	413,589	465,581	459,500
<i>Roads Infrastructure</i>		143,901	101,461	137,819	223,897	265,081	265,081	87,700	72,842	77,213
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		94,638	62,132	99,456	97,828	88,971	88,971	12,500	9,000	9,540
<i>Water Supply Infrastructure</i>		74,458	48,980	50,484	42,761	43,048	43,048	209,889	266,298	250,265
<i>Sanitation Infrastructure</i>		37,191	-	1,198	68,020	59,689	59,689	43,000	66,841	70,003
<i>Solid Waste Infrastructure</i>		1,057	30,863	23,640	14,151	23,088	23,088	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>351,245</b>	<b>243,435</b>	<b>312,597</b>	<b>446,657</b>	<b>479,877</b>	<b>479,877</b>	<b>353,089</b>	<b>414,981</b>	<b>407,020</b>
Community Facilities		1,079	8,707	4,191	16,883	5,720	5,720	23,000	23,000	24,080
Sport and Recreation Facilities		37,158	33,723	26,504	11,458	13,573	13,573	-	-	-
<b>Community Assets</b>		<b>38,236</b>	<b>42,429</b>	<b>30,695</b>	<b>28,341</b>	<b>19,293</b>	<b>19,293</b>	<b>23,000</b>	<b>23,000</b>	<b>24,080</b>
<b>Heritage Assets</b>		<b>7,602</b>	<b>40,394</b>	<b>42,174</b>	<b>4,042</b>	<b>4,866</b>	<b>4,866</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings		18,885	-	2,885	1,586	1,335	1,335	-	-	-
Housing		-	-	-	5,123	5,902	5,902	-	-	-
<b>Other Assets</b>		<b>18,885</b>	<b>-</b>	<b>2,885</b>	<b>6,709</b>	<b>7,236</b>	<b>7,236</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Biological or Cultivated Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		29,287	195	8,968	50,219	40,720	40,720	17,500	18,300	18,000
<b>Intangible Assets</b>		<b>29,287</b>	<b>195</b>	<b>8,968</b>	<b>50,219</b>	<b>40,720</b>	<b>40,720</b>	<b>17,500</b>	<b>18,300</b>	<b>18,000</b>
Computer Equipment		-	21,812	34,960	2,325	2,536	2,536	-	-	-
Furniture and Office Equipment		11,168	56,543	4,305	7,118	7,450	7,450	5,000	-	-
Machinery and Equipment		25,123	26,209	35,228	15,448	22,764	22,764	-	-	-
Transport Assets		1,424	177,966	110,460	10,524	10,932	10,932	15,000	9,300	10,400
Land		-	39,130	12,620	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>		<b>482,969</b>	<b>648,114</b>	<b>594,892</b>	<b>571,382</b>	<b>595,676</b>	<b>595,676</b>	<b>413,589</b>	<b>465,581</b>	<b>459,500</b>

KZN225 Msunduzi - Table A9 Asset Management

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	7,170,057	8,003,467	-	8,299,933	8,011,347	8,011,347	7,904,396	7,818,203	7,943,582
<i>Roads Infrastructure</i>		2,995,368	3,657,550	-	2,665,951	2,652,086	2,652,089	2,724,856	2,781,868	2,721,435
<i>Storm water Infrastructure</i>		156,435	164,256	-	171,147	162,997	162,997	162,997	162,997	162,997
<i>Electrical Infrastructure</i>		1,275,053	1,338,806	-	1,319,290	1,256,464	1,256,467	1,157,523	1,048,393	1,164,071
<i>Water Supply Infrastructure</i>		912,163	957,771	-	1,207,158	1,149,674	1,149,674	1,251,649	1,403,558	1,274,546
<i>Sanitation Infrastructure</i>		470,205	493,715	-	682,632	650,125	650,125	603,125	576,366	607,487
<i>Solid Waste Infrastructure</i>		15,673	16,457	-	37,298	35,522	35,522	35,522	35,522	35,522
<i>Rail Infrastructure</i>		1,408	1,479	-	1,552	-	-	-	-	-
<i>Coastal Infrastructure</i>		4,867	5,110	-	5,366	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		5,022	5,301	-	5,859	5,580	5,580	5,580	5,580	5,580
<b>Infrastructure</b>		<b>5,836,194</b>	<b>6,640,445</b>	<b>-</b>	<b>6,096,252</b>	<b>5,912,454</b>	<b>5,912,454</b>	<b>5,941,251</b>	<b>6,014,283</b>	<b>5,971,637</b>
<b>Community Assets</b>		294,811	309,552	-	36,234	34,508	34,508	19,178	1,548	20,536
<b>Heritage Assets</b>		126,091	132,396	-	260,308	247,912	247,912	247,912	247,912	247,912
<b>Investment properties</b>		226,212	230,737	-	756,235	720,224	720,224	720,224	720,224	720,224
<b>Other Assets</b>		283,455	289,125	-	351,457	334,721	334,721	261,697	182,492	264,542
<b>Biological or Cultivated Assets</b>										
<b>Intangible Assets</b>		804	844	-	27,866	26,539	26,539	33,644	39,388	34,697
<b>Computer Equipment</b>		49,799	52,289	-	1,288	1,227	1,227	1,227	1,227	1,227
<b>Furniture and Office Equipment</b>		56,298	59,113	-	16,820	16,019	16,019	21,019	21,019	21,019
<b>Machinery and Equipment</b>		222,451	211,328	-	606,201	577,334	577,334	502,834	425,402	507,480
<b>Transport Assets</b>		73,941	77,638	-	147,272	140,259	140,259	155,259	164,559	154,159
<b>Land</b>				-		150	150	150	150	150
<b>Zoo's, Marine and Non-biological Animals</b>				-						
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	<b>7,170,057</b>	<b>8,003,467</b>	<b>-</b>	<b>8,299,933</b>	<b>8,011,347</b>	<b>8,011,347</b>	<b>7,904,396</b>	<b>7,818,203</b>	<b>7,943,582</b>
<b>EXPENDITURE OTHER ITEMS</b>	7	717,997	776,766	470,370	681,043	681,043	681,043	753,844	792,135	836,375
<b>Depreciation</b>	7	555,153	605,422	470,370	468,636	468,637	468,637	520,541	551,773	584,879
<b>Repairs and Maintenance by Asset Class</b>	3	162,844	171,344	-	212,407	212,407	212,407	233,304	240,362	251,496
<i>Roads Infrastructure</i>		47,029	49,483	-	-	-	-	67,377	69,416	72,631
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		50,160	52,779	-	55,411	55,411	55,411	72,368	74,558	78,011
<i>Water Supply Infrastructure</i>		15,460	16,267	-	8,427	8,427	8,427	22,150	22,820	23,877
<i>Sanitation Infrastructure</i>		6,125	6,445	-	121,923	121,923	121,923	8,775	9,041	9,460
<i>Solid Waste Infrastructure</i>		8,472	8,915	-	1,708	1,708	1,708	12,138	12,505	13,085
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>127,246</b>	<b>133,888</b>	<b>-</b>	<b>187,469</b>	<b>187,469</b>	<b>187,469</b>	<b>182,809</b>	<b>188,339</b>	<b>197,064</b>
<b>Community Facilities</b>		17,218	17,639	-	4,043	4,043	4,043	23,513	24,224	25,346
<b>Sport and Recreation Facilities</b>		-	-	-	5,390	5,390	5,390	-	-	-
<b>Community Assets</b>		<b>17,218</b>	<b>17,639</b>	<b>-</b>	<b>9,433</b>	<b>9,433</b>	<b>9,433</b>	<b>23,513</b>	<b>24,224</b>	<b>25,346</b>
<b>Heritage Assets</b>		18,379	19,816	-	-	-	-	26,982	27,798	29,086
<b>Revenue Generating</b>		-	-	-	-	-	-	-	-	-
<b>Non-revenue Generating</b>		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
<b>Operational Buildings</b>		-	-	-	3,509	3,509	3,509	-	-	-
<b>Housing</b>		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		-	-	-	3,509	3,509	3,509	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
<b>Servitudes</b>		-	-	-	-	-	-	-	-	-
<b>Licences and Rights</b>		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>		-	-	-	-	-	-	-	-	-
<b>Furniture and Office Equipment</b>		-	-	-	-	-	-	-	-	-
<b>Machinery and Equipment</b>		-	-	-	1,061	1,061	1,061	-	-	-
<b>Transport Assets</b>		-	-	-	10,935	10,935	10,935	-	-	-
<b>Land</b>		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		<b>717,997</b>	<b>776,766</b>	<b>470,370</b>	<b>681,043</b>	<b>681,043</b>	<b>681,043</b>	<b>753,844</b>	<b>792,135</b>	<b>836,375</b>
<b>Renewal and upgrading of Existing Assets as % of total capex</b>		61.6%	79.6%	71.8%	80.5%	80.2%	80.2%	37.3%	39.5%	42.9%
<b>Renewal and upgrading of Existing Assets as % of deprec R&amp;M as a % of PPE</b>		53.6%	85.2%	90.9%	98.2%	102.0%	102.0%	29.6%	33.3%	33.7%
<b>Renewal and upgrading and R&amp;M as a % of PPE</b>		2.3%	2.5%	0.0%	3.0%	3.0%	3.0%	3.4%	3.5%	3.8%
<b>Renewal and upgrading and R&amp;M as a % of PPE</b>		6.0%	9.0%	0.0%	8.0%	9.0%	9.0%	5.0%	5.0%	6.0%

**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. The City has allocated 37, 3% of the total capital budget to the renewal and upgrading of existing assets however budget for repairs and maintenance has gone down which can be attributed to fiscal constraints. When the budgets for repairs and maintenance, renewal of assets and upgrading of assets are added together, they amount to 8, 4% of the PPE. Repairs and Maintenance alone as a percentage of PPE has decreased from 3, 9% in 2019/20 to 3, 4% in 2020/21. The primary target is to increase this provision in order to be in line with stated requirements.

Table 14 MBRR Table A10 - Basic Service Delivery Measurement

## KZN225 Msunduzi - Table A10 Basic service delivery measurement

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		81,490	83,120	84,782	86,478	86,478	86,478	90,207	92,372	94,589
Piped water inside yard (but not in dwelling)		63,899	65,177	67,481	69,310	69,310	69,310	69,166	70,826	72,526
Using public tap (at least min.service level)	2	6,396	6,524	6,654	6,787	6,787	6,787	6,923	7,089	7,260
Other water supply (at least min.service level)	4	3,072	3,133	3,196	3,260	3,260	3,260	3,325	3,405	3,487
<i>Minimum Service Level and Above sub-total</i>		154,857	157,954	162,113	165,835	165,835	165,835	169,622	173,693	177,862
Using public tap (< min.service level)	3	6,396	6,524	6,654	6,787	6,787	6,787	6,923	7,089	7,260
Other water supply (< min.service level)	4	2,740	2,795	1,851	1,408	1,408	1,408	966	989	1,013
<i>Below Minimum Service Level sub-total</i>		9,136	9,319	8,505	8,195	8,195	8,195	7,889	8,078	8,272
<b>Total number of households</b>	5	<b>163,993</b>	<b>167,273</b>	<b>170,618</b>	<b>174,031</b>	<b>174,031</b>	<b>174,031</b>	<b>177,511</b>	<b>181,772</b>	<b>186,134</b>
<b>Sanitation/sewage:</b>										
Flush toilet (connected to sewerage)		85,149	86,852	91,589	96,761	96,761	96,761	101,168	103,596	106,082
Flush toilet (with septic tank)		8,319	8,485	8,655	8,828	8,828	8,828	9,005	9,221	9,442
Chemical toilet		7,076	7,218	7,362	7,509	7,509	7,509	7,659	7,843	8,031
Pit toilet (ventilated)		59,427	62,616	61,828	60,064	60,064	60,064	59,326	60,750	62,208
<i>Minimum Service Level and Above sub-total</i>		159,971	165,170	169,434	173,163	173,163	173,163	177,158	181,410	185,763
Other toilet provisions (< min.service level)		4,022	2,102	1,184	868	868	868	354	362	371
<i>Below Minimum Service Level sub-total</i>		4,022	2,102	1,184	868	868	868	354	362	371
<b>Total number of households</b>	5	<b>163,993</b>	<b>167,273</b>	<b>170,618</b>	<b>174,031</b>	<b>174,031</b>	<b>174,031</b>	<b>177,511</b>	<b>181,772</b>	<b>186,134</b>
<b>Energy:</b>										
Electricity (at least min.service level)		123,471	130,462	135,271	140,137	140,137	140,137	145,060	148,541	152,106
Electricity - prepaid (min.service level)		26,285	26,811	27,347	27,894	27,894	27,894	28,452	29,135	29,834
<i>Minimum Service Level and Above sub-total</i>		149,756	157,273	162,618	168,031	168,031	168,031	173,511	177,676	181,940
Electricity (< min.service level)		1,570	-	-	-	-	-	-	-	-
Electricity - prepaid (< min.service level)		-	-	-	-	-	-	-	-	-
Other energy sources		12,667	10,000	8,000	6,000	6,000	6,000	4,000	4,096	4,194
<i>Below Minimum Service Level sub-total</i>		14,237	10,000	8,000	6,000	6,000	6,000	4,000	4,096	4,194
<b>Total number of households</b>	5	<b>163,993</b>	<b>167,273</b>	<b>170,618</b>	<b>174,031</b>	<b>174,031</b>	<b>174,031</b>	<b>177,511</b>	<b>181,772</b>	<b>186,134</b>
<b>Refuse:</b>										
Removed at least once a week		120,000	122,400	129,848	137,345	137,345	137,345	148,559	152,124	155,775
<i>Minimum Service Level and Above sub-total</i>		120,000	122,400	129,848	137,345	137,345	137,345	148,559	152,124	155,775
Removed less frequently than once a week		43,993	44,873	40,770	36,686	36,686	36,686	28,952	29,647	30,359
<i>Below Minimum Service Level sub-total</i>		43,993	44,873	40,770	36,686	36,686	36,686	28,952	29,647	30,359
<b>Total number of households</b>	5	<b>163,993</b>	<b>167,273</b>	<b>170,618</b>	<b>174,031</b>	<b>174,031</b>	<b>174,031</b>	<b>177,511</b>	<b>181,772</b>	<b>186,134</b>
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		23,884	29,536	39,476	43,587	43,587	43,587	48,550	51,949	55,585
Sanitation (free minimum level service)		23,884	29,536	39,476	43,587	43,587	43,587	48,550	51,949	55,585
Electricity/other energy (50kwh per household per month)		2,800	3,080	3,265	3,461	3,461	3,461	3,668	3,925	4,200
Refuse (removed at least once a week)		5,182	5,959	6,078	6,200	6,200	6,200	6,324	6,767	7,240
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>	8									
Water (6 kilolitres per indigent household per month)		134,410	141,878	150,960	163,682	163,682	163,682	178,413	194,471	211,973
Sanitation (free sanitation service to indigent households)		10,066	10,625	11,184	11,855	11,855	11,855	12,567	13,321	14,120
Electricity/other energy (50kwh per indigent household per month)		1,654	1,745	1,837	2,077	2,077	2,077	3,144	3,307	3,602
Refuse (removed once a week for indigent households)		5,381	5,680	5,979	6,338	6,338	6,338	6,718	7,121	7,549
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>		-	-	-	-	-	-	-	-	-
<b>Total cost of FBS provided</b>		<b>151,511</b>	<b>159,228</b>	<b>169,961</b>	<b>183,953</b>	<b>183,953</b>	<b>183,953</b>	<b>200,842</b>	<b>218,220</b>	<b>237,243</b>
<b>Highest level of free service provided per household</b>										
Property rates (R value threshold)		150,000	100,000	100,000	120,000	120,000	120,000	120,000	120,000	120,000
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (Rand per household per month)		136	145	153	163	163	163	172	183	194
Electricity (kwh per household per month)		70	70	70	70	70	70	70	70	70
Refuse (average litres per week)		200	200	200	200	200	200	200	200	200
<b>Revenue cost of subsidised services provided (R'000)</b>	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA of MPRA)		15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Electricity/other energy (in excess of 50 kwh per indigent household per month)		410,961	411,958	441,681	123,189	123,189	123,189	130,580	138,415	146,720
<b>Total revenue cost of subsidised services provided</b>		<b>411,620</b>	<b>412,661</b>	<b>442,431</b>	<b>123,989</b>	<b>123,989</b>	<b>123,989</b>	<b>131,444</b>	<b>139,323</b>	<b>147,708</b>



**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. The City continues to make steady progress with the eradication of backlogs:
  - a) Water services – backlog reduction households as from 2012/13 to 2022/23. These households are largely found in reception areas and will need to be moved to formal areas so that they can receive services.
  - b) Sanitation services – backlog will be reduced by over 2000 households over the MTREF. The number of households with no toilet provision projects a decline as from 2012/13 up to 2020/21.
    - a. Sanitation services – backlog will be reduced by over 2000 households over the MTREF. The number of households with no toilet provision projects a decline as from 2012/13 up to 2021/22.
    - b. Electricity services – backlog reduction of households without the supply. As indicated elsewhere, the emphasis in the electricity sector is on addressing urgent network upgrades. Once the most pressing network issues have been addressed, the electrification programme will be prioritised
    - c. Refuse services – backlog projects a downward trend of households without a service as from 2012/13 up to 2021/22.

## **Consolidated Budget Tables**

KZN225 Msunduzi - Table A1 Consolidated Budget Summary

Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	793,014	864,164	930,980	1,200,772	1,200,772	1,200,772	1,200,772	1,272,818	1,349,187	1,430,138
Service charges	2,537,579	2,710,792	2,942,608	3,337,749	3,337,749	3,337,749	3,337,749	3,608,631	3,825,917	4,158,844
Investment revenue	53,631	39,046	20,379	14,702	14,603	14,603	14,603	15,479	16,408	17,393
Transfers recognised - operational	949,742	943,374	1,016,642	672,023	681,051	681,051	681,051	681,365	735,201	793,103
Other own revenue	265,372	316,068	318,676	379,423	379,423	379,423	379,423	402,188	426,319	451,899
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>4,599,339</b>	<b>4,873,445</b>	<b>5,229,284</b>	<b>5,604,668</b>	<b>5,613,597</b>	<b>5,613,597</b>	<b>5,613,597</b>	<b>5,980,481</b>	<b>6,353,033</b>	<b>6,851,376</b>
Employee costs	990,111	1,120,868	1,268,314	1,455,869	1,445,368	1,445,368	1,445,368	1,538,851	1,646,571	1,761,831
Remuneration of councillors	43,574	45,020	44,131	51,488	51,488	51,488	51,488	54,062	56,765	59,604
Depreciation & asset impairment	605,422	470,370	467,692	492,025	491,076	491,076	491,076	520,541	551,773	584,879
Finance charges	114,568	103,988	85,530	41,660	41,660	41,660	41,660	39,577	37,598	35,718
Materials and bulk purchases	1,912,308	2,026,286	2,066,497	2,338,356	2,325,032	2,325,032	2,325,032	2,539,385	2,693,496	2,932,289
Transfers and grants	36,447	25,891	42,492	46,379	58,900	58,900	58,900	48,495	49,960	52,849
Other expenditure	906,515	1,816,990	1,700,630	902,729	722,496	722,496	722,496	897,127	939,088	1,002,652
<b>Total Expenditure</b>	<b>4,608,946</b>	<b>5,609,414</b>	<b>5,675,285</b>	<b>5,328,507</b>	<b>5,136,020</b>	<b>5,136,020</b>	<b>5,136,020</b>	<b>5,638,039</b>	<b>5,975,252</b>	<b>6,429,822</b>
<b>Surplus/(Deficit)</b>	<b>(9,607)</b>	<b>(735,969)</b>	<b>(446,000)</b>	<b>276,161</b>	<b>477,577</b>	<b>477,577</b>	<b>477,577</b>	<b>342,443</b>	<b>377,781</b>	<b>421,554</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	(9,607)	146,625	460,143	439,342	639,960	639,960	639,960	363,589	407,181	401,100
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(19,213)</b>	<b>(589,344)</b>	<b>14,142</b>	<b>715,504</b>	<b>1,117,536</b>	<b>1,117,536</b>	<b>1,117,536</b>	<b>706,031</b>	<b>784,962</b>	<b>822,654</b>
<b>Surplus/(Deficit) for the year</b>	<b>(19,213)</b>	<b>(589,344)</b>	<b>14,142</b>	<b>715,504</b>	<b>1,117,536</b>	<b>1,117,536</b>	<b>1,117,536</b>	<b>706,031</b>	<b>784,962</b>	<b>822,654</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>648,114</b>	<b>594,892</b>	<b>613,487</b>	<b>555,371</b>	<b>700,730</b>	<b>700,730</b>	<b>700,730</b>	<b>417,373</b>	<b>467,877</b>	<b>464,806</b>
Transfers recognised - capital	401,255	363,746	466,029	439,342	639,960	639,960	639,960	363,589	407,181	401,100
Borrowing	40,245	88,896	47,053	5,631	5,631	5,631	5,631	-	-	-
Internally generated funds	206,613	142,250	100,404	110,398	55,139	55,139	55,139	53,784	60,696	63,705
<b>Total sources of capital funds</b>	<b>648,114</b>	<b>594,892</b>	<b>613,487</b>	<b>555,371</b>	<b>700,730</b>	<b>700,730</b>	<b>700,730</b>	<b>417,373</b>	<b>467,877</b>	<b>464,806</b>
<b>Financial position</b>										
Total current assets	1,867,416	2,259,302	1,112,297	1,437,364	1,508,845	1,508,845	1,147,726	1,842,463	1,902,454	2,068,275
Total non current assets	8,112,405	8,072,772	8,119,855	8,039,625	7,763,435	7,763,435	7,763,435	7,779,715	7,736,399	7,656,040
Total current liabilities	1,133,030	1,503,868	1,472,880	1,320,731	1,295,044	1,295,044	1,295,044	1,338,000	1,357,962	1,378,601
Total non current liabilities	1,268,708	1,253,158	366,292	1,202,464	1,182,802	1,182,802	1,182,802	1,018,849	1,026,925	1,037,549
Community wealth/Equity	7,666,303	6,962,118	6,768,878	6,953,794	6,794,434	6,794,434	6,433,315	7,265,328	7,753,966	8,208,165
<b>Cash flows</b>										
Net cash from (used) operating	350,310	574,768	369,217	645,280	674,691	674,691	674,691	573,193	628,138	640,908
Net cash from (used) investing	(629,172)	(676,625)	(480,423)	(527,603)	(595,676)	(595,676)	(595,676)	(413,589)	(465,581)	(459,500)
Net cash from (used) financing	(15,995)	(61,682)	(94,966)	(79,056)	(83,375)	(83,375)	(83,375)	(77,019)	(73,014)	(69,207)
<b>Cash/cash equivalents at the year end</b>	<b>674,767</b>	<b>511,229</b>	<b>305,056</b>	<b>499,741</b>	<b>461,119</b>	<b>461,119</b>	<b>461,119</b>	<b>478,121</b>	<b>567,664</b>	<b>679,865</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	909,779	747,008	593,405	499,741	461,119	461,119	100,000	478,121	567,664	679,865
Application of cash and investments	(83,798)	(47,330)	696,756	305,650	585,356	585,356	585,356	94,032	146,070	130,214
<b>Balance - surplus (shortfall)</b>	<b>993,577</b>	<b>794,337</b>	<b>(103,351)</b>	<b>194,091</b>	<b>(124,237)</b>	<b>(124,237)</b>	<b>(485,356)</b>	<b>384,090</b>	<b>421,594</b>	<b>549,650</b>
<b>Asset management</b>										
Asset register summary (WDV)	7,170,057	8,003,467	-	8,299,933	8,011,347	8,011,347	8,011,347	7,904,396	7,818,203	7,943,582
Depreciation	555,153	605,422	470,370	468,636	468,637	468,637	468,637	520,541	551,773	584,879
Renewal and Upgrading of Existing Assets	297,657	515,763	427,390	459,995	478,004	478,004	478,004	154,200	184,002	196,982
Repairs and Maintenance	162,844	171,344	-	212,407	212,407	212,407	212,407	233,304	240,362	251,496
<b>Free services</b>										
Cost of Free Basic Services provided	151,511	159,928	169,961	183,953	183,953	183,953	200,842	200,842	218,220	237,243
Revenue cost of free services provided	411,620	412,661	442,431	123,989	123,989	123,989	131,444	131,444	139,323	147,708
<b>Households below minimum service level</b>										
Water:	9	9	9	8	8	8	8	8	8	8
Sanitation/sewerage:	4	2	1	1	1	1	0	0	0	0
Energy:	14	10	8	6	6	6	4	4	4	4
Refuse:	44	45	41	37	37	37	29	29	30	30

**KZN225 Msunduzi - Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by functional classification)**

Functional Classification Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>Revenue - Functional</b>	1									
<b>Governance and administration</b>		1,177,987	1,314,579	1,884,452	1,810,165	1,810,066	1,810,066	1,916,520	2,037,033	2,176,162
Executive and council		3,913	8,115	3,097	4,257	4,257	4,257	4,448	64	68
Finance and administration		1,174,075	1,306,467	1,881,355	1,805,908	1,805,809	1,805,809	1,912,071	2,036,969	2,176,094
Internal audit		-	(3)	-	-	-	-	-	-	-
<b>Community and public safety</b>		321,160	114,025	189,741	109,380	319,026	319,026	224,693	252,145	235,838
Community and social services		35,742	28,615	29,034	24,887	25,424	25,424	26,710	28,214	29,673
Sport and recreation		15,520	11,184	10,054	10,384	10,384	10,384	11,006	11,919	12,518
Public safety		38,770	18,372	23,856	3,606	3,606	3,606	3,823	4,052	4,295
Housing		231,128	55,854	126,797	70,503	279,611	279,611	183,154	207,960	189,351
<b>Economic and environmental services</b>		294,113	284,890	316,616	316,347	316,347	316,347	107,597	114,430	123,446
Planning and development		15,852	57,661	58,631	53,904	53,904	53,904	39,139	39,387	44,650
Road transport		278,242	227,108	257,949	262,339	262,339	262,339	68,349	74,926	78,673
Environmental protection		19	122	36	104	104	104	110	116	123
<b>Trading services</b>		2,942,648	3,177,992	3,680,521	4,057,142	4,057,142	4,057,142	4,365,373	4,649,616	5,034,962
Energy sources		1,928,075	1,972,393	2,235,473	2,484,433	2,484,433	2,484,433	2,676,568	2,817,383	3,073,072
Water management		711,698	855,836	1,063,455	1,165,717	1,165,717	1,165,717	1,255,873	1,370,363	1,478,627
Waste water management		185,039	219,431	222,240	242,423	242,423	242,423	257,492	274,730	285,340
Waste management		117,836	130,333	159,353	164,570	164,570	164,570	175,439	187,140	197,924
<b>Other</b>	4	47,112	51,390	26,919	58,902	58,902	58,902	62,437	66,183	70,154
<b>Total Revenue - Functional</b>	2	4,783,020	4,942,876	6,098,249	6,351,937	6,561,484	6,561,484	6,676,619	7,119,407	7,640,562
<b>Expenditure - Functional</b>										
<b>Governance and administration</b>		958,977	908,163	1,594,305	1,417,089	1,412,398	1,412,398	1,492,919	1,573,289	1,674,294
Executive and council		152,627	215,359	157,678	189,361	188,105	188,105	196,812	202,985	215,534
Finance and administration		785,737	679,958	1,407,041	1,213,645	1,210,210	1,210,210	1,281,505	1,355,058	1,442,527
Internal audit		20,613	12,846	29,586	14,083	14,083	14,083	14,602	15,246	16,234
<b>Community and public safety</b>		558,219	468,537	527,521	520,693	485,957	485,957	551,869	587,550	626,887
Community and social services		130,559	113,020	114,265	115,536	115,598	115,598	121,309	130,437	139,096
Sport and recreation		167,481	137,259	121,846	125,730	125,730	125,730	132,781	141,425	151,014
Public safety		160,982	152,734	170,573	180,294	136,530	136,530	195,975	209,206	223,541
Housing		94,678	60,454	120,626	98,865	107,831	107,831	101,584	106,253	112,991
Health		4,520	5,070	212	268	268	268	220	228	245
<b>Economic and environmental services</b>		339,510	338,302	280,588	251,002	251,002	251,002	226,260	239,170	253,366
Planning and development		72,584	73,017	86,016	81,395	81,395	81,395	94,811	100,394	106,510
Road transport		255,232	253,089	177,739	151,400	151,400	151,400	112,215	118,339	125,027
Environmental protection		11,694	12,196	16,833	18,206	18,206	18,206	19,234	20,438	21,829
<b>Trading services</b>		3,073,241	3,151,997	3,070,326	3,377,237	3,224,177	3,224,177	3,626,344	3,857,476	4,181,550
Energy sources		1,885,208	1,737,851	1,813,419	2,021,215	1,881,437	1,881,437	2,175,008	2,288,591	2,483,053
Water management		886,438	1,067,152	878,195	907,107	893,825	893,825	981,811	1,064,599	1,156,111
Waste water management		195,840	265,210	258,355	319,855	319,855	319,855	334,914	361,599	390,280
Waste management		105,755	81,985	120,358	129,060	129,060	129,060	134,610	142,687	152,105
<b>Other</b>	4	89,507	65,476	72,380	70,459	70,459	70,459	73,196	76,959	81,812
<b>Total Expenditure - Functional</b>	3	5,019,454	4,932,474	5,545,120	5,636,480	5,443,993	5,443,993	5,970,588	6,334,444	6,817,908
<b>Surplus/(Deficit) for the year</b>		(236,435)	10,402	553,129	715,458	1,117,491	1,117,491	706,031	784,962	822,654

KZN225 Msunduzi - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>Revenue by Vote</b>	1									
Vote 1 - City Manager		-	89	0	57	57	57	60	64	68
Vote 2 - City Finance		1,162,602	1,292,219	1,841,339	1,777,245	1,777,146	1,777,146	1,891,748	2,014,552	2,151,927
Vote 3 - Community Services and Social Equity		213,712	199,491	236,959	210,737	210,737	210,737	224,707	239,520	253,103
Vote 4 - Corporate Services		5,676	9,383	5,862	6,542	6,542	6,542	6,870	2,631	2,789
Vote 5 - Infrastructure Services		3,106,589	3,280,433	3,801,264	4,173,277	4,173,277	4,173,277	4,267,906	4,548,479	4,927,856
Vote 6 - Sustainable Development and City Enterprises		294,440	161,260	212,824	184,080	393,725	393,725	285,328	314,161	304,819
<b>Total Revenue by Vote</b>	2	<b>4,783,020</b>	<b>4,942,876</b>	<b>6,098,249</b>	<b>6,351,937</b>	<b>6,561,484</b>	<b>6,561,484</b>	<b>6,676,619</b>	<b>7,119,407</b>	<b>7,640,562</b>
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - City Manager		166,773	176,239	194,108	177,602	177,602	177,602	193,814	203,590	215,268
Vote 2 - City Finance		371,290	275,761	975,350	691,436	691,436	691,436	735,802	776,196	824,870
Vote 3 - Community Services and Social Equity		768,570	668,362	724,943	742,913	742,913	742,913	776,032	825,580	880,815
Vote 4 - Corporate Services		193,613	258,379	196,081	289,335	276,053	276,053	315,389	330,830	353,114
Vote 5 - Infrastructure Services		3,237,035	3,336,666	3,150,242	3,451,918	3,312,139	3,312,139	3,656,492	3,889,640	4,215,278
Vote 6 - Sustainable Development and City Enterprises		282,174	217,067	304,397	283,276	243,849	243,849	293,057	308,608	328,564
<b>Total Expenditure by Vote</b>	2	<b>5,019,454</b>	<b>4,932,474</b>	<b>5,545,120</b>	<b>5,636,480</b>	<b>5,443,993</b>	<b>5,443,993</b>	<b>5,970,588</b>	<b>6,334,444</b>	<b>6,817,908</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>(236,435)</b>	<b>10,402</b>	<b>553,129</b>	<b>715,458</b>	<b>1,117,491</b>	<b>1,117,491</b>	<b>706,031</b>	<b>784,962</b>	<b>822,654</b>

KZN225 Msunduzi - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>Revenue By Source</b>											
Property rates	2	793,014	864,164	930,980	1,200,772	1,200,772	1,200,772	1,200,772	1,272,818	1,349,187	1,430,138
Service charges - electricity revenue	2	1,862,781	1,905,071	2,032,238	2,417,984	2,417,984	2,417,984	2,417,984	2,613,791	2,749,708	2,994,432
Service charges - water revenue	2	88,917	563,095	649,734	662,966	662,966	662,966	662,966	722,633	787,670	858,560
Service charges - sanitation revenue	2	121,774	142,392	161,145	145,475	145,475	145,475	145,475	154,204	163,456	173,263
Service charges - refuse revenue	2	464,107	100,233	99,492	111,324	111,324	111,324	111,324	118,003	125,083	132,588
Rental of facilities and equipment		26,144	27,295	20,618	27,827	27,827	27,827	27,827	29,496	31,266	33,142
Interest earned - external investments		53,631	39,046	20,379	14,702	14,603	14,603	14,603	15,479	16,408	17,393
Interest earned - outstanding debtors		120,869	201,962	218,926	193,740	193,740	193,740	193,740	205,364	217,686	230,747
Fines, penalties and forfeits		17,813	14,285	12,557	16,064	16,064	16,064	16,064	17,028	18,050	19,132
Licences and permits		521	899	830	1,071	1,071	1,071	1,071	1,136	1,204	1,276
Agency services		2,998	2,578	1,970	576	576	576	576	611	647	686
Transfers and subsidies		949,742	943,374	1,016,642	672,023	681,051	681,051	681,051	681,365	735,201	793,103
Other revenue	2	79,622	68,617	63,353	140,145	140,145	140,145	140,145	148,554	157,467	166,915
Gains		17,406	433	421							
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>4,599,339</b>	<b>4,873,445</b>	<b>5,229,284</b>	<b>5,604,668</b>	<b>5,613,597</b>	<b>5,613,597</b>	<b>5,613,597</b>	<b>5,980,481</b>	<b>6,353,033</b>	<b>6,851,376</b>
<b>Expenditure By Type</b>											
Employee related costs	2	990,111	1,120,868	1,268,314	1,455,869	1,445,368	1,445,368	1,445,368	1,538,851	1,646,571	1,761,831
Remuneration of councillors		43,574	45,020	44,131	51,488	51,488	51,488	51,488	54,062	56,765	59,604
Debt impairment	3	40,800	908,869	697,522	116,891	116,891	116,891	116,891	138,904	131,338	139,212
Depreciation & asset impairment	2	605,422	470,370	467,692	492,025	491,076	491,076	491,076	520,541	551,773	584,879
Finance charges		114,568	103,988	85,530	41,660	41,660	41,660	41,660	39,577	37,598	35,718
Bulk purchases	2	1,866,283	1,956,999	2,010,060	2,282,600	2,282,600	2,282,600	2,282,600	2,473,007	2,625,073	2,860,018
Other materials	8	46,025	69,287	56,437	55,756	42,433	42,433	42,433	66,378	68,423	72,271
Contracted services		556,503	622,403	671,010	587,242	455,597	455,597	455,597	542,329	569,829	611,066
Transfers and subsidies		36,447	25,891	42,492	46,379	58,900	58,900	58,900	48,495	49,960	52,849
Other expenditure	4, 5	201,572	167,375	206,294	198,552	149,965	149,965	149,965	215,895	237,920	252,374
Losses		107,640	118,343	125,803	43	43	43	43			
<b>Total Expenditure</b>		<b>4,608,946</b>	<b>5,609,414</b>	<b>5,675,285</b>	<b>5,328,507</b>	<b>5,136,020</b>	<b>5,136,020</b>	<b>5,136,020</b>	<b>5,638,039</b>	<b>5,975,252</b>	<b>6,429,822</b>
<b>Surplus/(Deficit)</b>		<b>(9,607)</b>	<b>(735,969)</b>	<b>(446,000)</b>	<b>276,161</b>	<b>477,577</b>	<b>477,577</b>	<b>477,577</b>	<b>342,443</b>	<b>377,781</b>	<b>421,554</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(9,607)	146,625	460,143	439,342	639,960	639,960	639,960	363,589	407,181	401,100
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)											
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(19,213)</b>	<b>(589,344)</b>	<b>14,142</b>	<b>715,504</b>	<b>1,117,536</b>	<b>1,117,536</b>	<b>1,117,536</b>	<b>706,031</b>	<b>784,962</b>	<b>822,654</b>
<b>Surplus/(Deficit) after taxation</b>		<b>(19,213)</b>	<b>(589,344)</b>	<b>14,142</b>	<b>715,504</b>	<b>1,117,536</b>	<b>1,117,536</b>	<b>1,117,536</b>	<b>706,031</b>	<b>784,962</b>	<b>822,654</b>
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(19,213)</b>	<b>(589,344)</b>	<b>14,142</b>	<b>715,504</b>	<b>1,117,536</b>	<b>1,117,536</b>	<b>1,117,536</b>	<b>706,031</b>	<b>784,962</b>	<b>822,654</b>
<b>Surplus/(Deficit) for the year</b>		<b>(19,213)</b>	<b>(589,344)</b>	<b>14,142</b>	<b>715,504</b>	<b>1,117,536</b>	<b>1,117,536</b>	<b>1,117,536</b>	<b>706,031</b>	<b>784,962</b>	<b>822,654</b>

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>Capital expenditure - Vote</b>	1										
<b>Multi-year expenditure to be appropriated</b>	2										
Vote 1 - City Manager		3,866	321	10	5,132	5,132	5,132	5,132	-	-	-
Vote 2 - City Finance		30,114	8,968	-	22,500	22,500	22,500	22,500	-	-	-
Vote 3 - Community Services and Social Equity		102,852	20,105	35,939	22,975	22,975	22,975	22,975	25,284	29,296	30,745
Vote 4 - Corporate Services		25,749	824	2,588	700	700	700	700	-	-	-
Vote 5 - Infrastructure Services		438,846	391,837	29,246	377,870	322,870	322,870	322,870	154,700	167,250	177,285
Vote 6 - Sustainable Development and City Enterprises		46,682	72,410	75,459	60,790	260,674	260,674	260,674	700	7,677	8,138
<b>Capital multi-year expenditure sub-total</b>	7	<b>648,110</b>	<b>494,465</b>	<b>143,242</b>	<b>489,966</b>	<b>634,849</b>	<b>634,849</b>	<b>634,849</b>	<b>180,684</b>	<b>204,223</b>	<b>216,168</b>
<b>Single-year expenditure to be appropriated</b>	2										
Vote 1 - City Manager		-	872	4,314	4,869	4,869	4,869	4,869	5,000	-	-
Vote 2 - City Finance		-	14,742	17,257	12,335	12,335	12,335	12,335	27,500	27,300	28,400
Vote 3 - Community Services and Social Equity		-	62,492	15,738	12,991	12,991	12,991	12,991	10,784	1,396	305
Vote 4 - Corporate Services		-	4,127	876	4,500	4,500	4,500	4,500	-	-	-
Vote 5 - Infrastructure Services		-	15,489	414,791	27,501	27,501	27,501	27,501	46,755	70,000	70,160
Vote 6 - Sustainable Development and City Enterprises		-	2,711	17,268	3,210	3,685	3,685	3,685	143,434	163,253	145,077
<b>Capital single-year expenditure sub-total</b>		<b>-</b>	<b>100,432</b>	<b>470,244</b>	<b>65,406</b>	<b>65,881</b>	<b>65,881</b>	<b>65,881</b>	<b>233,473</b>	<b>261,949</b>	<b>243,943</b>
<b>Total Capital Expenditure - Vote</b>		<b>648,110</b>	<b>594,897</b>	<b>613,487</b>	<b>555,371</b>	<b>700,730</b>	<b>700,730</b>	<b>700,730</b>	<b>414,157</b>	<b>466,173</b>	<b>460,111</b>
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		<b>61,849</b>	<b>29,972</b>	<b>28,133</b>	<b>51,135</b>	<b>31,135</b>	<b>31,135</b>	<b>31,135</b>	<b>32,500</b>	<b>27,300</b>	<b>28,400</b>
Executive and council		3,707	999	3,716	2,179	2,179	2,179	2,179	5,000	-	-
Finance and administration		57,979	28,973	24,297	48,707	28,707	28,707	28,707	27,500	27,300	28,400
Internal audit		164		120	250	250	250	250			
<b>Community and public safety</b>		<b>119,183</b>	<b>66,164</b>	<b>94,240</b>	<b>28,966</b>	<b>229,325</b>	<b>229,325</b>	<b>229,325</b>	<b>159,422</b>	<b>58,520</b>	<b>56,773</b>
Community and social services		40,840	10,801	30,651	22,407	22,407	22,407	22,407	31,000	23,300	24,080
Sport and recreation		50,890	29,669	11,558	1,500	1,975	1,975	1,975			
Public safety		1,960	5,109	2,000	1,058	800	800	800	3,784	2,296	5,305
Housing		25,493	20,585	50,030	4,000	204,142	204,142	204,142	124,638	32,924	27,388
Health											
<b>Economic and environmental services</b>		<b>291,476</b>	<b>271,330</b>	<b>308,823</b>	<b>286,539</b>	<b>266,539</b>	<b>266,539</b>	<b>266,539</b>	<b>110,696</b>	<b>211,399</b>	<b>203,623</b>
Planning and development		15,201	53,736	35,976	51,800	51,800	51,800	51,800	19,496	138,007	125,827
Road transport		275,024	217,281	271,262	234,379	214,379	214,379	214,379	91,200	73,392	77,796
Environmental protection		1,251	313	1,585	360	360	360	360			
<b>Trading services</b>		<b>173,199</b>	<b>226,940</b>	<b>177,154</b>	<b>180,492</b>	<b>165,492</b>	<b>165,492</b>	<b>165,492</b>	<b>114,755</b>	<b>170,658</b>	<b>176,010</b>
Energy sources		79,786	108,121	56,636	28,331	28,331	28,331	28,331	12,500	9,000	9,540
Water management		61,138	59,634	75,391	100,054	85,054	85,054	85,054	59,255	94,818	96,467
Waste water management		23,781	25,570	44,302	45,106	45,106	45,106	45,106	38,500	60,041	63,643
Waste management		8,494	33,615	825	7,000	7,000	7,000	7,000	4,500	6,800	6,360
<b>Other</b>		<b>2,407</b>	<b>486</b>	<b>5,136</b>	<b>8,240</b>	<b>8,240</b>	<b>8,240</b>	<b>8,240</b>			
<b>Total Capital Expenditure - Functional</b>	3	<b>648,114</b>	<b>594,892</b>	<b>613,487</b>	<b>555,371</b>	<b>700,730</b>	<b>700,730</b>	<b>700,730</b>	<b>417,373</b>	<b>467,877</b>	<b>464,806</b>
<b>Funded by:</b>											
National Government		376,644	232,550	393,481	429,351	429,351	429,351	429,351	255,155	279,198	295,850
Provincial Government		24,611	131,196	72,548	9,991	210,608	210,608	210,608	108,434	127,982	105,250
District Municipality											
<b>Transfers recognised - capital</b>	4	<b>401,255</b>	<b>363,746</b>	<b>466,029</b>	<b>439,342</b>	<b>639,960</b>	<b>639,960</b>	<b>639,960</b>	<b>363,589</b>	<b>407,181</b>	<b>401,100</b>
<b>Borrowing</b>	6	<b>40,245</b>	<b>88,896</b>	<b>47,053</b>	<b>5,631</b>	<b>5,631</b>	<b>5,631</b>	<b>5,631</b>			
Internally generated funds		206,613	142,250	100,404	110,398	55,139	55,139	55,139	53,784	60,696	63,705
<b>Total Capital Funding</b>	7	<b>648,114</b>	<b>594,892</b>	<b>613,487</b>	<b>555,371</b>	<b>700,730</b>	<b>700,730</b>	<b>700,730</b>	<b>417,373</b>	<b>467,877</b>	<b>464,806</b>

KZN225 Msunduzi - Table A6 Consolidated Budgeted Financial Position

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>ASSETS</b>											
<b>Current assets</b>											
Cash		674,767	511,229	305,056	100,000	100,000	100,000	100,000	102,187	104,419	106,695
Call investment deposits	1	8,799	8,869	15,675	399,741	361,119	361,119		375,934	463,246	573,170
Consumer debtors	1	1,010,800	1,346,514	454,838	835,519	819,137	819,137	819,137	1,126,839	1,087,979	1,131,877
Other debtors		113,450	34,953	7,569	66,724	83,875	83,875	83,875	85,553	87,264	89,009
Inventory	2	59,599	357,738	329,159	35,380	144,714	144,714	144,714	151,950	159,547	167,525
<b>Total current assets</b>		<b>1,867,416</b>	<b>2,259,302</b>	<b>1,112,297</b>	<b>1,437,364</b>	<b>1,508,845</b>	<b>1,508,845</b>	<b>1,147,726</b>	<b>1,842,463</b>	<b>1,902,454</b>	<b>2,068,275</b>
<b>Non current assets</b>											
Investments		226,212	226,910	272,674							
Investment property		708,753	741,015	702,385	738,050	723,578	723,578	723,578	857,525	900,401	945,421
Property, plant and equipment	3	7,062,055	6,983,281	7,020,447	7,154,795	7,014,505	7,014,505	7,014,505	6,896,839	6,810,647	6,685,267
Biological		770	928	948							
Intangible		50,603	52,109	41,058	146,780	25,352	25,352	25,352	25,352	25,352	25,352
Other non-current assets		64,012	68,528	82,343							
<b>Total non current assets</b>		<b>8,112,405</b>	<b>8,072,772</b>	<b>8,119,855</b>	<b>8,039,625</b>	<b>7,763,435</b>	<b>7,763,435</b>	<b>7,763,435</b>	<b>7,779,715</b>	<b>7,736,399</b>	<b>7,656,040</b>
<b>TOTAL ASSETS</b>		<b>9,979,821</b>	<b>10,332,074</b>	<b>9,232,152</b>	<b>9,476,989</b>	<b>9,272,280</b>	<b>9,272,280</b>	<b>8,911,161</b>	<b>9,622,178</b>	<b>9,638,853</b>	<b>9,724,315</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Borrowing	4	79,715	84,512	114,311	79,056	84,512	84,512	84,512	79,206	75,245	71,483
Consumer deposits		101,382	108,809	107,229	108,899	103,714	103,714	103,714	111,561	113,793	116,068
Trade and other payables	4	839,897	1,149,340	1,080,436	999,063	979,473	979,473	979,473	1,084,571	1,106,262	1,128,387
Provisions		112,037	161,206	170,904	133,712	127,345	127,345	127,345	62,662	62,662	62,662
<b>Total current liabilities</b>		<b>1,133,030</b>	<b>1,503,868</b>	<b>1,472,880</b>	<b>1,320,731</b>	<b>1,295,044</b>	<b>1,295,044</b>	<b>1,295,044</b>	<b>1,338,000</b>	<b>1,357,962</b>	<b>1,378,601</b>
<b>Non current liabilities</b>											
Borrowing		535,739	451,226	366,292	459,547	451,226	451,226	451,226	428,665	407,232	386,870
Provisions		732,969	801,932	-	742,917	731,576	731,576	731,576	590,185	619,694	650,678
<b>Total non current liabilities</b>		<b>1,268,708</b>	<b>1,253,158</b>	<b>366,292</b>	<b>1,202,464</b>	<b>1,182,802</b>	<b>1,182,802</b>	<b>1,182,802</b>	<b>1,018,849</b>	<b>1,026,925</b>	<b>1,037,549</b>
<b>TOTAL LIABILITIES</b>		<b>2,401,738</b>	<b>2,757,026</b>	<b>1,839,172</b>	<b>2,523,195</b>	<b>2,477,847</b>	<b>2,477,847</b>	<b>2,477,847</b>	<b>2,356,850</b>	<b>2,384,887</b>	<b>2,416,150</b>
<b>NET ASSETS</b>	5	<b>7,578,083</b>	<b>7,575,048</b>	<b>7,392,980</b>	<b>6,953,794</b>	<b>6,794,434</b>	<b>6,794,434</b>	<b>6,433,315</b>	<b>7,265,328</b>	<b>7,253,966</b>	<b>7,308,165</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		7,371,413	6,630,483	6,539,965	6,717,550	6,510,648	6,510,648	6,149,529	7,047,861	7,547,372	8,011,901
Reserves	4	294,890	331,635	228,913	236,244	283,785	283,785	283,785	217,468	206,594	196,265
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>7,666,303</b>	<b>6,962,118</b>	<b>6,768,878</b>	<b>6,953,794</b>	<b>6,794,434</b>	<b>6,794,434</b>	<b>6,433,315</b>	<b>7,265,328</b>	<b>7,753,966</b>	<b>8,208,165</b>



KZN225 Msunduzi - Table A7 Consolidated Budgeted Cash Flows

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		735,045	842,539	869,542	960,617	824,008	824,008	824,008	1,081,895	1,146,809	1,215,617
Service charges		2,205,135	2,527,616	2,608,626	2,670,162	2,687,042	2,687,042	2,687,042	3,067,336	3,252,030	3,535,017
Other revenue		-	-	-	148,876	180,911	180,911	180,911	167,562	177,616	188,273
Transfers and Subsidies - Operational	1	564,422	605,812	629,286	672,023	671,406	671,406	671,406	681,365	735,201	793,103
Transfers and Subsidies - Capital	1	368,997	396,056	411,403	439,342	425,277	425,277	425,277	363,589	407,181	401,100
Interest		174,501	41,967	37,353	169,694	191,459	191,459	191,459	190,039	201,441	213,528
<b>Payments</b>											
Suppliers and employees		(3,629,325)	(3,784,262)	(4,139,589)	(4,329,714)	(4,196,304)	(4,196,304)	(4,196,304)	(4,890,522)	(5,204,582)	(5,617,164)
Finance charges		(68,463)	(54,960)	(47,404)	(41,660)	(50,672)	(50,672)	(50,672)	(39,577)	(37,598)	(35,718)
Transfers and Grants	1	-	-	-	(44,060)	(58,437)	(58,437)	(58,437)	(48,495)	(49,960)	(52,849)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>350,310</b>	<b>574,768</b>	<b>369,217</b>	<b>645,280</b>	<b>674,691</b>	<b>674,691</b>	<b>674,691</b>	<b>573,193</b>	<b>628,138</b>	<b>640,908</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		(366,848)	-	3,716					-	-	-
Decrease (increase) in non-current receivables		(24,381)	(8,617)	(614)					-	-	-
Decrease (increase) in non-current investments		373	306	(6,155)					-	-	-
<b>Payments</b>											
Capital assets		(238,315)	(668,315)	(477,369)	(527,603)	(595,676)	(595,676)	(595,676)	(413,589)	(465,581)	(459,500)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(629,172)</b>	<b>(676,625)</b>	<b>(480,423)</b>	<b>(527,603)</b>	<b>(595,676)</b>	<b>(595,676)</b>	<b>(595,676)</b>	<b>(413,589)</b>	<b>(465,581)</b>	<b>(459,500)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Increase (decrease) in consumer deposits		7,865	-	-					2,187	2,231	2,276
<b>Payments</b>											
Repayment of borrowing		(23,861)	(61,682)	(94,966)	(79,056)	(83,375)	(83,375)	(83,375)	(79,206)	(75,245)	(71,483)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(15,995)</b>	<b>(61,682)</b>	<b>(94,966)</b>	<b>(79,056)</b>	<b>(83,375)</b>	<b>(83,375)</b>	<b>(83,375)</b>	<b>(77,019)</b>	<b>(73,014)</b>	<b>(69,207)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(294,857)</b>	<b>(163,538)</b>	<b>(206,172)</b>	<b>38,622</b>	<b>(4,360)</b>	<b>(4,360)</b>	<b>(4,360)</b>	<b>82,585</b>	<b>89,543</b>	<b>112,200</b>
Cash/cash equivalents at the year begin:	2	969,624	674,767	511,229	461,119	465,479	465,479	465,479	395,536	478,121	567,664
Cash/cash equivalents at the year end:	2	674,767	511,229	305,056	499,741	461,119	461,119	461,119	478,121	567,664	679,865

KZN225 Msunduzi - Table A8 Consolidated Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	674,767	511,229	305,056	499,741	461,119	461,119	461,119	478,121	567,664	679,865
Other current investments > 90 days		8,799	8,869	15,675	-	(0)	(0)	(361,119)	-	-	-
Non current assets - Investments	1	226,212	226,910	272,674	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>909,779</b>	<b>747,008</b>	<b>593,405</b>	<b>499,741</b>	<b>461,119</b>	<b>461,119</b>	<b>100,000</b>	<b>478,121</b>	<b>567,664</b>	<b>679,865</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		-	-	-	-	-	-	-	78,311	59,908	33,948
Statutory requirements	2										
Other working capital requirements	3	(83,798)	(47,330)	696,756	305,650	301,571	301,571	301,571	15,721	86,162	96,267
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5					283,785	283,785	283,785			
<b>Total Application of cash and investments:</b>		<b>(83,798)</b>	<b>(47,330)</b>	<b>696,756</b>	<b>305,650</b>	<b>585,356</b>	<b>585,356</b>	<b>585,356</b>	<b>94,032</b>	<b>146,070</b>	<b>130,214</b>
<b>Surplus(shortfall)</b>		<b>993,577</b>	<b>794,337</b>	<b>(103,351)</b>	<b>194,091</b>	<b>(124,237)</b>	<b>(124,237)</b>	<b>(485,356)</b>	<b>384,090</b>	<b>421,594</b>	<b>549,650</b>

KZN225 Msunduzi - Table A9 Consolidated Asset Management

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	
<b>CAPITAL EXPENDITURE</b>											
<b>Total New Assets</b>	1	<b>185,312</b>	<b>132,351</b>	<b>167,503</b>	<b>111,387</b>	<b>117,672</b>	<b>117,672</b>	<b>259,389</b>	<b>281,579</b>	<b>262,519</b>	
Roads Infrastructure		34,983	2,747	15,103	1,293	1,516	1,516	6,000	1,650	1,749	
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	
Electrical Infrastructure		27,836	10,171	48,684	40,854	41,028	41,028	7,500	9,000	9,540	
Water Supply Infrastructure		3,412	-	-	3,290	3,968	3,968	179,389	208,481	185,958	
Sanitation Infrastructure		8,377	-	-	13,269	13,617	13,617	23,500	29,849	30,792	
Solid Waste Infrastructure		-	149	-	-	-	-	-	-	-	
Rail Infrastructure		-	-	-	-	-	-	-	-	-	
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	
<b>Infrastructure</b>		<b>74,607</b>	<b>13,068</b>	<b>63,787</b>	<b>58,706</b>	<b>60,129</b>	<b>60,129</b>	<b>216,389</b>	<b>248,979</b>	<b>228,039</b>	
Community Facilities		169	-	337	3,112	4,132	4,132	23,000	23,000	24,080	
Sport and Recreation Facilities		34,335	5,106	-	10,458	11,384	11,384	-	-	-	
<b>Community Assets</b>		<b>34,504</b>	<b>5,106</b>	<b>337</b>	<b>13,570</b>	<b>15,516</b>	<b>15,516</b>	<b>23,000</b>	<b>23,000</b>	<b>24,080</b>	
<b>Heritage Assets</b>		<b>7,290</b>	<b>24,329</b>	<b>18,344</b>	<b>4,042</b>	<b>4,866</b>	<b>4,866</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Revenue Generating		-	-	-	-	-	-	-	-	-	
Non-revenue Generating		-	-	-	-	-	-	-	-	-	
<b>Investment properties</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Operational Buildings		5,183	-	2,885	-	-	-	-	-	-	
Housing		-	-	-	5,123	5,902	5,902	-	-	-	
<b>Other Assets</b>		<b>5,183</b>	<b>-</b>	<b>2,885</b>	<b>5,123</b>	<b>5,902</b>	<b>5,902</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Biological or Cultivated Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Servitudes		-	-	-	-	-	-	-	-	-	
Licences and Rights		29,287	195	8,968	282	374	374	5,000	300	-	
<b>Intangible Assets</b>		<b>29,287</b>	<b>195</b>	<b>8,968</b>	<b>282</b>	<b>374</b>	<b>374</b>	<b>5,000</b>	<b>300</b>	<b>-</b>	
Computer Equipment		-	19,862	34,960	2,325	2,536	2,536	-	-	-	
Furniture and Office Equipment		9,149	50,762	4,305	7,118	7,450	7,450	-	-	-	
<b>Machinery and Equipment</b>		<b>24,823</b>	<b>10,859</b>	<b>33,840</b>	<b>9,698</b>	<b>10,176</b>	<b>10,176</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Transport Assets		469	337	78	10,524	10,722	10,722	15,000	9,300	10,400	
Land		-	7,833	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	

KZN225 Msunduzi - Table A9 Consolidated Asset Management

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>Total Renewal of Existing Assets</b>	2	297,657	515,763	251,586	387,397	314,315	314,315	154,200	184,002	196,982
<i>Roads Infrastructure</i>		108,918	98,714	32,198	169,403	142,551	142,551	81,700	71,192	75,464
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		66,802	51,961	44,447	56,974	47,943	47,943	5,000	-	-
<i>Water Supply Infrastructure</i>		71,046	48,980	-	35,120	29,553	29,553	30,500	57,818	64,307
<i>Sanitation Infrastructure</i>		28,814	-	1,198	54,751	46,072	46,072	19,500	36,992	39,212
<i>Solid Waste Infrastructure</i>		1,057	30,714	19,377	5,856	4,928	4,928	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>276,637</b>	<b>230,368</b>	<b>97,221</b>	<b>322,104</b>	<b>271,047</b>	<b>271,047</b>	<b>136,700</b>	<b>166,002</b>	<b>178,982</b>
Community Facilities	910	8,707	8,707	3,705	13,771	1,588	1,588	-	-	-
Sport and Recreation Facilities		2,823	28,616	24,871	-	-	-	-	-	-
<b>Community Assets</b>		<b>3,733</b>	<b>37,323</b>	<b>28,576</b>	<b>13,771</b>	<b>1,588</b>	<b>1,588</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Heritage Assets</b>		<b>311</b>	<b>16,066</b>	<b>15,408</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings		13,702	-	-	1,586	1,335	1,335	-	-	-
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		<b>13,702</b>	<b>-</b>	<b>-</b>	<b>1,586</b>	<b>1,335</b>	<b>1,335</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Biological or Cultivated Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	49,937	40,346	40,346	12,500	18,000	18,000
<b>Intangible Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>49,937</b>	<b>40,346</b>	<b>40,346</b>	<b>12,500</b>	<b>18,000</b>	<b>18,000</b>
Computer Equipment		-	1,950	-	-	-	-	-	-	-
Furniture and Office Equipment		2,019	5,781	-	-	-	-	5,000	-	-
Machinery and Equipment		300	15,350	-	-	-	-	-	-	-
Transport Assets		954	177,628	110,382	-	-	-	-	-	-
Land		-	31,297	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-

KZN225 Msunduzi - Table A10 Consolidated basic service delivery measurement

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		81,490	83,120	84,782	86,478	86,478	86,478	90,207	92,372	94,589
Piped water inside yard (but not in dwelling)		63,899	65,177	67,481	69,310	69,310	69,310	69,166	70,826	72,526
Using public tap (at least min.service level)	2	6,396	6,524	6,654	6,787	6,787	6,787	6,923	7,089	7,260
Other water supply (at least min.service level)	4	3,072	3,133	3,196	3,260	3,260	3,260	3,325	3,405	3,487
<i>Minimum Service Level and Above sub-total</i>		154,857	157,954	162,113	165,835	165,835	165,835	169,622	173,693	177,862
Using public tap (< min.service level)	3	6,396	6,524	6,654	6,787	6,787	6,787	6,923	7,089	7,260
Other water supply (< min.service level)	4	2,740	2,795	1,851	1,408	1,408	1,408	966	989	1,013
<i>Below Minimum Service Level sub-total</i>		9,136	9,319	8,505	8,195	8,195	8,195	7,889	8,078	8,272
<b>Total number of households</b>	5	<b>163,993</b>	<b>167,273</b>	<b>170,618</b>	<b>174,031</b>	<b>174,031</b>	<b>174,031</b>	<b>177,511</b>	<b>181,772</b>	<b>186,134</b>
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		85,149	86,852	91,589	96,761	96,761	96,761	101,168	103,596	106,082
Flush toilet (with septic tank)		8,319	8,485	8,655	8,828	8,828	8,828	9,005	9,221	9,442
Chemical toilet		7,076	7,218	7,362	7,509	7,509	7,509	7,659	7,843	8,031
Pit toilet (ventilated)		59,427	62,616	61,828	60,064	60,064	60,064	59,326	60,750	62,208
<i>Minimum Service Level and Above sub-total</i>		159,971	165,170	169,434	173,163	173,163	173,163	177,158	181,410	185,763
Other toilet provisions (< min.service level)		4,022	2,102	1,184	868	868	868	354	362	371
<i>Below Minimum Service Level sub-total</i>		4,022	2,102	1,184	868	868	868	354	362	371
<b>Total number of households</b>	5	<b>163,993</b>	<b>167,273</b>	<b>170,618</b>	<b>174,031</b>	<b>174,031</b>	<b>174,031</b>	<b>177,511</b>	<b>181,772</b>	<b>186,134</b>
<b>Energy:</b>										
Electricity (at least min.service level)		123,471	130,462	135,271	140,137	140,137	140,137	145,060	148,541	152,106
Electricity - prepaid (min.service level)		26,285	26,811	27,347	27,894	27,894	27,894	28,452	29,135	29,834
<i>Minimum Service Level and Above sub-total</i>		149,756	157,273	162,618	168,031	168,031	168,031	173,511	177,676	181,940
Electricity (< min.service level)		1,570	-	-	-	-	-	-	-	-
Electricity - prepaid (< min.service level)		-	-	-	-	-	-	-	-	-
Other energy sources		12,667	10,000	8,000	6,000	6,000	6,000	4,000	4,096	4,194
<i>Below Minimum Service Level sub-total</i>		14,237	10,000	8,000	6,000	6,000	6,000	4,000	4,096	4,194
<b>Total number of households</b>	5	<b>163,993</b>	<b>167,273</b>	<b>170,618</b>	<b>174,031</b>	<b>174,031</b>	<b>174,031</b>	<b>177,511</b>	<b>181,772</b>	<b>186,134</b>
<b>Refuse:</b>										
Removed at least once a week		120,000	122,400	129,848	137,345	137,345	137,345	148,559	152,124	155,775
<i>Minimum Service Level and Above sub-total</i>		120,000	122,400	129,848	137,345	137,345	137,345	148,559	152,124	155,775
Removed less frequently than once a week		43,993	44,873	40,770	36,686	36,686	36,686	28,952	29,647	30,359
<i>Below Minimum Service Level sub-total</i>		43,993	44,873	40,770	36,686	36,686	36,686	28,952	29,647	30,359
<b>Total number of households</b>	5	<b>163,993</b>	<b>167,273</b>	<b>170,618</b>	<b>174,031</b>	<b>174,031</b>	<b>174,031</b>	<b>177,511</b>	<b>181,772</b>	<b>186,134</b>
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		23,884	29,536	39,476	43,587	43,587	43,587	48,550	51,949	55,585
Sanitation (free minimum level service)		23,884	29,536	39,476	43,587	43,587	43,587	48,550	51,949	55,585
Electricity/other energy (50kwh per household per month)		2,800	3,080	3,265	3,461	3,461	3,461	3,668	3,925	4,200
Refuse (removed at least once a week)		5,182	5,959	6,078	6,200	6,200	6,200	6,324	6,767	7,240
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>	8									
Water (6 kilolitres per indigent household per month)		134,410	141,878	150,960	163,682	163,682	163,682	178,413	194,471	211,973
Sanitation (free sanitation service to indigent households)		10,066	10,625	11,184	11,855	11,855	11,855	12,567	13,321	14,120
Electricity/other energy (50kwh per indigent household per month)		1,654	1,745	1,837	2,077	2,077	2,077	3,144	3,307	3,602
Refuse (removed once a week for indigent households)		5,381	5,680	5,979	6,338	6,338	6,338	6,718	7,121	7,549
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>		-	-	-	-	-	-	-	-	-
<b>Total cost of FBS provided</b>		<b>151,511</b>	<b>159,928</b>	<b>169,961</b>	<b>183,953</b>	<b>183,953</b>	<b>183,953</b>	<b>200,842</b>	<b>218,220</b>	<b>237,243</b>
<b>Highest level of free service provided per household</b>										
Property rates (R value threshold)		150,000	100,000	100,000	120,000	120,000	120,000	120,000	120,000	120,000
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (Rand per household per month)		136	145	153	163	163	163	172	183	194
Electricity (kwh per household per month)		70	70	70	70	70	70	70	70	70
Refuse (average litres per week)		200	200	200	200	200	200	200	200	200
<b>Revenue cost of subsidised services provided (R'000)</b>	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Electricity/other energy (in excess of 50 kwh per indigent household per month)		410,961	411,958	441,681	123,189	123,189	123,189	130,580	138,415	146,720
<b>Total revenue cost of subsidised services provided</b>		<b>411,620</b>	<b>412,661</b>	<b>442,431</b>	<b>123,989</b>	<b>123,989</b>	<b>123,989</b>	<b>131,444</b>	<b>139,323</b>	<b>147,708</b>

## **Part 2 – Supporting Documentation**

### **2.1 Overview of the annual budget process**

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

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

The primary aims of the Budget Steering Committee are to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the City'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 September since Council did not have political leadership in place during July and August 2019. Key dates applicable to the process were:

- **30 August 2019** Annual Performance Report submitted to Auditor-General as per S46 MSA
- **10 October 2019** the first sitting of the IDP representative forum
- **02 to 30 November 2019** Zonal IDP/ Budget Izimbizo convened by the Mayor
- **March 2020** conducted public hearings on proposed rates and tariffs for 2020/21 budget year

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

The City'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 fourth 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 2020/21 MTREF, based on the approved 2019/20 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.

With the compilation of the 2020/21 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2019/20 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

### 2.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2020/21 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 2020/21 MTREF:

- City 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 2015/16 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 51, 54, 59,66,67,70 and 74 have been taken into consideration in the planning and prioritisation process.

### 2.1.4 Community Consultation

Ward Committees were utilised to facilitate the community consultation process, which included open public briefing sessions. The applicable dates and venues were published in all the local newspapers. Sessions were scheduled with organised business and imbizo's were held to further ensure transparency and interaction. Other stakeholders involved in the consultation included churches, non-governmental institutions and community-based organisations.

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects were addressed, and where relevant considered as part of the submission to EXCO for finalisation of the 2020/21 MTREF. Feedback and responses to the

submissions received are available on request. The following are some of the issues and concerns raised as well as comments received during the consultation process:

- Capital expenditure is not allocated to the areas in the same ratio as the income derived from those areas. This is a normal practice in a collective taxation environment. The City is responsible for managing the equitable use of resources to ensure that constitutional imperative to progressively improve basic services in undeveloped areas is realized in a sustainable manner over a reasonable period of time;

## **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 City, 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 City 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 City'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;
- Spatial Planning and Land Use Management Act (SPLUMA);
- Provincial Growth and Development Strategy (PGDS);
- State of the Province address 2016
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIs);
- National Development Plan (Vision 2030)
- The National 14 Government Outcomes
- State of National Address 2017

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 strategic Goals for the 2019/20 MTREF and further planning refinements that have directly informed the compilation of the budget:

### **IDP Strategic Goals**

- a) A well-serviced city;
- b) An accessible, connected city;
- c) A clean, green city;
- d) A friendly, safe city, and
- e) An economically prosperous city.

f) A financially viable and well-governed city

In order to ensure integrated and focused service delivery between all spheres of government it was important for the City 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 six strategic goals:

1. Basic Service Delivery:

- Provide electricity;
- Provide water;
- Provide sanitation;
- Provide waste removal;
- Provide housing;
- Provide roads and storm water;
- Provide public transport;
- Provide city planning services; and
- Maintaining the infrastructure of the City.

2. Local Economic Development:

- Ensuring there is a clear structural plan for the City;
- 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. Cross cutting issues:

- 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 city 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.
4. Good Governance and Public Participation:
- 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
  - Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:
    - Optimising effective community participation in the ward committee system; and
    - Implementing Batho Pele in the revenue management strategy.
4. Financial Viability and Financial Management:
- Publishing the outcomes of all tender processes on the municipal website
  - Ensure financial sustainability through:
    - Reviewing the use of contracted services
    - Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan
5. Municipal Transformation and Organisational Development:
- 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 City. The five-year programme responds to the development challenges and opportunities faced by the City by identifying the key performance areas to achieve the six the strategic goals mentioned above.

In addition to the five-year IDP, the City 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 City 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 City's IDP, associated sectoral plans and strategies, and the allocation of resources of the City and other service delivery partners.

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

- Building a Capable and developmental Municipality
- Back-to-Basics: cleaning, Repairing , enforcing and Responding
- Improved Infrastructure Efficiency-Planning, Budgeting, Spending, Implementing, Maintaining
- Financial Sustainability
- Growing the Regional Economy
- Serving as a Provincial Capital
- Creating a Learning City and City of Learning
- Spatial Effectiveness and Justice: Increasing Densities and Improving Mobility

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

- Strengthening the analysis and strategic planning processes of the City;
- 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 2020/21 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

**Table 15 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue**

**KZN225 Msunduzi - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)**

Strategic Objective	Goal	Goal Code	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Financial Viability and Management	Financially viable and well governed City			1,277,400	1,354,044	1,466,251	1,668,740	1,670,931	1,670,931	1,695,129	1,806,322	1,937,854
Basic Service Delivery	Improved the state of municipal infrastructure			3,120,985	3,181,119	3,532,657	3,832,809	4,025,797	4,025,797	4,084,096	4,351,995	4,668,897
Local Economic Development	An economically prosperous city			11,207	11,880	23,920	31,361	27,259	27,259	27,653	29,467	31,613
Good governance and Public Participation	To develop strong welcoming, caring & diverse communities			237,785	252,053	304,903	339,898	347,466	347,466	352,498	375,620	402,972
Gross Cutting Issues	Reduce housing backlogs and eliminate spatial separation by racial categories			86,714	91,917	81,062	75,575	92,378	92,378	93,716	99,863	107,135
Municipal Transformation and Institutional Development	Improved customer experience & public participation			48,927	51,862	78,694	95,582	89,680	89,680	90,978	96,946	104,005
<b>Total Revenue (excluding capital transfers and contributions)</b>			1	<b>4,783,020</b>	<b>4,942,876</b>	<b>5,487,487</b>	<b>6,043,965</b>	<b>6,253,511</b>	<b>6,253,511</b>	<b>6,344,070</b>	<b>6,760,214</b>	<b>7,252,477</b>

**Table 16 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure**

**KZN225 Msunduzi - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)**

Strategic Objective	Goal	Goal Code	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Financial Viability and Management	Financially viable and well governed City			364,247	386,102	499,885	724,925	520,314	520,314	571,172	605,334	651,385
Basic Service Delivery	Improved the state of municipal infrastructure			1,645,405	1,355,982	1,179,591	932,399	1,227,799	1,227,799	1,347,810	1,428,423	1,537,091
Local Economic Development	An economically prosperous city			404,751	429,036	467,867	558,162	486,988	486,988	534,588	566,562	609,664
Good governance and Public Participation	To develop strong welcoming, caring & diverse communities living in a variety of friendly			146,488	155,277	144,781	149,529	150,698	150,698	165,428	175,323	188,660
Gross Cutting Issues	Reduce housing backlogs and eliminate spatial separation by racial categories			2,448,771	2,595,697	2,630,130	2,948,307	2,737,620	2,737,620	3,005,208	3,184,950	3,427,248
Municipal Transformation and Institutional Development	Improved customer experience & public participation			9,792	10,380	12,106	15,185	12,600	12,600	13,832	14,659	15,775
<b>Total Expenditure</b>			1	<b>5,019,454</b>	<b>4,932,474</b>	<b>4,934,358</b>	<b>5,328,507</b>	<b>5,136,020</b>	<b>5,136,020</b>	<b>5,638,039</b>	<b>5,975,252</b>	<b>6,429,822</b>

**Table 17 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure**

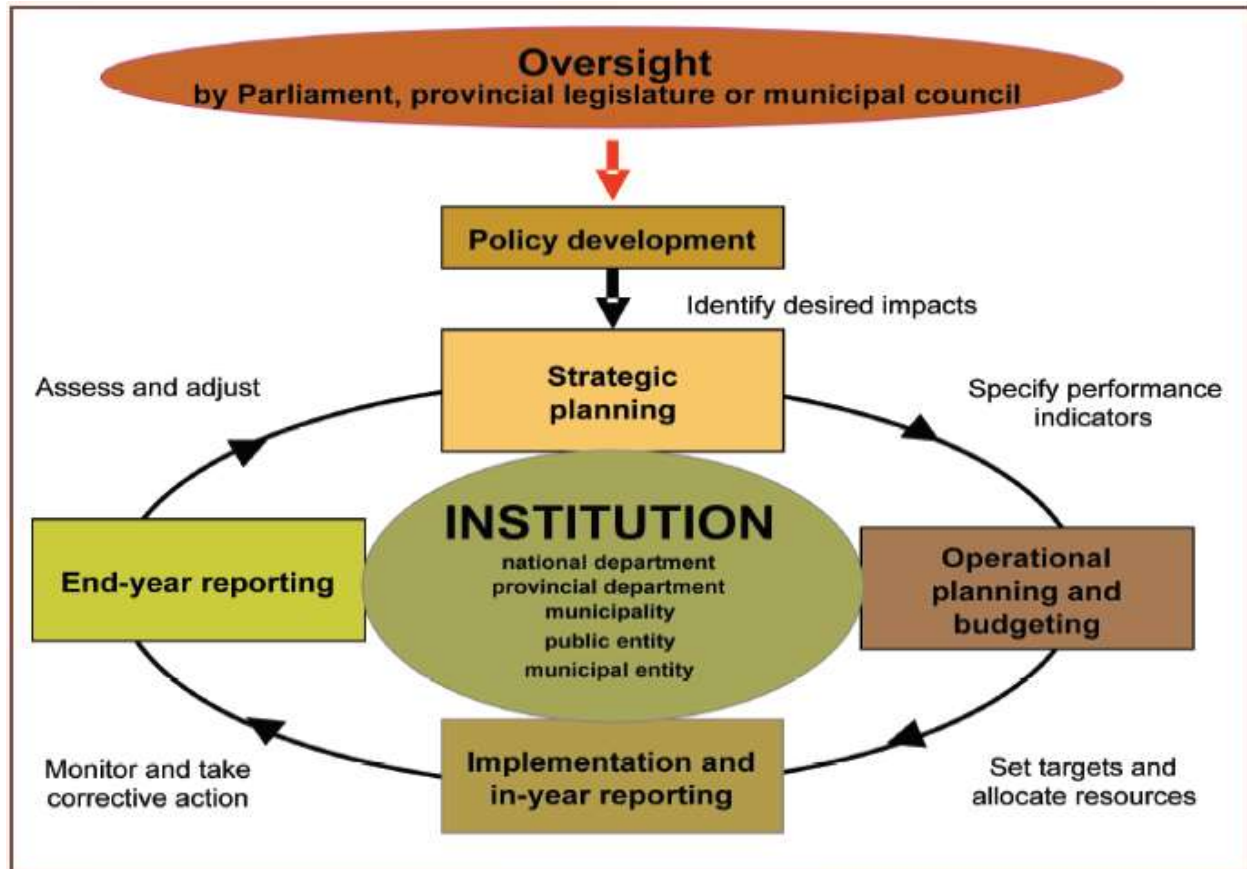
**KZN225 Msunduzi - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)**

Strategic Objective	Goal	Goal Code	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Financial Viability and Management	Financially viable and well governed City	A		79,479	84,248	163,923	80,806	187,234	187,234	110,510	124,403	122,778
Basic Service Delivery	Improved the state of municipal infrastructure	B		221,220	144,390	394,942	126,178	451,106	451,106	266,254	299,725	295,811
Local Economic Development	An economically prosperous city	C		61,024	64,686	2,674	73,185	3,054	3,054	1,803	2,029	2,003
Good governance and Public Participation	To develop strong welcoming, caring & diverse communities living in a variety of friendly.	D		12,476	11,229	34,087	15,559	38,935	38,935	22,980	25,869	25,531
Gross Cutting Issues	Reduce housing backlogs and eliminate spatial separation by racial categories.	E		194,432	206,098	9,063	192,495	10,351	10,351	6,110	6,878	6,788
Municipal Transformation and Institutional Development	Improved customer experience & public participation	F		79,479	84,248	8,798	67,148	10,049	10,049	5,931	6,677	6,590
<b>Total Capital Expenditure</b>			1	<b>648,110</b>	<b>594,897</b>	<b>613,487</b>	<b>555,371</b>	<b>700,730</b>	<b>700,730</b>	<b>413,589</b>	<b>465,581</b>	<b>459,500</b>

### 2.3 Measurable performance objectives and indicators

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

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



**Figure 3 Planning, budgeting and reporting cycle**

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





The following table sets out the municipalities main performance objectives and benchmarks for the 2020/21 MTREF.

**Table 18 MBRR Table SA8 - Performance indicators and benchmarks**

**KZN225 Msunduzi - Supporting Table SA8 Performance indicators and benchmarks**

Description of financial indicator	Basis of calculation	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>Borrowing Management</b>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	3.0%	3.0%	3.2%	2.3%	2.4%	2.4%	2.4%	2.1%	1.9%	1.7%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	3.8%	4.2%	4.3%	2.4%	2.5%	2.5%	2.5%	2.2%	2.0%	1.8%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Safety of Capital</b>											
Gearing	Long Term Borrowing/ Funds & Reserves	181.7%	136.1%	160.0%	194.5%	159.0%	159.0%	159.0%	197.1%	197.1%	197.1%
<b>Liquidity</b>											
Current Ratio	Current assets/current liabilities	1.6	1.5	0.8	1.1	1.2	1.2	0.9	1.4	1.4	1.5
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.6	1.5	0.8	1.1	1.2	1.2	0.9	1.4	1.4	1.5
Liquidity Ratio	Monetary Assets/Current Liabilities	0.6	0.3	0.2	0.4	0.4	0.4	0.1	0.4	0.4	0.5
<b>Revenue Management</b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		87.5%	94.0%	89.8%	80.0%	77.4%	77.4%	77.4%	85.0%	85.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		88.3%	94.3%	89.8%	80.0%	77.4%	77.4%	77.4%	85.0%	85.0%	85.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	24.4%	28.3%	8.8%	16.1%	16.1%	16.1%	16.1%	20.3%	18.5%	17.8%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<b>Creditors Management</b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))										
Creditors to Cash and Investments		124.5%	224.8%	354.2%	199.9%	212.4%	212.4%	212.4%	210.5%	184.3%	161.0%
<b>Other Indicators</b>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
Water Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated										
	Total Volume Losses (kℓ)										
Employee costs	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)	21.5%	23.0%	24.3%	26.0%	25.7%	25.7%	25.7%	25.7%	25.9%	25.7%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	22.5%	23.9%	0.0%	25.6%	22.7%	22.7%	22.7%	0.0%	0.0%	0.0%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	3.5%	3.5%	0.0%	3.8%	3.8%	3.8%	3.8%	3.9%	3.8%	3.7%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	15.7%	11.8%	10.6%	9.5%	9.5%	9.5%	9.5%	9.4%	9.3%	9.1%
<b>IDP regulation financial viability indicators</b>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within	35.2	29.7	16.9	17.9	17.9	17.9	18.3	19.2	19.7	21.3
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	33.5%	38.4%	11.9%	19.8%	19.8%	19.8%	19.8%	24.7%	22.6%	21.7%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	2.2	1.3	0.8	1.3	1.2	1.2	1.2	1.2	1.3	1.5

## 2.3.1 Performance indicators and benchmarks

### 2.3.1.1 Borrowing Management

Capital grants, own-source revenue and long-term borrowing can fund capital expenditure in local government. The ability of a municipality to raise long-term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Batho Pele City's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the City's debt portfolio is dominated by annuity loans. The following financial performance indicators have formed part of the compilation of the 2020/21 MTREF:

- *Borrowing to asset ratio* is a measure of the long-term borrowing as a percentage of the total asset base of the municipality. While this ratio is decreasing over the MTREF from 0.82 per cent to 0.74 per cent in 2020/21, it needs to be noted that the increased capital grants and transfers has contributed to the decrease and must not be considered a measure on borrowing capacity in isolation of other ratios and measures.
- *Capital charges to operating expenditure* are a measure of the cost of borrowing in relation to the operating expenditure. It can be seen that the cost of borrowing has remained steady from between 3.3 per cent in 2013/14 to 2.9 per cent in 2019/18. This increase can be attributed to the raising of loans to fund portions of the capital programme. It is estimated that the cost of borrowing as a percentage of the operating expenditure will remain around 3.0 per cent in 2018/19 and will then decrease to 2.4 per cent at the end of the MTREF. While borrowing is considered a prudent financial instrument in financing capital infrastructure development, this indicator will have to be carefully monitored going forward.

### 2.3.1.2 Safety of Capital

The *debt-to-equity ratio* is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the non-current borrowings as a percentage of funds and reserves. This ratio increased over the past few years due to the approval of the R250 million DBSA loan facility for the refurbishment of electricity projects. This ratio decreases in the medium term as the municipality repays its debts and improves on its equity as contributions to the reserves increase.

- The *gearing ratio* is a measure of the total long-term borrowings over funds and reserves. Between 2012/13 and 2014/15 the gearing ratio peaked at 1084.8 per cent. This was primarily a result of the increased borrowing levels and decreasing funds and reserves. While the gearing ratio decreases to 231.4 per cent in the 2015/16 financial year, it however increases to 850.2 in the 2020/21 MTREF.

### 2.3.1.3 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the City has set a limit of 1, hence at no point in time should this ratio be less than 1.
- The liquidity ratio is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations.
- Revenue Management
- As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection.

#### 2.3.1.4 Creditors Management

- The City has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the City, which is expected to benefit the City in the form of more competitive pricing of tenders, as suppliers compete for the City's business.

#### 2.3.1.5 Other Indicators

- The electricity distribution losses have been managed downwards from 12 per cent in the 2015/16 financial year to 11 per cent over the MTREF. The initiatives to ensure these targets are achieved include managing illegal connections and theft of electricity by rolling out smart metering systems, including prepaid meters.
- Employee costs as a percentage of operating revenue continues to decrease over the MTREF. This is primarily owing to the high increase in bulk purchases which directly increase revenue levels.
- Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also decreasing owing directly to cost drivers such as bulk purchases increasing far above inflation. In real terms, repairs and maintenance has increased as part of the City's strategy to ensure the management of its asset base.

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

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the City. With the exception of water, only registered indigents qualify for the free basic services.

For the 2018/19 financial year the registered indigents have been provided for in the budget. In terms of the Municipality's indigent policy indigent households are entitled to 6kl free water, 70 kwh of electricity, sanitation and free waste removal equivalent to 85t once a week, as well as a discount on their property rates.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 24 MBRR A10 (Basic Service Delivery Measurement) on page 41.

Note that the number of households in informal areas that receive free services and the cost of these services (e.g. the provision of water through stand pipes, water tankers, etc) are not taken into account in the table noted above.

### **2.3.3 Providing clean water and managing waste water**

The City is the Water Services Authority for the entire municipality in terms of the Water Services Act, 1997 and acts as water services provider. All of the City's bulk water needs are provided directly by Umgeni Water in the form of purified water.

The following is briefly the main challenges facing the City in this regard:

- The infrastructure at most of the waste water treatment works is old and insufficient to treat the increased volumes of waste water to the necessary compliance standard.
- 

## **2.4 Overview of budget related-policies**

The City's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

### **2.4.1 Review of credit control and debt collection procedures/policies**

The Credit control and debt Collection Policy was approved by Council in 30 May 2014 and is reviewed every year. While the adopted policy is credible, sustainable, manageable and informed by affordability and value for money, there has been a need to review certain components to achieve a higher collection rate. Some of the possible revisions will include the lowering of the credit periods for the down payment of debt. In addition emphasis will be placed on speeding up the indigent registration process to ensure that credit control and debt collection efforts are not fruitlessly wasted on these debtors.

As most of the indigents within the municipal area are unable to pay for municipal services because they are unemployed, the Integrated Indigent Exit Programme aims to link the registered indigent households to development, skills and job opportunities. The programme also seeks to ensure that all departments as well as external role players are actively involved in the reduction of the number of registered indigent households.

The 2020/21 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 85 per cent on current billings. In addition the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the City's cash levels. In addition, the potential of a payment incentive scheme is being investigated and if found to be viable will be incorporated into the policy.

#### **2.4.2 Asset Management, Infrastructure Investment and Funding Policy**

A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure and the City's revenue base. Within the framework, the need for asset renewal was considered a priority and hence the capital programme was determined based on renewal of current assets versus new asset construction.

Further, continued improvements in technology generally allows many assets to be renewed at a lesser 'real' cost than the original construction cost. Therefore, it is considered prudent to allow for a slightly lesser continual level of annual renewal than the average annual depreciation. The Asset Management, Infrastructure and Funding Policy is therefore considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance and is utilised as a guide to the selection and prioritisation of individual capital projects. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

#### **2.4.3 Budget Policy**

The changes to the Budget policy are mainly to ensure effective budgeting in terms of chapter 4 of the MFMA to a large extent.

#### **2.4.4 Supply Chain Management Policy**

The above policy incorporates the recent changes regarding procurement procedures

#### **2.4.5 Virement Policy**

The Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the City's system of delegations. The Virement Policy was approved by Council.

#### **2.4.6 Cash Management and Investment Policy**

The City's Cash Management and Investment Policy was approved by Council. The aim of the policy is to ensure that the City's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduce time frames to achieve certain benchmarks.

#### **2.4.7 Tariff Policy**

The changes to the tariff policy specify the change in terminology of the indigent tariff. The policy has been amended to apply the indigent tariffs as specified in the tariff register whereas previously this was referred to as a lifeline tariff.

#### **2.4.8 Funding & reserves policy**

Basically this policy is meant to guide the use reserves and other funding that may become available. This policy is necessary since R125 millions of our capital budget will be funded from municipal own sources of income.



**2.4.9 Indigent policy**

The changes to the Indigent Policy are in terms of National Treasury recommendations and major feature of the policy is the re-introduction of automatic indigent and related controls. The lifeline relief in terms of water 6kl is the acceptable level nationally and that declared indigent should have 20amps in terms electricity supply.

**2.4.10 Rates policy**

The changes to the Rates policy are in terms of the Municipal Property Rates Act and accommodate the introduction of a rebate for developers and child headed households as outlined in the tariff register. The new valuation roll and supplementary roll are included.

**2.4.11 Insurance policy**

Mainly addresses issues to be considered when handling municipal insurance

**2.4.12 Grants policy**

Mainly treatment and disclosure of grant funding on municipal books

**2.4.13 Borrowing policy**

Emphasise importance of compliance with MFMA when borrowing has to take place.

## **2.5 Overview of budget assumptions**

### **2.5.1 External factors**

During the preparation of our tariffs which is informed by national norms and standards and our utility prices for electricity and water are always dictated by NERSA and Umgeni Water Board. The municipality's tariff escalation for Electricity and Water for financial year 2020/21 is in line with the recommendations NERSA and Umgeni and the reason for not adding the municipal mark-up is to mitigate the negative impact in the lives of the poor and meet our community half-way.

I therefore confidently can state that in our budget preparation the plight of poor of the poor has been our primary consideration.

### **2.5.2 General inflation outlook and its impact on the municipal activities**

There are five key factors that have been taken into consideration in the compilation of the 2020/21 MTREF:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on City's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and water; and
- The increase in the cost of remuneration. Employee related costs comprise 27, 29 per cent of total operating expenditure in the 2020/21 MTREF.

### 2.5.3 Credit rating outlook

**Table 19 Credit rating outlook remove this table and not replace**

			<b>145</b>	
Short term	Rand	A2	Annually	A3

The rating definitions are:

- Short term : Prime – 1  
Short-Term Debt Ratings (maturities of less than one year)  
Prime-1 (highest quality)
- Long-term : Aa3  
Defined as high-grade. “Aa” rated are judged to be of high quality and are subject to very low credit risk.

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

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The City engages in a number of financing arrangements to minimise its interest rate costs and risk. However, for simplicity the 2020/21 MTREF is based on the assumption that all borrowings are undertaken using fixed interest rates for amortisation-style loans requiring both regular principal and interest payments.

### **2.5.5 Collection rate for revenue services**

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (85 per cent) of annual billings. Cash flow is assumed to be 85 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

### **2.5.6 Growth or decline in tax base of the municipality**

Debtor's revenue is assumed to increase at a rate that is influenced by the consumer debtors collection rate, tariff/rate pricing, real growth rate of the City, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

### **2.5.7 Salary increases**

A salary increase of 6, 25% has been provided for.

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

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

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

### **2.5.9 Ability of the municipality to spend and deliver on the programmes**

It is estimated that a spending rate of at least 100 per cent is achieved on operating expenditure and 100 per cent on the capital programme for the 2019/20 MTREF of which performance has been factored into the cash flow budget.

## 2.6 Overview of budget funding

### 2.6.1 Medium-term outlook: operating revenue

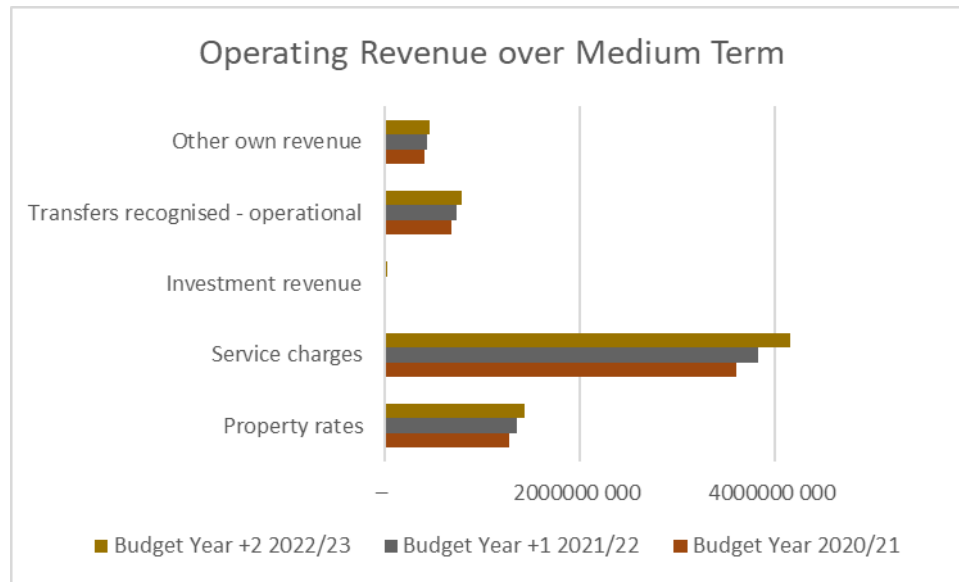
The following table is a breakdown of the operating revenue over the medium-term:

**Table 20 Breakdown of the operating revenue over the medium-term**

**KZN225 Msunduzi - Table A1 Consolidated Budget Summary**

Description	2020/21 Medium Term Revenue & Expenditure Framework		
	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousands</b>			
<b>Financial Performance</b>			
Property rates	1 272 818	1 349 187	1 430 138
Service charges	3 608 631	3 825 917	4 158 844
Investment revenue	15 479	16 408	17 393
Transfers recognised - operational	681 365	735 201	793 103
Other own revenue	402 188	426 319	451 899
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>5 980 481</b>	<b>6 353 033</b>	<b>6 851 376</b>

The following graph is a breakdown of the operational revenue per main category for the 2020/21 MTREF period.



**Figure 4 Breakdown of operating revenue over the 2020/21 MTREF**

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The City derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation and solid waste removal. Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc).

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

- Growth in the city and economic development;
- Revenue management and enhancement;
- Achievement of a 85 per cent annual collection rate for consumer revenue;

- National Treasury guidelines;
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- And the ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff increases for the 2020/21 MTREF on the different revenue categories are:



**Table 21 Analysis of estimated revenue projections****KZN225 Msunduzi - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)**

Description	2020/21 Medium Term Revenue & Expenditure Framework					
	Budget Year 2020/21	% Increase	Budget Year +1 2021/22	% Increase	Budget Year +2 2022/23	% Increase
<b>R thousand</b>						
<b>Revenue By Source</b>						
Property rates	1 272 818	6%	1 349 187	6%	1 430 138	6%
Service charges - electricity revenue	2 613 791	8%	2 749 708	5%	2 994 432	9%
Service charges - water revenue	722 633	9%	787 670	9%	858 560	9%
Service charges - sanitation revenue	154 204	6%	163 456	6%	173 263	6%
Service charges - refuse revenue	118 003	6%	125 083	6%	132 588	6%
Rental of facilities and equipment	29 496	6%	31 266	6%	33 142	6%
Interest earned - external investments	15 479	6%	16 408	6%	17 393	6%
Interest earned - outstanding debtors	205 364	6%	217 686	6%	230 747	6%
Fines, penalties and forfeits	17 028	6%	18 050	6%	19 132	6%
Licences and permits	1 136	6%	1 204	6%	1 276	6%
Agency services	611	6%	647	6%	686	6%
Transfers and subsidies	681 365	0%	735 201	8%	793 103	8%
Other revenue	148 554	6%	157 467	6%	166 915	6%
Gains						
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>5 980 481</b>		<b>6 353 033</b>		<b>6 851 376</b>	

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the City. Rates and service charge revenues comprise more than two thirds of the total revenue mix. In the 2019/20 financial year, revenue from rates and services charges totalled to R4.539 billion or 80 per cent. This increased to R4.881 billion, R5.175 billion and R5.588 billion for 2020/21, 2021/22 and 2022/2 respectively. A notable trend is the increase in the total percentage revenue generated from rates and services charges. This growth can be mainly attributed to the increased sale of electricity which contributes to the total revenue mix, which in turn is due to an

increase in the Eskom and uMgeni tariffs for water and electricity. The table above excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality.

Property rates are the second largest revenue source totalling 21 per cent or R1.2 billion. Other revenue consists of various items such as fines, licences and permits, agency services, sale of produce, training recoveries, landing fees, passenger levy etc.

Operating grants and transfers totals R681.0 million in the 2019/20 financial year and steadily increases to R681.3 million by 2020/21, R735.2 million in 2021/22 and R793.1 million by 2022/23.

Investment revenue contributes marginally to the revenue base of the City with a budget allocation of R15.4 million, R16.4 million and R17.4 million for the respective three financial years of the 2020/21 MTREF. It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

The tables below provide detail investment information and investment particulars by maturity.

**Table 22 MBRR SA15 – Detail Investment Information**

**KZN225 Msunduzi - Supporting Table SA15 Consolidated Investment particulars by type**

Investment type	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousand</b>									
<b>Parent municipality</b>									
Deposits - Bank	235 012	235 779	288 349	399 741	361 119	361 119	375 934	463 246	573 170
<b>Municipality sub-total</b>	<b>235 012</b>	<b>235 779</b>	<b>288 349</b>	<b>399 741</b>	<b>361 119</b>	<b>361 119</b>	<b>375 934</b>	<b>463 246</b>	<b>573 170</b>
<b>Entities</b>									
Deposits - Bank	-	-	-	-	-	-	-	-	-
<b>Entities sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Consolidated total:</b>	<b>235 012</b>	<b>235 779</b>	<b>288 349</b>	<b>399 741</b>	<b>361 119</b>	<b>361 119</b>	<b>375 934</b>	<b>463 246</b>	<b>573 170</b>

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity. The MTREF therefore provides for a budgeted surplus of R342.4 million, R377.8 million and R421.5 million in each of the financial years.

## 2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2020/21 medium-term capital programme:

**Table 23 Sources of capital revenue over the MTREF**

Vote Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousand</b>										
<b>Funded by:</b>										
National Government	376 644	232 550	393 481	429 351	429 351	429 351	429 351	255 155	279 198	295 850
Provincial Government	24 611	131 196	72 548	9 991	210 608	210 608	210 608	108 434	127 982	105 250
<b>Transfers recognised - capital</b>	<b>401 255</b>	<b>363 746</b>	<b>466 029</b>	<b>439 342</b>	<b>639 960</b>	<b>639 960</b>	<b>639 960</b>	<b>363 589</b>	<b>407 181</b>	<b>401 100</b>
<b>Borrowing</b>	40 245	88 896	47 053	5 631	5 631	5 631	5 631	-	-	-
<b>Internally generated funds</b>	206 613	142 250	100 404	110 398	55 139	55 139	55 139	50 000	58 400	58 400
<b>Total Capital Funding</b>	<b>648 114</b>	<b>594 892</b>	<b>613 487</b>	<b>555 371</b>	<b>700 730</b>	<b>700 730</b>	<b>700 730</b>	<b>413 589</b>	<b>465 581</b>	<b>459 500</b>

**Figure 5 Sources of capital revenue for the 2020/21 financial year**

Capital grants and receipts equates to 88 per cent of the total funding source which represents R363 million for the 2020/21 financial year and shows an increase to R407 million by 2021/22 and decreases to R401 million in the outer year of the MTREF. Internal funding contributes R166 million in the MTREF and which averages 12% as a percentage of total funding.

## Details of borrowings

Table 24 MBRR Table SA 17 - Detail of borrowings

KZN225 Msunduzi - Supporting Table SA17 Consolidated Borrowing									
Borrowing - Categorised by type	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousand</b>									
<b>Parent municipality</b>									
Annuity and Bullet Loans	535 739	451 226	366 292	459 547	451 226	451 226	428 665	407 232	386 870
<b>Municipality sub-total</b>	<b>535 739</b>	<b>451 226</b>	<b>-</b>	<b>459 547</b>	<b>451 226</b>	<b>451 226</b>	<b>428 665</b>	<b>407 232</b>	<b>386 870</b>
<b>Entities</b>									
Annuity and Bullet Loans									
<b>Entities sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Borrowing</b>	<b>535 739</b>	<b>451 226</b>	<b>-</b>	<b>459 547</b>	<b>451 226</b>	<b>451 226</b>	<b>428 665</b>	<b>407 232</b>	<b>386 870</b>

Table 25 MBRR Table SA 18 - Capital transfers and grant receipts

## KZN225 Msunduzi - 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
<b>R thousand</b>										
<b>RECEIPTS:</b>	1, 2									
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		<b>270,402</b>	<b>411,530</b>	<b>447,390</b>	<b>404,344</b>	<b>404,344</b>	<b>404,344</b>	<b>429,351</b>	<b>446,236</b>	<b>473,589</b>
Municipal Infrastructure Grant (MIG)		182,668	174,517	180,188	171,653	171,653	171,653	179,516	189,336	197,333
Public Transport and Systems		18,140	184,923	189,012	150,331	150,331	150,331	150,835	158,900	171,986
Neighbourhood Development Partnership		10,231	1,955	40,000	42,360	42,360	42,360	50,000	55,000	59,271
Dept of Mineral/Electricity										
Intergrated National Electrification Programme		8,771	4,115							
Municipal Systems Improvement										
Municipal Water Infrastructure Grant		415	38,021	38,191	40,000	40,000	40,000	41,000	43,000	45,000
Energy Efficiency and Demand Management		50,176	8,000					8,000		
<b>Provincial Government:</b>		<b>17,710</b>	<b>23,144</b>	<b>12,867</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,991</b>	<b>-</b>	<b>-</b>
Airport Development Project										
Sport and Recreation										
KZNPA		1,004								
Arts and Culture-Museum Subsidies		3,635	8,598	5,467				9,991		
COGTA		2,466		1,000						
Human Settlement		10,605	14,546	6,400						
[insert description]		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		<b>4,386</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
SANEDI		4,386								
<b>Total Capital Transfers and Grants</b>	5	<b>292,498</b>	<b>434,674</b>	<b>460,257</b>	<b>404,344</b>	<b>404,344</b>	<b>404,344</b>	<b>439,342</b>	<b>446,236</b>	<b>473,589</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		<b>758,654</b>	<b>931,951</b>	<b>1,049,529</b>	<b>1,013,481</b>	<b>1,013,481</b>	<b>1,013,481</b>	<b>1,111,470</b>	<b>1,180,659</b>	<b>1,267,660</b>

### 2.6.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category; Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the actual collection rate of billed revenue.,
- and Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).Table 26 MBRR Table A7 - Budget cash flow statement

## KZN225 Msunduzi - Table A7 Consolidated Budgeted Cash Flows

Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousand</b>										
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates	735 045	842 539	869 542	960 617	824 008	824 008	824 008	1 081 895	1 146 809	1 215 617
Service charges	2 205 135	2 527 616	2 608 626	2 670 162	2 687 042	2 687 042	2 687 042	3 067 336	3 252 030	3 535 017
Other revenue	-	-	-	148 876	180 911	180 911	180 911	167 562	177 616	188 273
Transfers and Subsidies - Operational	-	-	-	672 023	671 406	671 406	671 406	681 365	735 201	793 103
Transfers and Subsidies - Capital	933 418	1 001 868	1 040 689	439 342	425 277	425 277	425 277	363 589	407 181	401 100
Interest	174 501	41 967	37 353	169 694	191 459	191 459	191 459	190 039	201 441	213 528
Dividends	-	-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Suppliers and employees	(3 629 325)	(3 784 262)	(4 139 589)	(4 329 714)	(4 196 304)	(4 196 304)	(4 196 304)	(4 890 522)	(5 204 582)	(5 617 164)
Finance charges	(68 463)	(54 960)	(47 404)	(41 660)	(50 672)	(50 672)	(50 672)	(39 577)	(37 598)	(35 718)
Transfers and Grants	-	-	-	(44 060)	(58 437)	(58 437)	(58 437)	(48 495)	(49 960)	(52 849)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>350 310</b>	<b>574 768</b>	<b>369 217</b>	<b>645 280</b>	<b>674 691</b>	<b>674 691</b>	<b>674 691</b>	<b>573 193</b>	<b>628 138</b>	<b>640 908</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE	(366 848)	-	3 716	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	(24 381)	(8 617)	(614)	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	373	306	(6 155)	-	-	-	-	-	-	-
<b>Payments</b>										
Capital assets	(238 315)	(668 315)	(477 369)	(527 603)	(595 676)	(595 676)	(595 676)	(413 589)	(465 581)	(459 500)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(629 172)</b>	<b>(676 625)</b>	<b>(480 423)</b>	<b>(527 603)</b>	<b>(595 676)</b>	<b>(595 676)</b>	<b>(595 676)</b>	<b>(413 589)</b>	<b>(465 581)</b>	<b>(459 500)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	7 865	-	-	-	-	-	-	2 187	2 231	2 276
<b>Payments</b>										
Repayment of borrowing	(23 861)	(61 682)	(94 966)	(79 056)	(83 375)	(83 375)	(83 375)	(79 206)	(75 245)	(71 483)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(15 995)</b>	<b>(61 682)</b>	<b>(94 966)</b>	<b>(79 056)</b>	<b>(83 375)</b>	<b>(83 375)</b>	<b>(83 375)</b>	<b>(77 019)</b>	<b>(73 014)</b>	<b>(69 207)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(294 857)</b>	<b>(163 538)</b>	<b>(206 172)</b>	<b>38 622</b>	<b>(4 360)</b>	<b>(4 360)</b>	<b>(4 360)</b>	<b>82 585</b>	<b>89 543</b>	<b>112 200</b>
Cash/cash equivalents at the year begin:	969 624	674 767	511 229	461 119	465 479	465 479	465 479	395 536	478 121	567 664
Cash/cash equivalents at the year end:	674 767	511 229	305 056	499 741	461 119	461 119	461 119	478 121	567 664	679 865



The above table shows that cash and cash equivalents of the City has decreased between the 2017/18 and 2018/19 financial year moving from a positive cash balance of R511.2 million to R305 million. It is projected that cash and cash equivalents on hand will increase to R461.1 million by the financial year end. For the 2020/21 MTREF the budget has been prepared to ensure high levels of liquidity.

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

**Table 27 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation****KZN225 Msunduzi - Table A8 Consolidated Cash backed reserves/accumulated surplus reconciliation**

Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousand</b>										
<b>Cash and investments available</b>										
Cash/cash equivalents at the year end	674 767	511 229	305 056	499 741	461 119	461 119	461 119	478 121	567 664	679 865
Other current investments > 90 days	8 799	8 869	15 675	-	(0)	(0)	(361 119)	-	-	-
Non current assets - Investments	226 212	226 910	272 674	-	-	-	-	-	-	-
<b>Cash and investments available:</b>	<b>909 779</b>	<b>747 008</b>	<b>593 405</b>	<b>499 741</b>	<b>461 119</b>	<b>461 119</b>	<b>100 000</b>	<b>478 121</b>	<b>567 664</b>	<b>679 865</b>
<b>Application of cash and investments</b>										
Unspent conditional transfers	-	-	-	-	-	-	-	78 311	59 908	33 948
Unspent borrowing	-	-	-	-	-	-	-	-	-	-
Statutory requirements										
Other working capital requirements	(166 220)	585 021	696 115	305 650	301 571	301 571	301 571	15 721	86 162	96 267
Other provisions										
Long term investments committed	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments					283 785	283 785	283 785			
<b>Total Application of cash and investments:</b>	<b>(166 220)</b>	<b>585 021</b>	<b>696 115</b>	<b>305 650</b>	<b>585 356</b>	<b>585 356</b>	<b>585 356</b>	<b>94 032</b>	<b>146 070</b>	<b>130 214</b>
<b>Surplus(shortfall)</b>	<b>1 075 999</b>	<b>161 986</b>	<b>(102 710)</b>	<b>194 091</b>	<b>(124 237)</b>	<b>(124 237)</b>	<b>(485 356)</b>	<b>384 090</b>	<b>421 594</b>	<b>549 650</b>

From the above table it can be seen that the cash and investments available total to R499.7 million in the 2019/20 financial year and will decrease to R478.1 million in 2020/21, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. In the past these have been allowed to 'roll-over' and be spent in the ordinary course of business, but this practice has been discontinued. During the 2019/20 financial year the municipality was required to supply National Treasury with a detailed analysis of the unspent grants as well as an action plan of spending the grants. The City has received the necessary roll-over

approval from the National Treasury as the funding appropriation relating to the unspent conditional grants could be motivated as part of existing projects.

- There is no unspent borrowing from the previous financial years. In terms of the municipality's Borrowing and Investments Policy, borrowings are only drawn down once the expenditure has been incurred against the particular project. Unspent borrowing is ring-fenced and reconciled on a monthly basis to ensure no unnecessary liabilities are incurred.
- The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. High levels of debtor non-payment and receipt delays will have a greater requirement for working capital, Any underperformance in relation to collections could place upward pressure on the ability of the City to meet its creditor obligations.
- 

It can be concluded that the City has a surplus against the cash backed and accumulated surpluses reconciliation.

## 2.6.4 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

**Table 28 MBRR SA10 – Funding compliance measurement**

**KZN225 Msunduzi Supporting Table SA10 Consolidated Funding measurement**

Description	MFMA section	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>Funding measures</b>											
Cash/cash equivalents at the year end - R'000	18(1)b	674 767	511 229	305 056	499 741	461 119	461 119	461 119	478 121	567 664	679 865
Cash + investments at the yr end less applications - R'000	18(1)b	1 075 999	161 986	(102 710)	194 091	(124 237)	(124 237)	(485 356)	384 090	421 594	549 650
Cash year end/monthly employee/supplier payments	18(1)b	2,1	1,4	0,8	1,3	1,2	1,2	1,2	1,2	1,3	1,5
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	(1 102 723)	(620 367)	61 526	715 504	1 117 536	1 117 536	1 117 536	706 031	784 962	822 654
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	N.A.	1,3%	2,4%	11,2%	(6,0%)	(6,0%)	(6,0%)	1,6%	0,0%	2,0%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	82,2%	86,6%	83,0%	76,9%	75,1%	75,1%	75,1%	81,7%	81,7%	81,8%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	1,2%	25,4%	18,0%	2,6%	2,6%	2,6%	2,6%	2,8%	2,5%	2,5%
Capital payments % of capital expenditure	18(1)c;19	36,8%	112,3%	77,8%	95,0%	85,0%	85,0%	85,0%	100,0%	100,0%	100,0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Grants % of Govt. legislated/gazetted allocations	18(1)a								0,0%	0,0%	0,0%
Current consumer debtors % change - incr(decr)	18(1)a	N.A.	(59,1%)	0,6%	95,1%	0,1%	0,0%	0,0%	34,3%	(3,1%)	3,9%
Long term receivables % change - incr(decr)	18(1)a	N.A.	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
R&M % of Property Plant & Equipment	20(1)(vi)	2,3%	2,5%	0,0%	3,0%	3,0%	3,0%	3,3%	3,4%	3,5%	3,8%
Asset renewal % of capital budget	20(1)(vi)	45,9%	86,7%	41,0%	69,8%	44,9%	44,9%	0,0%	37,3%	39,5%	42,9%

#### *2.6.4.1 Cash/cash equivalent position*

The City's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2020/21 MTREF shows R478.1 million, R567.6 million and R679.8 million for each respective financial year.

#### *2.6.4.2 Cash plus investments less application of funds*

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 25, on page 48. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

#### *2.6.4.3 Monthly average payments covered by cash or cash equivalents*

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the City to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts. As part of the 2020/21 MTREF the municipalities improving cash position causes the ratio to move upwards to 2.1 and then increases to 3.4 for the outer years.

#### *2.6.4.4 Surplus/deficit excluding depreciation offsets*

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. For the 2020/21 MTREF the indicative outcome is a surplus of R715 million, R865 million and R987 million.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

#### *2.6.4.5 Property Rates/service charge revenue as a percentage increase less macro inflation target*

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 3 - 6 per cent). The result is intended to be an approximation of the real increase in revenue. From the table above it can be seen that the percentage growth totals 8.3, 3.3 and 3.0 per cent for the respective financial year of the 2020/21 MTREF. Considering the lowest percentage tariff increase in relation to revenue generated from rates and services charges is 6.0 per cent, with the increase in water at 9.6 per cent it is to be expected that the increase in revenue will exceed the inflation target figures. However, the outcome is lower in the outer years of the MTREF that it might be due to the slowdown in the economy and a reduction in consumption patterns. This trend will have to be carefully monitored and managed with the implementation of the budget.

#### *2.6.4.6 Cash receipts as a percentage of ratepayer and other revenue*

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 88.2, 86.9 and 87.1 per cent for each of the respective financial years. Given that the assumed collection rate was based on a 85 per cent performance target, the cash flow statement has been conservatively determined. In addition the risks associated with objections to the valuation roll need to be clarified and hence the conservative approach, also taking into consideration the cash flow challenges experienced in the current financial year. This measure and performance objective will have to be meticulously managed.

#### *2.6.4.7 Debt impairment expense as a percentage of billable revenue*

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 3.7, 3.7 and 3.6 per cent over the MTREF. Considering the municipality's revenue management strategy's objective to collect outstanding debtors of 90 days, the provision is well within the accepted leading practice.

#### *2.6.4.8 Capital payments percentage of capital expenditure*

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

#### *2.6.4.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)*

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded. It can be seen that borrowing equates to 45.5, 29.4 and zero per cent of own funded capital. Further details relating to the borrowing strategy of the City can be found on page 68.

#### *2.6.4.10 Transfers/grants revenue as a percentage of Government transfers/grants available*

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The City has budgeted for all transfers.

#### *2.6.4.11 Consumer debtors change (Current and Non-current)*

The purposes of these measures are to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. Both measures show a relatively stable trend in line with the City's policy of settling debtors accounts within 30 days.

#### *2.6.4.12 Repairs and maintenance expenditure level*

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. Details of the City's strategy pertaining to asset management and repairs and maintenance are contained in Table 60 MBRR SA34C on page 103.

#### *2.6.4.13 Asset renewal/rehabilitation expenditure level*

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable



and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets. Further details in this regard are contained in Table 59 MBRR SA34b on page 90.

2.7 Table 29 MBRR SA19 - Expenditure on transfers and grant programmes

KZN225 Msunduzi - Supporting Table SA19 Expenditure on transfers and grant programme

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
<b>EXPENDITURE:</b>										
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		<b>437,999</b>	<b>467,989</b>	<b>520,105</b>	<b>580,856</b>	<b>580,856</b>	<b>580,856</b>	<b>613,782</b>	<b>661,241</b>	<b>718,960</b>
Local Government Equitable Share		395,786	432,307	468,430	505,853	505,853	505,853	546,052	593,281	645,960
Finance Management		1,600	1,625	1,700	1,700	1,700	1,700	1,700	1,700	1,964
Municipal Systems Improvement		482								
EPWP Incentive		4,032	3,913	8,022	2,867	2,867	2,867	4,200		
Water Services Operating Subsidy										
Public Transport Infrastructure		27,408	15,108	21,001	48,773	48,773	48,773	43,830	46,460	48,776
Energy Efficiency and Demand Management										
Operating costs-MIG		8,690	15,036	20,951	21,663	21,663	21,663	18,000	19,800	22,260
Neighbourhood Development Partnership Technical ass										
<b>Provincial Government:</b>		<b>28,051</b>	<b>28,143</b>	<b>69,167</b>	<b>28,281</b>	<b>28,281</b>	<b>28,281</b>	<b>58,346</b>	<b>73,182</b>	<b>75,110</b>
Provincial Government:			1,075							
Expanded Public Works Grant										
Sport and Recreation										
Human Settlements		11,225	11,655	53,499	8,281	8,281	8,281	26,369	29,010	29,050
Arts and Culture- Community Library Services		6,618		612	643	643	643	10,061	21,587	22,786
Arts and Culture- Provincialisation		9,940	15,386	14,636	18,916	18,916	18,916			
Arts and Culture-Museum Subsidies								463	488	515
COGTA		268	27	420	441	441	441	21,453	22,097	22,760
<b>District Municipality:</b>		<b>106</b>	<b>1,145</b>							
<i>[insert description]</i>										
<b>Other grant providers:</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>[insert description]</i>										
<b>Total operating expenditure of Transfers and Grants</b>		<b>466,156</b>	<b>497,277</b>	<b>589,271</b>	<b>609,137</b>	<b>609,137</b>	<b>609,137</b>	<b>672,127</b>	<b>734,423</b>	<b>794,071</b>
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		<b>270,402</b>	<b>411,530</b>	<b>447,390</b>	<b>404,344</b>	<b>404,344</b>	<b>404,344</b>	<b>429,351</b>	<b>446,236</b>	<b>473,589</b>
Municipal Infrastructure Grant (MIG)		182,668	174,517	180,188	171,653	171,653	171,653	179,516	189,336	197,333
Public Transport and Systems		18,140	184,923	189,012	150,331	150,331	150,331	150,835	158,900	171,986
Neighbourhood Development Partnership		10,231	1,955	40,000	42,360	42,360	42,360	50,000	55,000	59,271
Dept of Mineral/Electricity										
Intergrated National Electrification Porgramme		8,771	4,115							
Municipal Systems Improvement										
Municipal Water Infrastructure Grant		415	38,021	38,191	40,000	40,000	40,000	41,000	43,000	45,000
Energy Efficiency and Demand Management		50,176	8,000					8,000		
<b>Provincial Government:</b>		<b>17,710</b>	<b>23,144</b>	<b>12,867</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,991</b>	<b>-</b>	<b>-</b>
Airport Development Project										
Sport and Recreation										
KZNPA		1,004								
Arts and Culture-Museum Subsidies		3,635	8,598	5,467				9,991		
COGTA		2,466		1,000						
Human Settlement		10,605	14,546	6,400						
<b>0</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>[insert description]</i>										
<b>Other grant providers:</b>		<b>4,386</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>SANEDI</i>		4,386								
<b>Total capital expenditure of Transfers and Grants</b>		<b>292,498</b>	<b>434,674</b>	<b>460,257</b>	<b>404,344</b>	<b>404,344</b>	<b>404,344</b>	<b>439,342</b>	<b>446,236</b>	<b>473,589</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		<b>758,654</b>	<b>931,951</b>	<b>1,049,529</b>	<b>1,013,481</b>	<b>1,013,481</b>	<b>1,013,481</b>	<b>1,111,470</b>	<b>1,180,659</b>	<b>1,267,660</b>

2.8 Councillor and employee benefits

Table 30 MBRR SA22 - Summary of councillor and staff benefits

KZN225 Msunduzi - Supporting Table SA22 Summary councillor and staff benefits									
Summary of Employee and Councillor remuneration R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
	A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>									
Basic Salaries and Wages	33 616	31 250		15 156	32 324	32 324	33 940	35 637	37 419
Pension and UIF Contributions	4 069	3 880		6 021	4 080	4 080	4 284	4 498	4 723
Medical Aid Contributions	474	1 442		10 104	1 599	1 599	1 679	1 762	1 851
Motor Vehicle Allowance	4 662	6 178		10 104	8 231	8 231	8 642	9 074	9 528
Cellphone Allowance	1 243	2 144		5 052	2 295	2 295	2 410	2 531	2 657
Housing Allowances	(2 273)	127		5 052	46	46	48	50	53
Other benefits and allowances	1 783								
<b>Sub Total - Councillors</b>	<b>43 574</b>	<b>45 020</b>	<b>-</b>	<b>51 488</b>	<b>48 574</b>	<b>48 574</b>	<b>51 002</b>	<b>53 552</b>	<b>56 230</b>
<b>% increase</b>		<b>3,3%</b>	<b>(100,0%)</b>		<b>(5,7%)</b>		<b>5,0%</b>	<b>5,0%</b>	<b>5,0%</b>
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages	9 305	8 665		9 991	8 992	8 992	9 573	10 243	10 960
Pension and UIF Contributions	1 149	1 119		1 369	991	991	1 055	1 129	1 208
Medical Aid Contributions	116	122		151	160	160	171	182	195
Overtime									
Performance Bonus		476		625	-	-	-	-	-
Motor Vehicle Allowance	1 201	1 056		1 200	1 200	1 200	1 277	1 367	1 463
Cellphone Allowance	121	111		104	108	108	115	123	131
Housing Allowances	878	683		710	647	647	689	737	789
Other benefits and allowances		52							
<b>Sub Total - Senior Managers of Municipality</b>	<b>12 770</b>	<b>12 285</b>	<b>-</b>	<b>14 150</b>	<b>12 097</b>	<b>12 097</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>% increase</b>		<b>(3,8%)</b>	<b>(100,0%)</b>		<b>(14,5%)</b>		<b>(100,0%)</b>		
<b>Other Municipal Staff</b>									
Basic Salaries and Wages	604 402	657 448		873 322	810 508	810 508	862 930	923 336	987 969
Pension and UIF Contributions	138 100	150 449		177 669	163 420	163 420	173 990	186 169	199 201
Medical Aid Contributions	69 542	47 300		66 846	56 979	56 979	60 665	64 911	69 455
Overtime	56 664	59 438		70 152	54 574	54 574	58 104	62 171	66 523
Performance Bonus	41 972	58 500		66 720	57 987	57 987	61 737	66 059	70 683
Motor Vehicle Allowance	13 135	16 092		23 338	21 088	21 088	22 452	24 024	25 706
Cellphone Allowance	4 335	2 918		4 062	434	434	462	495	529
Housing Allowances	4 027	3 843		7 336	7 214	7 214	7 680	8 218	8 793
Other benefits and allowances	30 123	95 369		43 995	13 846	13 846	14 742	15 774	16 878
Payments in lieu of leave									
Long service awards	15 041	16 926		22 777	20 423	20 423	21 744	23 266	24 895
Post-retirement benefit obligations									
<b>Sub Total - Other Municipal Staff</b>	<b>977 341</b>	<b>1 108 583</b>	<b>-</b>	<b>1 356 217</b>	<b>1 206 474</b>	<b>1 206 474</b>	<b>1 284 506</b>	<b>1 374 421</b>	<b>1 470 631</b>
<b>% increase</b>		<b>13,4%</b>	<b>(100,0%)</b>		<b>(11,0%)</b>		<b>6,5%</b>	<b>7,0%</b>	<b>7,0%</b>
<b>Total Parent Municipality</b>	<b>1 033 685</b>	<b>1 165 888</b>	<b>-</b>	<b>1 421 856</b>	<b>1 267 144</b>	<b>1 267 144</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Board Members of Entities</b>									
Other benefits and allowances									
Board Fees				454	431	431	459	492	526
Payments in lieu of leave									
<b>Sub Total - Board Members of Entities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>454</b>	<b>431</b>	<b>431</b>	<b>459</b>	<b>492</b>	<b>526</b>
<b>% increase</b>					<b>(4,9%)</b>		<b>6,5%</b>	<b>7,0%</b>	<b>7,0%</b>
<b>Senior Managers of Entities</b>									
Basic Salaries and Wages				7 390	546	546	581	619	659
Pension and UIF Contributions				542					
Medical Aid Contributions				828	25	25	27	28	30
Overtime				1 100	23	23	24	26	28
Performance Bonus				60	4	4	5	5	5
Motor Vehicle Allowance				107					
Cellphone Allowance				22	8	8	8	9	9
Housing Allowances									
<b>Sub Total - Senior Managers of Entities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10 048</b>	<b>606</b>	<b>606</b>	<b>645</b>	<b>687</b>	<b>731</b>
<b>% increase</b>					<b>(94,0%)</b>		<b>6,5%</b>	<b>7,0%</b>	<b>7,0%</b>
<b>Other Staff of Entities</b>									
Basic Salaries and Wages					6 392	6 392	6 805	7 245	7 714
Pension and UIF Contributions					492	492	524	558	594
Medical Aid Contributions					650	650	693	737	785
Overtime					78	78	83	88	94
Performance Bonus					16	16	17	18	19
Motor Vehicle Allowance					780	780	830	884	941
Cellphone Allowance					47	47	50	53	57
Housing Allowances					23	23	24	26	28
Other benefits and allowances									
Payments in lieu of leave									
<b>Sub Total - Other Staff of Entities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8 479</b>	<b>8 479</b>	<b>9 027</b>	<b>9 611</b>	<b>10 233</b>
<b>% increase</b>							<b>6,5%</b>	<b>7,0%</b>	<b>7,0%</b>

**Table 31 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)****KZN225 Msunduzi - Supporting Table SA23 Consolidated Salaries, allowances & benefits (political office bearers/councillors/senior man**

Disclosure of Salaries, Allowances & Benefits 1.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum		1.				2.
<b>Councillors</b>						
Speaker	921 080	97 454	251 925			1 270 459
Chief Whip	870 643	144 756	152 437			1 167 836
Executive Mayor	1 273 960	227 417	57 920			1 559 296
Deputy Executive Mayor	885 681	132 852	251 927			1 270 460
Executive Committee	7 221 323	981 093	1 140 273			9 342 690
Total for all other councillors	20 988 350	4 143 752	11 745 064			36 877 166
<b>Total Councillors</b>	<b>32 161 037</b>	<b>5 727 325</b>	<b>13 599 546</b>			<b>51 487 908</b>
<b>Senior Managers of the Municipality</b>						
Municipal Manager (MM)	1 563 679	186 912	273 877			2 024 468
Chief Finance Officer	1 428 929	130 761	415 128			1 974 818
Senior Managers	1 550 474	287 479	154 649			1 992 602
Senior Managers	1 522 019	219 498	249 752			1 991 268
Senior Managers	1 459 243	133 481	453 432			2 046 156
Senior Managers	1 467 277	192 640	407 901			2 067 818
<b>Total Senior Managers of the Municipality</b>	<b>8 991 620</b>	<b>1 150 770</b>	<b>1 954 739</b>	-		<b>12 097 129</b>
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	<b>41 152 656</b>	<b>6 878 095</b>	<b>15 554 285</b>	-		<b>63 585 037</b>

Table 32 MBRR SA24 – Summary of personnel numbers

KZN225 Msunduzi - Supporting Table SA24 Consolidated Summary of personnel numbers									
Summary of Personnel Numbers	2018/19			Current Year 2019/20			Budget Year 2020/21		
Number	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>									
Councillors (Political Office Bearers plus Other Councillors)	73		73	73		73	73		73
Board Members of municipal entities									
<b>Municipal employees</b>									
Municipal Manager and Senior Managers	6	4	1	6	4	1	6	4	1
Other Managers	25	15	1	25	17	1	25	17	1
Professionals	409	195	8	409	213	8	409	213	8
<i>Finance</i>	31	12	–	31	17	1	31	17	1
<i>Spatial/town planning</i>	11	7	1	11	14		11	14	
<i>Information Technology</i>	4	3	(1)	4	4		4	4	
<i>Roads</i>	107	44	1	107	45		107	45	
<i>Electricity</i>	26	4	–	26	5	2	26	5	2
<i>Water</i>	77	24	–	77	27		77	27	
<i>Sanitation</i>	1	1	–	1	7		1	7	
<i>Refuse</i>	2	2	–	2	3		2	3	
<i>Other</i>	150	98	7	150	91	5	150	91	5
Technicians	1 377	728	19	1 377	627	23	1 377	627	23
<i>Finance</i>	131	82	1	131	74		131	74	
<i>Spatial/town planning</i>	45	18	2	45	14	17	45	14	17
<i>Information Technology</i>	21	19	–	21	17	2	21	17	2
<i>Roads</i>	23	16	–	23	14		23	14	
<i>Electricity</i>	218	68	5	218	57		218	57	
<i>Water</i>	58	45	–	58	16		58	16	
<i>Sanitation</i>	32	5	1	32	11		32	11	
<i>Refuse</i>	19	12	1	19	12		19	12	
<i>Other</i>	830	463	9	830	412	4	830	412	4
Clerks (Clerical and administrative)	554	321	12	554	341	2	554	341	2
Service and sales workers	383	18	3	383	212	73	383	212	73
Skilled agricultural and fishery workers	23	21	2	23	24	4	23	24	4
Craft and related trades	167	80	4	167	82	4	167	82	4
Plant and Machine Operators	365	137		365	147		365	147	
Elementary Occupations	2 571	1 388	13	2 571	1 539	8	2 571	1 539	8
<b>TOTAL PERSONNEL NUMBERS</b>	<b>5 953</b>	<b>2 907</b>	<b>136</b>	<b>5 953</b>	<b>3 206</b>	<b>197</b>	<b>5 953</b>	<b>3 206</b>	<b>197</b>
<b>% increase</b>				–	10,3%	44,9%	–	–	–
<b>Total municipal employees headcount</b>									
Finance personnel headcount	<b>673</b>	<b>434</b>	<b>30</b>	<b>673</b>	<b>419</b>	<b>28</b>	<b>673</b>	<b>419</b>	<b>28</b>
Human Resources personnel headcount	<b>150</b>	<b>47</b>	<b>5</b>	<b>150</b>	<b>64</b>	<b>13</b>	<b>150</b>	<b>64</b>	<b>13</b>

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

### 2.9.1 Table 33 MBRR SA25 - Budgeted monthly revenue and expenditure

KZN225 Msunduzi - Supporting Table SA25 Consolidated Budgeted monthly revenue and expenditure															
Description	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousand</b>															
<b>Revenue By Source</b>															
Property rates	80 875	80 875	80 875	80 875	80 875	80 875	80 875	80 875	80 875	80 875	80 875	383 195	1 272 818	1 349 187	1 430 138
Service charges - electricity revenue	192 428	192 428	192 428	192 428	192 428	192 428	192 428	192 428	192 428	192 428	192 428	497 086	2 613 791	2 749 708	2 994 432
Service charges - water revenue	55 243	55 243	55 243	55 243	55 243	55 243	55 243	55 243	55 243	55 243	55 243	114 955	722 633	787 670	858 560
Service charges - sanitation revenue	12 123	12 123	12 123	12 123	12 123	12 123	12 123	12 123	12 123	12 123	12 123	20 851	154 204	163 456	173 263
Service charges - refuse revenue	9 277	9 277	9 277	9 277	9 277	9 277	9 277	9 277	9 277	9 277	9 277	15 955	118 003	125 083	132 588
Rental of facilities and equipment	2 319	2 319	2 319	2 319	2 319	2 319	2 319	2 319	2 319	2 319	2 319	3 988	29 496	31 266	33 142
Interest earned - external investments	2 372	2 372	2 372	2 372	2 372	2 372	2 372	2 372	2 372	2 372	2 372	(10 617)	15 479	16 408	17 393
Interest earned - outstanding debtors	16 145	16 145	16 145	16 145	16 145	16 145	16 145	16 145	16 145	16 145	16 145	27 769	205 364	217 686	230 747
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	1 339	1 339	1 339	1 339	1 339	1 339	1 339	1 339	1 339	1 339	1 339	2 303	17 028	18 050	19 132
Licences and permits	89	89	89	89	89	89	89	89	89	89	89	154	1 136	1 204	1 276
Agency services	48	48	48	48	48	48	48	48	48	48	48	83	611	647	686
Transfers and subsidies	57 064	57 064	57 064	57 064	57 064	57 064	57 064	57 064	57 064	57 064	57 064	53 659	681 365	735 201	793 103
Other revenue	11 679	11 679	11 679	11 679	11 679	11 679	11 679	11 679	11 679	11 679	11 679	20 087	148 554	157 467	166 915
Gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contrib)</b>	<b>441 001</b>	<b>441 001</b>	<b>441 001</b>	<b>441 001</b>	<b>441 001</b>	<b>441 001</b>	<b>441 001</b>	<b>441 001</b>	<b>441 001</b>	<b>441 001</b>	<b>441 001</b>	<b>1 129 469</b>	<b>5 980 481</b>	<b>6 353 033</b>	<b>6 851 376</b>
<b>Expenditure By Type</b>															
Employee related costs	114 154	114 154	114 154	114 154	114 154	114 154	114 154	114 154	114 154	114 154	114 154	283 162	1 538 851	1 646 571	1 761 831
Remuneration of councillors	4 291	4 291	4 291	4 291	4 291	4 291	4 291	4 291	4 291	4 291	4 291	6 865	54 062	56 765	59 604
Debt impairment	9 741	9 741	9 741	9 741	9 741	9 741	9 741	9 741	9 741	9 741	9 741	31 754	138 904	131 338	139 212
Depreciation & asset impairment	40 923	40 923	40 923	40 923	40 923	40 923	40 923	40 923	40 923	40 923	40 923	70 388	520 541	551 773	584 879
Finance charges	3 472	3 472	3 472	3 472	3 472	3 472	3 472	3 472	3 472	3 472	3 472	1 389	39 577	37 598	35 718
Bulk purchases	183 749	183 749	183 749	183 749	183 749	183 749	183 749	183 749	183 749	183 749	183 749	451 772	2 473 007	2 625 073	2 860 018
Other materials	4 643	4 643	4 643	4 643	4 643	4 643	4 643	4 643	4 643	4 643	4 643	15 307	66 378	68 423	72 271
Contracted services	49 873	49 873	49 873	49 873	49 873	49 873	49 873	49 873	49 873	49 873	49 873	(6 276)	542 329	569 829	611 066
Transfers and subsidies	4 908	4 908	4 908	4 908	4 908	4 908	4 908	4 908	4 908	4 908	4 908	(5 497)	48 495	49 960	52 849
Other expenditure	16 409	16 409	16 409	16 409	16 409	16 409	16 409	16 409	16 409	16 409	16 409	35 398	215 895	237 920	252 374
Losses	4	4	4	4	4	4	4	4	4	4	4	(40)	-	-	-
<b>Total Expenditure</b>	<b>432 165</b>	<b>432 165</b>	<b>432 165</b>	<b>432 165</b>	<b>432 165</b>	<b>432 165</b>	<b>432 165</b>	<b>432 165</b>	<b>432 165</b>	<b>432 165</b>	<b>432 165</b>	<b>884 222</b>	<b>5 638 039</b>	<b>5 975 252</b>	<b>6 429 822</b>
<b>Surplus/(Deficit)</b>	<b>8 836</b>	<b>8 836</b>	<b>8 836</b>	<b>8 836</b>	<b>8 836</b>	<b>8 836</b>	<b>8 836</b>	<b>8 836</b>	<b>8 836</b>	<b>8 836</b>	<b>8 836</b>	<b>245 247</b>	<b>342 443</b>	<b>377 781</b>	<b>421 554</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	35 613	35 613	35 613	35 613	35 613	35 613	35 613	35 613	35 613	35 613	35 613	(28 150)	363 589	407 181	401 100
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>44 449</b>	<b>44 449</b>	<b>44 449</b>	<b>44 449</b>	<b>44 449</b>	<b>44 449</b>	<b>44 449</b>	<b>44 449</b>	<b>44 449</b>	<b>44 449</b>	<b>44 449</b>	<b>217 097</b>	<b>706 031</b>	<b>784 962</b>	<b>822 654</b>
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>44 449</b>	<b>44 449</b>	<b>44 449</b>	<b>44 449</b>	<b>44 449</b>	<b>44 449</b>	<b>44 449</b>	<b>44 449</b>	<b>44 449</b>	<b>44 449</b>	<b>44 449</b>	<b>217 097</b>	<b>706 031</b>	<b>784 962</b>	<b>822 654</b>

## 2.9.2 Table 34 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

## KZN225 Msunduzi - Supporting Table SA26 Consolidated 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
<b>Revenue by Vote</b>																
Vote 1 - City Manager		5	5	5	5	5	5	5	5	5	5	5	5	57	60	64
Vote 2 - City Finance		157,672	157,672	157,672	157,672	157,672	157,672	157,672	157,672	157,672	157,672	157,672	42,848	1,777,245	1,891,798	2,014,888
Vote 3 - Community Services and Social Equity		17,561	17,561	17,561	17,561	17,561	17,561	17,561	17,561	17,561	17,561	17,561	17,561	210,737	224,707	239,520
Vote 4 - Corporate Services		545	545	545	545	545	545	545	545	545	545	545	545	6,542	2,482	2,631
Vote 5 - Infrastructure Services		340,576	340,576	340,576	340,576	340,576	340,576	340,576	340,576	340,576	340,576	340,576	426,937	4,173,277	4,620,168	5,130,069
Vote 6 - Sustainable Development and City Enterprises		15,340	15,340	15,340	15,340	15,340	15,340	15,340	15,340	15,340	15,340	15,340	15,340	184,080	197,541	209,477
<b>Total Revenue by Vote</b>		<b>531,700</b>	<b>531,700</b>	<b>531,700</b>	<b>531,700</b>	<b>531,700</b>	<b>531,700</b>	<b>531,700</b>	<b>531,700</b>	<b>531,700</b>	<b>531,700</b>	<b>531,700</b>	<b>503,237</b>	<b>6,351,937</b>	<b>6,936,756</b>	<b>7,596,650</b>
<b>Expenditure by Vote to be appropriated</b>																
Vote 1 - City Manager		14,800	14,800	14,800	14,800	14,800	14,800	14,800	14,800	14,800	14,800	14,800	14,800	177,602	172,608	182,867
Vote 2 - City Finance		86,378	86,378	86,378	86,378	86,378	86,378	86,378	86,378	86,378	86,378	86,378	86,378	(258,720)	691,436	730,835
Vote 3 - Community Services and Social Equity		62,149	62,149	62,149	62,149	62,149	62,149	62,149	62,149	62,149	62,149	62,149	62,149	742,913	794,150	849,662
Vote 4 - Corporate Services		18,278	18,278	18,278	18,278	18,278	18,278	18,278	18,278	18,278	18,278	18,278	18,278	289,335	273,901	291,254
Vote 5 - Infrastructure Services		282,991	282,991	282,991	282,991	282,991	282,991	282,991	282,991	282,991	282,991	282,991	339,021	3,451,918	3,800,671	4,195,730
Vote 6 - Sustainable Development and City Enterprises		24,641	24,641	24,641	24,641	24,641	24,641	24,641	24,641	24,641	24,641	24,641	12,225	283,276	299,940	317,113
<b>Total Expenditure by Vote</b>		<b>489,236</b>	<b>489,236</b>	<b>489,236</b>	<b>489,236</b>	<b>489,236</b>	<b>489,236</b>	<b>489,236</b>	<b>489,236</b>	<b>489,236</b>	<b>489,236</b>	<b>489,236</b>	<b>254,878</b>	<b>5,636,480</b>	<b>6,072,104</b>	<b>6,609,605</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>42,464</b>	<b>42,464</b>	<b>42,464</b>	<b>42,464</b>	<b>42,464</b>	<b>42,464</b>	<b>42,464</b>	<b>42,464</b>	<b>42,464</b>	<b>42,464</b>	<b>42,464</b>	<b>248,359</b>	<b>715,458</b>	<b>864,652</b>	<b>987,045</b>
Taxation														-	-	-
Attributable to minorities														-	-	-
Share of surplus/ (deficit) of associate														-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>42,464</b>	<b>42,464</b>	<b>42,464</b>	<b>42,464</b>	<b>42,464</b>	<b>42,464</b>	<b>42,464</b>	<b>42,464</b>	<b>42,464</b>	<b>42,464</b>	<b>42,464</b>	<b>248,359</b>	<b>715,458</b>	<b>864,652</b>	<b>987,045</b>

**2.9.3 Table 35 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)**

**KZN225 Msunduzi - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)**

Description	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousand</b>															
<b>Revenue - Functional</b>															
<i>Governance and administration</i>	160 712	160 712	160 712	160 712	160 712	160 712	160 712	160 712	160 712	160 712	160 712	148 685	1 916 520	2 037 033	2 176 162
Executive and council	355	355	355	355	355	355	355	355	355	355	355	546	4 448	64	68
Finance and administration	160 357	160 357	160 357	160 357	160 357	160 357	160 357	160 357	160 357	160 357	160 357	148 139	1 912 071	2 036 969	2 176 094
Internal audit												-	-	-	-
<i>Community and public safety</i>	9 124	9 124	9 124	9 124	9 124	9 124	9 124	9 124	9 124	9 124	9 124	124 332	224 693	252 145	235 838
Community and social services	2 074	2 074	2 074	2 074	2 074	2 074	2 074	2 074	2 074	2 074	2 074	3 896	26 710	28 214	29 673
Sport and recreation	865	865	865	865	865	865	865	865	865	865	865	865	11 006	11 919	12 518
Public safety	301	301	301	301	301	301	301	301	301	301	301	517	3 823	4 052	4 295
Housing	5 884	5 884	5 884	5 884	5 884	5 884	5 884	5 884	5 884	5 884	5 884	118 431	183 154	207 960	189 351
Health												-	-	-	-
<i>Economic and environmental services</i>	26 057	26 057	26 057	26 057	26 057	26 057	26 057	26 057	26 057	26 057	26 057	(179 030)	107 597	114 430	123 446
Planning and development	4 492	4 492	4 492	4 492	4 492	4 492	4 492	4 492	4 492	4 492	4 492	(10 274)	39 139	39 387	44 650
Road transport	21 556	21 556	21 556	21 556	21 556	21 556	21 556	21 556	21 556	21 556	21 556	(168 771)	68 349	74 926	78 673
Environmental protection	9	9	9	9	9	9	9	9	9	9	9	15	110	116	123
<i>Trading services</i>	330 898	330 898	330 898	330 898	330 898	330 898	330 898	330 898	330 898	330 898	330 898	330 898	725 490	4 365 373	5 034 962
Energy sources	199 839	199 839	199 839	199 839	199 839	199 839	199 839	199 839	199 839	199 839	199 839	478 336	2 676 568	2 817 363	3 073 072
Water management	97 143	97 143	97 143	97 143	97 143	97 143	97 143	97 143	97 143	97 143	97 143	187 299	1 255 873	1 370 363	1 478 627
Waste water management	20 202	20 202	20 202	20 202	20 202	20 202	20 202	20 202	20 202	20 202	20 202	35 271	257 492	274 730	285 340
Waste management	13 714	13 714	13 714	13 714	13 714	13 714	13 714	13 714	13 714	13 714	13 714	24 583	175 439	187 140	197 924
<i>Other</i>	4 909	4 909	4 909	4 909	4 909	4 909	4 909	4 909	4 909	4 909	4 909	8 443	62 437	66 183	70 154
<b>Total Revenue - Functional</b>	<b>531 700</b>	<b>531 700</b>	<b>531 700</b>	<b>531 700</b>	<b>531 700</b>	<b>531 700</b>	<b>531 700</b>	<b>531 700</b>	<b>531 700</b>	<b>531 700</b>	<b>531 700</b>	<b>827 919</b>	<b>6 676 619</b>	<b>7 119 407</b>	<b>7 640 562</b>
<b>Expenditure - Functional</b>															
<i>Governance and administration</i>	140 174	140 174	140 174	140 174	140 174	140 174	140 174	140 174	140 174	140 174	140 174	(48 989)	1 492 919	1 573 289	1 674 294
Executive and council	15 780	15 780	15 780	15 780	15 780	15 780	15 780	15 780	15 780	15 780	15 780	23 231	196 812	202 985	215 534
Finance and administration	123 220	123 220	123 220	123 220	123 220	123 220	123 220	123 220	123 220	123 220	123 220	(73 913)	1 281 505	1 355 058	1 442 527
Internal audit	1 174	1 174	1 174	1 174	1 174	1 174	1 174	1 174	1 174	1 174	1 174	1 693	14 602	15 246	16 234
<i>Community and public safety</i>	45 210	45 210	45 210	45 210	45 210	45 210	45 210	45 210	45 210	45 210	45 210	54 560	551 869	587 550	626 887
Community and social services	10 404	10 404	10 404	10 404	10 404	10 404	10 404	10 404	10 404	10 404	10 404	6 870	121 309	130 437	139 096
Sport and recreation	10 478	10 478	10 478	10 478	10 478	10 478	10 478	10 478	10 478	10 478	10 478	17 528	132 781	141 425	151 014
Public safety	16 068	16 068	16 068	16 068	16 068	16 068	16 068	16 068	16 068	16 068	16 068	19 229	195 975	209 206	223 541
Housing	8 239	8 239	8 239	8 239	8 239	8 239	8 239	8 239	8 239	8 239	8 239	10 958	101 584	106 253	112 991
Health	22	22	22	22	22	22	22	22	22	22	22	22	220	228	245
<i>Economic and environmental services</i>	20 917	20 917	20 917	20 917	20 917	20 917	20 917	20 917	20 917	20 917	20 917	(3 825)	226 260	239 170	253 366
Planning and development	6 783	6 783	6 783	6 783	6 783	6 783	6 783	6 783	6 783	6 783	6 783	20 199	94 811	100 394	106 510
Road transport	12 617	12 617	12 617	12 617	12 617	12 617	12 617	12 617	12 617	12 617	12 617	(26 569)	112 215	118 339	125 027
Environmental protection	1 517	1 517	1 517	1 517	1 517	1 517	1 517	1 517	1 517	1 517	1 517	2 545	19 234	20 438	21 829
<i>Trading services</i>	277 065	277 065	277 065	277 065	277 065	277 065	277 065	277 065	277 065	277 065	277 065	277 065	578 633	3 626 344	3 857 476
Energy sources	163 758	163 758	163 758	163 758	163 758	163 758	163 758	163 758	163 758	163 758	163 758	373 675	2 175 008	2 288 591	2 483 053
Water management	75 592	75 592	75 592	75 592	75 592	75 592	75 592	75 592	75 592	75 592	75 592	150 296	981 811	1 064 599	1 156 111
Waste water management	26 960	26 960	26 960	26 960	26 960	26 960	26 960	26 960	26 960	26 960	26 960	38 356	334 914	361 599	390 280
Waste management	10 755	10 755	10 755	10 755	10 755	10 755	10 755	10 755	10 755	10 755	10 755	16 306	134 610	142 687	152 105
<i>Other</i>	5 872	5 872	5 872	5 872	5 872	5 872	5 872	5 872	5 872	5 872	5 872	8 609	73 196	76 959	81 812
<b>Total Expenditure - Functional</b>	<b>489 236</b>	<b>489 236</b>	<b>489 236</b>	<b>489 236</b>	<b>489 236</b>	<b>489 236</b>	<b>489 236</b>	<b>489 236</b>	<b>489 236</b>	<b>489 236</b>	<b>489 236</b>	<b>588 987</b>	<b>5 970 588</b>	<b>6 334 444</b>	<b>6 817 908</b>
<b>Surplus/(Deficit) before assoc.</b>	<b>42 464</b>	<b>42 464</b>	<b>42 464</b>	<b>42 464</b>	<b>42 464</b>	<b>42 464</b>	<b>42 464</b>	<b>42 464</b>	<b>42 464</b>	<b>42 464</b>	<b>42 464</b>	<b>238 932</b>	<b>706 031</b>	<b>784 962</b>	<b>822 654</b>
Share of surplus/ (deficit) of associate												-	-	-	-
<b>Surplus/(Deficit)</b>	<b>42 464</b>	<b>42 464</b>	<b>42 464</b>	<b>42 464</b>	<b>42 464</b>	<b>42 464</b>	<b>42 464</b>	<b>42 464</b>	<b>42 464</b>	<b>42 464</b>	<b>42 464</b>	<b>238 932</b>	<b>706 031</b>	<b>784 962</b>	<b>822 654</b>



**2.9.4 Table 36 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)**

**KZN225 Msunduzi - Supporting Table SA28 Consolidated Budgeted monthly capital expenditure (municipal vote)**

Description	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousand</b>															
<b>Multi-year expenditure to be appropriated</b>															
Vote 1 - City Manager	428	428	428	428	428	428	428	428	428	428	428	(4 708)	-	-	-
Vote 2 - City Finance	1 875	1 875	1 875	1 875	1 875	1 875	1 875	1 875	1 875	1 875	1 875	(20 625)	-	-	-
Vote 3 - Community Services and Social Equity	1 914	1 914	1 914	1 914	1 914	1 914	1 914	1 914	1 914	1 914	1 914	3 946	25 000	29 000	30 440
Vote 4 - Corporate Services	58	58	58	58	58	58	58	58	58	58	58	(638)	-	-	-
Vote 5 - Infrastructure Services	31 489	31 489	31 489	31 489	31 489	31 489	31 489	31 489	31 489	31 489	31 489	(191 679)	154 700	167 250	177 285
Vote 6 - Sustainable Development and City Enterprise	5 355	5 355	5 355	5 355	5 355	5 355	5 355	5 355	5 355	5 355	5 355	(58 204)	700	7 677	8 138
<b>Capital multi-year expenditure sub-total</b>	<b>41 119</b>	<b>41 119</b>	<b>41 119</b>	<b>41 119</b>	<b>41 119</b>	<b>41 119</b>	<b>41 119</b>	<b>41 119</b>	<b>41 119</b>	<b>41 119</b>	<b>41 119</b>	<b>(271 908)</b>	<b>180 400</b>	<b>203 927</b>	<b>215 863</b>
<b>Single-year expenditure to be appropriated</b>															
Vote 1 - City Manager	406	406	406	406	406	406	406	406	406	406	406	537	5 000	-	-
Vote 2 - City Finance	1 028	1 028	1 028	1 028	1 028	1 028	1 028	1 028	1 028	1 028	1 028	16 193	27 500	27 300	28 400
Vote 3 - Community Services and Social Equity	1 083	1 083	1 083	1 083	1 083	1 083	1 083	1 083	1 083	1 083	1 083	(1 408)	10 500	1 100	-
Vote 4 - Corporate Services	375	375	375	375	375	375	375	375	375	375	375	(4 125)	-	-	-
Vote 5 - Infrastructure Services	2 292	2 292	2 292	2 292	2 292	2 292	2 292	2 292	2 292	2 292	2 292	21 546	46 755	70 000	70 160
Vote 6 - Sustainable Development and City Enterprise	268	268	268	268	268	268	268	268	268	268	268	140 491	143 434	163 253	145 077
<b>Capital single-year expenditure sub-total</b>	<b>5 450</b>	<b>5 450</b>	<b>5 450</b>	<b>5 450</b>	<b>5 450</b>	<b>5 450</b>	<b>5 450</b>	<b>5 450</b>	<b>5 450</b>	<b>5 450</b>	<b>5 450</b>	<b>173 234</b>	<b>233 189</b>	<b>261 653</b>	<b>243 637</b>
<b>Total Capital Expenditure</b>	<b>46 569</b>	<b>46 569</b>	<b>46 569</b>	<b>46 569</b>	<b>46 569</b>	<b>46 569</b>	<b>46 569</b>	<b>46 569</b>	<b>46 569</b>	<b>46 569</b>	<b>46 569</b>	<b>(98 674)</b>	<b>413 589</b>	<b>465 581</b>	<b>459 500</b>

**2.9.5 Table 37 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)**

<b>KZN225 Msunduzi - Supporting Table SA29 Consolidated Budgeted monthly capital expenditure (functional classification)</b>															
Description	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>Capital Expenditure - Functional</b>															
<i>Governance and administration</i>	3 645	3 645	3 645	3 645	3 645	3 645	3 645	3 645	3 645	3 645	3 645	(7 590)	32 500	27 300	28 400
Executive and council	182	182	182	182	182	182	182	182	182	182	182	3 003	5 000	-	-
Finance and administration	3 442	3 442	3 442	3 442	3 442	3 442	3 442	3 442	3 442	3 442	3 442	(10 364)	27 500	27 300	28 400
Internal audit	21	21	21	21	21	21	21	21	21	21	21	(229)	-	-	-
<i>Community and public safety</i>	1 831	1 831	1 831	1 831	1 831	1 831	1 831	1 831	1 831	1 831	1 831	135 495	155 638	56 224	51 468
Community and social services	1 035	1 035	1 035	1 035	1 035	1 035	1 035	1 035	1 035	1 035	1 035	19 618	31 000	23 300	24 080
Sport and recreation	125	125	125	125	125	125	125	125	125	125	125	(1 375)	-	-	-
Public safety	338	338	338	338	338	338	338	338	338	338	338	(3 720)	-	-	-
Housing	333	333	333	333	333	333	333	333	333	333	333	120 971	124 638	32 924	27 388
Health												-	-	-	-
<i>Economic and environmental services</i>	23 503	23 503	23 503	23 503	23 503	23 503	23 503	23 503	23 503	23 503	23 503	(147 840)	110 696	211 399	203 623
Planning and development	4 317	4 317	4 317	4 317	4 317	4 317	4 317	4 317	4 317	4 317	4 317	(27 988)	19 496	138 007	125 827
Road transport	19 157	19 157	19 157	19 157	19 157	19 157	19 157	19 157	19 157	19 157	19 157	(119 522)	91 200	73 392	77 796
Environmental protection	30	30	30	30	30	30	30	30	30	30	30	(330)	-	-	-
<i>Trading services</i>	13 067	13 067	13 067	13 067	13 067	13 067	13 067	13 067	13 067	13 067	13 067	(28 984)	114 755	170 658	176 010
Energy sources	1 725	1 725	1 725	1 725	1 725	1 725	1 725	1 725	1 725	1 725	1 725	(6 475)	12 500	9 000	9 540
Water management	7 021	7 021	7 021	7 021	7 021	7 021	7 021	7 021	7 021	7 021	7 021	(17 974)	59 255	94 818	96 467
Waste water management	3 738	3 738	3 738	3 738	3 738	3 738	3 738	3 738	3 738	3 738	3 738	(2 618)	38 500	60 041	63 643
Waste management	583	583	583	583	583	583	583	583	583	583	583	(1 917)	4 500	6 800	6 360
<i>Other</i>	687	687	687	687	687	687	687	687	687	687	687	(7 553)	-	-	-
<b>Total Capital Expenditure - Functional</b>	<b>42 733</b>	<b>42 733</b>	<b>42 733</b>	<b>42 733</b>	<b>42 733</b>	<b>42 733</b>	<b>42 733</b>	<b>42 733</b>	<b>42 733</b>	<b>42 733</b>	<b>42 733</b>	<b>(56 473)</b>	<b>413 589</b>	<b>465 581</b>	<b>459 500</b>
<b>Funded by:</b>															
National Government	35 779	35 779	35 779	35 779	35 779	35 779	35 779	35 779	35 779	35 779	35 779	(138 414)	255 155	279 198	295 850
Provincial Government	832	832	832	832	832	832	832	832	832	832	832	99 282	108 434	127 982	105 250
District Municipality transfers and subsidies - capital (inter-fund allocations) (National / Provincial Departmental												-	-	-	-
Transfers recognised - capital	36 611	36 611	36 611	36 611	36 611	36 611	36 611	36 611	36 611	36 611	36 611	(39 132)	363 589	407 181	401 100
Borrowing	469	469	469	469	469	469	469	469	469	469	469	(5 159)	-	-	-
Internally generated funds	9 199	9 199	9 199	9 199	9 199	9 199	9 199	9 199	9 199	9 199	9 199	(51 189)	50 000	58 400	58 400
<b>Total Capital Funding</b>	<b>46 279</b>	<b>46 279</b>	<b>46 279</b>	<b>46 279</b>	<b>46 279</b>	<b>46 279</b>	<b>46 279</b>	<b>46 279</b>	<b>46 279</b>	<b>46 279</b>	<b>46 279</b>	<b>(95 480)</b>	<b>413 589</b>	<b>465 581</b>	<b>459 500</b>

2.9.6 Table 38 MBRR SA30 - Budgeted monthly cash flow

KZN225 Msunduzi - Consolidated Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>Cash Receipts By Source</b>																
Property rates	80 051	80 051	80 051	80 051	80 051	80 051	80 051	80 051	80 051	80 051	80 051	80 051	201 334	1 081 895	1 146 809	1 215 617
Service charges - electricity revenue	161 196	161 196	161 196	161 196	161 196	161 196	161 196	161 196	161 196	161 196	161 196	161 196	448 566	2 221 722	2 337 252	2 545 267
Service charges - water revenue	41 198	41 198	41 198	41 198	41 198	41 198	41 198	41 198	41 198	41 198	41 198	41 198	161 060	614 238	669 520	729 776
Service charges - sanitation revenue	9 698	9 698	9 698	9 698	9 698	9 698	9 698	9 698	9 698	9 698	9 698	9 698	24 395	131 073	138 938	147 274
Service charges - refuse revenue	7 422	7 422	7 422	7 422	7 422	7 422	7 422	7 422	7 422	7 422	7 422	7 422	18 660	100 302	106 321	112 700
Rental of facilities and equipment	1 855	1 855	1 855	1 855	1 855	1 855	1 855	1 855	1 855	1 855	1 855	1 855	4 667	25 072	26 576	28 171
Interest earned - external investments	1 225	1 225	1 225	1 225	1 225	1 225	1 225	1 225	1 225	1 225	1 225	1 225	2 004	15 479	16 408	17 393
Interest earned - outstanding debtors	12 916	12 916	12 916	12 916	12 916	12 916	12 916	12 916	12 916	12 916	12 916	12 916	32 483	174 559	185 033	196 135
Dividends received													-			
Fines, penalties and forfeits	1 071	1 071	1 071	1 071	1 071	1 071	1 071	1 071	1 071	1 071	1 071	1 071	2 693	14 474	15 342	16 263
Licences and permits	80	80	80	80	80	80	80	80	80	80	80	80	252	1 136	1 204	1 276
Agency services	48	48	48	48	48	48	48	48	48	48	48	48	83	611	647	686
Transfers and Subsidies - Operational	57 064	57 064	57 064	57 064	57 064	57 064	57 064	57 064	57 064	57 064	57 064	57 064	53 659	681 365	735 201	793 103
Other revenue	10 511	10 511	10 511	10 511	10 511	10 511	10 511	10 511	10 511	10 511	10 511	10 511	10 651	126 271	133 847	141 878
<b>Cash Receipts by Source</b>	<b>384 335</b>	<b>384 335</b>	<b>384 335</b>	<b>384 335</b>	<b>384 335</b>	<b>384 335</b>	<b>384 335</b>	<b>384 335</b>	<b>384 335</b>	<b>384 335</b>	<b>384 335</b>	<b>384 335</b>	<b>960 508</b>	<b>5 188 198</b>	<b>5 513 097</b>	<b>5 945 539</b>
<b>Other Cash Flows by Source</b>																
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	35 613	35 613	35 613	35 613	35 613	35 613	35 613	35 613	35 613	35 613	35 613	35 613	(28 150)	363 589	407 181	401 100
Increase (decrease) in consumer deposits	182	182	182	182	182	182	182	182	182	182	182	182	182	2 187	2 231	2 276
<b>Total Cash Receipts by Source</b>	<b>420 130</b>	<b>420 130</b>	<b>420 130</b>	<b>420 130</b>	<b>420 130</b>	<b>420 130</b>	<b>420 130</b>	<b>420 130</b>	<b>420 130</b>	<b>420 130</b>	<b>420 130</b>	<b>420 130</b>	<b>932 541</b>	<b>5 553 974</b>	<b>5 922 509</b>	<b>6 348 915</b>
<b>Cash Payments by Type</b>																
Employee related costs	114 154	114 154	114 154	114 154	114 154	114 154	114 154	114 154	114 154	114 154	114 154	114 154	283 162	1 538 851	1 646 571	1 761 831
Remuneration of councillors	4 291	4 291	4 291	4 291	4 291	4 291	4 291	4 291	4 291	4 291	4 291	4 291	6 865	54 062	56 765	59 604
Finance charges	3 472	3 472	3 472	3 472	3 472	3 472	3 472	3 472	3 472	3 472	3 472	3 472	1 389	39 577	37 598	35 718
Bulk purchases - Electricity & Waste Water	137 037	137 037	137 037	137 037	137 037	137 037	137 037	137 037	137 037	137 037	137 037	137 037	363 795	1 871 202	1 968 505	2 143 702
Acquisition Inventory - Water & other inventory	43 669	43 669	43 669	43 669	43 669	43 669	43 669	43 669	43 669	43 669	43 669	43 669	121 445	601 804	656 569	716 316
Other materials	4 643	4 643	4 643	4 643	4 643	4 643	4 643	4 643	4 643	4 643	4 643	4 643	15 307	66 378	68 423	72 271
Contracted services	49 873	49 873	49 873	49 873	49 873	49 873	49 873	49 873	49 873	49 873	49 873	49 873	(6 276)	542 329	569 829	611 066
Transfers and grants - other municipalities													-			
Transfers and grants - other	4 908	4 908	4 908	4 908	4 908	4 908	4 908	4 908	4 908	4 908	4 908	4 908	(5 497)	48 495	49 960	52 849
Other expenditure	16 409	16 409	16 409	16 409	16 409	16 409	16 409	16 409	16 409	16 409	16 409	16 409	35 398	215 895	237 920	252 374
<b>Cash Payments by Type</b>	<b>378 455</b>	<b>378 455</b>	<b>378 455</b>	<b>378 455</b>	<b>378 455</b>	<b>378 455</b>	<b>378 455</b>	<b>378 455</b>	<b>378 455</b>	<b>378 455</b>	<b>378 455</b>	<b>378 455</b>	<b>815 589</b>	<b>4 978 594</b>	<b>5 292 140</b>	<b>5 705 731</b>
<b>Other Cash Flows/Payments by Type</b>																
Capital assets	42 711	42 711	42 711	42 711	42 711	42 711	42 711	42 711	42 711	42 711	42 711	42 711	42 711	413 589	465 581	459 500
Repayment of borrowing	6 588	6 588	6 588	6 588	6 588	6 588	6 588	6 588	6 588	6 588	6 588	6 588	6 588	79 206	75 245	71 483
Other Cash Flows/Payments																
<b>Total Cash Payments by Type</b>	<b>427 754</b>	<b>427 754</b>	<b>427 754</b>	<b>427 754</b>	<b>427 754</b>	<b>427 754</b>	<b>427 754</b>	<b>427 754</b>	<b>427 754</b>	<b>427 754</b>	<b>427 754</b>	<b>427 754</b>	<b>864 888</b>	<b>5 471 389</b>	<b>5 832 966</b>	<b>6 236 715</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>(7 624)</b>	<b>(7 624)</b>	<b>(7 624)</b>	<b>(7 624)</b>	<b>(7 624)</b>	<b>(7 624)</b>	<b>(7 624)</b>	<b>(7 624)</b>	<b>(7 624)</b>	<b>(7 624)</b>	<b>(7 624)</b>	<b>(7 624)</b>	<b>67 652</b>	<b>82 585</b>	<b>89 543</b>	<b>112 200</b>
Cash/cash equivalents at the month/year begin:	395 536	387 912	380 288	372 664	365 040	357 416	349 791	342 167	334 543	326 919	319 295	311 671	395 536	478 121	567 664	659 865
Cash/cash equivalents at the month/year end:	387 912	380 288	372 664	365 040	357 416	349 791	342 167	334 543	326 919	319 295	311 671	379 323	478 121	567 664	659 865	772 065

## **2.10 Annual budgets and SDBIPs – internal departments**

These are discussed fully in the IDP and SDBIP documents

## **2.11 Contracts having future budgetary implications**

In terms of the City's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

## **2.12 Capital expenditure details**

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

**Table 39 MBRR SA 34a - Capital expenditure on new assets by asset class****KZN225 Msunduzi - Supporting Table SA34a Capital expenditure on new assets by asset class**

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousand</b>									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>74 607</b>	<b>13 068</b>	<b>63 787</b>	<b>58 706</b>	<b>60 129</b>	<b>60 129</b>	<b>216 389</b>	<b>248 979</b>	<b>228 039</b>
Roads Infrastructure	34 983	2 747	15 103	1 293	1 516	1 516	6 000	1 650	1 749
Roads	34 983	2 747	15 103	1 222	1 422	1 422	6 000	1 650	1 749
Road Furniture				71	94	94			
Electrical Infrastructure	27 836	10 171	48 684	40 854	41 028	41 028	7 500	9 000	9 540
Power Plants	27 836	2 251	48 684	40 854	41 028	41 028	7 500	9 000	9 540
MV Substations		7 920							
Water Supply Infrastructure	3 412	-	-	3 290	3 968	3 968	179 389	208 481	185 958
Reservoirs	3 412			3 290	3 968	3 968			
Distribution							179 389	208 481	185 958
Sanitation Infrastructure	8 377	-	-	13 269	13 617	13 617	23 500	29 849	30 792
Reticulation	8 377			13 269	13 617	13 617	23 500	29 849	30 792
Solid Waste Infrastructure	-	149	-	-	-	-	-	-	-
Landfill Sites		149							
<b>Community Assets</b>	<b>34 504</b>	<b>5 106</b>	<b>337</b>	<b>13 570</b>	<b>15 516</b>	<b>15 516</b>	<b>23 000</b>	<b>23 000</b>	<b>24 080</b>
Community Facilities	169	-	337	3 112	4 132	4 132	23 000	23 000	24 080
Halls				2 658	3 529	3 529	23 000	23 000	24 080
Nature Reserves	169		337						
Markets				454	603	603			
Sport and Recreation Facilities	34 335	5 106	-	10 458	11 384	11 384	-	-	-
Indoor Facilities	31 146			1 645	2 184	2 184			
Outdoor Facilities	3 189	5 106		8 813	9 200	9 200			
Capital Spares									
<b>Heritage assets</b>	<b>7 290</b>	<b>24 329</b>	<b>18 344</b>	<b>4 042</b>	<b>4 866</b>	<b>4 866</b>	<b>-</b>	<b>-</b>	<b>-</b>
Historic Buildings				1 551	2 059	2 059			
Other Heritage	7 290	24 329	18 344	2 491	2 807	2 807			
<b>Other assets</b>	<b>5 183</b>	<b>-</b>	<b>2 885</b>	<b>5 123</b>	<b>5 902</b>	<b>5 902</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings	5 183	-	2 885	-	-	-	-	-	-
Municipal Offices	5 183		2 885						
Housing	-	-	-	5 123	5 902	5 902	-	-	-
Social Housing				5 123	5 902	5 902			
<b>Biological or Cultivated Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Biological or Cultivated Assets									
<b>Intangible Assets</b>	<b>29 287</b>	<b>195</b>	<b>8 968</b>	<b>282</b>	<b>374</b>	<b>374</b>	<b>5 000</b>	<b>300</b>	<b>-</b>
Servitudes									
Licences and Rights	29 287	195	8 968	282	374	374	5 000	300	-
Computer Software and Applications	29 287	195	8 968	282	374	374	5 000	300	
<b>Computer Equipment</b>	<b>-</b>	<b>19 862</b>	<b>34 960</b>	<b>2 325</b>	<b>2 536</b>	<b>2 536</b>	<b>-</b>	<b>-</b>	<b>-</b>
Computer Equipment		19 862	34 960	2 325	2 536	2 536			
<b>Furniture and Office Equipment</b>	<b>9 149</b>	<b>50 762</b>	<b>4 305</b>	<b>7 118</b>	<b>7 450</b>	<b>7 450</b>	<b>-</b>	<b>-</b>	<b>-</b>
Furniture and Office Equipment	9 149	50 762	4 305	7 118	7 450	7 450			
<b>Machinery and Equipment</b>	<b>24 823</b>	<b>10 859</b>	<b>33 840</b>	<b>9 698</b>	<b>10 176</b>	<b>10 176</b>	<b>-</b>	<b>-</b>	<b>-</b>
Machinery and Equipment	24 823	10 859	33 840	9 698	10 176	10 176			
<b>Transport Assets</b>	<b>469</b>	<b>337</b>	<b>78</b>	<b>10 524</b>	<b>10 722</b>	<b>10 722</b>	<b>15 000</b>	<b>9 300</b>	<b>10 400</b>
Transport Assets	469	337	78	10 524	10 722	10 722	15 000	9 300	10 400
<b>Land</b>	<b>-</b>	<b>7 833</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Land		7 833							
<b>Total Capital Expenditure on new assets</b>	<b>185 312</b>	<b>132 351</b>	<b>167 503</b>	<b>111 387</b>	<b>117 672</b>	<b>117 672</b>	<b>259 389</b>	<b>281 579</b>	<b>262 519</b>

**Table 40 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class**

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousand</b>									
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>276 637</b>	<b>230 368</b>	<b>97 221</b>	<b>322 104</b>	<b>271 047</b>	<b>271 047</b>	<b>136 700</b>	<b>166 002</b>	<b>178 982</b>
Roads Infrastructure	108 918	98 714	32 198	169 403	142 551	142 551	81 700	71 192	75 464
Roads	108 918	98 714	32 198	128 315	107 976	107 976	81 700	71 192	75 464
Road Structures				27 749	23 350	23 350			
Road Furniture				13 339	11 224	11 224			
Electrical Infrastructure	66 802	51 961	44 447	56 974	47 943	47 943	5 000	-	-
Power Plants	66 802	44 960	44 447		8 110	8 110	5 000		
HV Substations				9 638					
MV Switching Stations		7 000			39 833	39 833			
MV Networks				47 336					
Water Supply Infrastructure	71 046	48 980	-	35 120	29 553	29 553	30 500	57 818	64 307
Reservoirs	71 046	48 980		4 620	3 888	3 888			
Distribution				30 500	25 665	25 665	30 500	57 818	64 307
Sanitation Infrastructure	28 814	-	1 198	54 751	46 072	46 072	19 500	36 992	39 212
Reticulation	28 814			23 302	19 608	19 608	19 500	36 992	39 212
Waste Water Treatment Works			1 198	31 449	26 464	26 464			
Solid Waste Infrastructure	1 057	30 714	19 377	5 856	4 928	4 928	-	-	-
Landfill Sites	1 057	30 714	19 377	5 856	4 928	4 928			
<b>Community Assets</b>	<b>3 733</b>	<b>37 323</b>	<b>28 576</b>	<b>13 771</b>	<b>1 588</b>	<b>1 588</b>	<b>-</b>	<b>-</b>	<b>-</b>
Community Facilities	910	8 707	3 705	13 771	1 588	1 588	-	-	-
Halls		3 805	3 705	12 917	869	869			
Centres				854	719	719			
Libraries	659	3 902							
Nature Reserves		1 000							
Markets	251								
Sport and Recreation Facilities	2 823	28 616	24 871	-	-	-	-	-	-
Indoor Facilities	2 823	19 448	20 996						
Outdoor Facilities		9 168	3 875						
Capital Spares									
<b>Heritage assets</b>	<b>311</b>	<b>16 066</b>	<b>15 408</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other Heritage	311	16 066	15 408						
<b>Other assets</b>	<b>13 702</b>	<b>-</b>	<b>-</b>	<b>1 586</b>	<b>1 335</b>	<b>1 335</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings	13 702	-	-	1 586	1 335	1 335	-	-	-
Municipal Offices	13 702			1 586	1 335	1 335			
<b>Intangible Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49 937</b>	<b>40 346</b>	<b>40 346</b>	<b>12 500</b>	<b>18 000</b>	<b>18 000</b>
Servitudes									
Licences and Rights	-	-	-	49 937	40 346	40 346	12 500	18 000	18 000
Computer Software and Applications				41 108	34 592	34 592	12 500	18 000	18 000
Unspecified				8 829	5 753	5 753			
<b>Computer Equipment</b>	<b>-</b>	<b>1 950</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Computer Equipment		1 950							
<b>Furniture and Office Equipment</b>	<b>2 019</b>	<b>5 781</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5 000</b>	<b>-</b>	<b>-</b>
Furniture and Office Equipment	2 019	5 781					5 000		
<b>Machinery and Equipment</b>	<b>300</b>	<b>15 350</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Machinery and Equipment	300	15 350							
<b>Transport Assets</b>	<b>954</b>	<b>177 628</b>	<b>110 382</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Transport Assets	954	177 628	110 382						
<b>Land</b>	<b>-</b>	<b>31 297</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Land		31 297							
<b>Total Capital Expenditure on renewal of existing assets</b>	<b>297 657</b>	<b>515 763</b>	<b>251 586</b>	<b>387 397</b>	<b>314 315</b>	<b>314 315</b>	<b>154 200</b>	<b>184 002</b>	<b>196 982</b>
<i>Renewal of Existing Assets as % of total capex</i>	0,0%	79,6%	42,3%	67,8%	52,8%	52,8%	37,3%	39,5%	42,9%
<i>Renewal of Existing Assets as % of deprecn*</i>	53,6%	85,2%	53,5%	82,7%	67,1%	67,1%	29,6%	33,3%	33,7%

Table 41 MBRR SA34c - Repairs and maintenance expenditure by asset class

KZN225 Msunduzi - Supporting Table SA34c Consolidates Repairs and maintenance expenditure by asset class									
Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>127 246</b>	<b>133 888</b>	<b>-</b>	<b>187 469</b>	<b>187 469</b>	<b>187 469</b>	<b>182 809</b>	<b>188 339</b>	<b>197 064</b>
Roads Infrastructure	47 029	49 483	-	-	-	-	67 377	69 416	72 631
Roads	47 029	49 483	-	-	-	-	67 377	69 416	72 631
Electrical Infrastructure	50 160	52 779	-	55 411	55 411	55 411	72 368	74 588	78 011
Power Plants	50 160	52 779	-	-	-	-	72 368	74 588	78 011
HV Substations				4 805	4 805	4 805			
HV Switching Station					2 274	2 274			
HV Transmission Conductors				2 274	5 554	5 554			
MV Substations				5 554					
MV Switching Stations					9 098	9 098			
MV Networks				9 098	32 680	32 680			
LV Networks				32 680	1 000	1 000			
Capital Spares				1 000					
Water Supply Infrastructure	15 460	16 267	-	8 427	8 427	8 427	22 150	22 820	23 877
Reservoirs				1 000	1 000	1 000			
Pump Stations				500	500	500			
Bulk Mains				1 800	1 800	1 800			
Distribution	15 460	16 267	-	3 500	3 500	3 500	22 150	22 820	23 877
Distribution Points				1 227	1 227	1 227			
PRV Stations				400	400	400			
Sanitation Infrastructure	6 125	6 445	-	121 923	121 923	121 923	8 775	9 041	9 460
Pump Station				1 500	1 500	1 500			
Reticulation	6 125	6 445	-	800	800	800			
Waste Water Treatment Works				118 631	118 631	118 631	8 775	9 041	9 460
Outfall Sewers				992	992	992			
Solid Waste Infrastructure	8 472	8 915	-	1 708	1 708	1 708	12 138	12 505	13 085
Landfill Sites	8 472	8 915	-	908	908	908	12 138	12 505	13 085
Waste Transfer Stations				800	800	800			
<b>Community Assets</b>	<b>17 218</b>	<b>17 639</b>	<b>-</b>	<b>9 433</b>	<b>9 433</b>	<b>9 433</b>	<b>23 513</b>	<b>24 224</b>	<b>25 346</b>
Community Facilities	17 218	17 639	-	4 043	4 043	4 043	23 513	24 224	25 346
Halls	647	681	-	1 536	1 536	1 536	928	956	1 000
Centres									
Crèches									
Clinics/Care Centres	323	340	-				462	476	498
Fire/Ambulance Stations				107	107	107			
Testing Stations									
Museums	353	371	-						
Galleries									
Theatres									
Libraries	613	645	-	250	250	250	878	904	946
Cemeteries/Crematoria	454			3	3	3			
Police	2 660	2 798	-	51	51	51	3 810	3 926	4 108
Parks									
Public Open Space	8 765	9 223	-	1 797	1 797	1 797	12 558	12 938	13 537
Nature Reserves									
Public Ablution Facilities				300	300	300			
Markets	3 404	3 581	-				4 877	5 024	5 257
Sport and Recreation Facilities	-	-	-	5 390	5 390	5 390	-	-	-
Indoor Facilities				1 797	1 797	1 797			
Outdoor Facilities				3 594	3 594	3 594			
Capital Spares									
<b>Heritage assets</b>	<b>18 379</b>	<b>19 816</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26 982</b>	<b>27 798</b>	<b>29 086</b>
Monuments									
Historic Buildings	18 379	19 816	-				26 982	27 798	29 086
<b>Other assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 509</b>	<b>3 509</b>	<b>3 509</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings				3 509	3 509	3 509			
Municipal Offices				3 298	3 298	3 298			
Stores				211	211	211			
<b>Machinery and Equipment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 061</b>	<b>1 061</b>	<b>1 061</b>	<b>-</b>	<b>-</b>	<b>-</b>
Machinery and Equipment				1 061	1 061	1 061			
<b>Transport Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10 935</b>	<b>10 935</b>	<b>10 935</b>	<b>-</b>	<b>-</b>	<b>-</b>
Transport Assets				10 935	10 935	10 935			
<b>Total Repairs and Maintenance Expenditure</b>	<b>162 844</b>	<b>171 344</b>	<b>-</b>	<b>212 407</b>	<b>212 407</b>	<b>212 407</b>	<b>233 304</b>	<b>240 362</b>	<b>251 496</b>
<b>R&amp;M as a % of PPE</b>	<b>2,3%</b>	<b>2,5%</b>	<b>0,0%</b>	<b>3,0%</b>	<b>3,0%</b>	<b>3,0%</b>	<b>3,3%</b>	<b>3,5%</b>	<b>3,7%</b>
<b>R&amp;M as % Operating Expenditure</b>	<b>3,2%</b>	<b>3,0%</b>	<b>0,0%</b>	<b>4,0%</b>	<b>4,1%</b>	<b>4,1%</b>	<b>4,5%</b>	<b>4,3%</b>	<b>4,2%</b>

**Table 42 MBRR SA36 - Detailed capital budget per municipal vote**



KZN225 Msunduzi - Supporting Table SA36 Consolidated detailed capital budget

R thousand	Function	Project Description	2019/20 Medium Term Revenue & Expenditure Framework				
			Audited Outcome 2017/18	Current Year 2018/19 Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Parent municipality:							
<i>List all capital projects grouped by Function</i>							
	CITY FINANCE	COMPUTERS	149	60	300	-	-
	CITY FINANCE	COMPUTERS	486	20,000	200		
	CITY FINANCE	FINANCIAL MANAGEMENT SYSTEM - SAP	96	14	30	33	36
	CITY FINANCE	COMPUTERS	46	165	48	53	59
	CITY FINANCE	COMPUTERS AND LAPTOP	30	45	180	180	201
	CITY FINANCE	NOTE COUNTING MACHINES - CASHIER	20	30	300	100	100
	CITY FINANCE	INSTALL MORE CAMERA SYSTEMS STORES	164	30	4		
	CITY FINANCE	MOTOR VEHICLE CANOPY	29	200	50		
	CITY FINANCE	SECURE FENCING STORES	244	300	500	550	600
	CITY FINANCE	SORES CHANGE ROOMS	13	1,000	300	3,000	5,000
	CITY FINANCE	FUEL MANAGEMENT SYSTEM NCT AND NEW VEHICLES	68	200	300	300	300
	CITY FINANCE	VEHICLES incl. Meter Readers	35	40	65		
	CITY FINANCE	COMPUTERS	8,968	30	80		
	CITY MANAGER	COMPUTERS x 10	35	16	80		
	CITY MANAGER	PRINTERS x 10	128	85	20	10	
	CITY MANAGER	PARK HOMES x 3	22	5,000	50		
	CITY MANAGER	COMPUTERS x 7	15	80	22,000	18,000	18,000
	CITY MANAGER	IP PHONES x7	314	26	500	200	100
	CITY MANAGER	TABLETS	41	10	200	200	200
	CITY MANAGER	PRINTERS x 2	28	700	383	383	383
	CITY MANAGER	CAMERAS x 2	6	45	85	85	85
	CITY MANAGER	SECURITY SYSTEM	135	500	65	65	65
	CITY MANAGER	LAPTOPS x 3	734	3,500	100		
	CITY MANAGER	IP PHONES x 2	55	96	100		
	CITY MANAGER	LAPTOP	41	16	200	100	50
	CITY MANAGER	IP TELEPHONES	36	96	100	50	50
	CITY MANAGER	COMPUTERS x 10	1,851	44	150		
	CITY MANAGER	SEWING MACHINES	5,300	40	40		
	CITY MANAGER	PALISIDE FENCING	4,654	30	42		
	CITY MANAGER	STREET FURNITURE	986	3	1,000	1,000	5,000
	CITY MANAGER	COMPUTER	37	50	1,500	1,600	1,700
	CITY MANAGER	LAPTOPS X 3	56	55	115	115	115
	CITY MANAGER	VOICE RECORDING SOFTWARE	11	44	25	25	25
	CITY MANAGER	FURNITURE	18	13	75	75	75
	COMMUNITY SERVICES	LEVS:AH:NEW:FURNITURE & OFFICE EQUIP	146	422	80	80	80
	COMMUNITY SERVICES	LEVS:ZA:NEW:MACHINERY & EQUIPM	2,008	10	170	70	70
	COMMUNITY SERVICES	LEVS:ZA:NEW:MACHINERY & EQUIPM	20	500	110		
	COMMUNITY SERVICES	LEVS:ZA:NEW:TRANSPORT ASSETS	38	1,680	70		
	COMMUNITY SERVICES	OPERATION SUKUMA SAKHE	566	50	404	1,000	1,000
	COMMUNITY SERVICES	TUSONG CENTER	2,649	100	110		250
	COMMUNITY SERVICES	PARK HOMES	3,675	3,500	400	450	500
	COMMUNITY SERVICES	TRANSPORT ASSETS	307	750	15	-	-
	COMMUNITY SERVICES	Critical Fire Fighting Equipment	297	2,000	120	-	-
	COMMUNITY SERVICES	PABX WITH VOICE RECODER	46	902	480	-	-
	COMMUNITY SERVICES	RADIO EQUIPMENT	11	3,300	6	-	-
	COMMUNITY SERVICES	SHOOTING RANGE 2ND PHASE	314	341	40	40	40
	COMMUNITY SERVICES	REQUISITION FOR MARKET SERVICES	200	200	100	100	100

COMMUNITY SERVICES	PROTECTIVE EQUIPMENT COMPLIANCE WITH LEGISLATION	69	5,010	250		
COMMUNITY SERVICES	LEVS:ZA:NEW:MACHINERY & EQUIP	5,143	900		2,000	2,500
COMMUNITY SERVICES	LEVS:ZA:NEW:TRANSPORT ASSETS	4,609	300	6,540	6,600	8,000
COMMUNITY SERVICES	NEW BUILDING	671	300	200	300	
COMMUNITY SERVICES	MACHINERY & EQUIP	877	300	3,000		
COMMUNITY SERVICES	WASTE : NEW MACHINERY	4,497	300	1,000	1,000	1,000
COMMUNITY SERVICES	DEVELOPMENT OF NEW CEMETERY: LAMONTVILLE	612	2,000	400		
COMMUNITY SERVICES	UPGRADE AND MAINTENANCE OF POOLS (Alexandra, Olympl	18	5,332	1,000	1,500	1,500
COMMUNITY SERVICES	MODIFY CONTAINERS / PARK HOMES AS TOILET FACILITIES	3,130	4,900	1,000	1,500	1,500
COMMUNITY SERVICES	ESSENTIAL EQUIPMENT FOR SPORT FACILITIES (goal post, m	135	750	200	200	200
COMMUNITY SERVICES	FENCING OF BISLEY NATURE RESERVE	1,428	450	400	200	200
COMMUNITY SERVICES	UPGRADING OF BUCHANNAN SWIMMING POOL	3	250	200	200	300
COMMUNITY SERVICES	MIG - LANDFILL UPGRADE	-	300	800	800	
COMMUNITY SERVICES	MIG - WARD 15 COMMUNITY HALL	-	9			500
COMMUNITY SERVICES	MIG - WARD 38 COMMUNITY HALL	8,929	11			500
COMMUNITY SERVICES	MIG - KWAQANDA COMMUNITY HALL	161	13	1,500	1,300	1,500
COMMUNITY SERVICES	MIG - Ward 18 COMMUNITY HALL	309	3	500	350	300
COMMUNITY SERVICES	MIG - UNIT BB COMMUNITY HALL	3,855	155	300		
COMMUNITY SERVICES	MIG - WARD 7 COMMUNITY HALL	2,883	50	800	4,500	
COMMUNITY SERVICES	MIG - WARD 29 COMMUNITY HALL	3,875	3	800	800	800
COMMUNITY SERVICES	MIG - WARD 24 COMMUNITY HALL	9,183	71	600		
COMMUNITY SERVICES	MIG - WARD 8 COMMUNITY HALL	470	13	2,000	6,000	-
COMMUNITY SERVICES	MIG - WARD 13 COMMUNITY HALL	-	35	4,000	12,100	13,560
COMMUNITY SERVICES	MIG - MADIBA COMMUNITY HALL	261	73	300	7,000	-
COMMUNITY SERVICES	MIG - SWEETWATERS DUAL PURPOSE SPORT CENTRE	13	275	300	3,000	5,000
CORPORATE SERVICES	STITCHING MACHINE	689	500	2,000	4,000	2,200
CORPORATE SERVICES	IX LAPTOP	5,463	522	300	3,000	5,000
CORPORATE SERVICES	COMPUTERS	321	9	4,000	3,000	-
CORPORATE SERVICES	DIGITAL RECORDERS	731	11	300	3,700	5,000
CORPORATE SERVICES	COMPUTER	119	13	5,000	5,500	6,000
CORPORATE SERVICES	DOCUMENT MANAGEMENT SYSTEM	1,190	3	1,000		
CORPORATE SERVICES	DIGITAL RECORDER	3,431	155	6,538	29,000	42,462
CORPORATE SERVICES	NETWORK REFRESH/REPLACING SERVERS	9,549	50	2,500	12,000	18,500
CORPORATE SERVICES	COMPUTERS	2,632	3	15,115	25,645	2,240
CORPORATE SERVICES	FIBRE REPLACEMENT	824	71	7,220	14,600	17,180
CORPORATE SERVICES	LAN/WAN - CABLING	565	13	10,700	10,000	-
CORPORATE SERVICES	IP TELEPHONES	1,633	35	5,927	10,000	15,000
CORPORATE SERVICES	LAPTOPS/ DESKTOPS	4,263	73	1,000	-	-
INFRASTRUCTURE	ALNS:ZA:DBSA - NETWORK 132KV REHAB PLAN	13,989	275	8,250	9,300	10,400
INFRASTRUCTURE	IP Phones	6,500	500	50		
INFRASTRUCTURE	Computers	5,366	522	450	100	100
INFRASTRUCTURE	Capital equipment	1,807	100	100		
INFRASTRUCTURE	Network Refurbishment	(0)	100	60		
INFRASTRUCTURE	Computers	2,187	2,276	150		
INFRASTRUCTURE	Air conditioner	6,304	3,224	5,132	5,132	5,132
INFRASTRUCTURE	Workshop Tools	308	4,390	10		
INFRASTRUCTURE	Rudimentary Water Scheme	3,805	100	2,000	-	-
INFRASTRUCTURE	Reservoir Fencing	7,291	200	500		
INFRASTRUCTURE	Telemetry and Control Upgrades	1,253	30	80	50	50
INFRASTRUCTURE	Vehicles	7,605	218	300	300	
INFRASTRUCTURE	Plant and Equipment	926	300	1,000		
INFRASTRUCTURE	Sanitation Pump Stations	3,515	1,000	10	10	10
INFRASTRUCTURE	Vulindlela Satellite office	3,098	500	130	130	130
INFRASTRUCTURE	ED 2 and ED 4 system Upgrade	7,716	79	70	70	70
INFRASTRUCTURE	Water Pump Stations	5,791	21	50		
INFRASTRUCTURE	TRAFFIC CALMING MEASURES	4,178	1,200	100		
INFRASTRUCTURE	PMS	414	2,800	9,000	6,000	6,480
INFRASTRUCTURE	Lester Brown	149	300	700	-	1,000
INFRASTRUCTURE	SMALL PLANTS (PEDESTRIAN ROLLERS, BRUSH CUTTERS AN	1,775	1,171	6,500	8,000	8,640
INFRASTRUCTURE	TRAFFIC SIGNAL SPARES	437	200	8,000		
INFRASTRUCTURE	NEW:COMPUTER EQUIPMENT	1,583	1,442	100	100	100
INFRASTRUCTURE	INSTALLAT OF NEW GUARD RAILS	2,389	2,907	3,000	2,000	3,000
INFRASTRUCTURE	NEW CONCRETE CASTING YARD CHANGE ROOMS	104,863	2,105	1,000	1,000	1,100
INFRASTRUCTURE	UPGRADING OF GRAVEL ROAD -VULINDLELA - WARD 1	1,008	772	1,000	3,000	3,240
INFRASTRUCTURE	MIG - REHABILITATION OF ROADS IN ASHDOWN	477	400	2,300	4,000	3,000
INFRASTRUCTURE	MIG - UPGRADING OF ROADS IN PEACE VALLEY - 10km	325	175	3,000	-	-
INFRASTRUCTURE	MIG - REHABILITATION OF ROADS IN IMBALI UNIT 18	47	1,500		500	550
INFRASTRUCTURE	MIG - UPGRADING OF GRAVEL ROADS - GREATER EDENDALE	1,198	7,500	10,000		
INFRASTRUCTURE	MIG - UPGRADING OF GRAVEL ROADS - GREATER EDENDALE	338	1,000	2,300	2,200	3,041
INFRASTRUCTURE	MIG - UPGRADE OF GRAVEL ROADS - WILLOWFOUNTAIN RO	14,885	1,300	4,800	5,000	4,637
INFRASTRUCTURE	MIG - UPGRADING OF GRAVEL ROADS - EDENDALE - WARD 1	3,921	2,400	2,300	2,200	3,041
INFRASTRUCTURE	MIG - UPGRADING OF GRAVEL ROADS - EDENDALE - STATION	233	2,900	2,300	2,200	3,041
INFRASTRUCTURE	MIG - UPGRADING OF GRAVEL ROADS - EDENDALE - Roads in	1,670	900	2,300	2,200	3,041
INFRASTRUCTURE	MIG - UPGRADING OF GRAVEL ROADS - GREATER EDENDALE	2,607	3,500	2,300	2,200	3,041
INFRASTRUCTURE	MIG - UPGRADING OF GRAVEL ROADS - EDENDALE - DAMBU	3,846	2,039	4,800	3,779	4,619
INFRASTRUCTURE	MIG - UPGRADING OF GRAVEL ROADS - VULINDLELA - WARD	1,380	3,321	3,800	2,200	3,041
INFRASTRUCTURE	MIG - UPGRADING OF GRAVEL ROADS - GREATER EDENDALE	2,633	2,274	7,000	5,000	8,211
INFRASTRUCTURE	MIG - UPGRADING OF GRAVEL ROADS - VULINDLELA - WARD	4,301	2,806	2,300		
INFRASTRUCTURE	MIG - UPGRADING OF GRAVEL ROADS - GREATER EDENDALE	153	2,000			
INFRASTRUCTURE	MIG - UPGRADING OF GRAVEL ROADS - VULINDLELA - WARD	198	8,569	2,300	1,300	1,500
INFRASTRUCTURE	MIG - UPGRADING OF GRAVEL ROADS - VULINDLELA - WARD	38,369	6,000	8,000	9,500	10,260
INFRASTRUCTURE	MIG - UPGRADING OF GRAVEL ROADS - VULINDLELA - WARD	688	5,510	2,300	2,000	1,430
INFRASTRUCTURE	MIG - UPGRADING OF GRAVEL ROADS - VULINDLELA - WARD	6,078	2,039	1,300	1,430	1,430
INFRASTRUCTURE	MIG - UPGRADING OF GRAVEL ROADS - VULINDLELA - WARD	44,449	4,906	2,300	1,100	1,100
INFRASTRUCTURE	MIG - UPGRADING OF GRAVEL ROADS - VULINDLELA - WARD	4,235	62	2,300	2,200	2,000
INFRASTRUCTURE	MIG - UPGRADING OF GRAVEL ROADS - VULINDLELA - WARD	2,959	200	6,000	2,500	6,000
INFRASTRUCTURE	MIG - UPGRADING OF GRAVEL ROADS - VULINDLELA - WARD	3	4,440	2,300	5,500	6,841
INFRASTRUCTURE	MIG - UPGRADE OF BRIDGES - Pedestrian Bridge Over River -	2,107	2,714	9,356	7,500	10,653
INFRASTRUCTURE	MIG - WOODHOUSE PEDESTRIAN BRIDGE	22	1,500	2,300	1,000	1,000
INFRASTRUCTURE	MIG - MABANE BRIDGE PROJECT	399	18,000	1,500	1,650	1,650
INFRASTRUCTURE	MIG - BUS STOP SHELTERS	200	6,398	10,000	6,000	-
INFRASTRUCTURE	MIG - NON MOTORISED TRANSPORT	866	4,019	8,500	8,000	9,500
INFRASTRUCTURE	MIG - REHABILITATION OF SANITATION INFRASTRUCTURE	6,181	3,700	8,700	9,570	9,000
INFRASTRUCTURE	MIG - SEWER PIPES UNIT H	7	11,152	1,544	1,500	1,698
INFRASTRUCTURE	MIG - SEWER PIPES AZALEA - PHASE 2	117	6,000	8,000	6,500	14,000

SUSTAINABLE DEVELOPMENT AND	NDPG:EDENDALE TOWN CENTRE: Promenade 2	2,295	750	1,000	4,326	5,418
SUSTAINABLE DEVELOPMENT AND	NDPG:EDENDALE TOWN CENTRE: Civic Building,Informal Tra	0	25	700		
SUSTAINABLE DEVELOPMENT AND	NDPG:EDENDALE TOWN CENTRE: Civic Building,Informal Tra	3,142	291	8,091		
SUSTAINABLE DEVELOPMENT AND	NDPG:EDENDALE TOWN CENTRE: stage 4	10,615	6,780	1,000		
SUSTAINABLE DEVELOPMENT AND	CAPITAL: NEIGHBOURH DEV PARTNERSHP GRANT	19	5,220	200		
SUSTAINABLE DEVELOPMENT AND	CAPITAL: NEIGHBOURH DEV PARTNERSHP GRANT	64	9,329	8,000		
SUSTAINABLE DEVELOPMENT AND	PROVINCIAL GOVERNMENT: KZN: CAPITAL	12	1,000			
SUSTAINABLE DEVELOPMENT AND	PROVINCIAL GOVERNMENT: KZN: CAPITAL	23	1,000			
SUSTAINABLE DEVELOPMENT AND	CAPITAL: NEIGHBOURH DEV PARTNERSHP GRANT	22	400			
SUSTAINABLE DEVELOPMENT AND	CAPITAL: NEIGHBOURH DEV PARTNERSHP GRANT	59	19			
SUSTAINABLE DEVELOPMENT AND	CAPITAL: PROV GOV: LIBR, ARCH, MUSEUMS	26	37			
SUSTAINABLE DEVELOPMENT AND	CAPITAL: PROV GOV: LIBR, ARCH, MUSEUMS	(89)	8,386			
SUSTAINABLE DEVELOPMENT AND	CAPITAL: PROV GOV: LIBR, ARCH, MUSEUMS	17	2,924			
SUSTAINABLE DEVELOPMENT AND	CAPITAL: PROV GOV: COGTA	158	6,612			
SUSTAINABLE DEVELOPMENT AND	CAPITAL: PROV GOV: COGTA	158	2,000			
SUSTAINABLE DEVELOPMENT AND	CAPITAL: MUNICIPAL INFR GRANT	29	603			
SUSTAINABLE DEVELOPMENT AND	CAPITAL: PROV GOV: HOUSING DEVELOPMENT	66	2,500			
SUSTAINABLE DEVELOPMENT AND	CAPITAL: PROV GOV: COGTA	210	2,500			
SUSTAINABLE DEVELOPMENT AND	CAPITAL: PROV GOV: HOUSING ACCREDITATION	62	500			
SUSTAINABLE DEVELOPMENT AND	CAPITAL: PROV GOV: HOUSING ACCREDITATION	10,036	1,700			
SUSTAINABLE DEVELOPMENT AND	CAPITAL: PROV GOV: HOUSING ACCREDITATION	337	54			
SUSTAINABLE DEVELOPMENT AND	CAPITAL: PROV GOV: HOUSING ACCREDITATION	3,239				
SUSTAINABLE DEVELOPMENT AND	CAPITAL: PROV GOV: HOUSING ACCREDITATION	18				
SUSTAINABLE DEVELOPMENT AND	CAPITAL: PROV GOV: HOUSING ACCREDITATION	-				
SUSTAINABLE DEVELOPMENT AND	CAPITAL: PROV GOV: HOUSING ACCREDITATION	26,692				
SUSTAINABLE DEVELOPMENT AND	CAPITAL: PROV GOV: HOUSING ACCREDITATION	4,739				
SUSTAINABLE DEVELOPMENT AND	CAPITAL: PROV GOV: HOUSING ACCREDITATION	239				
SUSTAINABLE DEVELOPMENT AND	CAPITAL: PROV GOV: HOUSING ACCREDITATION	78				

## 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 City's website.

2. Internship programme

The City is participating in the Municipal Financial Management Internship programme and has employed a number of interns who undergoing training in various divisions of the Financial Services Department, as well as other sector departments especially in the technical and services sector.

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 2020/21 MTREF in May 2020 directly aligned and informed by the MTREF.

6. Annual Report

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

2.13 Other supporting documents

Table 43 MBRR Table SA1 - Supporting detail to budgeted financial performance

KZN225 Msunduzi - Supporting Table SA1 Consolidated Supporting detail to 'Budgeted Financial Performance'

Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousand</b>										
<b>REVENUE ITEMS:</b>								8%	5%	9%
<b>Property rates</b>										
Total Property Rates	1 203 976	1 275 392	1 342 518	1 323 961	1 323 961	1 323 961	1 323 961	1 403 398	1 487 602	1 576 858
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)	410 961	411 958	441 681	123 189	123 189	123 189	123 189	130 580	138 415	146 720
<b>Net Property Rates</b>	<b>793 014</b>	<b>863 435</b>	<b>900 837</b>	<b>1 200 772</b>	<b>1 200 772</b>	<b>1 200 772</b>	<b>1 200 772</b>	<b>1 272 818</b>	<b>1 349 187</b>	<b>1 430 138</b>
<b>Service charges - electricity revenue</b>										
Total Service charges - electricity revenue	1 865 888	2 319 671	2 186 437	2 420 846	2 420 846	2 420 846	2 420 846	2 617 784	2 753 908	2 999 006
less Revenue Foregone (in excess of 50 kwh per indigent household per month)	644	688	735	785	785	785	785	849	893	972
less Cost of Free Basis Services (50 kwh per indigent household per month)	1 654	1 745	1 837	2 077	2 077	2 077	2 077	3 144	3 307	3 602
<b>Net Service charges - electricity revenue</b>	<b>1 863 590</b>	<b>2 317 238</b>	<b>2 183 865</b>	<b>2 417 984</b>	<b>2 417 984</b>	<b>2 417 984</b>	<b>2 417 984</b>	<b>2 613 791</b>	<b>2 749 708</b>	<b>2 994 432</b>
<b>Service charges - water revenue</b>										
Total Service charges - water revenue	598 653	711 200	753 066	826 648	826 648	826 648	826 648	901 046	982 141	1 070 533
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)	134 410	141 878	150 960	163 682	163 682	163 682	163 682	178 413	194 471	211 973
<b>Net Service charges - water revenue</b>	<b>464 242</b>	<b>569 323</b>	<b>602 045</b>	<b>662 966</b>	<b>662 966</b>	<b>662 966</b>	<b>662 966</b>	<b>722 633</b>	<b>787 670</b>	<b>858 560</b>
<b>Service charges - sanitation revenue</b>										
Total Service charges - sanitation revenue	131 872	146 575	148 256	157 331	157 331	157 331	157 331	166 770	176 777	187 383
less Revenue Foregone (in excess of free sanitation service to indigent households)										
less Cost of Free Basis Services (free sanitation service to indigent households)	10 066	10 625	11 184	11 855	11 855	11 855	11 855	12 567	13 321	14 120
<b>Net Service charges - sanitation revenue</b>	<b>121 806</b>	<b>135 950</b>	<b>137 072</b>	<b>145 475</b>	<b>145 475</b>	<b>145 475</b>	<b>145 475</b>	<b>154 204</b>	<b>163 456</b>	<b>173 263</b>
<b>Service charges - refuse revenue</b>										
Total refuse removal revenue	94 309	105 973	112 255	117 662	117 662	117 662	117 662	124 721	132 205	140 137
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)	5 381	5 680	5 979	6 338	6 338	6 338	6 338	6 718	7 121	7 549
<b>Net Service charges - refuse revenue</b>	<b>88 928</b>	<b>100 293</b>	<b>106 276</b>	<b>111 324</b>	<b>111 324</b>	<b>111 324</b>	<b>111 324</b>	<b>118 003</b>	<b>125 083</b>	<b>132 588</b>
<b>Other Revenue by source</b>										
Airport	6 299	5 477	159 779	20 745	20 745	20 745	20 745	21 990	23 310	24 708
Forestry	12 171	10 581		25 349	25 349	25 349	25 349	26 869	28 482	30 191
Market	14 330	12 458		29 846	29 846	29 846	29 846	31 637	33 535	35 547
Burials & Crematoriums	2 144	1 864		4 466	4 466	4 466	4 466	4 734	5 018	5 319
Buildings	1 840	1 600		3 832	3 832	3 832	3 832	4 062	4 306	4 564
Reconnections	9 288	8 075		19 345	19 345	19 345	19 345	20 506	21 736	23 040
Training Levy Recoveries	320	278		667	667	667	667	707	749	794
Illegal connection fee	1 947	1 693		4 055	4 055	4 055	4 055	4 298	4 556	4 829
Rates Certificats	936	814		1 949	1 949	1 949	1 949	2 066	2 190	2 322
Parking fees	1 361	1 183		2 835	2 835	2 835	2 835	3 005	3 186	3 377
Other Revenue	33 348	28 992		27 055	27 055	27 055	27 055	28 679	30 400	32 223
Sundry Income										
<b>Total 'Other' Revenue</b>	<b>83 984</b>	<b>73 015</b>	<b>159 779</b>	<b>140 145</b>	<b>140 145</b>	<b>140 145</b>	<b>140 145</b>	<b>148 554</b>	<b>157 467</b>	<b>166 915</b>

KZN225 Msunduzi - Supporting Table SA1 Consolidated Supporting detail to 'Budgeted Financial Performance'

Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>EXPENDITURE ITEMS:</b>										
<b>Employee related costs</b>										
Basic Salaries and Wages	710 041	803 811	1 268 314	965 703	956 571	956 571	956 571	1 018 440	1 089 731	1 166 012
Pension and UIF Contributions	130 274	147 478		179 580	178 211	178 211	178 211	189 737	203 019	217 230
Medical Aid Contributions	48 923	55 384		67 824	67 824	67 824	67 824	72 211	77 265	82 674
Overtime	46 540	52 686		71 252	71 252	71 252	71 252	75 860	81 170	86 852
Performance Bonus	12	14		67 405	67 405	67 405	67 405	71 765	76 789	82 164
Motor Vehicle Allowance	17 960	20 332		24 645	24 645	24 645	24 645	26 239	28 076	30 041
Cellphone Allowance	976	1 105		4 188	4 188	4 188	4 188	4 459	4 771	5 105
Housing Allowances	6 181	6 997		8 046	8 046	8 046	8 046	8 567	9 166	9 808
Other benefits and allowances	75 326	81 067	34 703	44 449	44 449	44 449	44 449	47 324	50 636	54 181
Payments in lieu of leave	-	-		-	-	-	-	-	-	-
Long service awards	17 394	19 691		22 777	22 777	22 777	22 777	24 250	25 948	27 764
Post-retirement benefit obligations										
<b>sub-total</b>	<b>1 053 627</b>	<b>1 188 565</b>	<b>1 303 017</b>	<b>1 455 869</b>	<b>1 445 368</b>	<b>1 445 368</b>	<b>1 445 368</b>	<b>1 538 851</b>	<b>1 646 571</b>	<b>1 761 831</b>
<u>Less: Employees costs capitalised to PPE</u>										
<b>Total Employee related costs</b>	<b>1 053 627</b>	<b>1 188 565</b>	<b>1 303 017</b>	<b>1 455 869</b>	<b>1 445 368</b>	<b>1 445 368</b>	<b>1 445 368</b>	<b>1 538 851</b>	<b>1 646 571</b>	<b>1 761 831</b>
<b>Depreciation &amp; asset impairment</b>										
Depreciation of Property, Plant & Equipment	1 116 146	469 156	460 109	492 025	491 076	491 076	491 076	520 541	551 773	584 879
Lease amortisation										
Capital asset impairment										
<b>Total Depreciation &amp; asset impairment</b>	<b>1 116 146</b>	<b>469 156</b>	<b>460 109</b>	<b>492 025</b>	<b>491 076</b>	<b>491 076</b>	<b>491 076</b>	<b>520 541</b>	<b>551 773</b>	<b>584 879</b>
<b>Bulk purchases - electricity &amp; waste water</b>										
Electricity Bulk Purchases	1 479 188	1 483 728	2 132 174	1 730 992	1 730 992	1 730 992	1 730 992	1 871 202	1 968 505	2 143 702
Waste Water Bulk Purchases	387 094	473 271		551 608	551 608	551 608	551 608	601 804	656 569	716 316
<b>Total bulk purchases</b>	<b>1 866 283</b>	<b>1 956 999</b>	<b>2 132 174</b>	<b>2 282 600</b>	<b>2 282 600</b>	<b>2 282 600</b>	<b>2 282 600</b>	<b>2 473 007</b>	<b>2 625 073</b>	<b>2 860 018</b>
<b>Transfers and grants</b>										
Cash transfers and grants	49 753	27 010	26 091	46 379	58 900	58 900	58 900	48 495	49 960	52 849
Non-cash transfers and grants	-	-	-	-	-	-	-	-	-	-
<b>Total transfers and grants</b>	<b>49 753</b>	<b>27 010</b>	<b>26 091</b>	<b>46 379</b>	<b>58 900</b>	<b>58 900</b>	<b>58 900</b>	<b>48 495</b>	<b>49 960</b>	<b>52 849</b>

KZN225 Msunduzi - Supporting Table SA1 Consolidated Supporting detail to 'Budgeted Financial Performance'

Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>Contracted services</b>										
ACCOUNTANTS AND AUDITORS	113	127		129	129	129	129	153	161	172
ACCOUNTING AND AUDITING	9 714	10 865		10 482	10 482	10 482	10 482	12 477	13 110	14 059
AIR POLLUTION	1 122	1 254		1 210	1 210	1 210	1 210	1 441	1 514	1 623
AIR TRAFFIC CONTROL	5 518	6 171		5 954	5 954	5 954	5 954	7 088	7 447	7 986
ALIEN VEGETATION CONTROL	312	349		337	337	337	337	401	421	452
ANIMAL CARE	1 117	1 249		1 205	1 205	1 205	1 205	1 435	1 507	1 617
AUDIO VISUALS	20	22		21	21	21	21	25	27	29
BURIAL SERVICES	303	338		326	326	326	326	389	408	438
CATERING SERVICES	6 070	6 789		6 550	6 550	6 550	6 550	7 797	8 192	8 785
COLLECTIONS RESEARCH	9 086	10 162		9 804	9 804	9 804	9 804	11 670	12 262	13 150
CONTROL AND FUMIGATION	14	16		15	15	15	15	18	19	21
DECORATIONS	17	20		19	19	19	19	22	24	25
DISCONNECTIONS	2 312	2 586		2 495	2 495	2 495	2 495	2 970	3 120	3 346
ELECTRICAL	189	211		204	204	204	204	243	255	274
EMPLOYEE WELLNESS	284	317		306	306	306	306	364	383	411
EVENT PROMOTER	21	23		22	22	22	22	26	28	30
EXTERNAL STAFF	361	404		390	390	390	390	464	488	523
FIRE PROTECTION	15	17		16	16	16	16	19	20	22
FIRE SERVICES	21	24		23	23	23	23	27	28	30
FIRST AID	20	23		22	22	22	22	26	27	29
GAS	55	62		59	59	59	59	71	74	80
GRAPHIC DESIGNS	331	370		357	357	357	357	425	447	479
GRASS CUTTING	13 764	15 394		14 852	14 852	14 852	14 852	17 679	18 576	19 920
HR FEES	142	159		153	153	153	153	182	191	205
INFRASTR/PLANNING-ARCHITECTURAL	11 212	12 540		12 098	12 098	12 098	12 098	14 401	15 131	16 226
LEGAL FEES	34 571	38 665		37 303	37 303	37 303	37 303	44 405	46 656	50 033
MEDICAL EXAMINATIONS	93	105		101	101	101	101	120	126	135
MEDICAL SERVICES	576	644		621	621	621	621	739	777	833
ORGANISATIONAL	110 386	123 458		104 427	53 532	53 532	53 532	63 723	66 954	71 800
PREPAID ELECTRICITY VENDORS	2 259	2 526		2 437	2 437	2 437	2 437	2 901	3 049	3 269
PRIVATE PARTY WORK	11 394	12 743		12 294	12 294	12 294	12 294	14 634	15 377	16 489
PROJECT MANAGEMENT	51 363	57 446		56 857	65 823	65 823	65 823	78 354	82 327	88 285
QUALITY CONTROL-BACTERIOLOGICAL EXAMIN	189	211		204	204	204	204	243	255	274
REFUSE REMOVAL SMME	6 382	7 138		6 887	6 887	6 887	6 887	8 198	8 613	9 237
REFUSE REMOVAL SMMES	671	750		724	724	724	724	862	905	971
REPAIRS AND MAINTENANCE	146 339	(458 626)	-	158 009	108 071	108 071	108 071	128 645	135 168	144 950
RESEARCH AND ADVISORY	22 233	24 866		23 990	23 990	23 990	23 990	28 557	30 005	32 176
SAFEGUARD SECURITY	618	691		667	667	667	667	794	834	895
SECURITY	89 975	100 630		97 086	57 307	57 307	57 307	68 217	71 676	76 863
SEWERAGE SERVICES	11 434	12 789		12 338	12 338	12 338	12 338	14 687	15 432	16 548
SPORTS AND RECREATION	76	85		82	82	82	82	97	102	109
STAGE AND SOUND CREW	142	159		153	153	153	153	182	191	205
STREAM CLEANING AND DITCHING	267	298		288	288	288	288	342	360	386
TRAFFIC AND STREET LIGHTS	1 333	1 491		1 439	1 439	1 439	1 439	1 712	1 799	1 929
TRANSLATORS	48	54		52	52	52	52	62	65	69
TRANSPORTATION	1 199	1 341		1 293	1 293	1 293	1 293	1 540	1 618	1 735
VALUATION SERVICES	2 458	2 749		2 653	2 653	2 653	2 653	3 158	3 318	3 558
WATER	267	298		288	288	288	288	342	360	386
<b>Total contracted services</b>	<b>556 406</b>	<b>0</b>	<b>-</b>	<b>587 242</b>	<b>455 597</b>	<b>455 597</b>	<b>455 597</b>	<b>542 329</b>	<b>569 829</b>	<b>611 066</b>
<b>Other Expenditure By Type</b>										
Collection costs	3 455	2 869		11 898	11 898	11 898	11 898	17 129	18 876	20 023
Contributions to 'other' provisions	-	-		-	-	-	-	-	-	-
Consultant fees	19 151	15 902	206 294	18 185	6 245	6 245	6 245	8 990	9 907	10 509
Audit fees	4 026	3 343		3 823	3 823	3 823	3 823	5 503	6 065	6 433
General expenses	37 310	654 746	490 794	77 352	50 705	50 705	50 705	72 997	80 444	85 331
Other	29 242	24 281		27 765	17 765	17 765	17 765	25 576	28 185	29 897
External Services	4 072	3 381		3 867	3 867	3 867	3 867	5 566	6 134	6 507
Petrol & Lubricants	2 205	1 831		2 093	2 093	2 093	2 093	3 014	3 321	3 523
Insurance	11 956	9 927		11 352	11 352	11 352	11 352	16 343	18 010	19 104
Forestry	3 680	3 055		3 494	3 494	3 494	3 494	5 030	5 543	5 880
Plant Hire	2 758	2 290		2 619	2 619	2 619	2 619	3 770	4 154	4 407
Marketing & Promotion	1 395	1 158		1 325	1 325	1 325	1 325	1 907	2 102	2 229
Govt Training Levy	2 205	1 831		2 093	2 093	2 093	2 093	3 014	3 321	3 523
Ward Committee Expenses	2 954	2 453		2 805	2 805	2 805	2 805	4 039	4 451	4 721
Telephones	1 807	1 500		1 716	1 716	1 716	1 716	2 470	2 722	2 887
Ward Committee Costs	2 623	2 178		2 490	2 490	2 490	2 490	3 585	3 951	4 191
Small Medium & Micro Enterprises (Smme)	1 629	1 353		1 547	1 547	1 547	1 547	2 227	2 455	2 604

**Table 44 MBRR Table SA3 – Supporting detail to Statement of Financial Position**



KZN225 Msunduzi - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousand</b>										
<b>ASSETS</b>										
<b>Call investment deposits</b>										
Call deposits	669 683	430 330	308 203	399 741	361 119	361 119	361 119	375 934	463 246	573 170
Other current investments			15 675							
<b>Total Call investment deposits</b>	<b>669 683</b>	<b>430 330</b>	<b>323 877</b>	<b>399 741</b>	<b>361 119</b>	<b>361 119</b>	<b>361 119</b>	<b>375 934</b>	<b>463 246</b>	<b>573 170</b>
<b>Consumer debtors</b>										
Consumer debtors	1 010 800	424 770	454 838	1 902 907	2 110 658	2 110 658	2 110 658	4 477 997	4 570 475	4 753 585
Less: Provision for debt impairment				1 067 388	1 291 521	1 291 521	1 291 521	(3 351 158)	(3 482 496)	(3 621 708)
<b>Total Consumer debtors</b>	<b>1 010 800</b>	<b>424 770</b>	<b>454 838</b>	<b>835 519</b>	<b>819 137</b>	<b>819 137</b>	<b>819 137</b>	<b>1 126 839</b>	<b>1 087 979</b>	<b>1 131 877</b>
<b>Debt impairment provision</b>										
Balance at the beginning of the year	1 063 209	1 122 276		1 291 521	1 181 343	1 181 343	1 181 343	3 212 254	3 351 158	3 482 496
Contributions to the provision	99 160	104 669		(224 133)	110 178	110 178	110 178	138 904	131 338	139 212
Bad debts written off										
<b>Balance at end of year</b>	<b>1 162 369</b>	<b>1 226 945</b>	<b>-</b>	<b>1 067 388</b>	<b>1 291 521</b>	<b>1 291 521</b>	<b>1 291 521</b>	<b>3 351 158</b>	<b>3 482 496</b>	<b>3 621 708</b>
<b>Property, plant and equipment (PPE)</b>										
PPE at cost/valuation (excl. finance leases)	10 696 106	10 722 403	11 187 481	11 398 417	11 174 919	11 174 919	11 174 919	11 544 192	12 009 773	12 469 273
Leases recognised as PPE					-	-	-			
Less: Accumulated depreciation	3 634 052	3 739 122	4 167 034	4 243 622	4 160 413	4 160 413	4 160 413	4 647 353	5 199 126	5 784 006
<b>Total Property, plant and equipment (PPE)</b>	<b>7 062 055</b>	<b>6 983 281</b>	<b>7 020 447</b>	<b>7 154 795</b>	<b>7 014 505</b>	<b>7 014 505</b>	<b>7 014 505</b>	<b>6 896 839</b>	<b>6 810 647</b>	<b>6 685 267</b>
<b>LIABILITIES</b>										
<b>Current liabilities - Borrowing</b>										
Short term loans (other than bank overdraft)										
Current portion of long-term liabilities	79 368	113 888	114 311	79 056	84 512	84 512	84 512	79 206	75 245	71 483
<b>Total Current liabilities - Borrowing</b>	<b>79 368</b>	<b>113 888</b>	<b>114 311</b>	<b>79 056</b>	<b>84 512</b>	<b>84 512</b>	<b>84 512</b>	<b>79 206</b>	<b>75 245</b>	<b>71 483</b>
<b>Trade and other payables</b>										
Trade Payables	757 475	983 248	1 079 795	999 063	979 473	979 473	979 473	1 006 260	1 046 354	1 094 440
Other creditors										
Unspent conditional transfers								78 311	59 908	33 948
VAT										
<b>Total Trade and other payables</b>	<b>757 475</b>	<b>983 248</b>	<b>1 079 795</b>	<b>999 063</b>	<b>979 473</b>	<b>979 473</b>	<b>979 473</b>	<b>1 084 571</b>	<b>1 106 262</b>	<b>1 128 387</b>
<b>Non current liabilities - Borrowing</b>										
Borrowing	535 739	451 226	366 292	459 547	451 226	451 226	451 226	428 665	407 232	386 870
Finance leases (including PPP asset element)										
<b>Total Non current liabilities - Borrowing</b>	<b>535 739</b>	<b>451 226</b>	<b>366 292</b>	<b>459 547</b>	<b>451 226</b>	<b>451 226</b>	<b>451 226</b>	<b>428 665</b>	<b>407 232</b>	<b>386 870</b>
<b>Provisions - non-current</b>										
Retirement benefits	658 177	660 085	624 743	742 917	731 576	731 576	731 576	590 185	619 694	650 678
Refuse landfill site rehabilitation	68 382	69 750								
Other										
<b>Total Provisions - non-current</b>	<b>726 559</b>	<b>729 834</b>	<b>624 743</b>	<b>742 917</b>	<b>731 576</b>	<b>731 576</b>	<b>731 576</b>	<b>590 185</b>	<b>619 694</b>	<b>650 678</b>
<b>CHANGES IN NET ASSETS</b>										
<b>Accumulated Surplus/(Deficit)</b>										
Accumulated Surplus/(Deficit) - opening balance	5 624 760	6 119 000		6 002 092	5 393 158	5 393 158	5 032 039	6 350 782	7 061 858	7 912 000
GRAP adjustments										
Restated balance	5 624 760	6 119 000	-	6 002 092	5 393 158	5 393 158	5 032 039	6 350 782	7 061 858	7 912 000
Surplus/(Deficit)	(1 102 723)	(620 367)	61 526	715 458	1 117 491	1 117 491	1 117 491	697 079	783 326	795 482
Transfers to/from Reserves										
Depreciation offsets										
Other adjustments										
<b>Accumulated Surplus/(Deficit)</b>	<b>4 522 037</b>	<b>5 498 633</b>	<b>61 526</b>	<b>6 717 550</b>	<b>6 510 648</b>	<b>6 510 648</b>	<b>6 149 529</b>	<b>7 047 861</b>	<b>7 845 184</b>	<b>8 707 482</b>
<b>Reserves</b>										
Housing Development Fund	80 530	87 654	90 762	89 407	183 556	183 556	183 556	38 943	36 996	35 146
Capital replacement	100 000	100 000	40 992	94 170	100 000	100 000	100 000	86 224	81 913	77 817
Self-insurance	115 318	43 981	97 159	53 193	229	229	229			
Other reserves										
Revaluation				(526)				92 301	87 696	83 302
<b>Total Reserves</b>	<b>295 848</b>	<b>231 635</b>	<b>228 913</b>	<b>236 244</b>	<b>283 785</b>	<b>283 785</b>	<b>283 785</b>	<b>217 468</b>	<b>206 594</b>	<b>196 265</b>
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>4 817 885</b>	<b>5 730 268</b>	<b>290 439</b>	<b>6 953 794</b>	<b>6 794 434</b>	<b>6 794 434</b>	<b>6 433 315</b>	<b>7 265 328</b>	<b>8 051 778</b>	<b>8 903 747</b>

## 2.14 Overview of budget funding

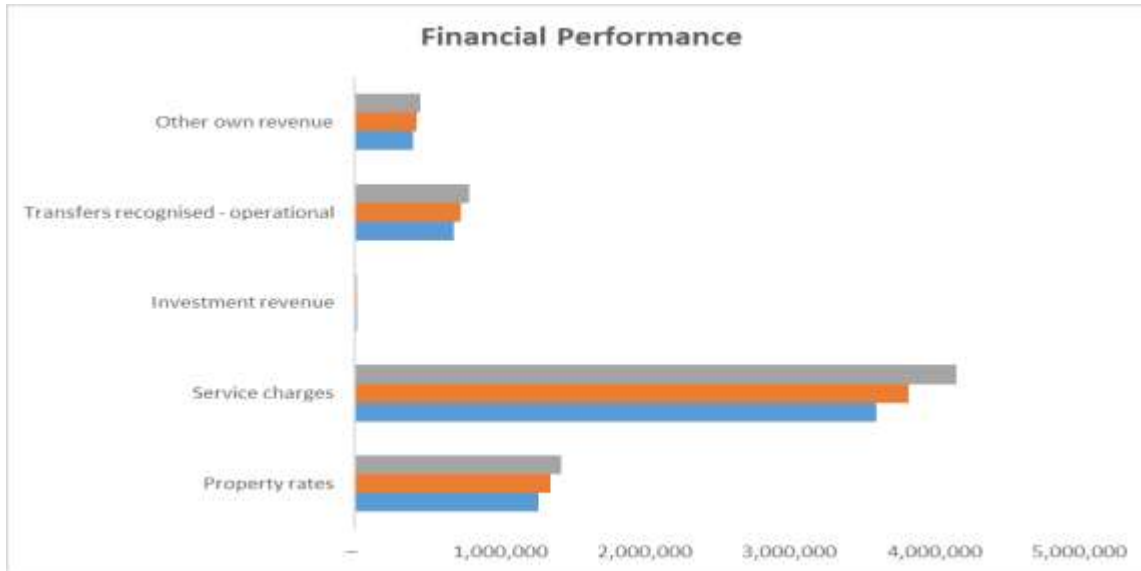
### 2.14.1 Medium-term outlook: operating revenue

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

**Table 45 Breakdown of the operating revenue over the medium-term**

<b>KZN225 Msunduzi - Table A1 Consolidated Budget Summary</b>			
Description	2020/21 Medium Term Revenue & Expenditure Framework		
	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousands</b>			
<b>Financial Performance</b>			
Property rates	1,272,818	1,349,187	1,430,138
Service charges	3,608,631	3,825,917	4,158,844
Investment revenue	15,479	16,408	17,393
Transfers recognised - operational	681,365	735,201	793,103
Other own revenue	402,188	426,319	451,899
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>5,980,481</b>	<b>6,353,033</b>	<b>6,851,376</b>

The following graph is a breakdown of the operational revenue per main category for the 2020/21 financial year.



**Figure 6 Breakdown of operating revenue over the 2020/21 MTREF**

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The City derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation and solid waste removal. Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses etc).

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

- Growth in the city and economic development;
- Revenue management and enhancement;
- Achievement of a 80 per cent annual collection rate for consumer revenue;

- National Treasury guidelines;
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- And the ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff increases for the 2020/21 MTREF on the different revenue categories are:

**Table 46 Analysis of estimated revenue projections****KZN225 Msunduzi - Table A4 Budgeted Financial Performance (revenue and expenditure)**

Description	Ref	2019/20 Medium Term Revenue & Expenditure Framework						
		Budget Year 2018/19	% Increase	Budget Year 2019/20	% Increase	Budget Year +1 2020/21	% Increase	Budget Year +2 2021/22
<b>Revenue By Source</b>								
Property rates	2	915,564	31.15	1,200,772	6.00	1,272,818	6.00	1,349,187
Service charges - electricity revenue	2	2,138,443	13.07	2,417,938	13.07	2,733,962	13.07	3,091,291
Service charges - water revenue	2	604,896	9.60	662,966	9.60	726,611	9.60	796,366
Service charges - sanitation revenue	2	126,057	15.40	145,475	6.00	154,204	6.00	163,456
Service charges - refuse revenue	2	116,206	(4.20)	111,324	6.00	118,003	6.00	125,083
Rental of facilities and equipment		26,252	6.00	27,827	6.00	29,496	6.00	31,266
Interest earned - external investments		26,857	(45.63)	14,603	5.00	15,333	5.00	16,100
Interest earned - outstanding debtors		182,773	6.00	193,740	6.00	205,364	6.00	217,686
Dividends received								
Fines, penalties and forfeits		15,154	6.00	16,064	6.00	17,028	6.00	18,050
Licences and permits		1,011	6.00	1,071	6.00	1,136	6.00	1,204
Agency services		543	6.00	576	6.00	611	6.00	647
Transfers and subsidies		669,406	6.00	672,023	9.33	734,742	8.33	795,945
Other revenue	2	132,212	6.00	140,145	6.00	148,554	6.00	157,467
Gains on disposal of PPE								
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>4,955,375</b>		<b>5,604,523</b>		<b>6,157,861</b>		<b>6,763,747</b>

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the City. Rates and service charge revenues comprise more than two thirds of the total revenue mix. In the 2018/19 financial year, revenue from rates and services charges totalled to R3.901 billion or 79 per cent. This increased to R4.539 billion, R5.005 billion and R5.525 billion for 2020/21, 2020/21 and 2021/22 respectively. A notable trend is the increase in the total percentage revenue generated from rates and services charges. This growth can be mainly attributed to the increased sale of electricity which contributes to the total revenue mix, which in turn is due to an increase in the Eskom and uMgeni tariffs for water and electricity. The table above excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality.

Property rates are the second largest revenue source totalling 17.3 per cent or R1.2 billion. Other revenue consists of various items such as fines, licences and permits, agency services, sale of produce, training recoveries, landing fees, passenger levy etc.

Operating grants and transfers totals R672 million in the 2020/21 financial year and steadily increases to R735 million by 2020/21, R796 million by 2021/22.

Investment revenue contributes marginally to the revenue base of the City with a budget allocation of R14.7 million, R15.4 million and R16.2 million for the respective three financial years of the 2020/21 MTREF. It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

The tables below provide detail investment information and investment particulars by maturity.

**Table 47 MBRR SA15 – Detail Investment Information**

**KZN225 Msunduzi - Supporting Table SA15 Investment particulars by type**

Investment type	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
<b>R thousand</b>										
<b>Parent municipality</b>										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		887,199	669,683	430,330	639,427	361,119	361,119	399,741	508,600	685,814
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
<b>Municipality sub-total</b>	1	<b>887,199</b>	<b>669,683</b>	<b>430,330</b>	<b>639,427</b>	<b>361,119</b>	<b>361,119</b>	<b>399,741</b>	<b>508,600</b>	<b>685,814</b>
<b>Entities</b>										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
<b>Entities sub-total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Consolidated total:</b>		<b>887,199</b>	<b>669,683</b>	<b>430,330</b>	<b>639,427</b>	<b>361,119</b>	<b>361,119</b>	<b>399,741</b>	<b>508,600</b>	<b>685,814</b>

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity. The MTREF therefore provides for a budgeted surplus of R276.1 million, R418.4 million and R513.5 million in each of the financial years.

#### 2.14.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2020/21 medium-term capital programme:

**Table 48 Sources of capital revenue over the MTREF**

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
<b>R thousand</b>	1										
<b>Funded by:</b>											
National Government		345,750	376,644	232,550	404,341	388,567	388,567	388,567	429,351	492,819	504,997
Provincial Government		15,613	24,611	131,196		37,548	37,548	37,548	9,991		
District Municipality											
Other transfers and grants											
<b>Transfers recognised - capital</b>	4	<b>361,363</b>	<b>401,255</b>	<b>363,746</b>	<b>404,341</b>	<b>426,115</b>	<b>426,115</b>	<b>426,115</b>	<b>439,342</b>	<b>492,819</b>	<b>504,997</b>
<b>Borrowing</b>	6		40,245	88,896	42,041	42,041	42,041	42,041	5,631		
<b>Internally generated funds</b>		121,607	206,613	142,250	125,000	127,310	127,310	127,310	110,398	104,505	105,275
<b>Total Capital Funding</b>	7	<b>482,969</b>	<b>648,114</b>	<b>594,892</b>	<b>571,382</b>	<b>595,466</b>	<b>595,466</b>	<b>595,466</b>	<b>555,371</b>	<b>597,324</b>	<b>610,272</b>



**Figure 7 Sources of capital revenue for the 2020/21 financial year**

Capital grants and receipts equates to 71 per cent of the total funding source which represents R439.3 million for the 2020/21 financial year and shows a increase to R505 million by 2020/21.

An amount of R110 million has been set aside for internal funding.

Borrowing of R5.6 million

**Details of borrowings**

**Table 49 MBRR Table SA 17 - Detail of borrowings**

**KZN225 Msunduzi - Supporting Table SA17 Borrowing**

Borrowing - Categorised by type	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
<b>Parent municipality</b>										
Annuity and Bullet Loans		571,250	535,739	451,226	349,414	451,226	451,226	459,547	465,476	471,519
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
<b>Municipality sub-total</b>	1	<b>571,250</b>	<b>535,739</b>	<b>451,226</b>	<b>349,414</b>	<b>451,226</b>	<b>451,226</b>	<b>459,547</b>	<b>465,476</b>	<b>471,519</b>
<b>Entities</b>										
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
<b>Entities sub-total</b>	1	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Borrowing</b>	1	<b>571,250</b>	<b>535,739</b>	<b>451,226</b>	<b>349,414</b>	<b>451,226</b>	<b>451,226</b>	<b>459,547</b>	<b>465,476</b>	<b>471,519</b>

Table 50 MBRR Table SA 18 - Capital transfers and grant receipts

## KZN225 Msunduzi - 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
<b>RECEIPTS:</b>	1, 2									
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		<b>270,402</b>	<b>411,530</b>	<b>447,390</b>	<b>404,344</b>	<b>404,344</b>	<b>404,344</b>	<b>429,351</b>	<b>446,236</b>	<b>473,589</b>
Municipal Infrastructure Grant (MIG)		182,668	174,517	180,188	171,653	171,653	171,653	179,516	189,336	197,333
Public Transport and Systems		18,140	184,923	189,012	150,331	150,331	150,331	150,835	158,900	171,986
Neighbourhood Development Partnership		10,231	1,955	40,000	42,360	42,360	42,360	50,000	55,000	59,271
Dept of Mineral/Electricity										
Intergrated National Electrification Porgramme		8,771	4,115							
Municipal Systems Improvement										
Municipal Water Infrastructure Grant		415	38,021	38,191	40,000	40,000	40,000	41,000	43,000	45,000
Energy Efficiency and Demand Maanagement		50,176	8,000					8,000		
<b>Provincial Government:</b>		<b>17,710</b>	<b>23,144</b>	<b>12,867</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,991</b>	<b>-</b>	<b>-</b>
Airport Development Project										
Sport and Recreation										
KZNPA		1,004								
Arts and Culture-Museum Subsidies		3,635	8,598	5,467				9,991		
COGTA		2,466		1,000						
Human Settlement		10,605	14,546	6,400						
[insert description]		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		<b>4,386</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
SANEDI		4,386								
<b>Total Capital Transfers and Grants</b>	5	<b>292,498</b>	<b>434,674</b>	<b>460,257</b>	<b>404,344</b>	<b>404,344</b>	<b>404,344</b>	<b>439,342</b>	<b>446,236</b>	<b>473,589</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		<b>758,654</b>	<b>931,951</b>	<b>1,049,529</b>	<b>1,013,481</b>	<b>1,013,481</b>	<b>1,013,481</b>	<b>1,111,470</b>	<b>1,180,659</b>	<b>1,267,660</b>

### 2.14.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).Table 51 MBRR Table A7 - Budget cash flow statement

## KZN225 Msunduzi - Table A7 Consolidated 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
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		667,847	789,145	854,117	810,753	824,008	824,008	824,008	960,617	1,018,254	1,079,350
Service charges		2,109,869	2,142,938	2,253,415	2,722,393	2,687,042	2,687,042	2,687,042	2,670,162	2,986,224	3,340,957
Other revenue		486,708	89,402	253,032	247,998	180,911	180,911	180,911	148,876	157,809	167,277
Government - operating	1	466,156	497,277	534,424	672,679	671,406	671,406	671,406	672,023	734,742	795,945
Government - capital	1	303,484	436,141	393,921	404,341	425,277	425,277	425,277	439,342	446,236	473,589
Interest		148,692	123,345	231,265	146,284	191,459	191,459	191,459	169,694	179,733	190,368
Dividends			-	-					-	-	-
<b>Payments</b>											
Suppliers and employees		(3,543,100)	(3,604,497)	(3,955,130)	(4,063,723)	(4,196,304)	(4,196,304)	(4,196,304)	(4,329,714)	(4,704,882)	(5,157,099)
Finance charges		(75,072)	(68,463)	(63,181)	(50,688)	(50,672)	(50,672)	(50,672)	(41,660)	(31,793)	(24,371)
Transfers and Grants	1		(29,606)	(25,891)	(45,328)	(58,437)	(58,437)	(58,437)	(44,060)	(34,904)	(37,696)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>564,585</b>	<b>375,682</b>	<b>475,972</b>	<b>844,710</b>	<b>674,691</b>	<b>674,691</b>	<b>674,691</b>	<b>645,280</b>	<b>751,420</b>	<b>828,320</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE									-	-	-
Decrease (Increase) in non-current debtors									-	-	-
Decrease (increase) other non-current receivables			(481)	(183)					-	-	-
Decrease (increase) in non-current investments			373						-	-	-
<b>Payments</b>											
Capital assets		(476,769)	(651,463)	(609,088)	(571,382)	(595,676)	(595,676)	(595,676)	(527,603)	(567,458)	(579,758)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(476,769)</b>	<b>(651,571)</b>	<b>(609,271)</b>	<b>(571,382)</b>	<b>(595,676)</b>	<b>(595,676)</b>	<b>(595,676)</b>	<b>(527,603)</b>	<b>(567,458)</b>	<b>(579,758)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans									-	-	-
Borrowing long term/refinancing			50,000						-	-	-
Increase (decrease) in consumer deposits		6,486	7,865	2,332	6,903				-	-	-
<b>Payments</b>											
Repayment of borrowing		42,389	(73,861)	(79,715)	(83,375)	(83,375)	(83,375)	(83,375)	(79,056)	(75,103)	(71,348)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>48,875</b>	<b>(15,995)</b>	<b>(77,383)</b>	<b>(76,471)</b>	<b>(83,375)</b>	<b>(83,375)</b>	<b>(83,375)</b>	<b>(79,056)</b>	<b>(75,103)</b>	<b>(71,348)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>136,691</b>	<b>(291,884)</b>	<b>(210,681)</b>	<b>196,856</b>	<b>(4,360)</b>	<b>(4,360)</b>	<b>(4,360)</b>	<b>38,622</b>	<b>108,859</b>	<b>177,214</b>
Cash/cash equivalents at the year begin:	2	832,933	969,624	677,739	465,479	465,479	465,479	465,479	461,119	499,741	608,600
Cash/cash equivalents at the year end:	2	969,624	677,739	467,058	662,335	461,119	461,119	461,119	499,741	608,600	785,814



## KZN225 Msunduzi - Table A7 Consolidated 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
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		667,847	789,145	854,117	810,753	824,008	824,008	824,008	960,617	1,018,254	1,079,350
Service charges		2,109,869	2,142,938	2,253,415	2,722,393	2,687,042	2,687,042	2,687,042	2,670,162	2,986,224	3,340,957
Other revenue		486,708	89,402	253,032	247,998	180,911	180,911	180,911	148,876	157,809	167,277
Government - operating	1	466,156	497,277	534,424	672,679	671,406	671,406	671,406	672,023	734,742	795,945
Government - capital	1	303,484	436,141	393,921	404,341	425,277	425,277	425,277	439,342	446,236	473,589
Interest		148,692	123,345	231,265	146,284	191,459	191,459	191,459	169,694	179,733	190,368
Dividends			-	-					-	-	-
<b>Payments</b>											
Suppliers and employees		(3,543,100)	(3,604,497)	(3,955,130)	(4,063,723)	(4,196,304)	(4,196,304)	(4,196,304)	(4,329,714)	(4,704,882)	(5,157,099)
Finance charges		(75,072)	(68,463)	(63,181)	(50,688)	(50,672)	(50,672)	(50,672)	(41,660)	(31,793)	(24,371)
Transfers and Grants	1		(29,606)	(25,891)	(45,328)	(58,437)	(58,437)	(58,437)	(44,060)	(34,904)	(37,696)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>564,585</b>	<b>375,682</b>	<b>475,972</b>	<b>844,710</b>	<b>674,691</b>	<b>674,691</b>	<b>674,691</b>	<b>645,280</b>	<b>751,420</b>	<b>828,320</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE									-	-	-
Decrease (Increase) in non-current debtors									-	-	-
Decrease (increase) other non-current receivables			(481)	(183)					-	-	-
Decrease (increase) in non-current investments			373						-	-	-
<b>Payments</b>											
Capital assets		(476,769)	(651,463)	(609,088)	(571,382)	(595,676)	(595,676)	(595,676)	(527,603)	(567,458)	(579,758)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(476,769)</b>	<b>(651,571)</b>	<b>(609,271)</b>	<b>(571,382)</b>	<b>(595,676)</b>	<b>(595,676)</b>	<b>(595,676)</b>	<b>(527,603)</b>	<b>(567,458)</b>	<b>(579,758)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans									-	-	-
Borrowing long term/refinancing			50,000						-	-	-
Increase (decrease) in consumer deposits		6,486	7,865	2,332	6,903				-	-	-
<b>Payments</b>											
Repayment of borrowing		42,389	(73,861)	(79,715)	(83,375)	(83,375)	(83,375)	(83,375)	(79,056)	(75,103)	(71,348)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>48,875</b>	<b>(15,995)</b>	<b>(77,383)</b>	<b>(76,471)</b>	<b>(83,375)</b>	<b>(83,375)</b>	<b>(83,375)</b>	<b>(79,056)</b>	<b>(75,103)</b>	<b>(71,348)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>136,691</b>	<b>(291,884)</b>	<b>(210,681)</b>	<b>196,856</b>	<b>(4,360)</b>	<b>(4,360)</b>	<b>(4,360)</b>	<b>38,622</b>	<b>108,859</b>	<b>177,214</b>
Cash/cash equivalents at the year begin:	2	832,933	969,624	677,739	465,479	465,479	465,479	465,479	461,119	499,741	608,600
Cash/cash equivalents at the year end:	2	969,624	677,739	467,058	662,335	461,119	461,119	461,119	499,741	608,600	785,814



The above table shows that cash and cash equivalents of the City has decreased between the 2015/16 and 2016/17 financial year moving from a positive cash balance of R969.6 million to R467.1 million. It is projected that cash and cash equivalents on hand will decrease to R461.1 million by the financial year end. For the 2020/21 MTREF the budget has been prepared to ensure high levels of cash backed reserves/accumulated surplus.

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

**Table 52 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation****KZN225 Msunduzi - Table A8 Consolidated 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		
		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
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	969,624	677,739	467,058	662,335	461,119	461,119	461,119	499,741	608,600	785,814
Other current investments > 90 days		-	1,437	6,009	77,092	(0)	(0)	(0)	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>969,624</b>	<b>679,176</b>	<b>473,068</b>	<b>739,427</b>	<b>461,119</b>	<b>461,119</b>	<b>461,119</b>	<b>499,741</b>	<b>608,600</b>	<b>785,814</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	(603,563)	(103,112)	23,825	(1,357,236)	196,708	196,708	196,708	305,643	310,605	315,666
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
<b>Total Application of cash and investments:</b>		<b>(603,563)</b>	<b>(103,112)</b>	<b>23,825</b>	<b>(1,357,236)</b>	<b>196,708</b>	<b>196,708</b>	<b>196,708</b>	<b>305,643</b>	<b>310,605</b>	<b>315,666</b>
<b>Surplus(shortfall)</b>		<b>1,573,187</b>	<b>782,288</b>	<b>449,242</b>	<b>2,096,663</b>	<b>264,411</b>	<b>264,411</b>	<b>264,411</b>	<b>194,098</b>	<b>297,995</b>	<b>470,148</b>

From the above table it can be seen that the cash and investments available total to R499.7 million in the 2020/21 financial year and will increase to R785.8 million in 2021/22, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. In the past these have been allowed to 'roll-over' and be spent in the ordinary course of business, but this practice has been discontinued. During the 2017/18 financial year the municipality was required to supply National Treasury with a detailed

analysis of the unspent grants as well as an action plan of spending the grants. The City has received the necessary roll-over approval from the National Treasury as the funding appropriation relating to the unspent conditional grants could be motivated as part of existing projects.

- There is no unspent borrowing from the previous financial years. In terms of the municipality's Borrowing and Investments Policy, borrowings are only drawn down once the expenditure has been incurred against the particular project. Unspent borrowing is ring-fenced and reconciled on a monthly basis to ensure no unnecessary liabilities are incurred.
- The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. High levels of debtor non-payment and receipt delays will have a greater requirement for working capital, Any underperformance in relation to collections could place upward pressure on the ability of the City to meet its creditor obligations.

It can be concluded that the City has a surplus against the cash backed and accumulated surpluses reconciliation.

#### 2.14.4 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

**Table 53 MBRR SA10 – Funding compliance measurement**

**KZN225 Msunduzi Supporting Table SA10 Funding measurement**

Description	MFMA section	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>Funding measures</b>												
Cash/cash equivalents at the year end - R'000	18(1)b	1	969,624	677,739	467,058	662,335	461,119	461,119	461,119	499,741	608,600	785,814
Cash + investments at the yr end less applications - R'000	18(1)b	2	1,573,187	782,288	449,242	2,096,663	264,411	264,411	264,411	194,098	297,995	470,148
Cash year end/monthly employee/supplier payments	18(1)b	3	3.4	2.0	1.3	1.9	1.3	1.3	1.3	1.3	1.5	1.7
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	178,139	(236,435)	10,402	507,467	471,307	471,307	471,307	715,458	864,652	987,045
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(5.9%)	13.5%	(7.5%)	(6.6%)	(6.0%)	(6.0%)	10.3%	4.3%	4.4%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	91.2%	84.5%	79.2%	87.5%	86.7%	86.7%	86.7%	76.9%	77.0%	77.1%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	2.8%	15.1%	8.8%	2.8%	2.8%	2.8%	2.8%	2.6%	2.5%	2.4%
Capital payments % of capital expenditure	18(1)c;19	8	98.7%	100.5%	102.4%	100.0%	100.0%	100.0%	100.0%	95.0%	95.0%	95.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	20.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	(11.7%)	27.3%	33.1%	(52.2%)	0.0%	0.0%	(0.1%)	2.0%	2.0%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	5.3%	0.0%	(4.9%)	(100.0%)	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	2.1%	3.2%	0.0%	2.8%	3.0%	3.0%	1.4%	1.4%	1.4%	1.4%
Asset renewal % of capital budget	20(1)(vi)	14	61.6%	79.6%	42.3%	67.8%	52.8%	52.8%	0.0%	3.5%	4.1%	3.1%

#### *2.14.4.1 Cash/cash equivalent position*

The City's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2020/21 MTREF shows R499.7 million, R608.6 million and R785.8 million for each respective financial year.

#### *2.14.4.2 Cash plus investments less application of funds*

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 25, on page 48. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

#### *2.14.4.3 Monthly average payments covered by cash or cash equivalents*

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the City to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts. . As part of the 2020/21 MTREF the municipalities improving cash position causes the ratio to move upwards to 2.1 and then increases to 3.4 for the outer years.

#### 2.14.4.4 *Surplus/deficit excluding depreciation offsets*

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. For the 2020/21 MTREF the indicative outcome is a surplus of R715 million, R865 million and R987 million.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

#### 2.14.4.5 *Property Rates/service charge revenue as a percentage increase less macro inflation target*

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 3 - 6 per cent). The result is intended to be an approximation of the real increase in revenue. From the table above it can be seen that the percentage growth totals 8.3, 3.3 and 3.0 per cent for the respective financial year of the 2020/21 MTREF. Considering the lowest percentage tariff increase in relation to revenue generated from rates and services charges is 6.0 per cent, with the increase in water at 9.6 per cent it is to be expected that the increase in revenue will exceed the inflation target figures. However, the outcome is lower in the outer years of the MTREF that it might be due to the slowdown in the economy and a reduction in consumption patterns. This trend will have to be carefully monitored and managed with the implementation of the budget.

#### *2.14.4.6 Cash receipts as a percentage of ratepayer and other revenue*

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 88.2, 86.9 and 87.1 per cent for each of the respective financial years. Given that the assumed collection rate was based on a 80 per cent performance target, the cash flow statement has been conservatively determined. In addition the risks associated with objections to the valuation roll need to be clarified and hence the conservative approach, also taking into consideration the cash flow challenges experienced in the current financial year. This measure and performance objective will have to be meticulously managed.

#### *2.14.4.7 Debt impairment expense as a percentage of billable revenue*

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 3.7, 3.7 and 3.6 per cent over the MTREF. Considering the municipality's revenue management strategy's objective to collect outstanding debtors of 90 days, the provision is well within the accepted leading practice.

#### *2.14.4.8 Capital payments percentage of capital expenditure*

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

#### *2.14.4.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)*

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded. It can be seen that borrowing equates to 45.5, 29.4 and zero per cent of own funded capital. Further details relating to the borrowing strategy of the City can be found on page 68.

#### *2.14.4.10 Transfers/grants revenue as a percentage of Government transfers/grants available*

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The City has budgeted for all transfers.

#### *2.14.4.11 Consumer debtors change (Current and Non-current)*

The purposes of these measures are to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. Both measures show a relatively stable trend in line with the City's policy of settling debtors accounts within 30 days. Although there is a spike in the 2018/19 financial year, this levels out in the following years.

#### *2.14.4.12 Repairs and maintenance expenditure level*

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. Details of the City's strategy pertaining to asset management and repairs and maintenance are contained in Table 60 MBRR SA34C on page 103.

#### *2.14.4.13 Asset renewal/rehabilitation expenditure level*

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable



and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets. Further details in this regard are contained in Table 59 MBRR SA34b on page 90.

**2.15 Table 54 MBRR SA19 - Expenditure on transfers and grant programmes**

**KZN225 Msunduzi - Supporting Table SA19 Expenditure on transfers and grant programme**

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
<b>EXPENDITURE:</b>										
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		<b>437,999</b>	<b>467,989</b>	<b>520,105</b>	<b>580,856</b>	<b>580,856</b>	<b>580,856</b>	<b>613,782</b>	<b>661,241</b>	<b>718,960</b>
Local Government Equitable Share		395,786	432,307	468,430	505,853	505,853	505,853	546,052	593,281	645,960
Finance Management		1,600	1,625	1,700	1,700	1,700	1,700	1,700	1,700	1,964
Municipal Systems Improvement		482								
EPWP Incentive		4,032	3,913	8,022	2,867	2,867	2,867	4,200		
Water Services Operating Subsidy										
Public Transport Infrastructure		27,408	15,108	21,001	48,773	48,773	48,773	43,830	46,460	48,776
Energy Efficiency and Demand Management										
Operating costs-MIG		8,690	15,036	20,951	21,663	21,663	21,663	18,000	19,800	22,260
Neighbourhood Development Partnership Technical ass										
<b>Provincial Government:</b>		<b>28,051</b>	<b>28,143</b>	<b>69,167</b>	<b>28,281</b>	<b>28,281</b>	<b>28,281</b>	<b>58,346</b>	<b>73,182</b>	<b>75,110</b>
Provincial Government:			1,075							
Expanded Public Works Grant										
Sport and Recreation										
Human Settlements		11,225	11,655	53,499	8,281	8,281	8,281	26,369	29,010	29,050
Arts and Culture- Community Library Services		6,618		612	643	643	643	10,061	21,587	22,786
Arts and Culture- Provincialisation		9,940	15,386	14,636	18,916	18,916	18,916			
Arts and Culture-Museum Subsidies								463	488	515
COGTA		268	27	420	441	441	441	21,453	22,097	22,760
<b>District Municipality:</b>		<b>106</b>	<b>1,145</b>							
<i>[insert description]</i>										
<b>Other grant providers:</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>[insert description]</i>										
<b>Total operating expenditure of Transfers and Grants</b>		<b>466,156</b>	<b>497,277</b>	<b>589,271</b>	<b>609,137</b>	<b>609,137</b>	<b>609,137</b>	<b>672,127</b>	<b>734,423</b>	<b>794,071</b>
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		<b>270,402</b>	<b>411,530</b>	<b>447,390</b>	<b>404,344</b>	<b>404,344</b>	<b>404,344</b>	<b>429,351</b>	<b>446,236</b>	<b>473,589</b>
Municipal Infrastructure Grant (MIG)		182,668	174,517	180,188	171,653	171,653	171,653	179,516	189,336	197,333
Public Transport and Systems		18,140	184,923	189,012	150,331	150,331	150,331	150,835	158,900	171,986
Neighbourhood Development Partnership		10,231	1,955	40,000	42,360	42,360	42,360	50,000	55,000	59,271
Dept of Mineral/Electricity										
Intergrated National Electrification Porgramme		8,771	4,115							
Municipal Systems Improvement										
Municipal Water Infrastructure Grant		415	38,021	38,191	40,000	40,000	40,000	41,000	43,000	45,000
Energy Efficiency and Demand Management		50,176	8,000					8,000		
<b>Provincial Government:</b>		<b>17,710</b>	<b>23,144</b>	<b>12,867</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,991</b>	<b>-</b>	<b>-</b>
Airport Development Project										
Sport and Recreation										
KZNPA		1,004								
Arts and Culture-Museum Subsidies		3,635	8,598	5,467				9,991		
COGTA		2,466		1,000						
Human Settlement		10,605	14,546	6,400						
<b>0</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>[insert description]</i>										
<b>Other grant providers:</b>		<b>4,386</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>SANEDI</i>		4,386								
<b>Total capital expenditure of Transfers and Grants</b>		<b>292,498</b>	<b>434,674</b>	<b>460,257</b>	<b>404,344</b>	<b>404,344</b>	<b>404,344</b>	<b>439,342</b>	<b>446,236</b>	<b>473,589</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		<b>758,654</b>	<b>931,951</b>	<b>1,049,529</b>	<b>1,013,481</b>	<b>1,013,481</b>	<b>1,013,481</b>	<b>1,111,470</b>	<b>1,180,659</b>	<b>1,267,660</b>

**2.16 Councillor and employee benefits**

**Table 55 MBRR SA22 - Summary of councillor and staff benefits**

<b>KZN225 Msunduzi - Supporting Table SA22 Summary councillor and staff benefits</b>											
<b>Summary of Employee and Councillor remuneration</b>											
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	
<b>Councillors (Political Office Bearers plus Other)</b>											
	1	26,932	33,616	31,250	32,324	32,324	32,324	15,156	16,065	17,029	
		3,419	4,069	3,880	4,080	4,080	4,080	6,021	6,382	6,765	
		2,195	474	1,442	1,599	1,599	1,599	10,104	10,710	11,353	
		7,085	4,662	6,178	8,231	8,231	8,231	10,104	10,710	11,353	
		1,933	1,243	2,144	2,295	2,295	2,295	5,052	5,355	5,676	
		140	(2,273)	127	46	46	46	5,052	5,355	5,676	
		60	1,783								
		41,763	43,574	45,020	48,574	48,574	48,574	51,488	54,577	57,852	
	4		4.3%	3.3%	7.9%	-	-	6.0%	7.9%	6.0%	
<b>Senior Managers of the Municipality</b>											
	2		9,305	8,665	8,992	8,992	8,992	9,991	10,790	11,653	
			1,149	1,119	991	991	991	1,369	1,479	1,597	
			116	122	160	160	160	151	163	176	
				476				625	675	729	
	3		1,201	1,055	1,200	1,200	1,200	1,200	1,296	1,400	
	3		121	111	108	108	108	104	113	122	
	3		878	683	647	647	647	710	767	828	
	3			52							
	6										
	4		12,770	12,285	12,097	12,097	12,097	14,150	15,283	16,505	
				(3.8%)	(1.5%)	-	-	17.0%	8.0%	8.0%	
<b>Other Municipal Staff</b>											
		565,691	604,402	657,448	808,676	810,508	810,508	873,322	943,034	1,018,263	
		119,639	138,100	150,449	163,050	163,420	163,420	177,669	191,868	207,189	
		41,629	56,542	47,300	56,850	56,979	56,979	66,846	72,191	77,961	
		49,205	56,664	59,438	54,574	54,574	54,574	70,152	75,764	81,825	
		38,822	41,972	58,800	57,987	57,987	57,987	66,720	72,052	77,806	
	3		13,135	16,092	21,088	21,088	21,088	23,338	25,187	27,174	
	3		4,335	2,918	434	434	434	4,062	4,385	4,734	
	3		4,027	3,843	7,214	7,214	7,214	7,336	7,923	8,567	
	3		82,336	30,123	95,369	13,846	13,846	43,995	47,515	51,316	
	6		22,222	15,041	16,926	20,423	20,423	22,777	24,599	26,567	
	6				20,423	20,423	20,423	22,777	24,599	26,567	
	4		938,283	977,341	1,108,583	1,204,143	1,206,474	1,206,474	1,356,217	1,464,518	
			4.2%	13.4%	8.6%	0.2%	-	12.4%	8.0%	8.0%	
<b>Total Parent Municipality</b>											
		980,046	1,033,685	1,165,888	1,264,814	1,267,144	1,267,144	1,421,856	1,534,377	1,655,749	
			5.5%	12.8%	8.5%	0.2%	-	12.2%	7.9%	7.9%	
<b>Board Members of Entities</b>											
	3										
	3										
	3										
	3										
	3										
	3										
	6										
	4				431	431	431	454	499	549	
	4							5.1%	10.0%	10.0%	
<b>Senior Managers of Entities</b>											
								7,390	8,129	8,941	
								542	596	655	
								828	910	1,001	
								1,100	1,210	1,331	
	3							60	66	73	
	3							107	113	130	
	3							22	24	27	
	6										
	4							10,048	11,053	12,158	
								10.0%	10.0%	10.0%	
<b>Other Staff of Entities</b>											
	3										
	3										
	3										
	3										
	6										
	4										
<b>Total Municipal Entities</b>											
					431	431	431	10,502	11,552	12,707	
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>											
	4	980,046	1,033,685	1,165,888	1,265,245	1,267,576	1,267,576	1,432,357	1,545,929	1,668,455	
			5.5%	12.8%	8.5%	0.2%	-	13.0%	7.9%	7.9%	
<b>TOTAL MANAGERS AND STAFF</b>											
	5,7	938,283	990,111	1,120,868	1,216,240	1,218,571	1,218,571	1,380,416	1,490,853	1,610,055	

**Table 56 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)**

**KZN225 Msunduzi - 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.
<b>Councillors</b>	3							
Speaker	4		921,080	97,454	251,925			1,270,459
Chief Whip			870,643	144,756	152,437			1,167,836
Executive Mayor			1,273,960	227,417	57,920			1,559,296
Deputy Executive Mayor			885,681	132,852	251,927			1,270,460
Executive Committee			7,221,323	981,093	1,140,273			9,342,690
Total for all other councillors			20,988,350	4,143,752	8,830,654			33,962,756
<b>Total Councillors</b>	8	-	<b>32,161,037</b>	<b>5,727,325</b>	<b>10,685,136</b>			<b>48,573,498</b>
<b>Senior Managers of the Municipality</b>	5							
Municipal Manager (MM)			1,563,679	186,912	273,877			2,024,468
Chief Finance Officer			1,428,929	130,761	415,128			1,974,818
DMM: Corporate Services			1,550,474	287,479	154,649			1,992,602
DMM: Community Services			1,522,019	219,498	249,752			1,991,268
DMM: Sustainable Development and City Enterprises			1,459,243	133,481	453,432			2,046,156
DMM: Infrastructure Services			1,467,277	192,640	407,901			2,067,818
List of each official with packages >= senior manager								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
<b>Total Senior Managers of the Municipality</b>	8,10	-	<b>8,991,620</b>	<b>1,150,770</b>	<b>1,954,739</b>	-		<b>12,097,129</b>
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	10	-	<b>41,152,656</b>	<b>6,878,095</b>	<b>12,639,875</b>	-		<b>60,670,627</b>

**Table 57 MBRR SA24 – Summary of personnel numbers**

## KZN225 Msunduzi - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2017/18			Current Year 2018/19			Budget Year 2019/20		
		Number	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees
<b>Municipal Council and Boards of Municipal Entities</b>										
Councillors (Political Office Bearers plus Other Councillors)			73		73		73	73		73
Board Members of municipal entities	4									
<b>Municipal employees</b>	5									
Municipal Manager and Senior Managers	3	6	4	1	6	4	1	6	4	1
Other Managers	7	25	15	1	25	17	1	25	21	2
Professionals		409	195	8	409	213	8	409	204	10
<i>Finance</i>		31	12	–	31	17	1	31	15	1
<i>Spatial/town planning</i>		11	7	1	11	14		11	9	–
<i>Information Technology</i>		4	3	(1)	4	4		4	3	–
<i>Roads</i>		107	44	1	107	45		107	45	–
<i>Electricity</i>		26	4	–	26	5	2	26	7	2
<i>Water</i>		77	24	–	77	27		77	26	–
<i>Sanitation</i>		1	1	–	1	7		1	1	–
<i>Refuse</i>		2	2	–	2	3		2	3	–
<i>Other</i>		150	98	7	150	91	5	150	95	7
Technicians		1,377	728	19	1,377	627	23	1,377	729	26
<i>Finance</i>		131	82	1	131	74		131	84	2
<i>Spatial/town planning</i>		45	18	2	45	14	17	45	16	9
<i>Information Technology</i>		21	19	–	21	17	2	21	20	
<i>Roads</i>		23	16	–	23	14		23	18	1
<i>Electricity</i>		218	68	5	218	57		218	69	3
<i>Water</i>		58	45	–	58	16		58	41	1
<i>Sanitation</i>		32	5	1	32	11		32	8	
<i>Refuse</i>		19	12	1	19	12		19	14	1
<i>Other</i>		830	463	9	830	412	4	830	459	9
Clerks (Clerical and administrative)		554	321	12	554	341	2	554	347	12
Service and sales workers		383	18	3	383	212	73	383	27	3
Skilled agricultural and fishery workers		23	21	2	23	24	4	23	24	2
Craft and related trades		167	80	4	167	82	4	167	80	4
Plant and Machine Operators		365	137		365	147		365	139	
Elementary Occupations		2,571	1,388	13	2,571	1,539	8	2,571	1,317	12
<b>TOTAL PERSONNEL NUMBERS</b>	9	<b>5,953</b>	<b>2,907</b>	<b>136</b>	<b>5,953</b>	<b>3,206</b>	<b>197</b>	<b>5,953</b>	<b>2,892</b>	<b>145</b>
<b>% increase</b>					–	10.3%	44.9%	–	(9.8%)	(26.4%)
<b>Total municipal employees headcount</b>	6, 10									
Finance personnel headcount	8, 10	<b>673</b>	<b>434</b>	<b>30</b>	<b>673</b>	<b>419</b>	<b>28</b>	<b>673</b>	<b>425</b>	<b>33</b>
Human Resources personnel headcount	8, 10	<b>150</b>	<b>47</b>	<b>5</b>	<b>150</b>	<b>64</b>	<b>13</b>	<b>150</b>	<b>205</b>	<b>6</b>



## **2.17 Monthly targets for revenue, expenditure and cash flow**

### **2.9.1 Table 58 MBRR SA25 - Budgeted monthly revenue and expenditure**

KZN225 Msunduzi - Supporting Table SA25 Consolidated 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
<b>Revenue By Source</b>																
Property rates		80,875	80,875	80,875	80,875	80,875	80,875	80,875	80,875	80,875	80,875	80,875	311,149	1,200,772	1,272,818	1,349,187
Service charges - electricity revenue		192,428	192,428	192,428	192,428	192,428	192,428	192,428	192,428	192,428	192,428	192,428	301,233	2,417,938	2,733,962	3,091,291
Service charges - water revenue		55,243	55,243	55,243	55,243	55,243	55,243	55,243	55,243	55,243	55,243	55,243	55,288	662,966	726,611	796,366
Service charges - sanitation revenue		12,123	12,123	12,123	12,123	12,123	12,123	12,123	12,123	12,123	12,123	12,123	12,123	145,475	154,204	163,456
Service charges - refuse revenue		9,277	9,277	9,277	9,277	9,277	9,277	9,277	9,277	9,277	9,277	9,277	9,276	111,324	118,003	125,083
Rental of facilities and equipment		2,319	2,319	2,319	2,319	2,319	2,319	2,319	2,319	2,319	2,319	2,319	2,319	27,827	29,496	31,266
Interest earned - external investments		2,372	2,372	2,372	2,372	2,372	2,372	2,372	2,372	2,372	2,372	(11,394)	14,702	15,442	16,220	
Interest earned - outstanding debtors		16,145	16,145	16,145	16,145	16,145	16,145	16,145	16,145	16,145	16,145	16,145	16,145	193,740	205,364	217,686
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1,339	1,339	1,339	1,339	1,339	1,339	1,339	1,339	1,339	1,339	1,339	1,339	16,064	17,028	18,050
Licences and permits		89	89	89	89	89	89	89	89	89	89	89	89	1,071	1,136	1,204
Agency services		48	48	48	48	48	48	48	48	48	48	48	48	576	611	647
Transfers and subsidies		57,064	57,064	57,064	57,064	57,064	57,064	57,064	57,064	57,064	57,064	44,317	672,023	734,742	795,945	
Other revenue		11,679	11,679	11,679	11,679	11,679	11,679	11,679	11,679	11,679	11,679	11,679	140,145	148,554	157,467	
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>441,001</b>	<b>441,001</b>	<b>441,001</b>	<b>441,001</b>	<b>441,001</b>	<b>441,001</b>	<b>441,001</b>	<b>441,001</b>	<b>441,001</b>	<b>441,001</b>	<b>441,001</b>	<b>753,610</b>	<b>5,604,622</b>	<b>6,157,970</b>	<b>6,763,867</b>
<b>Expenditure By Type</b>																
Employee related costs		114,154	114,154	114,154	114,154	114,154	114,154	114,154	114,154	114,154	114,154	114,154	200,180	1,455,869	1,536,352	1,655,604
Remuneration of councillors		4,291	4,291	4,291	4,291	4,291	4,291	4,291	4,291	4,291	4,291	4,291	4,291	51,488	54,577	57,852
Debt impairment		9,741	9,741	9,741	9,741	9,741	9,741	9,741	9,741	9,741	9,741	9,741	9,741	116,891	123,901	131,332
Depreciation & asset impairment		40,923	40,923	40,923	40,923	40,923	40,923	40,923	40,923	40,923	40,923	40,923	41,872	492,025	516,580	542,365
Finance charges		3,472	3,472	3,472	3,472	3,472	3,472	3,472	3,472	3,472	3,472	3,472	3,472	41,660	31,793	24,371
Bulk purchases		183,749	183,749	183,749	183,749	183,749	183,749	183,749	183,749	183,749	183,749	183,749	261,365	2,282,600	2,561,795	2,875,643
Other materials		4,643	4,643	4,643	4,643	4,643	4,643	4,643	4,643	4,643	4,643	4,643	4,685	55,756	57,943	59,990
Contracted services		49,873	49,873	49,873	49,873	49,873	49,873	49,873	49,873	49,873	49,873	49,873	38,638	587,242	620,921	656,528
Transfers and subsidies		4,908	4,908	4,908	4,908	4,908	4,908	4,908	4,908	4,908	4,908	4,908	(7,612)	46,379	36,741	39,680
Other expenditure		16,409	16,409	16,409	16,409	16,409	16,409	16,409	16,409	16,409	16,409	16,409	18,056	198,552	198,907	207,000
Loss on disposal of PPE		4	4	4	4	4	4	4	4	4	4	4	4	43	45	46
<b>Total Expenditure</b>		<b>432,165</b>	<b>432,165</b>	<b>432,165</b>	<b>432,165</b>	<b>432,165</b>	<b>432,165</b>	<b>432,165</b>	<b>432,165</b>	<b>432,165</b>	<b>432,165</b>	<b>432,165</b>	<b>574,691</b>	<b>5,328,507</b>	<b>5,739,555</b>	<b>6,250,412</b>
<b>Surplus/(Deficit)</b>																
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		35,613	35,613	35,613	35,613	35,613	35,613	35,613	35,613	35,613	35,613	35,613	47,604	439,342	446,236	473,589
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>44,449</b>	<b>44,449</b>	<b>44,449</b>	<b>44,449</b>	<b>44,449</b>	<b>44,449</b>	<b>44,449</b>	<b>44,449</b>	<b>44,449</b>	<b>44,449</b>	<b>44,449</b>	<b>226,523</b>	<b>715,458</b>	<b>864,652</b>	<b>987,045</b>
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>44,449</b>	<b>44,449</b>	<b>44,449</b>	<b>44,449</b>	<b>44,449</b>	<b>44,449</b>	<b>44,449</b>	<b>44,449</b>	<b>44,449</b>	<b>44,449</b>	<b>44,449</b>	<b>226,523</b>	<b>715,458</b>	<b>864,652</b>	<b>987,045</b>

**2.9.2 Table 59 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)**

**KZN225 Msunduzi - Supporting Table SA26 Consolidated 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
<b>Revenue by Vote</b>																
Vote 1 - City Manager		5	5	5	5	5	5	5	5	5	5	5	5	57	60	64
Vote 2 - City Finance		157,672	157,672	157,672	157,672	157,672	157,672	157,672	157,672	157,672	157,672	157,672	42,848	1,777,245	1,891,798	2,014,888
Vote 3 - Community Services and Social Equity		17,561	17,561	17,561	17,561	17,561	17,561	17,561	17,561	17,561	17,561	17,561	17,561	210,737	224,707	239,520
Vote 4 - Corporate Services		545	545	545	545	545	545	545	545	545	545	545	545	6,542	2,482	2,631
Vote 5 - Infrastructure Services		340,576	340,576	340,576	340,576	340,576	340,576	340,576	340,576	340,576	340,576	340,576	426,937	4,173,277	4,620,168	5,130,069
Vote 6 - Sustainable Development and City Enterprises		15,340	15,340	15,340	15,340	15,340	15,340	15,340	15,340	15,340	15,340	15,340	15,340	184,080	197,541	209,477
<b>Total Revenue by Vote</b>		<b>531,700</b>	<b>531,700</b>	<b>531,700</b>	<b>531,700</b>	<b>531,700</b>	<b>531,700</b>	<b>531,700</b>	<b>531,700</b>	<b>531,700</b>	<b>531,700</b>	<b>531,700</b>	<b>503,237</b>	<b>6,351,937</b>	<b>6,936,756</b>	<b>7,596,650</b>
<b>Expenditure by Vote to be appropriated</b>																
Vote 1 - City Manager		14,800	14,800	14,800	14,800	14,800	14,800	14,800	14,800	14,800	14,800	14,800	14,800	177,602	172,608	182,867
Vote 2 - City Finance		86,378	86,378	86,378	86,378	86,378	86,378	86,378	86,378	86,378	86,378	86,378	86,378	691,436	730,835	772,978
Vote 3 - Community Services and Social Equity		62,149	62,149	62,149	62,149	62,149	62,149	62,149	62,149	62,149	62,149	62,149	59,274	742,913	794,150	849,662
Vote 4 - Corporate Services		18,278	18,278	18,278	18,278	18,278	18,278	18,278	18,278	18,278	18,278	18,278	18,278	289,335	273,901	291,254
Vote 5 - Infrastructure Services		282,991	282,991	282,991	282,991	282,991	282,991	282,991	282,991	282,991	282,991	282,991	339,021	3,451,918	3,800,671	4,195,730
Vote 6 - Sustainable Development and City Enterprises		24,641	24,641	24,641	24,641	24,641	24,641	24,641	24,641	24,641	24,641	24,641	12,225	283,276	299,940	317,113
<b>Total Expenditure by Vote</b>		<b>489,236</b>	<b>489,236</b>	<b>489,236</b>	<b>489,236</b>	<b>489,236</b>	<b>489,236</b>	<b>489,236</b>	<b>489,236</b>	<b>489,236</b>	<b>489,236</b>	<b>489,236</b>	<b>254,878</b>	<b>5,636,480</b>	<b>6,072,104</b>	<b>6,609,605</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>42,464</b>	<b>42,464</b>	<b>42,464</b>	<b>42,464</b>	<b>42,464</b>	<b>42,464</b>	<b>42,464</b>	<b>42,464</b>	<b>42,464</b>	<b>42,464</b>	<b>42,464</b>	<b>248,359</b>	<b>715,458</b>	<b>864,652</b>	<b>987,045</b>
Taxation														-	-	-
Attributable to minorities														-	-	-
Share of surplus/ (deficit) of associate														-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>42,464</b>	<b>42,464</b>	<b>42,464</b>	<b>42,464</b>	<b>42,464</b>	<b>42,464</b>	<b>42,464</b>	<b>42,464</b>	<b>42,464</b>	<b>42,464</b>	<b>42,464</b>	<b>248,359</b>	<b>715,458</b>	<b>864,652</b>	<b>987,045</b>

**2.9.3 Table 60 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)**

KZN225 Msunduzi - Supporting Table SA27 Consolidated 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	
<b>Revenue - Functional</b>																	
<b>Governance and administration</b>		160,712	160,712	160,712	160,712	160,712	160,712	160,712	160,712	160,712	160,712	160,712	42,330	1,810,165	1,922,534	2,048,306	
Executive and council		355	355	355	355	355	355	355	355	355	355	355	355	4,257	60	64	
Finance and administration		160,357	160,357	160,357	160,357	160,357	160,357	160,357	160,357	160,357	160,357	160,357	41,975	1,805,908	1,922,474	2,048,242	
Internal audit																	
<b>Community and public safety</b>		9,124	9,124	9,124	9,124	9,124	9,124	9,124	9,124	9,124	9,124	9,124	9,019	109,380	117,116	123,847	
Community and social services		2,074	2,074	2,074	2,074	2,074	2,074	2,074	2,074	2,074	2,074	2,074	2,074	24,887	26,710	28,214	
Sport and recreation		865	865	865	865	865	865	865	865	865	865	865	865	10,384	11,006	11,919	
Public safety		301	301	301	301	301	301	301	301	301	301	301	301	3,606	3,823	4,052	
Housing		5,884	5,884	5,884	5,884	5,884	5,884	5,884	5,884	5,884	5,884	5,884	5,779	70,503	75,578	79,662	
Health																	
<b>Economic and environmental services</b>		26,057	26,057	26,057	26,057	26,057	26,057	26,057	26,057	26,057	26,057	26,057	29,720	316,347	335,401	353,418	
Planning and development		4,492	4,492	4,492	4,492	4,492	4,492	4,492	4,492	4,492	4,492	4,492	4,492	53,904	59,139	63,658	
Road transport		21,556	21,556	21,556	21,556	21,556	21,556	21,556	21,556	21,556	21,556	21,556	25,219	262,339	276,153	289,644	
Environmental protection		9	9	9	9	9	9	9	9	9	9	9	9	104	110	116	
<b>Trading services</b>		330,898	330,898	330,898	330,898	330,898	330,898	330,898	330,898	330,898	330,898	330,898	417,260	4,057,142	4,499,267	5,004,895	
Energy sources		199,839	199,839	199,839	199,839	199,839	199,839	199,839	199,839	199,839	199,839	199,839	286,200	2,484,433	2,796,740	3,158,966	
Water management		97,143	97,143	97,143	97,143	97,143	97,143	97,143	97,143	97,143	97,143	97,143	97,143	1,165,717	1,269,596	1,384,058	
Waste water management		20,202	20,202	20,202	20,202	20,202	20,202	20,202	20,202	20,202	20,202	20,202	20,202	242,423	257,492	274,730	
Waste management		13,714	13,714	13,714	13,714	13,714	13,714	13,714	13,714	13,714	13,714	13,714	13,714	164,570	175,439	187,140	
<b>Other</b>		4,909	4,909	4,909	4,909	4,909	4,909	4,909	4,909	4,909	4,909	4,909	4,909	58,902	62,437	66,183	
<b>Total Revenue - Functional</b>		531,700	531,700	531,700	531,700	531,700	531,700	531,700	531,700	531,700	531,700	531,700	503,237	6,351,937	6,936,756	7,596,650	
<b>Expenditure - Functional</b>																	
<b>Governance and administration</b>		140,174	140,174	140,174	140,174	140,174	140,174	140,174	140,174	140,174	140,174	140,174	(124,820)	1,417,089	1,441,413	1,527,676	
Executive and council		15,780	15,780	15,780	15,780	15,780	15,780	15,780	15,780	15,780	15,780	15,780	15,780	189,361	181,451	193,135	
Finance and administration		123,220	123,220	123,220	123,220	123,220	123,220	123,220	123,220	123,220	123,220	123,220	(141,773)	1,213,645	1,245,140	1,318,926	
Internal audit		1,174	1,174	1,174	1,174	1,174	1,174	1,174	1,174	1,174	1,174	1,174	1,174	14,083	14,822	15,615	
<b>Community and public safety</b>		45,210	45,210	45,210	45,210	45,210	45,210	45,210	45,210	45,210	45,210	45,210	23,383	520,693	567,881	606,903	
Community and social services		10,404	10,404	10,404	10,404	10,404	10,404	10,404	10,404	10,404	10,404	10,404	1,098	115,536	134,479	143,642	
Sport and recreation		10,478	10,478	10,478	10,478	10,478	10,478	10,478	10,478	10,478	10,478	10,478	10,478	125,730	134,612	144,156	
Public safety		16,068	16,068	16,068	16,068	16,068	16,068	16,068	16,068	16,068	16,068	16,068	3,547	180,294	194,331	209,534	
Housing		8,239	8,239	8,239	8,239	8,239	8,239	8,239	8,239	8,239	8,239	8,239	8,239	98,865	104,184	109,287	
Health		22	22	22	22	22	22	22	22	22	22	22	22	268	276	284	
<b>Economic and environmental services</b>		20,917	20,917	20,917	20,917	20,917	20,917	20,917	20,917	20,917	20,917	20,917	20,917	251,002	264,034	278,032	
Planning and development		6,783	6,783	6,783	6,783	6,783	6,783	6,783	6,783	6,783	6,783	6,783	6,783	81,395	86,829	92,662	
Road transport		12,617	12,617	12,617	12,617	12,617	12,617	12,617	12,617	12,617	12,617	12,617	12,617	151,400	157,723	164,502	
Environmental protection		1,517	1,517	1,517	1,517	1,517	1,517	1,517	1,517	1,517	1,517	1,517	1,517	18,206	19,482	20,868	
<b>Trading services</b>		277,065	277,065	277,065	277,065	277,065	277,065	277,065	277,065	277,065	277,065	277,065	329,526	3,377,237	3,724,599	4,118,983	
Energy sources		163,758	163,758	163,758	163,758	163,758	163,758	163,758	163,758	163,758	163,758	163,758	219,882	2,021,215	2,260,206	2,530,635	
Water management		75,592	75,592	75,592	75,592	75,592	75,592	75,592	75,592	75,592	75,592	75,592	75,592	907,107	985,174	1,070,858	
Waste water management		26,960	26,960	26,960	26,960	26,960	26,960	26,960	26,960	26,960	26,960	26,960	23,297	319,855	342,186	371,728	
Waste management		10,755	10,755	10,755	10,755	10,755	10,755	10,755	10,755	10,755	10,755	10,755	10,755	129,060	137,034	145,761	
<b>Other</b>		5,872	5,872	5,872	5,872	5,872	5,872	5,872	5,872	5,872	5,872	5,872	5,872	70,459	74,177	78,011	
<b>Total Expenditure - Functional</b>		489,236	489,236	489,236	489,236	489,236	489,236	489,236	489,236	489,236	489,236	489,236	254,878	5,636,480	6,072,104	6,609,605	
<b>Surplus/(Deficit) before assoc.</b>		42,464	42,464	42,464	42,464	42,464	42,464	42,464	42,464	42,464	42,464	42,464	248,359	715,458	864,652	987,045	
Share of surplus/ (deficit) of associate																	
<b>Surplus/(Deficit)</b>	1	42,464	42,464	42,464	42,464	42,464	42,464	42,464	42,464	42,464	42,464	42,464	248,359	715,458	864,652	987,045	

**2.9.4 Table 61 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)**

**KZN225 Msunduzi - Supporting Table SA28 Consolidated 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
<b>Multi-year expenditure to be appropriated</b>	1															
Vote 1 - City Manager		833	833	833	833	833	833	833	833	833	833	833	(4,035)	5,132	5,132	5,132
Vote 2 - City Finance		2,320	2,320	2,320	2,320	2,320	2,320	2,320	2,320	2,320	2,320	2,320	(3,015)	22,500	18,550	18,600
Vote 3 - Community Services and Social Equity		2,143	2,143	2,143	2,143	2,143	2,143	2,143	2,143	2,143	2,143	2,143	(599)	22,975	41,566	35,596
Vote 4 - Corporate Services		433	433	433	433	433	433	433	433	433	433	433	(4,067)	700	200	200
Vote 5 - Infrastructure Services		31,649	31,649	31,649	31,649	31,649	31,649	31,649	31,649	31,649	31,649	31,649	29,733	377,870	378,274	402,855
Vote 6 - Sustainable Development and City Enterprises		5,355	5,355	5,355	5,355	5,355	5,355	5,355	5,355	5,355	5,355	5,355	1,886	60,790	121,945	119,442
<b>Capital multi-year expenditure sub-total</b>	2	<b>42,733</b>	<b>42,733</b>	<b>42,733</b>	<b>42,733</b>	<b>42,733</b>	<b>42,733</b>	<b>42,733</b>	<b>42,733</b>	<b>42,733</b>	<b>42,733</b>	<b>42,733</b>	<b>19,904</b>	<b>489,966</b>	<b>565,667</b>	<b>581,824</b>
<b>Single-year expenditure to be appropriated</b>																
Vote 1 - City Manager													4,869	4,869	1,548	1,548
Vote 2 - City Finance													12,335	12,335	10,510	11,150
Vote 3 - Community Services and Social Equity													12,991	12,991	6,000	2,700
Vote 4 - Corporate Services													4,500	4,500	5,000	5,000
Vote 5 - Infrastructure Services													27,501	27,501	4,100	4,700
Vote 6 - Sustainable Development and City Enterprises													3,210	3,210	4,500	3,350
<b>Capital single-year expenditure sub-total</b>	2	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>65,406</b>	<b>65,406</b>	<b>31,658</b>	<b>28,448</b>
<b>Total Capital Expenditure</b>	2	<b>42,733</b>	<b>42,733</b>	<b>42,733</b>	<b>42,733</b>	<b>42,733</b>	<b>42,733</b>	<b>42,733</b>	<b>42,733</b>	<b>42,733</b>	<b>42,733</b>	<b>42,733</b>	<b>85,309</b>	<b>555,371</b>	<b>597,324</b>	<b>610,272</b>

**2.9.5 Table 62 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)**

**KZN225 Msunduzi - Supporting Table SA29 Consolidated 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	
<b>Capital Expenditure - Functional</b>	1																
<b>Governance and administration</b>		3,645	3,645	3,645	3,645	3,645	3,645	3,645	3,645	3,645	3,645	3,645	11,045	51,135	41,939	43,129	
Executive and council		182	182	182	182	182	182	182	182	182	182	182	182	2,179	1,293	1,293	
Finance and administration		3,442	3,442	3,442	3,442	3,442	3,442	3,442	3,442	3,442	3,442	3,442	10,842	48,707	40,532	41,722	
Internal audit		21	21	21	21	21	21	21	21	21	21	21	21	250	115	115	
<b>Community and public safety</b>		1,831	1,831	1,831	1,831	1,831	1,831	1,831	1,831	1,831	1,831	1,831	8,822	28,966	51,166	39,056	
Community and social services		1,035	1,035	1,035	1,035	1,035	1,035	1,035	1,035	1,035	1,035	1,035	11,026	22,407	33,000	23,200	
Sport and recreation		125	125	125	125	125	125	125	125	125	125	125	125	1,500	1,300	1,500	
Public safety		338	338	338	338	338	338	338	338	338	338	338	(2,662)	1,058	4,766	796	
Housing		333	333	333	333	333	333	333	333	333	333	333	333	4,000	12,100	13,560	
Health													-	-	-	-	
<b>Economic and environmental services</b>		23,503	23,503	23,503	23,503	23,503	23,503	23,503	23,503	23,503	23,503	23,503	28,003	286,539	327,916	335,849	
Planning and development		4,317	4,317	4,317	4,317	4,317	4,317	4,317	4,317	4,317	4,317	4,317	4,317	51,800	104,545	99,232	
Road transport		19,157	19,157	19,157	19,157	19,157	19,157	19,157	19,157	19,157	19,157	19,157	23,657	234,379	221,871	236,117	
Environmental protection		30	30	30	30	30	30	30	30	30	30	30	30	360	1,500	500	
<b>Trading services</b>		13,067	13,067	13,067	13,067	13,067	13,067	13,067	13,067	13,067	13,067	13,067	36,753	180,492	167,803	182,538	
Energy sources		1,725	1,725	1,725	1,725	1,725	1,725	1,725	1,725	1,725	1,725	1,725	9,356	28,331	14,370	13,900	
Water management		7,021	7,021	7,021	7,021	7,021	7,021	7,021	7,021	7,021	7,021	7,021	22,825	100,054	93,676	97,448	
Waste water management		3,738	3,738	3,738	3,738	3,738	3,738	3,738	3,738	3,738	3,738	3,738	3,988	45,106	52,258	59,891	
Waste management		583	583	583	583	583	583	583	583	583	583	583	583	7,000	7,500	11,300	
<b>Other</b>		687	687	687	687	687	687	687	687	687	687	687	687	8,240	8,500	9,700	
<b>Total Capital Expenditure - Functional</b>	2	42,733	42,733	42,733	42,733	42,733	42,733	42,733	42,733	42,733	42,733	42,733	85,309	555,371	597,324	610,272	
<b>Funded by:</b>																	
National Government		35,779	35,779	35,779	35,779	35,779	35,779	35,779	35,779	35,779	35,779	35,779	35,782	429,351	492,819	504,997	
Provincial Government		832	832	832	832	832	832	832	832	832	832	832	839	9,991	-	-	
District Municipality													-	-	-	-	
Other transfers and grants													-	-	-	-	
<b>Transfers recognised - capital</b>		36,611	36,611	36,611	36,611	36,611	36,611	36,611	36,611	36,611	36,611	36,611	36,621	439,342	492,819	504,997	
<b>Borrowing</b>		469	469	469	469	469	469	469	469	469	469	469	472	5,631	-	-	
<b>Internally generated funds</b>		9,199	9,199	9,199	9,199	9,199	9,199	9,199	9,199	9,199	9,199	9,199	9,209	110,398	104,505	105,275	
<b>Total Capital Funding</b>		46,279	46,279	46,279	46,279	46,279	46,279	46,279	46,279	46,279	46,279	46,279	46,302	555,371	597,324	610,272	

**2.9.6 Table 63 MBRR SA30 - Budgeted monthly cash flow**

KZN225 Msunduzi - Supporting Table SA30 Consolidated budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>Cash Receipts By Source</b>													1			
Property rates	80,051	80,051	80,051	80,051	80,051	80,051	80,051	80,051	80,051	80,051	80,051	80,051	80,056	960,617	1,018,254	1,079,350
Service charges - electricity revenue	161,196	161,196	161,196	161,196	161,196	161,196	161,196	161,196	161,196	161,196	161,196	161,196	161,194	1,934,350	2,187,170	2,473,033
Service charges - water revenue	41,198	41,198	41,198	41,198	41,198	41,198	41,198	41,198	41,198	41,198	41,198	41,198	77,195	530,373	581,289	637,092
Service charges - sanitation revenue	9,698	9,698	9,698	9,698	9,698	9,698	9,698	9,698	9,698	9,698	9,698	9,698	9,702	116,380	123,363	130,765
Service charges - refuse revenue	7,422	7,422	7,422	7,422	7,422	7,422	7,422	7,422	7,422	7,422	7,422	7,417	89,059	94,402	100,066	
Rental of facilities and equipment	1,855	1,855	1,855	1,855	1,855	1,855	1,855	1,855	1,855	1,855	1,855	1,856	22,261	23,597	25,013	
Interest earned - external investments	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,227	14,702	15,442	16,220	
Interest earned - outstanding debtors	12,916	12,916	12,916	12,916	12,916	12,916	12,916	12,916	12,916	12,916	12,916	12,916	154,992	164,291	174,149	
Dividends received													-			
Fines, penalties and forfeits	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071	12,851	13,622	14,440	
Licences and permits	80	80	80	80	80	80	80	80	80	80	80	80	187	1,071	1,136	1,204
Agency services	48	48	48	48	48	48	48	48	48	48	48	48	576	611	647	
Transfer receipts - operational	57,064	57,064	57,064	57,064	57,064	57,064	57,064	57,064	57,064	57,064	57,064	44,317	672,023	734,742	795,945	
Other revenue	10,511	10,511	10,511	10,511	10,511	10,511	10,511	10,511	10,511	10,511	10,511	(3,504)	112,116	118,843	125,974	
<b>Cash Receipts by Source</b>	<b>384,335</b>	<b>384,335</b>	<b>384,335</b>	<b>384,335</b>	<b>384,335</b>	<b>384,335</b>	<b>384,335</b>	<b>384,335</b>	<b>384,335</b>	<b>384,335</b>	<b>384,335</b>	<b>393,683</b>	<b>4,621,372</b>	<b>5,076,762</b>	<b>5,573,897</b>	
<b>Other Cash Flows by Source</b>																
Transfer receipts - capital	35,613	35,613	35,613	35,613	35,613	35,613	35,613	35,613	35,613	35,613	35,613	35,613	47,604	439,342	446,236	473,589
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													-			
<b>Total Cash Receipts by Source</b>	<b>419,948</b>	<b>419,948</b>	<b>419,948</b>	<b>419,948</b>	<b>419,948</b>	<b>419,948</b>	<b>419,948</b>	<b>419,948</b>	<b>419,948</b>	<b>419,948</b>	<b>419,948</b>	<b>441,287</b>	<b>5,060,715</b>	<b>5,522,998</b>	<b>6,047,486</b>	
<b>Cash Payments by Type</b>																
Employee related costs	114,154	114,154	114,154	114,154	114,154	114,154	114,154	114,154	114,154	114,154	114,154	114,154	54,593	1,310,282	1,382,717	1,490,043
Remuneration of councillors	4,291	4,291	4,291	4,291	4,291	4,291	4,291	4,291	4,291	4,291	4,291	4,291	4,291	51,488	54,577	57,852
Finance charges	3,472	3,472	3,472	3,472	3,472	3,472	3,472	3,472	3,472	3,472	3,472	3,472	3,472	41,660	31,793	24,371
Bulk purchases - Electricity	137,037	137,037	137,037	137,037	137,037	137,037	137,037	137,037	137,037	137,037	137,037	137,037	137,035	1,644,442	1,859,371	2,102,391
Bulk purchases - Water & Sewer	43,669	43,669	43,669	43,669	43,669	43,669	43,669	43,669	43,669	43,669	43,669	43,669	43,669	524,028	574,334	629,470
Other materials	4,643	4,643	4,643	4,643	4,643	4,643	4,643	4,643	4,643	4,643	4,643	4,643	1,897	52,969	55,046	56,991
Contracted services	49,873	49,873	49,873	49,873	49,873	49,873	49,873	49,873	49,873	49,873	49,873	49,873	9,276	557,880	589,875	623,701
Transfers and grants - other municipalities													-			
Transfers and grants - other	4,908	4,908	4,908	4,908	4,908	4,908	4,908	4,908	4,908	4,908	4,908	4,908	(9,931)	44,060	34,904	37,696
Other expenditure	16,409	16,409	16,409	16,409	16,409	16,409	16,409	16,409	16,409	16,409	16,409	16,409	8,128	188,625	188,962	196,650
<b>Cash Payments by Type</b>	<b>378,455</b>	<b>378,455</b>	<b>378,455</b>	<b>378,455</b>	<b>378,455</b>	<b>378,455</b>	<b>378,455</b>	<b>378,455</b>	<b>378,455</b>	<b>378,455</b>	<b>378,455</b>	<b>252,429</b>	<b>4,415,434</b>	<b>4,771,578</b>	<b>5,219,166</b>	
<b>Other Cash Flows/Payments by Type</b>																
Capital assets	42,711	42,711	42,711	42,711	42,711	42,711	42,711	42,711	42,711	42,711	42,711	42,711	57,778	527,603	567,458	579,758
Repayment of borrowing	6,588	6,588	6,588	6,588	6,588	6,588	6,588	6,588	6,588	6,588	6,588	6,588	6,588	79,056	75,103	71,348
Other Cash Flow/Payments													-			
<b>Total Cash Payments by Type</b>	<b>427,754</b>	<b>427,754</b>	<b>427,754</b>	<b>427,754</b>	<b>427,754</b>	<b>427,754</b>	<b>427,754</b>	<b>427,754</b>	<b>427,754</b>	<b>427,754</b>	<b>427,754</b>	<b>316,795</b>	<b>5,022,093</b>	<b>5,414,139</b>	<b>5,870,272</b>	
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>(7,806)</b>	<b>(7,806)</b>	<b>(7,806)</b>	<b>(7,806)</b>	<b>(7,806)</b>	<b>(7,806)</b>	<b>(7,806)</b>	<b>(7,806)</b>	<b>(7,806)</b>	<b>(7,806)</b>	<b>(7,806)</b>	<b>124,492</b>	<b>38,622</b>	<b>108,859</b>	<b>177,214</b>	
Cash/cash equivalents at the month/year begin:	461,119	453,313	445,506	437,700	429,894	422,087	414,281	406,474	398,668	390,862	383,055	375,249	461,119	499,741	608,600	608,600
Cash/cash equivalents at the month/year end:	453,313	445,506	437,700	429,894	422,087	414,281	406,474	398,668	390,862	383,055	375,249	499,741	499,741	608,600	785,814	785,814

## **2.18 Annual budgets and SDBIPs – internal departments**

These are discussed fully in the IDP and SDBIP documents

## **2.19 Contracts having future budgetary implications**

In terms of the City's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

## **2.20 Capital expenditure details**

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

**Table 64 MBRR SA 34a - Capital expenditure on new assets by asset class**





**Table 65 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class**



**Table 66 MBRR SA34c - Repairs and maintenance expenditure by asset class**



**Table 67 MBRR SA36 - Detailed capital budget per municipal vote**

## KZN225 Msunduzi - Supporting Table SA36 Consolidated detailed capital budget

R thousand	Function	Project Description	2019/20 Medium Term Revenue & Expenditure Framework				
			Audited Outcome 2017/18	Current Year 2018/19 Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>Parent municipality:</b>							
<i>List all capital projects grouped by Function</i>							
	CITY FINANCE	COMPUTERS	149	60	300	-	-
	CITY FINANCE	COMPUTERS	486	20,000	200		
	CITY FINANCE	FINANCIAL MANAGEMENT SYSTEM - SAP	96	14	30	33	36
	CITY FINANCE	COMPUTERS	46	165	48	53	59
	CITY FINANCE	COMPUTERS AND LAPTOP	30	45	180	180	201
	CITY FINANCE	NOTE COUNTING MACHINES - CASHIER	20	30	300	100	100
	CITY FINANCE	INSTALL MORE CAMERA SYSTEMS STORES	164	30	4		
	CITY FINANCE	MOTOR VEHICLE CANOPY	29	200	50		
	CITY FINANCE	SECURE FENCING STORES	244	300	500	550	600
	CITY FINANCE	SORES CHANGE ROOMS	13	1,000	300	3,000	5,000
	CITY FINANCE	FUEL MANAGEMENT SYSTEM NCT AND NEW VEHICLES	68	200	300	300	300
	CITY FINANCE	VEHICLES incl. Meter Readers	35	40	65		
	CITY FINANCE	COMPUTERS	8,968	30	80		
	CITY MANAGER	COMPUTERS x 10	35	16	80		
	CITY MANAGER	PRINTERS x 10	128	85	20	10	
	CITY MANAGER	PARK HOMES x 3	22	5,000	50		
	CITY MANAGER	COMPUTERS x 7	15	80	22,000	18,000	18,000
	CITY MANAGER	IP PHONES x7	314	26	500	200	100
	CITY MANAGER	TABLETS	41	10	200	200	200
	CITY MANAGER	PRINTERS x 2	28	700	383	383	383
	CITY MANAGER	CAMERAS x 2	6	45	85	85	85
	CITY MANAGER	SECURITY SYSTEM	135	500	65	65	65
	CITY MANAGER	LAPTOPS x 3	734	3,500	100		
	CITY MANAGER	IP PHONES x 2	55	96	100		
	CITY MANAGER	LAPTOP	41	16	200	100	50
	CITY MANAGER	IP TELEPHONES	36	96	100	50	50
	CITY MANAGER	COMPUTERS x 10	1,851	44	150		
	CITY MANAGER	SEWING MACHINES	5,300	40	40		
	CITY MANAGER	PALISIDE FENCING	4,654	30	42		
	CITY MANAGER	STREET FURNITURE	986	3	1,000	1,000	5,000
	CITY MANAGER	COMPUTER	37	50	1,500	1,600	1,700
	CITY MANAGER	LAPTOPS X 3	56	55	115	115	115
	CITY MANAGER	VOICE RECORDING SOFTWARE	11	44	25	25	25
	CITY MANAGER	FURNITURE	18	13	75	75	75
	COMMUNITY SERVICES	LEVS:AH:NEW:FURNITURE & OFFICE EQUIP	146	422	80	80	80
	COMMUNITY SERVICES	LEVS:ZA:NEW:MACHINERY & EQUIPM	2,008	10	170	70	70
	COMMUNITY SERVICES	LEVS:ZA:NEW:MACHINERY & EQUIPM	20	500	110		
	COMMUNITY SERVICES	LEVS:ZA:NEW:TRANSPORT ASSETS	38	1,680	70		
	COMMUNITY SERVICES	OPERATION SUKUMA SAKHE	566	50	404	1,000	1,000
	COMMUNITY SERVICES	TUSONG CENTER	2,649	100	110		250
	COMMUNITY SERVICES	PARK HOMES	3,675	3,500	400	450	500
	COMMUNITY SERVICES	TRANSPORT ASSETS	307	750	15	-	-
	COMMUNITY SERVICES	Critical Fire Fighting Equipment	297	2,000	120	-	-
	COMMUNITY SERVICES	PABX WITH VOICE RECODER	46	902	480	-	-
	COMMUNITY SERVICES	RADIO EQUIPMENT	11	3,300	6	-	-
	COMMUNITY SERVICES	SHOOTING RANGE 2ND PHASE	314	341	40	40	40
	COMMUNITY SERVICES	RENOVATION FOR MARKET OFFICES	633	600	100	200	200
	COMMUNITY SERVICES	REFURBISHMENT OF ECC	324	400	200		
	COMMUNITY SERVICES	RADIO EQUIPMENT	2,748	200	20		
	COMMUNITY SERVICES	TRANSPORT ASSETS	144	950	50		
	COMMUNITY SERVICES	TRANSPORT ASSETS	65	2,900	1,000	1,000	1,000
	COMMUNITY SERVICES	LEVS:ZA:NEW:MACHINERY & EQUIPM	146	750	250		250
	COMMUNITY SERVICES	REFURBISHMENT OF DISASTER MANAGEMENT	14,004	8,500	250	300	350
	COMMUNITY SERVICES	MULTI CENTRE PUBLIC SAFETY	4,649	8,000		1,500	

COMMUNITY SERVICES	PROTECTIVE EQUIPMENT COMPLIANCE WITH LEGISLATION	69	5,010	250		
COMMUNITY SERVICES	LEVS:ZA:NEW:MACHINERY & EQUIP	5,143	900		2,000	2,500
COMMUNITY SERVICES	LEVS:ZA:NEW:TRANSPORT ASSETS	4,609	300	6,540	6,600	8,000
COMMUNITY SERVICES	NEW BUILDING	671	300	200	300	
COMMUNITY SERVICES	MACHINERY & EQUIPM	877	300	3,000		
COMMUNITY SERVICES	WASTE : NEW MACHINERY	4,497	300	1,000	1,000	1,000
COMMUNITY SERVICES	DEVELOPMENT OF NEW CEMETERY: LAMONTVILLE	612	2,000	400		
COMMUNITY SERVICES	UPGRADE AND MAINTENANCE OF POOLS (Alexandra, Olympl	18	5,332	1,000	1,500	1,500
COMMUNITY SERVICES	MODIFY CONTAINERS / PARK HOMES AS TOILET FACILITIES	3,130	4,900	1,000	1,500	1,500
COMMUNITY SERVICES	ESSENTIAL EQUIPMENT FOR SPORT FACILITIES (goal post, m	135	750	200	200	200
COMMUNITY SERVICES	FENCING OF BISLEY NATURE RESERVE	1,428	450	400	200	200
COMMUNITY SERVICES	UPGRADING OF BUCHANNAN SWIMMING POOL	3	250	200	200	300
COMMUNITY SERVICES	MIG - LANDFILL UPGRADE	-	300	800	800	
COMMUNITY SERVICES	MIG - WARD 15 COMMUNITY HALL	-	9			500
COMMUNITY SERVICES	MIG - WARD 38 COMMUNITY HALL	8,929	11			500
COMMUNITY SERVICES	MIG - KWAQANDA COMMUNITY HALL	161	13	1,500	1,300	1,500
COMMUNITY SERVICES	MIG - Ward 18 COMMUNITY HALL	309	3	500	350	300
COMMUNITY SERVICES	MIG - UNIT BB COMMUNITY HALL	3,855	155	300		
COMMUNITY SERVICES	MIG - WARD 7 COMMUNITY HALL	2,883	50	800	4,500	
COMMUNITY SERVICES	MIG - WARD 29 COMMUNITY HALL	3,875	3	800	800	800
COMMUNITY SERVICES	MIG - WARD 24 COMMUNITY HALL	9,183	71	600		
COMMUNITY SERVICES	MIG - WARD 8 COMMUNITY HALL	470	13	2,000	6,000	
COMMUNITY SERVICES	MIG - WARD 13 COMMUNITY HALL	-	35	4,000	12,100	13,560
COMMUNITY SERVICES	MIG - MADIBA COMMUNITY HALL	261	73	300	7,000	
COMMUNITY SERVICES	MIG - SWEETWATERS DUAL PURPOSE SPORT CENTRE	13	275	300	3,000	5,000
CORPORATE SERVICES	STITCHING MACHINE	689	500	2,000	4,000	2,200
CORPORATE SERVICES	1X LAPTOP	5,463	522	300	3,000	5,000
CORPORATE SERVICES	COMPUTERS	321	9	4,815	3,000	
CORPORATE SERVICES	DIGITAL RECORDERS	731	11	300	3,000	5,000
CORPORATE SERVICES	COMPUTER	119	13	5,000	5,500	6,000
CORPORATE SERVICES	DOCUMENT MANAGEMENT SYSTEM	1,190	3	1,000		
CORPORATE SERVICES	DIGITAL RECORDER	3,431	155	6,538	29,000	42,462
CORPORATE SERVICES	NETWORK REFRESH/REPLACING SERVERS	9,549	50	2,500	12,000	18,500
CORPORATE SERVICES	COMPUTERS	2,632	3	15,115	25,645	2,240
CORPORATE SERVICES	FIBRE REPLACEMENT	824	71	7,220	14,600	17,180
CORPORATE SERVICES	LAN/WAN - CABLING	565	13	10,700	10,000	
CORPORATE SERVICES	IP TELEPHONES	1,633	35	5,927	10,000	15,000
CORPORATE SERVICES	LAPTOPS/ DESKTOPS	4,263	73	1,000		
INFRASTRUCTURE	ALNS:ZA:DBSA - NETWORK 132KV REHAB PLAN	13,989	275	8,250	9,300	10,400
INFRASTRUCTURE	I P Phones	6,500	500	50		
INFRASTRUCTURE	Computers	5,366	522	450	100	100
INFRASTRUCTURE	Capital equipment	1,807	100	100		
INFRASTRUCTURE	Network Refurbishment	(0)	100	60		
INFRASTRUCTURE	Computers	2,187	2,276	150		
INFRASTRUCTURE	Air conditioner	6,304	3,224	5,132	5,132	5,132
INFRASTRUCTURE	Workshop Tools	308	4,390	10		
INFRASTRUCTURE	Rudimentary Water Scheme	3,805	200	2,000		
INFRASTRUCTURE	Reservoir Fencing	7,291	200	500		
INFRASTRUCTURE	Telemetry and Control Upgrades	1,253	30	80		50
INFRASTRUCTURE	Vehicles	7,605	218	300	300	
INFRASTRUCTURE	Plant and Equipment	926	300	1,000		
INFRASTRUCTURE	Sanitation Pump Stations	3,515	1,000	10	10	10
INFRASTRUCTURE	Vulindlela Satellite office	3,098	500	130	130	130
INFRASTRUCTURE	ED 2 and ED 4 system Upgrade	7,716	79	70	70	70
INFRASTRUCTURE	Water Pump Stations	5,791	21	50		
INFRASTRUCTURE	TRAFFIC CALMING MEASURES	4,178	1,200	100		
INFRASTRUCTURE	PMS	414	2,800	9,000	6,000	6,480
INFRASTRUCTURE	Lester Brown	149	300	700		1,000
INFRASTRUCTURE	SMALL PLANTS (PEDESTRIAN ROLLERS, BRUSH CUTTERS AN	1,775	1,171	6,500	8,000	8,640
INFRASTRUCTURE	TRAFFIC SIGNAL SPARES	437	200	8,000		
INFRASTRUCTURE	NEW:COMPUTER EQUIPMENT	1,583	1,442	100	100	100
INFRASTRUCTURE	INSTALLAT OF NEW GUARD RAILS	2,389	2,907	3,000	2,000	3,000
INFRASTRUCTURE	NEW CONCRETE CASTING YARD CHANGE ROOMS	104,863	2,105	1,000	1,000	1,100
INFRASTRUCTURE	UPGRADING OF GRAVEL ROAD -VULINDLELA - WARD 1	1,008	772	1,000	3,000	3,240
INFRASTRUCTURE	MIG - REHABILITATION OF ROADS IN ASHDOWN	477	400	2,300	4,000	3,000
INFRASTRUCTURE	MIG - UPGRADING OF ROADS IN PEACE VALLEY - 10km	325	175	3,000		
INFRASTRUCTURE	MIG - REHABILITATION OF ROADS IN IMBALI UNIT 48	47	1,500		500	550
INFRASTRUCTURE	MIG - UPGRADING OF GRAVEL ROADS - GREATER EDENDALE	1,198	7,500	10,000		
INFRASTRUCTURE	MIG - UPGRADING OF GRAVEL ROADS - GREATER EDENDALE	338	1,000	2,300	2,200	3,041
INFRASTRUCTURE	MIG - UPGRADE OF GRAVEL ROADS - WILLOWFOUNTAIN RO	14,885	1,300	4,800	5,000	4,637
INFRASTRUCTURE	MIG - UPGRADING OF GRAVEL ROADS - EDENDALE - WARD 1	3,921	2,400	2,300	2,200	3,041
INFRASTRUCTURE	MIG - UPGRADING OF GRAVEL ROADS - EDENDALE - STATION	233	2,900	2,300	2,200	3,041
INFRASTRUCTURE	MIG - UPGRADING OF GRAVEL ROADS - EDENDALE - Roads in	1,670	900	2,300	2,200	3,041
INFRASTRUCTURE	MIG - UPGRADING OF GRAVEL ROADS - GREATER EDENDALE	2,607	3,500	2,300	2,200	3,041
INFRASTRUCTURE	MIG - UPGRADING OF GRAVEL ROADS - EDENDALE - DAMBU	3,846	2,039	4,800	3,779	4,619
INFRASTRUCTURE	MIG - UPGRADING OF GRAVEL ROADS - VULINDLELA - D2069	1,380	3,321	3,800	2,200	3,041
INFRASTRUCTURE	MIG - UPGRADING OF GRAVEL ROADS - GREATER EDENDALE	2,633	2,274	7,000	5,000	8,211
INFRASTRUCTURE	MIG - UPGRADING OF GRAVEL ROADS - VULINDLELA - WARD	4,301	2,806	2,300		
INFRASTRUCTURE	MIG - UPGRADING OF GRAVEL ROADS - GREATER EDENDALE	153	2,000			
INFRASTRUCTURE	MIG - UPGRADING OF GRAVEL ROADS - VULINDLELA - WARD	198	8,569	2,300	1,300	1,500
INFRASTRUCTURE	MIG - UPGRADING OF GRAVEL ROADS - VULINDLELA - WARD	38,369	6,000	8,000	9,500	10,260
INFRASTRUCTURE	MIG - UPGRADING OF GRAVEL ROADS - VULINDLELA - WARD	688	5,510	2,300	2,000	1,430
INFRASTRUCTURE	MIG - UPGRADING OF GRAVEL ROADS - VULINDLELA - WARD	6,078	2,039	1,300	1,430	1,430
INFRASTRUCTURE	MIG - UPGRADING OF GRAVEL ROADS - VULINDLELA - WARD	44,449	4,906	2,300	1,100	1,100
INFRASTRUCTURE	MIG - UPGRADING OF GRAVEL ROADS - VULINDLELA - WARD	4,235	62	2,300	2,200	2,200
INFRASTRUCTURE	MIG - UPGRADING OF GRAVEL ROADS - VULINDLELA - WARD	2,959	200	6,000	2,500	6,000
INFRASTRUCTURE	MIG - UPGRADING OF GRAVEL ROADS - VULINDLELA - WARD	3	4,440	2,300	5,500	6,841
INFRASTRUCTURE	MIG - UPGRADE OF BRIDGES - Pedestrian Bridge Over River -	2,107	2,714	9,356	7,500	10,653
INFRASTRUCTURE	MIG - WOODHOUSE PEDESTRIAN BRIDGE	22	1,500	2,300	1,000	1,000
INFRASTRUCTURE	MIG - MABANE BRIDGE PROJECT	399	18,000	1,500	1,650	1,650
INFRASTRUCTURE	MIG - BUS STOP SHELTERS	200	6,398	10,000	6,000	
INFRASTRUCTURE	MIG - NON MOTORISED TRANSPORT	866	4,019	8,500	8,000	9,500
INFRASTRUCTURE	MIG - REHABILITATION OF SANITATION INFRASTRUCTURE	6,181	3,700	8,700	9,570	9,000
INFRASTRUCTURE	MIG - SEWER PIPES UNIT H	7	11,152	1,544	1,500	1,698
INFRASTRUCTURE	MIG - SEWER PIPES AZALEA - PHASE 2	117	6,000	8,000	6,500	14,000
INFRASTRUCTURE	MIG - ELIMINATION OF CONSERVANCY TANKS - (SEWER)	62	4,400	2,000	6,907	7,459
INFRASTRUCTURE	MIG - SERVICE MIDBLOCK ERADICATION IN SOBANTU, ASHD	66	42,041	9,000	8,601	9,289
INFRASTRUCTURE	MIG - SHENSTONE AMBLETON SANITATION SYSTEM	5	5,416	2,400	1,500	
INFRASTRUCTURE	MIG -REDUCTION OF NON REVENUE WATER	22	3,213		400	
INFRASTRUCTURE	MIG - ELIMINATION OF CONSERVANCY TANKS - (WATER)	50	2,400	750	2,550	2,000
INFRASTRUCTURE	MIG - SERVICE MIDBLOCK ERADICATION IN SOBANTU, ASHD	10	15,654	500	500	500
INFRASTRUCTURE	MIG - COPESVILLE RESERVOIR	86	40,000	250	250	250
INFRASTRUCTURE	MIG - HIGH MAST LIGHTS IN VULINDLELA & GREATER EDEND	60	22,300	100	100	100
INFRASTRUCTURE	PUBLIC TRANSPORT SYSTEM	283	1,500	300		
INFRASTRUCTURE	WSIG:ZA:REDUCTION OF NON REVENUE WATER	701	4,000	500		
INFRASTRUCTURE	WSIG:ZA:BASIC WATER SUPPLY	5	8,000	250		
SUSTAINABLE DEVELOPMENT AND COMMUNITY SERVICES	AIR POLLUTION STATION(EDN)	75	150,330		400	
SUSTAINABLE DEVELOPMENT AND COMMUNITY SERVICES	COMPUTERS	2,885	50	5,631		
SUSTAINABLE DEVELOPMENT AND COMMUNITY SERVICES	FLEET	38	294	15,304		
SUSTAINABLE DEVELOPMENT AND COMMUNITY SERVICES	LAB EQUIPMENT	44	140	1,000	1,000	1,000
SUSTAINABLE DEVELOPMENT AND COMMUNITY SERVICES	COMPUTERS	82	58	2,000	1,000	900
SUSTAINABLE DEVELOPMENT AND COMMUNITY SERVICES	COMPUTERS	30,277	217	136,765	158,912	166,864
SUSTAINABLE DEVELOPMENT AND COMMUNITY SERVICES	COLD ROOM	(3,063)	560	70		
SUSTAINABLE DEVELOPMENT AND COMMUNITY SERVICES	EQUIPMENT	1,186	750	2,300	7,000	1,941
SUSTAINABLE DEVELOPMENT AND COMMUNITY SERVICES	FENCING	6,325	75	15,000	30,000	30,000
SUSTAINABLE DEVELOPMENT AND COMMUNITY SERVICES	COMPUTERS	(404)	45	6,000		
SUSTAINABLE DEVELOPMENT AND COMMUNITY SERVICES	LIGHT INDUSTRIAL HUB	2,054	791	150	150	
SUSTAINABLE DEVELOPMENT AND COMMUNITY SERVICES	FLEET	-	2,780		600	300
SUSTAINABLE DEVELOPMENT AND COMMUNITY SERVICES	ROSS INFRASTRUCTURE	625	42	100	100	150
SUSTAINABLE DEVELOPMENT AND COMMUNITY SERVICES	MIG - JIKA JOE CRU	11,821	153	40,000	39,000	40,000



SUSTAINABLE DEVELOPMENT AND	NDPG:EDENDALE TOWN CENTRE: Promenade 2	2,295	750	1,000	4,326	5,418
SUSTAINABLE DEVELOPMENT AND	NDPG:EDENDALE TOWN CENTRE: Civic Building, Informal Tra	0	25	700		
SUSTAINABLE DEVELOPMENT AND	NDPG:EDENDALE TOWN CENTRE: Civic Building, Informal Tra	3,142	291	8,091		
SUSTAINABLE DEVELOPMENT AND	NDPG:EDENDALE TOWN CENTRE: stage 4	10,615	6,780	1,000		
SUSTAINABLE DEVELOPMENT AND	CAPITAL: NEIGHBOURH DEV PARTNERSHP GRANT	19	5,220	200		
SUSTAINABLE DEVELOPMENT AND	CAPITAL: NEIGHBOURH DEV PARTNERSHP GRANT	64	9,329	8,000		
SUSTAINABLE DEVELOPMENT AND	PROVINCIAL GOVERNMENT: KZN: CAPITAL	12	1,000			
SUSTAINABLE DEVELOPMENT AND	PROVINCIAL GOVERNMENT: KZN: CAPITAL	23	1,000			
SUSTAINABLE DEVELOPMENT AND	CAPITAL: NEIGHBOURH DEV PARTNERSHP GRANT	22	400			
SUSTAINABLE DEVELOPMENT AND	CAPITAL: NEIGHBOURH DEV PARTNERSHP GRANT	59	19			
SUSTAINABLE DEVELOPMENT AND	CAPITAL: PROV GOV: LIBR, ARCH, MUSEUMS	26	37			
SUSTAINABLE DEVELOPMENT AND	CAPITAL: PROV GOV: LIBR, ARCH, MUSEUMS	(89)	8,386			
SUSTAINABLE DEVELOPMENT AND	CAPITAL: PROV GOV: LIBR, ARCH, MUSEUMS	17	2,924			
SUSTAINABLE DEVELOPMENT AND	CAPITAL: PROV GOV: COGTA	158	6,612			
SUSTAINABLE DEVELOPMENT AND	CAPITAL: PROV GOV: COGTA	158	2,000			
SUSTAINABLE DEVELOPMENT AND	CAPITAL: MUNICIPAL INFR GRANT	29	603			
SUSTAINABLE DEVELOPMENT AND	CAPITAL: PROV GOV: HOUSING DEVELOPMENT	66	2,500			
SUSTAINABLE DEVELOPMENT AND	CAPITAL: PROV GOV: COGTA	210	2,500			
SUSTAINABLE DEVELOPMENT AND	CAPITAL: PROV GOV: HOUSING ACCREDITATION	62	500			
SUSTAINABLE DEVELOPMENT AND	CAPITAL: PROV GOV: HOUSING ACCREDITATION	10,036	1,700			
SUSTAINABLE DEVELOPMENT AND	CAPITAL: PROV GOV: HOUSING ACCREDITATION	337	54			
SUSTAINABLE DEVELOPMENT AND	CAPITAL: PROV GOV: HOUSING ACCREDITATION	3,239				
SUSTAINABLE DEVELOPMENT AND	CAPITAL: PROV GOV: HOUSING ACCREDITATION	18				
SUSTAINABLE DEVELOPMENT AND	CAPITAL: PROV GOV: HOUSING ACCREDITATION	-				
SUSTAINABLE DEVELOPMENT AND	CAPITAL: PROV GOV: HOUSING ACCREDITATION	26,692				
SUSTAINABLE DEVELOPMENT AND	CAPITAL: PROV GOV: HOUSING ACCREDITATION	4,739				
SUSTAINABLE DEVELOPMENT AND	CAPITAL: PROV GOV: HOUSING ACCREDITATION	239				
SUSTAINABLE DEVELOPMENT AND	CAPITAL: PROV GOV: HOUSING ACCREDITATION	78				

## Legislation compliance status

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

7. 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 City's website.

8. Internship programme

The City is participating in the Municipal Financial Management Internship programme and has employed a number of interns who undergoing training in various divisions of the Financial Services Department, as well as other sector departments especially in the technical and services sector.

9. Budget and Treasury Office

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

10. Audit Committee

An Audit Committee has been established and is fully functional.

11. Service Delivery and Implementation Plan

The detail SDBIP document is at a draft stage and will be finalised after approval of the 2020/21 MTREF in May 2019 directly aligned and informed by the MTREF.

12. Annual Report

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

## 2.21 Other supporting documents

Table 68 MBRR Table SA1 - Supporting detail to budgeted financial performance

KZN225 Msunduzi - Supporting Table SA1 Supporting detail to 'Budgeted 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											
<b>REVENUE ITEMS:</b>											
<b>Property rates</b>											
Total Property Rates	6	1,141,141	1,208,266	1,275,392	1,342,518	1,357,245	1,357,245	1,357,245	1,323,961	1,403,398	1,487,602
<i>less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)</i>		401,640	410,961	411,958	441,681	441,681	441,681	441,681	123,189	130,580	138,415
<b>Net Property Rates</b>		<b>739,501</b>	<b>797,305</b>	<b>863,435</b>	<b>900,837</b>	<b>915,564</b>	<b>915,564</b>	<b>915,564</b>	<b>1,200,772</b>	<b>1,272,818</b>	<b>1,349,187</b>
<b>Service charges - electricity revenue</b>											
Total Service charges - electricity revenue	6	1,786,601	1,865,888	2,319,671	2,180,445	2,141,016	2,141,016	2,141,016	2,420,846	2,737,251	3,095,010
<i>less Revenue Foregone (in excess of 50 kwh per indigent household per month)</i>		625	661	698	735	735	735	735	831	940	1,062
<i>less Cost of Free Basis Services (50 kwh per indigent household per month)</i>		1,562	1,654	1,745	1,837	1,837	1,837	1,837	2,077	2,349	2,656
<b>Net Service charges - electricity revenue</b>		<b>1,784,415</b>	<b>1,863,573</b>	<b>2,317,228</b>	<b>2,177,873</b>	<b>2,138,443</b>	<b>2,138,443</b>	<b>2,138,443</b>	<b>2,417,938</b>	<b>2,733,962</b>	<b>3,091,291</b>
<b>Service charges - water revenue</b>											
Total Service charges - w water revenue	6	725,933	598,653	711,200	753,006	754,241	754,241	754,241	826,648	906,006	992,983
<i>less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)</i>											
<i>less Cost of Free Basis Services (6 kilolitres per indigent household per month)</i>		126,943	134,410	141,878	149,345	149,345	149,345	149,345	163,682	179,395	196,617
<b>Net Service charges - water revenue</b>		<b>598,990</b>	<b>464,242</b>	<b>569,323</b>	<b>603,661</b>	<b>604,896</b>	<b>604,896</b>	<b>604,896</b>	<b>662,966</b>	<b>726,611</b>	<b>796,366</b>
<b>Service charges - sanitation revenue</b>											
Total Service charges - sanitation revenue		135,690	131,872	146,575	148,256	137,241	137,241	137,241	157,331	166,770	176,777
<i>less Revenue Foregone (in excess of free sanitation service to indigent households)</i>											
<i>less Cost of Free Basis Services (free sanitation service to indigent households)</i>		9,507	10,066	10,625	11,184	11,184	11,184	11,184	11,855	12,567	13,321
<b>Net Service charges - sanitation revenue</b>		<b>126,183</b>	<b>121,806</b>	<b>135,950</b>	<b>137,072</b>	<b>126,057</b>	<b>126,057</b>	<b>126,057</b>	<b>145,475</b>	<b>154,204</b>	<b>163,456</b>
<b>Service charges - refuse revenue</b>											
Total refuse removal revenue	6	89,284	94,309	105,973	112,255	122,186	122,186	122,186	117,662	124,721	132,205
Total landfill revenue											
<i>less Revenue Foregone (in excess of one removal a week to indigent households)</i>											
<i>less Cost of Free Basis Services (removed once a week to indigent households)</i>		5,082	5,381	5,680	5,979	5,979	5,979	5,979	6,338	6,718	7,121
<b>Net Service charges - refuse revenue</b>		<b>84,201</b>	<b>88,928</b>	<b>100,293</b>	<b>106,276</b>	<b>116,206</b>	<b>116,206</b>	<b>116,206</b>	<b>111,324</b>	<b>118,003</b>	<b>125,083</b>
<b>Other Revenue by source</b>											
Airport		4,719	6,299	5,477	12,378	19,571	19,571	19,571	20,745	21,990	23,310
Forestry		9,117	12,171	10,581	23,914	23,914	23,914	23,914	25,349	26,869	28,482
Market		10,734	14,330	12,458	28,157	28,157	28,157	28,157	29,846	31,637	33,535
Burials & Crematoriums		1,606	2,144	1,864	4,214	4,214	4,214	4,214	4,466	4,734	5,018
Buildings		1,378	1,840	1,600	3,615	3,615	3,615	3,615	3,832	4,062	4,306
Reconnections		6,957	9,288	8,075	18,250	18,250	18,250	18,250	19,345	20,506	21,736
Training Levy Recoveries		240	320	278	629	629	629	629	667	707	749
Illegal connection fee		1,458	1,947	1,693	3,825	3,825	3,825	3,825	4,055	4,298	4,556
Rates Certificates		701	936	814	1,839	1,839	1,839	1,839	1,949	2,066	2,190
Parking fees		1,020	1,361	1,183	2,675	2,675	2,675	2,675	2,835	3,005	3,186
Other Revenue		24,980	33,348	28,992	65,524	25,524	25,524	25,524	27,055	28,679	30,400
Sundry Income	3	-	-	-	-	-	-	-	-	-	-
<b>Total 'Other' Revenue</b>	1	<b>62,910</b>	<b>83,984</b>	<b>73,015</b>	<b>165,019</b>	<b>132,212</b>	<b>132,212</b>	<b>132,212</b>	<b>140,145</b>	<b>148,554</b>	<b>157,467</b>



Table 69 MBRR Table SA3 – Supporting detail to Statement of Financial Position

## KZN225 Msunduzi - 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
<b>R thousand</b>											
<b>ASSETS</b>											
<b>Call investment deposits</b>											
Call deposits		577,199	669,683	430,330	639,427	361,119	361,119	361,119	399,741	508,600	685,814
Other current investments		310,000									
<b>Total Call investment deposits</b>	2	<b>887,199</b>	<b>669,683</b>	<b>430,330</b>	<b>639,427</b>	<b>361,119</b>	<b>361,119</b>	<b>361,119</b>	<b>399,741</b>	<b>508,600</b>	<b>685,814</b>
<b>Consumer debtors</b>											
Consumer debtors		1,112,206	1,013,847	1,346,514	2,804,271	2,110,658	2,110,658	2,110,658	1,902,907	1,940,966	1,979,785
Less: Provision for debt impairment					1,291,521	1,291,521	1,291,521	1,291,521	1,067,388	1,088,736	1,110,511
<b>Total Consumer debtors</b>	2	<b>1,112,206</b>	<b>1,013,847</b>	<b>1,346,514</b>	<b>1,512,750</b>	<b>819,137</b>	<b>819,137</b>	<b>819,137</b>	<b>835,519</b>	<b>852,230</b>	<b>869,274</b>
<b>Debt impairment provision</b>											
Balance at the beginning of the year		1,004,142	1,063,209	1,122,276	1,181,343	1,181,343	1,181,343	1,181,343	1,291,521	1,067,388	1,088,736
Contributions to the provision		93,651	99,160	104,669	110,178	110,178	110,178	110,178	(224,133)	21,348	21,775
Bad debts written off											
<b>Balance at end of year</b>		<b>1,097,793</b>	<b>1,162,369</b>	<b>1,226,945</b>	<b>1,291,521</b>	<b>1,291,521</b>	<b>1,291,521</b>	<b>1,291,521</b>	<b>1,067,388</b>	<b>1,088,736</b>	<b>1,110,511</b>
<b>Property, plant and equipment (PPE)</b>											
PPE at cost/valuation (excl. finance leases)		9,883,153	7,356,353	8,434,509	10,936,649	11,174,919	11,174,919	11,174,919	11,398,417	11,626,385	11,858,913
Leases recognised as PPE											
Less: Accumulated depreciation		1,950,646	2,048,178	2,150,587	3,449,776	4,160,413	4,160,413	4,160,413	4,243,622	4,328,494	4,415,064
<b>Total Property, plant and equipment (PPE)</b>	2	<b>7,932,507</b>	<b>5,308,174</b>	<b>6,283,922</b>	<b>7,486,874</b>	<b>7,014,505</b>	<b>7,014,505</b>	<b>7,014,505</b>	<b>7,154,795</b>	<b>7,297,891</b>	<b>7,443,849</b>
<b>LIABILITIES</b>											
<b>Current liabilities - Borrowing</b>											
Short term loans (other than bank overdraft)		68,064									
Current portion of long-term liabilities		21,141	79,715	84,512	83,217	84,512	84,512	84,512	79,056	75,103	71,348
<b>Total Current liabilities - Borrowing</b>		<b>89,205</b>	<b>79,715</b>	<b>84,512</b>	<b>83,217</b>	<b>84,512</b>	<b>84,512</b>	<b>84,512</b>	<b>79,056</b>	<b>75,103</b>	<b>71,348</b>
<b>Trade and other payables</b>											
Trade Payables		549,548	839,897	1,149,340	304,818	979,473	979,473	979,473	999,063	1,019,044	1,039,425
Other creditors											
Unspent conditional transfers											
VAT											
<b>Total Trade and other payables</b>	2	<b>549,548</b>	<b>839,897</b>	<b>1,149,340</b>	<b>304,818</b>	<b>979,473</b>	<b>979,473</b>	<b>979,473</b>	<b>999,063</b>	<b>1,019,044</b>	<b>1,039,425</b>
<b>Non current liabilities - Borrowing</b>											
Borrowing		568,133	535,739	451,226	349,414	451,226	451,226	451,226	459,547	465,476	471,519
Finance leases (including PPP asset element)		3,117									
<b>Total Non current liabilities - Borrowing</b>	4	<b>571,250</b>	<b>535,739</b>	<b>451,226</b>	<b>349,414</b>	<b>451,226</b>	<b>451,226</b>	<b>451,226</b>	<b>459,547</b>	<b>465,476</b>	<b>471,519</b>
<b>Provisions - non-current</b>											
Retirement benefits		625,699	664,587	732,182	772,200	731,576	731,576	731,576	742,917	757,804	772,987
List other major provision items											
Refuse landfill site rehabilitation		67,041	68,382	69,750	65,882	-	-	-			
Other											
<b>Total Provisions - non-current</b>		<b>692,740</b>	<b>732,969</b>	<b>801,932</b>	<b>838,082</b>	<b>731,576</b>	<b>731,576</b>	<b>731,576</b>	<b>742,917</b>	<b>757,804</b>	<b>772,987</b>
<b>CHANGES IN NET ASSETS</b>											
<b>Accumulated Surplus/(Deficit)</b>											
Accumulated Surplus/(Deficit) - opening balance		8,699,440	5,624,760	6,119,000	8,459,766	6,510,648	6,510,648	6,510,648	6,717,550	6,940,269	7,233,585
GRAP adjustments											
Restated balance		8,699,440	5,624,760	6,119,000	8,459,766	6,510,648	6,510,648	6,510,648	6,717,550	6,940,269	7,233,585
Surplus/(Deficit)		178,139	(236,435)	10,402	507,467	-	-	-	-	-	-
Appropriations to Reserves											
Transfers from Reserves											
Depreciation offsets											
Other adjustments											
<b>Accumulated Surplus/(Deficit)</b>	1	<b>8,877,579</b>	<b>5,388,326</b>	<b>6,129,402</b>	<b>8,967,234</b>	<b>6,510,648</b>	<b>6,510,648</b>	<b>6,510,648</b>	<b>6,717,550</b>	<b>6,940,269</b>	<b>7,233,585</b>
<b>Reserves</b>											
Housing Development Fund		76,525	79,572	87,654	52,685	183,556	183,556	183,556	89,407	91,195	93,019
Capital replacement		151,936	100,000	100,000	100,000	100,000	100,000	100,000	94,170	96,053	97,974
Self-insurance		52,129	115,318	143,981	229	229	229	229	53,193	54,257	55,342
Other reserves											
Rev-allocation									(526)	(533)	(541)
<b>Total Reserves</b>	2	<b>280,590</b>	<b>294,890</b>	<b>331,635</b>	<b>152,914</b>	<b>283,785</b>	<b>283,785</b>	<b>283,785</b>	<b>236,244</b>	<b>240,972</b>	<b>245,795</b>
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>9,158,169</b>	<b>5,683,215</b>	<b>6,461,037</b>	<b>9,120,148</b>	<b>6,794,434</b>	<b>6,794,434</b>	<b>6,794,434</b>	<b>6,953,794</b>	<b>7,181,241</b>	<b>7,479,380</b>

## 2.22 Municipal manager's quality certificate

I Nelisiwe Ngcobo, Acting Municipal Manager of Msunduzi Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name N Ngcobo

Municipal manager of Msunduzi Municipality (KZN 225)

Signature \_\_\_\_\_

Date \_\_\_\_\_