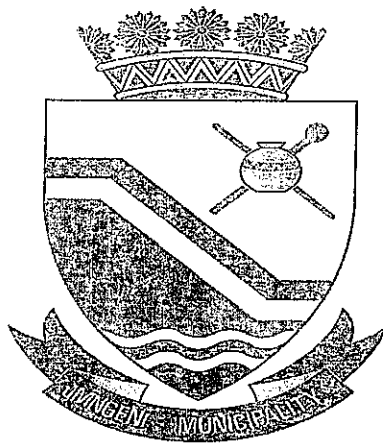


ANNUAL BUDGET OF UMNGENI MUNICIPALITY



2016/17 TO 2018/19 MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

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- **All public libraries within the municipality**
- **At www.umngeni.gov.za**

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Abbreviations and Acronyms

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

Part 1 – Annual Budget

1.1 Mayor's Report

SPEECH BY THE MAYOR OF uMNGENI MUNICIPALITY

CLLR M.P. MYENI PRESENTED TO THE MUNICIPAL COUNCIL THE 2016/2017, 2017/2018 AND 2018/2019 ANNUAL BUDGET IN THE COUNCIL CHAMBERS, HOWICK,

ON TUESDAY 31 MAY 2016

1.2 Council Resolutions

On 31 May 2016 the Council of UMngeni Municipality Local Municipality met in the Council Chambers of uMngeni Municipality to consider the annual budget of the municipality for the financial year 2016/17. The Council approved and adopted the following resolutions:

1. That in terms of section 24 of the Municipal Finance Management Act, 56 of 2003, the annual budget of uMngeni Municipality for the financial year 2016/2017 and indicative allocations for the two projected outer years 2017/2018 and 2018/2019, and the multi-year and single year capital appropriations are approved as set out in the following tables:

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

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

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

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

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

2.1 Budgeted Financial Position

2.2 Budgeted Cash Flows

2.3 Cash backed reserves and accumulated surplus reconciliation

2.4 Asset Management

2.5 Basic service delivery measurement

3. That in terms of section 24(2)(c)(i) and (ii) of the Municipal Finance Management Act, 56 of 2003 and sections 74 and 75A of the Local Government: Municipal Systems Act, Act 32 of 2000 as amended, the tariffs for the supply of electricity, refuse removal and all other tariffs as set out in Other Supporting Documents be approved.
4. That in terms of section 5 of the Municipal Property Rates Act, 6 of 2004, the rates policy be approved
5. That in terms of section 24(2)(c)(v) of the Municipal Finance Management Act, 56 of 2003 the various budget-related policies be approved.
6. That in terms of section 14 of the Municipal Property Rates Act, 6 of 2004 the rate randage and conditions as set out in Other Supporting Documents be approved.
7. That in terms of section 24(2)(c)(ii) of the Municipal Finance Management Act, 56 of 2003, the measurable performance objectives for capital and operating expenditure by vote for each year of the medium term revenue and expenditure framework be approved.
8. That the Basic Services Package of Electricity and Refuse Removal as set out in the Tariff Policy be approved.
9. That the salaries, wages and allowances of all employees must be increased as per Salary and Wage Collective Agreement.
10. Approved in accordance with the gazette on the Remuneration of Public Officer Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published on 21 December 2015 by the Department of Cooperative Governance.

1.3 Executive Summary

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

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

The Municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers.

National Treasury's MFMA Circulars No. 79 was used to guide the compilation of the 2016/17 MTREF.

The main challenges experienced during the compilation of the 2016/17 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained roads and electricity infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk electricity (due to tariff increases from 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;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- Affordability of capital projects – original allocations had to be reduced to grant funded projects and the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2016/17 MTREF process; and
- Availability of affordable capital/borrowing.

The following budget principles and guidelines directly informed the compilation of the 2016/17 MTREF:

- The 2016/2017 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 2016/17 annual budget;
- Intermediate service level standards will be 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 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;

Fiscal constraints mean that transfers to municipalities will grow more slowly in the period ahead than they have in the past. Accordingly, municipalities must renew their focus on core service delivery functions and reduce costs without adversely affecting basic services. Furthermore they must ensure that efficiency gains, eradication of non-priority spending (cost containment measures and the reprioritisation of expenditure relating to core infrastructure continue to inform the planning framework.

The state of the economy has an adverse effect on the consumers. As a result municipalities' revenues and cash flows are expected to remain under pressure.

Review of local infrastructure grants

The collaborative review of the local government infrastructure grant system led by the National Treasury is still underway. The first phase of the review, completed in 2014, identified necessary reforms that will be made in 2016/17:

- The rules in the municipal infrastructure will be amended to allow funds to be used to refurbish and replace infrastructure, but only if municipalities demonstrate that assets have been maintained on a regular basis. Maintenance must be budgeted for as part of the normal business of municipalities.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2016/17 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2016/17 MTREF

| Details | Adjustment Budget 2015/2016 | Budget Year 2016/2017 | Budget Year 2016/2017 | Budget Year 2016/2017 |
|-----------------------------|--------------------------------|--------------------------|--------------------------|--------------------------|
| Total Operating Revenue | 322,717,018 | 368,163,821 | 395,115,200 | 416,181,143 |
| Total Operating Expenditure | 322,449,062 | 367,656,440 | 394,240,133 | 414,789,053 |
| Surplus/ (Deficit) | 267, 956 | 507, 380 | 875,066 | 1,392,089 |
| Total Capital Expenditure | 44,408,681 | 29,147,641 | 32,764,448 | 33,785,695 |

Total operating revenue has increased by 14.08 per cent or R 45, 4 million for the 2016/2017 financial year when compared to the 2015/2016 Adjustments Budget. For the two outer years, operational revenue will increase by R 26,9million and an increase by R 21,0 million respectively.

Total operating expenditure for the 2016/2017 financial year has been appropriated at R 367, 6 million and translates into a budgeted surplus of R 507 thousand. When compared to the 2015/16 Adjustments Budget, operational expenditure has increased by R 45,2 thousand or 14,2 per cent in the 2016/2017 budget and increased to 7,3 and further increases to 5 per cent for each of the respective outer years of the MTREF. The operating surplus for the two outer years is R 2, 7 and R3, 3 million respectively. These surpluses will be used to fund capital expenditure and to further ensure cash backing of reserves and funds.

The capital budget of R29, 1 million for 2016/2017 is 52.3 per cent less when compared to the 2015/2016 Adjustment Budget. The decrease is due to the Provincial Grant Rollover that was for Mandela Capture Site in the 2015/2016 Adjustments Budget. Capital projects funded through the Municipal Infrastructure Grant and through the Capital Replacement Reserve are included in the 2016/2017 capital budget. Note that the Municipality has reached its prudential borrowing limits and so there is very little scope to substantially increase these borrowing levels over the medium-term.

1.4 Operating Revenue Framework

For uMngeni Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that

we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

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

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure 88per cent annual collection rate for property rates and other key service charges, the collection rate for the outer years is 92 percent.
- Electricity tariff increases as approved by the National Energy Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to electricity;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

The following table is a summary of the 2016/2017 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

KZN222 uMngeni - Table A4 Budgeted Financial Performance (revenue and expenditure)

| Description | Ref | 2012/13 | 2013/14 | 2014/15 | Current Year 2015/16 | | | | 2016/17 Medium Term Revenue & Expenditure Framework | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2016/17 | Budget Year +1 2017/18 | Budget Year +2 2018/19 |
| Revenue By Source | | | | | | | | | | | |
| Property rates | 2 | 100 802 | 111 632 | 119 489 | 141 136 | 143 970 | 143 970 | 143 970 | 176 512 | 187 456 | 198 516 |
| Property rates - penalties & collection charges | | 3 868 | 6 037 | 6 596 | 6 243 | 6 243 | 6 243 | 6 243 | 6 655 | 7 067 | 7 484 |
| Service charges - electricity revenue | 2 | 48 718 | 51 842 | 52 718 | 68 177 | 71 427 | 71 427 | 71 427 | 76 884 | 84 112 | 92 018 |
| Service charges - water revenue | 2 | - | - | - | - | - | - | - | - | - | - |
| Service charges - sanitation revenue | 2 | - | - | - | - | - | - | - | - | - | - |
| Service charges - refuse revenue | 2 | 7 809 | 4 619 | 5 049 | 5 233 | 5 171 | 5 171 | 5 171 | 5 512 | 5 854 | 6 189 |
| Service charges - other | | - | - | - | - | - | - | - | - | - | - |
| Rental of facilities and equipment | | 833 | 728 | 844 | 675 | 673 | 673 | 673 | 719 | 764 | 809 |
| Interest earned - external investments | | 829 | 1 849 | 2 741 | 1 513 | 3 494 | 3 494 | 3 494 | 3 725 | 3 956 | 4 189 |
| Interest earned - outstanding debtors | | 1 683 | 1 675 | 1 655 | 1 838 | 1 838 | 1 838 | 1 838 | 1 960 | 2 081 | 2 204 |
| Dividends received | | - | - | - | - | - | - | - | - | - | - |
| Fines | | 5 579 | 24 203 | 21 642 | 30 372 | 22 435 | 22 435 | 22 435 | 23 916 | 25 399 | 26 897 |
| Licences and permits | | 1 916 | 2 045 | 2 655 | 2 425 | 3 226 | 3 226 | 3 226 | 3 439 | 3 653 | 3 868 |
| Agency services | | - | - | - | - | - | - | - | - | - | - |
| Transfers recognised - operational | | 40 598 | 48 265 | 47 728 | 51 426 | 56 642 | 56 642 | 56 642 | 61 469 | 66 945 | 65 705 |
| Other revenue | 2 | 5 173 | 4 647 | 9 665 | 9 169 | 7 597 | 7 597 | 7 597 | 7 372 | 7 829 | 8 251 |
| Gains on disposal of PPE | | - | - | - | - | - | - | - | - | - | - |
| Total Revenue (excluding capital transfers and contributions) | | 217 909 | 257 542 | 270 793 | 318 208 | 322 717 | 322 717 | 322 717 | 368 164 | 395 115 | 416 181 |

Table 3 Percentage growth in revenue by main revenue source

| Description | Adjustments Budget Year 2015/16 | Budget Year 2016/17 | % | Budget Year 2017/18 | % | Budget Year 2018/19 | % |
|---|------------------------------------|------------------------|------------|------------------------|----|------------------------|-----------|
| Revenue By Source | | | | | | | |
| Property rates | 143 969 677 | 176 512 298,02 | 23% | 187 456 060,00 | 6% | 198 515 968,00 | 6% |
| Property rates - penalties & collection charges | 6 242 663 | 6 654 680,00 | 7% | 7 067 270,00 | 6% | 7 484 239,00 | 6% |
| Service charges - electricity revenue | 71 427 347 | 76 884 398,00 | 8% | 84 111 532,00 | 9% | 92 018 016,00 | 9% |
| Service charges - refuse revenue | 5 170 966 | 5 512 250,00 | 7% | 5 854 009,00 | 6% | 6 199 393,00 | 6% |
| Rental of facilities and equipment | 673 023 | 719 375,00 | 7% | 763 976,00 | 6% | 809 051,00 | 6% |
| Interest earned - external investments | 3 494 073 | 3 724 682,00 | 7% | 3 955 612,00 | 6% | 4 188 993,00 | 6% |
| Interest earned - outstanding debtors | 1 838 496 | 1 959 837,00 | 7% | 2 081 347,00 | 6% | 2 204 146,00 | 6% |
| Fines | 22 435 186 | 23 915 908,00 | 7% | 25 398 694,00 | 6% | 26 897 217,00 | 6% |
| Licences and permits | 3 226 490 | 3 439 439,00 | 7% | 3 652 684,00 | 6% | 3 868 192,00 | 6% |
| Transfers recognised - operational | 56 642 000 | 61 469 000,00 | 9% | 66 945 000,00 | 9% | 65 705 000,00 | -2% |
| Other revenue | 7 597 096 | 7 371 954,00 | -3% | 7 829 016,00 | 6% | 8 290 928,00 | 6% |
| NET OPERATING INCOME | 322 717 017,95 | 368 163 821,02 | 14% | 395 115 200,00 | | 416 181 143,00 | 5% |

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise more than two thirds of the total revenue mix. In the 2015/2016 financial year (adjusted budget), revenue from rates and services charges totalled R 226, 8 million. This increases to 265.5 million, R 284.4 million and R304.2 million in the respective financial years of the MTREF. This growth can be mainly attributed to the supplementary valuation rolls and the increased share that the sale of electricity contributes to the total revenue mix, which in turn is due to rapid increases in the Eskom tariffs for bulk electricity. The above table includes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality. Details in this regard are contained in Table 59 MBRR SA1 (see page 96).

Property rates are the largest revenue source totalling 48, 0 per cent or R176.5 million rand and increases to R187.4million by 2017/2018. The second largest source is user charges for services which consists of sale of electricity and refuse removal charges. Operating Grants & Subsidies are the third largest revenue source totalling 17 per cent in 2016/2017 and remains at 17 per cent in 2017/2018. Departments have been urged to review the tariffs of items like building plan fees, connection fees, advertisements and permits and licenses on an annual basis to ensure they are cost reflective and market related.

Operating grants and transfers totals R 61, 4 million in the 2016/2017 financial year and steadily increases to R66,9 million by 2017/2018. 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

KZN222 uMngeni - Supporting Table SA18 Transfers and grant receipts

| Description | Ref | 2012/13 | 2013/14 | 2014/15 | Current Year 2015/16 | | | 2016/17 Medium Term Revenue & Expenditure Framework | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2016/17 | Budget Year +1 2017/18 | Budget Year +2 2018/19 |
| R thousand | | | | | | | | | | |
| RECEIPTS: | 1,2 | | | | | | | | | |
| Operating Transfers and Grants | | | | | | | | | | |
| National Government: | | 38 897 | 43 831 | 44 911 | 48 500 | 53 528 | 53 528 | 58 268 | 63 610 | 62 199 |
| Local Government Equitable Share | | 29 961 | 37 208 | 40 229 | 40 132 | 40 132 | 40 132 | 44 429 | 49 458 | 54 263 |
| Municipal Systems Improvement | | 342 | 966 | 1 315 | 930 | 930 | 930 | - | - | - |
| Finance Management | | 2 232 | 2 673 | 1 977 | 1 600 | 1 600 | 1 600 | 1 625 | 1 700 | 1 955 |
| EPWP Incentive | | 1 021 | 2 984 | 972 | 1 438 | 1 466 | 1 466 | 1 317 | - | - |
| Integrated National Electrification Programme | | - | - | 418 | - | 5 000 | 5 000 | 8 000 | 7 000 | - |
| - | | - | - | - | - | - | - | - | - | - |
| - | | - | - | - | - | - | - | - | - | - |
| - | | - | - | - | - | - | - | - | - | - |
| - | | - | - | - | - | - | - | - | - | - |
| - | | - | - | - | - | - | - | - | - | - |
| - | | - | - | - | - | - | - | - | - | - |
| Other transfers/grants [insert description] | | 5 341 | - | - | 4 400 | 4 400 | 4 400 | 4 897 | 5 452 | 5 981 |
| Provincial Government: | | 1 701 | 4 434 | 2 913 | 3 142 | 4 011 | 4 011 | 3 201 | 3 335 | 3 508 |
| Provincialisation of Libraries | | 1 562 | 2 672 | 2 752 | 2 976 | 2 976 | 2 976 | 2 688 | 2 774 | 2 919 |
| Museum Subsidies | | 134 | 284 | 161 | 166 | 656 | 656 | 175 | 184 | 193 |
| Cleanest Town | | 5 | 1 320 | - | - | 25 | 25 | - | - | - |
| Data Cleansing | | - | 158 | - | - | 354 | 354 | - | - | - |
| Community Library Services Grant | | - | - | - | - | - | - | 358 | 377 | 394 |
| District Municipality: [insert description] | | - | - | - | - | - | - | - | - | - |
| Other grant providers: [insert description] | | - | - | - | - | - | - | - | - | - |
| Total Operating Transfers and Grants | 5 | 40 598 | 48 265 | 47 824 | 51 642 | 57 540 | 57 540 | 61 489 | 66 945 | 65 705 |
| Capital Transfers and Grants | | | | | | | | | | |
| National Government: | | 24 364 | 19 487 | 21 415 | 27 249 | 22 384 | 22 384 | 21 866 | 23 506 | 24 653 |
| Municipal Infrastructure Grant (MIG) | | 24 364 | 18 912 | 21 415 | 22 249 | 22 249 | 22 249 | 21 866 | 23 506 | 24 653 |
| Dept of Energy- NATIONAL GRANT | | - | 575 | - | 5 000 | 135 | 135 | - | - | - |
| - | | - | - | - | - | - | - | - | - | - |
| - | | - | - | - | - | - | - | - | - | - |
| - | | - | - | - | - | - | - | - | - | - |
| Other capital transfers/grants [insert desc] | | - | - | - | - | - | - | - | - | - |
| Provincial Government: | | 2 409 | 8 641 | 32 312 | - | 19 927 | 19 927 | - | - | - |
| Mandela Capture site | | 2 409 | 8 641 | 32 312 | - | 19 927 | 19 927 | - | - | - |
| District Municipality: [insert description] | | - | - | - | - | - | - | - | - | - |
| Other grant providers: [insert description] | | - | - | - | - | 1 391 | 1 391 | - | - | - |
| - | | - | - | - | - | 1 391 | 1 391 | - | - | - |
| Total Capital Transfers and Grants | 5 | 26 774 | 28 128 | 53 727 | 27 249 | 43 702 | 43 702 | 21 866 | 23 506 | 24 653 |
| TOTAL RECEIPTS OF TRANSFERS & GRANTS | | 67 372 | 76 393 | 101 551 | 78 891 | 101 242 | 101 242 | 83 355 | 90 451 | 90 358 |

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

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

The percentage increases of Eskom bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and in these tariffs are largely outside the control of the Municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability.

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

1.4.1 Property Rates

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

National Treasury's MFMA Circulars No. 66 and 67 deals, inter alia, with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0.25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

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 further R105 000 reduction on the market value of a property will be granted in terms of the Municipality's own Property Rates Policy;
- 30 per cent rebate will be granted on all residential properties;
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;
- For pensioners, physically and mentally disabled persons, a maximum/total rebate of 60 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 exceed R11 500 per month. In this regard the following stipulations are relevant:
 - The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependants without income;
 - The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension;
 - The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
 - The property must be categorized as residential.
- The Municipality may award a 100 per cent grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organizations, institutions or

organizations performing charitable work, sports grounds used for purposes of amateur sport. The owner of such a property must apply to the Council in the prescribed format for such a grant.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2016/2017 financial year based on the final rate randage of 1.35 cents in the Rand from 1 July 2016 is contained below:

Table 5 Comparison of proposed rates to be levied for the 2016/2017 financial year

| Category | Category | Current Tariff (1 July 2015) | Final Tariff (1 July 2016) | Proposed Rebate (from 1 July 2016) |
|--|----------|------------------------------------|-------------------------------|---------------------------------------|
| | | C | C | % |
| Residential | 1 | 1.27 c/R | 1.35c/R | 30% |
| Industrial | 2 | 1.27 c/R | 1.35c/R | 0% |
| | 3 | 1.27 c/R | 1.35c/R | |
| Business & Commercial | | | | 0% |
| | 4 | 1.27 c/R | 1.35c/R | |
| Rural- Agriculture | | | | 82.5% |
| | 5 | 1.27 c/R | 1.35c/R | |
| Rural – Commercial | | | | 30% |
| | 6 | 1.27 c/R | 1.35c/R | |
| Rural-Residential | | | | 30% |
| | 7 | 1.27 c/R | 1.35c/R | |
| State Owned Properties | | | | 30% |
| | 8 | 1.27 c/R | 1.35c/R | |
| Municipal Properties | | | | 100% |
| Public Service Infrastructure (Roads) | 9 | 1.27 c/R | 1.35c/R | As per the new MPRA e |
| Public Service Infrastructure (Other) | 10 | 1.27 c/R | 1.35c/R | As per the new MPRA e |
| | 11 | 1.27 c/R | 1.35c/R | |
| Private Towns | | | | 0% |
| | 12 | 1.27 c/R | 1.35c/R | |
| Informal Settlements | | | | 30% |
| | 13 | 1.27 c/R | 1.35c/R | |
| Mining & Quarries | | | | 20% |
| | 14 | 1.27 c/R | 1.35c/R | |
| Vacant Land | | | | 0% |
| | 15 | 1.27 c/R | 1.35c/R | |
| Protected Areas | | | | 100% |
| | 16 | 1.27 c/R | 1.35c/R | |
| National Monuments | | | | 100% |
| | 17 | 1.27 c/R | 1.35c/R | |
| Public Benefit Organisation | | | | 82.5% |
| | 18 | 1.27 c/R | 1.35c/R | |
| Education | | | | 82.5% |
| | 19 | 1.27 c/R | 1.35c/R | |
| Multi-Purpose | | | | 0% |
| | 20 | 1.27 c/R | 1.35c/R | |
| Bulk Development Land | | | | 40% |

1.4.2 Sale of Electricity and Impact of Tariff Increases

In terms of the Multi Year Price Determination (MYPD) for Eskom's tariffs approved by the National Energy Regulator of South Africa (Nersa), a tariff increase of 7.64 per cent has been approved for the 2016/17 financial year. However NERSA has not yet approved and published guidelines on municipal electricity price increase for 2016/17 financial year.

Registered indigents will again be granted 100 kWh per 30-day period free of charge.

The following table shows the impact of the proposed increases in electricity tariffs on the electricity charges for domestic customers:

Table 6 Comparison between current electricity charges and increases (Domestic)

| Monthly Consumption | Current Tariffs | Proposed Tariffs | Percentage Increase |
|----------------------------|------------------------|-------------------------|----------------------------|
| kWh | Payable | Payable | Increase |
| 1-50 kWh | 79c/kWh | 86c/kWh | 7.64% |
| 51-350 kWh | 101c/kWh | 110c/kWh | 7.64% |
| 351-600 kWh | 135c/kWh | 148c/kWh | 7.64% |
| 601kWh and above | 160c/kWh | 175c/kWh | 7.64% |

General Valuation Roll Summary per Category

| DESCRIPTION | CODES | VALUE | FURTHER REBATE | ANNUAL RATES |
|-------------------------------|--------|--------------------------|----------------------|-----------------------|
| Residential | A01 | 6,414,569,000.00 | 29,199,117.77 | 57,736,236.68 |
| Business and Commercial | B01-20 | 1,530,401,000 | - | 20,660,413.50 |
| Industrial | CI-11 | 453,806,000 | - | 6,143,625.63 |
| Retirement Village | D1-9 | 1,249,119,000.00 | 2,031,088.13 | 9,083,494.36 |
| Hotel and Business | E1-21 | 3,465,423,000 | - | 30,313,502.32 |
| Education and Private schools | F1-13 | 1,535,868,000.00 | 3,972,729.30 | 5,959,093.95 |
| Farms and Small Holdings | G2-6 | 8,511,768,000.00 | 2,286,298.98 | 25,736,455.15 |
| Mining and Queries | H1-13 | 106,902,000.00 | - | 592,770.15 |
| Public Infrastructure (PSI) | I1-16 | 980,819,500.00 | 435,297.24 | 9,694,705.86 |
| Vacant Land | J1-11 | 685,330,725 | - | 9,251,964.79 |
| Roads | K1-7 | 92,241,600 | - | 48,951.00 |
| Bulk Development | L3-5 | 184,199,000.00 | 805,566.60 | 1,291,084.65 |
| | | 25,210,446,825.00 | 38,730,098.03 | 176,512,298.02 |

During his budget speech on 25 February 2016, the Minister of Finance announced that electricity levy will be increased by 2 cents per kWh. A special municipal circular will be issued in due course to guide municipalities on the implementation of the 2 cents per kWh electricity level. In interim municipalities are advised to use the guideline issued by NERSA to set their tariffs for the 2015/16 financial year.

It should further be noted that NERSA has advised that a stepped tariff structure needs to be implemented from 1 July 2014. The effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor). This Municipality has already implemented the stepped tariff structure from 1 July 2010 and will continue with this practice in 2016/2017.

The inadequate electricity bulk capacity and the impact on service delivery and development remains a challenge for the Municipality. Most of the suburbs and inner Municipality reticulation network was designed or strengthened in the early 1980's with an expected 20-25 year life-expectancy. The upgrading of the Municipality's electricity network has therefore become a strategic priority, especially the substations and transmission lines.

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 tariff – as the resultant tariff increases would be unaffordable for the consumers. As part of the 2016/2017 medium-term capital programme, funding has been allocated to electricity infrastructure but these funding levels will require further investigation as part of the next budget cycle in an attempt to source more funding to ensure this risk is mitigated.

1.4.3 Waste Removal and Impact of Tariff Increases

It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The Municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term.

A 6,6 per cent increase in the waste removal tariff is proposed from 1 July 2016. Higher increases will not be viable in 2016/2017 owing to the significant increases implemented in previous financial years as well as the overall impact of higher than inflation increases of other services. Any increase higher than 6,6 per cent would be counter-productive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt.

The following table compares current and proposed amounts payable from 1 July 2016:

Table 7 Comparison between current waste removal fees and increases

| Type of Consumer | Description | Current Tariffs | Proposed Tariffs |
|-------------------------------|---|--------------------|--------------------|
| | | 2015/2016 | 2016/2017 |
| Domestic Consumers | Consumers /Ratepayers with total market value per property up to R200 000 | Free | Free |
| Commercial / Consumers | Consumer/Ratepayers with property values in excess of R200 000 | R 57.40 per month | R 61.19 per month |
| | One Collection per week per 120 litre bin | R 107.19 per month | R 114.26 per month |
| | One Collection per week per 120 litre bin | R 95.28 per month | R101.57 per month |
| Government | One Collection per week per 120 litre bin | | |

1.4.4 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.

Note that in all instances the overall impact of the tariff increases on household's bills has been kept to between 6,6 to 7 percent, with the increase for indigent households closer to 6,6per cent. Electricity increases however impacts on the total household bill.

Table 8 MBRR Table SA14 – Household bills

KZN222 uMngeni - Supporting Table SA14 Household bills

| Description | Ref | 2012/13 | 2013/14 | 2014/15 | Current Year 2015/16 | | | 2016/17 Medium Term Revenue & Expenditure Framework | | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|---------------------|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2016/17 % Incr. | Budget Year 2016/17 | Budget Year +1 2017/18 | Budget Year +2 2018/19 |
| Randicent | | | | | | | | | | | |
| Monthly Account for Household - 'Middle Income Range' | 1 | | | | | | | | | | |
| Rates and services charges: | | | | | | | | | | | |
| Property rates | | 5 422,90 | 5 748,27 | 7 027,29 | 6 093,17 | 5 812,00 | 5 812,00 | 13,7% | 7 027,29 | 7 619,20 | 8 120,74 |
| Electricity: Basic levy | | 84,27 | 89,32 | 109,69 | 94,67 | 91,36 | 91,36 | 12,7% | 109,69 | 117,96 | 126,75 |
| Electricity: Consumption | | 905,00 | 959,30 | 1 184,17 | 1 016,86 | 986,37 | 989,37 | 12,5% | 1 184,17 | 1 267,06 | 1 368,43 |
| Water: Basic levy | | - | - | - | - | - | - | - | - | - | - |
| Water: Consumption | | - | - | - | - | - | - | - | - | - | - |
| Sanitation | | 45,40 | 48,12 | 57,53 | 51,00 | 50,45 | 50,45 | 6,4% | 57,53 | 61,56 | 66,49 |
| Refuse removal | | - | - | - | - | - | - | - | - | - | - |
| Other | | - | - | - | - | - | - | - | - | - | - |
| sub-total | | 6 457,57 | 6 845,01 | 8 378,68 | 7 255,70 | 6 940,18 | 6 943,18 | 15,5% | 8 378,68 | 8 965,19 | 9 682,40 |
| VAT on Services | | - | - | - | - | - | - | - | - | - | - |
| Total large household bill: | | 6 457,57 | 6 845,01 | 8 378,68 | 7 255,70 | 6 940,18 | 6 943,18 | 15,5% | 8 378,68 | 8 965,19 | 9 682,40 |
| % Increase/decrease | | | 6,0% | 22,4% | (13,4%) | (4,3%) | 0,0% | | 20,7% | 7,0% | 8,0% |
| Monthly Account for Household - 'Affordable Range' | 2 | | | | | | | | | | |
| Rates and services charges: | | | | | | | | | | | |
| Property rates | | 5 422,90 | 5 748,27 | 5 939,78 | 6 093,17 | 5 812,00 | 5 812,00 | 20,9% | 5 939,78 | 6 356,57 | 6 864,01 |
| Electricity: Basic levy | | 84,27 | 89,32 | 135,18 | 94,67 | 91,36 | 91,36 | 19,7% | 135,18 | 144,65 | 156,22 |
| Electricity: Consumption | | 905,00 | 959,30 | 542,68 | 1 016,86 | 986,37 | 989,37 | 13,1% | 542,68 | 580,67 | 627,12 |
| Water: Basic levy | | - | - | - | - | - | - | - | - | - | - |
| Water: Consumption | | - | - | - | - | - | - | - | - | - | - |
| Sanitation | | 45,40 | 48,12 | 69,29 | 51,00 | 50,45 | 50,45 | 56,0% | 69,29 | 74,14 | 80,08 |
| Refuse removal | | - | - | - | - | - | - | - | - | - | - |
| Other | | - | - | - | - | - | - | - | - | - | - |
| sub-total | | 6 457,57 | 6 845,01 | 6 686,84 | 7 255,70 | 6 940,18 | 6 943,18 | (7,8%) | 6 686,84 | 7 155,03 | 7 727,43 |
| VAT on Services | | - | - | - | - | - | - | - | - | - | - |
| Total small household bill: | | 6 457,57 | 6 845,01 | 6 686,84 | 7 255,70 | 6 940,18 | 6 943,18 | (7,8%) | 6 686,84 | 7 155,03 | 7 727,43 |
| % Increase/decrease | | | 6,0% | (2,3%) | 8,5% | (4,3%) | 0,0% | | (3,7%) | 7,0% | 8,0% |
| Monthly Account for Household - 'Indigent' Household receiving free basic services | 3 | | | | | | | | | | |
| Rates and services charges: | | | | | | | | | | | |
| Property rates | | 3 900,65 | 4 134,69 | 5 617,17 | 4 372,17 | 4 634,50 | 4 634,50 | 13,7% | 5 617,17 | 6 010,37 | 6 491,20 |
| Electricity: Basic levy | | 84,27 | 89,32 | 127,54 | 100,23 | 106,24 | 106,24 | 12,6% | 127,54 | 136,47 | 147,39 |
| Electricity: Consumption | | 379,00 | 401,74 | 573,61 | 425,84 | 451,39 | 451,39 | 12,9% | 573,61 | 613,76 | 662,86 |
| Water: Basic levy | | - | - | - | - | - | - | - | - | - | - |
| Water: Consumption | | - | - | - | - | - | - | - | - | - | - |
| Sanitation | | 45,40 | 48,12 | 61,40 | 51,01 | 54,07 | 54,07 | 5,8% | 61,40 | 65,69 | 70,95 |
| Refuse removal | | - | - | - | - | - | - | - | - | - | - |
| Other | | - | - | - | - | - | - | - | - | - | - |
| sub-total | | 4 409,32 | 4 673,88 | 6 379,71 | 4 949,25 | 5 246,20 | 5 246,20 | 26,9% | 6 379,71 | 6 826,29 | 7 372,40 |
| VAT on Services | | - | - | - | - | - | - | - | - | - | - |
| Total small household bill: | | 4 409,32 | 4 673,88 | 6 379,71 | 4 949,25 | 5 246,20 | 5 246,20 | 26,9% | 6 379,71 | 6 826,29 | 7 372,40 |
| % Increase/decrease | | | 6,0% | 36,5% | (22,4%) | 6,0% | - | | 21,6% | 7,0% | 8,0% |

Operating Expenditure Framework

The Municipality's expenditure framework for the 2016/2017 budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plan no budget*. If there is no business plan no funding allocation can be made.

| <u>Expenditure By Type</u> | | | | | | | | | | | |
|---------------------------------|-----|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Employee related costs | 2 | 75 704 | 66 979 | 83 397 | 103 729 | 96 424 | 96 424 | 96 424 | 102 239 | 110 971 | 118 615 |
| Remuneration of councillors | | 5 465 | 5 745 | 6 119 | 6 727 | 7 092 | 7 092 | 7 092 | 7 446 | 7 819 | 8 210 |
| Debt impairment | 3 | 14 612 | 21 462 | 22 033 | 21 462 | 22 100 | 22 100 | 22 100 | 22 878 | 24 297 | 25 730 |
| Depreciation & asset impairment | 2 | 57 866 | 37 598 | 41 825 | 11 232 | 11 232 | 11 232 | 11 232 | 28 974 | 30 770 | 32 586 |
| Finance charges | | 4 597 | 4 297 | 4 303 | 4 760 | 4 760 | 4 760 | 4 760 | 5 127 | 5 445 | 5 767 |
| Bulk purchases | 2 | 60 662 | 65 893 | 72 286 | 80 432 | 88 632 | 88 632 | 88 632 | 95 404 | 102 693 | 112 346 |
| Other materials | 8 | | | | | | | | | | |
| Contracted services | | 1 115 | 1 950 | 3 110 | 10 249 | 12 128 | 12 128 | 12 128 | 13 929 | 14 792 | 15 665 |
| Transfers and grants | | - | - | - | 7 110 | 3 250 | 3 250 | 3 250 | 3 516 | 3 734 | 3 954 |
| Other expenditure | 4,5 | 39 579 | 80 311 | 66 422 | 71 481 | 76 831 | 76 831 | 76 831 | 88 142 | 93 720 | 91 916 |
| Loss on disposal of PPE | | 22 | - | - | | | | | | | |
| Total Expenditure | | 259 622 | 283 234 | 299 494 | 317 183 | 322 449 | 322 449 | 322 449 | 367 656 | 394 240 | 414 789 |

The budgeted allocation for employee related costs for the 2016/2017 financial year totals R102,2 million, which equals 29,8 per cent of the total operating expenditure. Salary increases have been factored into this budget at a percentage increase of 6 per cent for the 2016/2017 financial year. An annual increase of 8.3 and 6.8 per cent (with critical vacant posts) has been included in the two outer years of the MTREF. As part of the planning assumptions and interventions only critical vacancies were originally budgeted with a 6 percent increase as per the Salary Wage Agreement.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget. The remuneration for Councillors has been adjusted for the Speaker and two additional Executive Committee as full time Councillors with effect from the 15th July 2015.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R 28, 9 million for the 2016/2017 financial and equates to 8 per cent of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 1.3 per cent (R5, 1 million) of operating expenditure excluding annual redemption for 2016/2017 and increases to R 5, 4 million in 2017/18. As previously noted, the Municipality has reached its prudential limits for borrowing – hence the planned borrowing to finance the capital budget does not result in finance charges as a percentage of operational expenditure increasing – rather it is kept close to 6.1per cent over the MTREF.

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

Contracted services have been identified as a cost saving area for the Municipality. As part of the compilation of the 2016/2017 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced. In the 2016/17 financial year, this group of expenditure totals R13, 9 million. For the two outer years growth has been limited to R 14, 7 and R15, 6 million respectively. As part of the process of identifying further cost efficiencies, a business process reengineering project will commence in the 2016/2017 financial year to identify alternative practices and procedures, including building in-house capacity for certain activities that are currently being contracted out. The outcome of this exercise will be factored into the next budget cycle and it is envisaged that additional cost savings will be implemented.

GENERAL EXPENDITURE BREAK DOWN- CIRCULAR NUMBER 58

| DESCRIPTION | ANNUAL BUDGET 2016 / 2017 | ANNUAL BUDGET 2017 / 2018 | ANNUAL BUDGET 2018 / 2019 |
|-------------------------------|---------------------------------|---------------------------------|---------------------------------|
| CONFERENCES AND WORKS | 11 910 | 12 649 | 13 395 |
| GRANTS-IN-AID | 571 110 | 606 518 | 642 303 |
| IN SERVICE TRAINING | 38 376 | 40 755 | 43 160 |
| MATERIALS & SMALL TOO | 175 017 | 185 868 | 198 834 |
| COUNCIL SUPPORT | 150 001 | 159 301 | 168 700 |
| SUBSCRIPTIONS | 158 382 | 168 202 | 178 126 |
| WARD COMMITTEES | 750 000 | 796 500 | 843 494 |
| TRACKER SUBSCRIPTIONS | 174 241 | 185 044 | 195 961 |
| HYGIENE SERVICES | 223 310 | 237 155 | 251 147 |
| SALGBC SUBSCRIPTIONS | 936 827 | 994 911 | 1 053 610 |
| SPCA EXPENSES | 829 284 | 880 700 | 932 661 |
| BACK TO SCHOOL | 22 557 | 23 955 | 25 368 |
| INTERNAL AUDITS(PMS) | 247 782 | 263 145 | 278 670 |
| APPEALS BOARD EXPENSE | 355 490 | 377 530 | 399 804 |
| LOSS ON INSURANCE CLAIMS | 91 067 | 96 713 | 102 420 |
| PUBLIC PARTICIPATION | 400 000 | 424 800 | 449 863 |
| COMMUNITY DEVELOPMENT PROGR | 400 000 | 424 800 | 449 863 |
| BANK DEPOSIT COLLECTION | 149 665 | 158 945 | 168 322 |
| COMPUTER SUPPORTS AND | 1 794 775 | 1 906 052 | 2 018 509 |
| IT LICENSING | 500 000 | 531 000 | 562 329 |
| BUSARY SCHEME-STUDY ASSISTANT | 175 000 | 185 850 | 196 815 |
| IN SERVICE TRAINING | 280 000 | 297 360 | 314 904 |
| MEDICAL EXAMINATIONS | 14 402 | 15 295 | 16 197 |
| REFERENCE BOOKS & PERIODICALS | 33 835 | 35 933 | 38 053 |
| TRAINING & DEVELOPMEN | 1 012 000 | 1 074 744 | 1 138 154 |
| LGSETA EXPENDITURE | 177 164 | 188 148 | 199 249 |
| EMPLOYEE WELLNESS EVENTS | 106 600 | 113 209 | 119 889 |
| UNIFORMS | 50 752 | 53 899 | 57 079 |
| EAP SERVICES | 186 550 | 198 116 | 209 805 |
| OCCUPATIONAL HEALTH EX | 5 330 | 5 660 | 5 994 |
| INDUSTRIAL RELATION NETWORK | 74 620 | 79 246 | 83 922 |
| RENTAL-LEASED PROPERT | 256 075 | 271 951 | 287 996 |
| PROFESSIONAL FEES | 500 000 | 531 000 | 562 329 |
| LAND SURVEYING FEES | 56 391 | 59 888 | 63 421 |
| UNIFORMS/ PROTECTION CLOTHING | 7 500 | 7 965 | 8 435 |
| WATER USE LICENCE | 500 000 | 531 000 | 562 329 |
| SPLUMA EXPENDITURE | 53 300 | 56 605 | 59 944 |
| LED INFORMAL TRADERS TRAINING | 400 000 | 424 800 | 449 863 |
| LUMS EXPENDITURE | 59 550 | 63 242 | 66 973 |
| REFUSE REMOVAL | 36 350 | 38 604 | 40 882 |
| TITLE DEEDS EXPENDITURE | 750 000 | 796 500 | 843 494 |
| AMMUNITION | 1 192 | 1 266 | 1 340 |
| SCHOLAR PATROL | 7 444 | 7 905 | 8 372 |
| UNIFORMS | 40 199 | 42 691 | 45 210 |
| DISASTER MANAGEMENT | 119 099 | 126 483 | 133 945 |
| CHEMICALS | 45 189 | 47 991 | 50 822 |
| RECREATIONAL ENTERTAINMENT | 8 528 | 9 057 | 9 591 |
| ROAD PAINT | 162 753 | 172 843 | 183 041 |
| TRAFFIC SIGNS | 57 167 | 60 712 | 64 294 |
| REFUSE BAGS | 33 835 | 35 933 | 38 053 |
| REFUSE BAGS | 14 662 | 15 571 | 16 489 |
| PREPAID SMART METERING | 119 099 | 126 483 | 133 945 |
| SEWERAGE | 56 968 | 60 500 | 64 069 |
| WATER | 583 584 | 619 766 | 656 332 |
| UNIFORMS | 430 154 | 456 824 | 483 777 |
| CONSUMABLES -SOAPS AND TOILET | 33 835 | 35 933 | 38 053 |
| FOOD FOR WASTE | 1 279 200 | 1 358 510 | 1 438 663 |
| HIV/AIDS WORKSHOP | 135 339 | 143 730 | 152 210 |
| OTHERS | 2 464 521 | 2 866 722 | 3 015 817 |
| TOTAL | 18 307 980 | 19 692 476 | 20 836 291 |

Above table -General expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Growth has been limited to 24, 6 per cent for 2016/2017 and curbed at 24, 1 per cent for the two outer years, indicating that significant cost savings have been already realised.

1.4.5 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2016/2017 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the Municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

Table 9 Operational repairs and maintenance

During the compilation of the 2016/2017 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Municipality's infrastructure and historic deferred maintenance. To this end, repairs and maintenance was substantially increased by in the 2016/2017 financial year, from R 18, 0 million to R21, 8million. The total allocation for 2016/2017 equates to R21, 8million.

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

KZN222 uMngeni - Supporting Table SA34c Repairs and maintenance expenditure by asset class

| Description | Ref | 2012/13 | 2013/14 | 2014/15 | Current Year 2015/16 | | | 2016/17 Medium Term Revenue & Expenditure Framework | | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|--------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2016/17 | Budget Year +1 2017/18 | Budget Year +2 2018/19 | |
| R thousand | 1 | | | | | | | | | | |
| Repairs and maintenance expenditure by Asset Class/Sub-class | | | | | | | | | | | |
| Infrastructure | 1 | - | - | 6 100 | 14 699 | 9 699 | 9 699 | 10 594 | 12 251 | 12 973 | |
| Infrastructure - Road transport | | - | - | 3 940 | 9 125 | 8 125 | 8 125 | 8 008 | 9 505 | 10 065 | |
| Roads, Pavements & Bridges | | | | 3 940 | 7 050 | 7 050 | 7 050 | 7 851 | 9 338 | 9 889 | |
| Storm water | | | | - | 2 075 | 1 075 | 1 075 | 157 | 167 | 177 | |
| Infrastructure - Electricity | | - | - | 2 160 | 5 574 | 1 574 | 1 574 | 2 586 | 2 746 | 2 908 | |
| Generation | | | | - | - | - | - | | | | |
| Transmission & Reticulation | | | | 2 160 | 5 574 | 1 574 | 1 574 | 2 586 | 2 746 | 2 908 | |
| Street Lighting | | | | | - | - | - | | | | |
| Infrastructure - Water | | - | - | - | - | - | - | - | - | - | |
| Dams & Reservoirs | | | | | | | | | | | |
| Water purification | | | | | - | - | - | | | | |
| Reticulation | | | | | | | | | | | |
| Infrastructure - Sanitation | | - | - | - | - | - | - | - | - | - | |
| Reticulation | | | | | | | | | | | |
| Sewerage purification | | | | | | | | | | | |
| Infrastructure - Other | | - | - | - | - | - | - | - | - | - | |
| Waste Management | | | | | | | | | | | |
| Transportation | | 2 | | | | | | | | | |
| Gas | | | | | | | | | | | |
| Other | | 3 | | | | | | | | | |
| Community | | | 4 932 | 6 333 | 6 247 | 10 042 | 8 397 | 8 397 | 11 267 | 11 716 | 12 407 |
| Parks & gardens | | | | | - | - | - | - | | | |
| Sportsfields & stadia | | | | | 307 | 959 | 959 | 959 | 815 | 866 | 917 |
| Swimming pools | | | | | - | - | - | - | | | |
| Community halls | | | | | 107 | 273 | 273 | 273 | 1 708 | 1 812 | 1 919 |
| Libraries | | | | | 269 | 570 | 570 | 570 | 414 | 440 | 466 |
| Recreational facilities | | | | | - | - | - | - | | | |
| Fire, safety & emergency | | | | | - | 7 | 7 | 7 | | | |
| Security and policing | | | | | - | 794 | 794 | 794 | 252 | 268 | 284 |
| Buses | | 7 | | | - | - | - | - | | | |
| Clinics | | | | | - | - | - | - | | | |
| Museums & Art Galleries | | | | | - | - | - | - | | | |
| Cemeteries | | | | | - | - | - | - | | | |
| Social rental housing | | 8 | | | - | 283 | 283 | 283 | 259 | 275 | 292 |
| Other | | 4 932 | 6 333 | 5 564 | 7 156 | 5 511 | 5 511 | 7 820 | 8 055 | 8 530 | |
| Heritage assets | | - | - | - | - | - | - | - | - | - | |
| Buildings | 9 | | | | | | | | | | |
| Other | | | | | | | | | | | |
| | | | | | | | | | | | |
| Investment properties | | - | - | - | - | - | - | - | - | - | |
| Housing development | | | | | | | | | | | |
| Other | | | | | | | | | | | |
| Other assets | | - | - | - | - | - | - | - | - | - | |
| General vehicles | 10 | | | | | | | | | | |
| Specialised vehicles | | - | - | - | - | - | - | - | - | - | |
| Plant & equipment | | | | | | | | | | | |
| Computers - hardware/equipment | | | | | | | | | | | |
| Furniture and other office equipment | | | | | | | | | | | |
| Abattoirs | | | | | | | | | | | |
| Markets | | | | | | | | | | | |
| Civic Land and Buildings | | | | | | | | | | | |
| Other Buildings | | | | | | | | | | | |
| Other Land | | | | | | | | | | | |
| Surplus Assets - (Investment or Inventory) | | | | | | | | | | | |
| Other | | | | | | | | | | | |
| Agricultural assets | | | - | - | - | - | - | - | - | - | - |
| List sub-class | | | | | | | | | | | |
| Biological assets | | - | - | - | - | - | - | - | - | - | |
| List sub-class | | | | | | | | | | | |
| Intangibles | | - | - | - | - | - | - | - | - | - | |
| Computers - software & programming | | | | - | | | | | | | |
| Other (list sub-class) | | | | | | | | | | | |
| Total Repairs and Maintenance Expenditure | 1 | 4 932 | 6 333 | 12 347 | 24 741 | 18 096 | 18 096 | 21 861 | 23 956 | 25 380 | |
| Specialised vehicles | | - | - | - | - | - | - | - | - | - | |
| Refuse | | | | | | | | | | | |
| Fire | | | | | | | | | | | |
| Conservancy | | | | | | | | | | | |
| Ambulances | | | | | | | | | | | |
| R&M as a % of PPE | | 0,6% | 0,8% | 1,6% | 3,1% | 2,3% | 2,3% | 2,8% | 3,1% | 3,3% | |
| R&M as % Operating Expenditure | | 1,9% | 2,2% | 4,1% | 7,8% | 5,6% | 5,6% | 5,9% | 6,1% | 6,1% | |

For the 2016/2017 financial year, 48 per cent or R21.1 million of total repairs and maintenance will be spent on infrastructure assets. Community assets have been allocated R11, 2million of 0.total repairs and maintenance equating to 52 per cent. This is to comply with the requirements of National Treasury Circulars 66 & 67 to budget for at least 8% of Property, Plant & Equipment for renewal and operational repairs and maintenance of existing asset infrastructure.

1.4.6 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. There is currently plus minus 2774 debtors registered as indigent and the target is to register 500 or more indigent households during the 2016/2017 financial year, a process reviewed every six months.

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.

1.5 Capital expenditure

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

Table 10 2016/17 Medium-term capital budget per vote

| Vote Description R thousand | Ref 1 | 2012/13 | 2013/14 | 2014/15 | Current Year 2015/16 | | | | 2016/17 Medium term Revenue & Expenditure Framework | | |
|---|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2016/17 | Budget Year +1 2017/18 | Budget Year +2 2018/19 |
| Single-year expenditure to be appropriated | 2 | | | | | | | | | | |
| Vote 1 - Executive and Council | | - | - | - | - | 79 | 79 | 79 | 175 | 185 | 197 |
| Vote 2 - Finance | | - | - | - | - | 127 | 127 | 127 | 139 | 148 | 157 |
| Vote 3 - Corporate Services | | - | - | - | - | 266 | 266 | 266 | 292 | 311 | 330 |
| Vote 4 - Planning Services | | - | 2,462 | 32,312 | - | 20,031 | 20,031 | 20,031 | 114 | 122 | 129 |
| Vote 5 - Community Services | | - | - | 3,223 | 3,500 | 3,728 | 3,728 | 3,728 | 2,251 | 267 | 283 |
| Vote 6 - Technical Services | | 26,858 | 30,098 | 19,926 | 18,749 | 20,044 | 20,044 | 20,044 | 26,176 | 23,730 | 26,690 |
| Vote 7 - Economic Development and Growth | | - | - | - | - | - | - | - | - | - | - |
| Vote 8 - Internal Audit | | - | - | - | - | - | - | - | - | - | - |
| Vote 9 - Electricity | | - | 575 | 815 | 5,000 | 135 | 135 | 135 | - | 8,000 | 8,000 |
| Capital single-year expenditure sub-total | | 26,858 | 33,135 | 56,276 | 27,249 | 44,409 | 44,409 | 44,409 | 29,148 | 32,764 | 35,786 |
| Total Capital Expenditure - Vote | | 26,858 | 33,135 | 56,276 | 27,249 | 44,409 | 44,409 | 44,409 | 29,148 | 32,764 | 35,786 |

For 2016/2017 an amount of R 29, 1 million has been appropriated for the development of infrastructure which represents 89, 8 per cent of the total capital budget. In the outer years this amount totals R23, 7million, 72, 4 per cent and R26, 6million respectively for each of the financial years.

Further detail relating to asset classes and proposed capital expenditure is contained in Table 22 MBRR A9 (Asset Management) on page 34.

1.6 Annual Budget Tables - Parent Municipality

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2016/2017 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 11 MBRR Table A1 - Budget Summary

KZN222 uMngeni - Table A1 Budget Summary

| Description | 2012/13 | 2013/14 | 2014/15 | Current Year 2015/16 | | | | 2016/17 Medium Term Revenue & Expenditure Framework | | |
|--|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2016/17 | Budget Year +1 2017/18 | Budget Year +2 2018/19 |
| R thousands | | | | | | | | | | |
| Financial Performance | | | | | | | | | | |
| Property rates | 104 770 | 117 669 | 126 096 | 147 379 | 150 212 | 150 212 | 150 212 | 183 167 | 194 523 | 206 000 |
| Service charges | 56 527 | 55 461 | 57 768 | 73 410 | 76 598 | 76 598 | 76 598 | 82 397 | 89 966 | 98 217 |
| Investment revenue | 829 | 1 849 | 2 741 | 1 513 | 3 494 | 3 494 | 3 494 | 3 725 | 3 956 | 4 189 |
| Transfers recognised - operational | 40 598 | 48 265 | 47 728 | 51 428 | 56 642 | 56 642 | 56 642 | 61 469 | 66 945 | 65 705 |
| Other own revenue | 15 185 | 33 298 | 36 461 | 44 480 | 35 770 | 35 770 | 35 770 | 37 407 | 39 726 | 42 070 |
| Total Revenue (excluding capital transfers and contributions) | 217 909 | 257 542 | 270 793 | 318 208 | 322 717 | 322 717 | 322 717 | 368 164 | 395 115 | 415 181 |
| Employee costs | 75 704 | 65 979 | 83 397 | 103 729 | 96 424 | 96 424 | 96 424 | 102 239 | 110 971 | 118 615 |
| Remuneration of councillors | 5 465 | 5 745 | 6 119 | 6 727 | 7 092 | 7 092 | 7 092 | 7 446 | 7 819 | 8 210 |
| Depreciation & asset impairment | 57 866 | 37 598 | 41 825 | 11 232 | 11 232 | 11 232 | 11 232 | 28 974 | 30 770 | 32 586 |
| Finance charges | 4 597 | 4 297 | 4 303 | 4 760 | 4 760 | 4 760 | 4 760 | 5 127 | 5 445 | 5 767 |
| Materials and bulk purchases | 60 662 | 65 893 | 72 286 | 80 432 | 88 632 | 88 632 | 88 632 | 95 404 | 102 693 | 112 346 |
| Transfers and grants | - | - | - | 7 110 | 3 250 | 3 250 | 3 250 | 3 516 | 3 734 | 3 954 |
| Other expenditure | 55 328 | 103 722 | 91 564 | 103 193 | 111 059 | 111 059 | 111 059 | 124 950 | 132 809 | 133 312 |
| Total Expenditure | 259 622 | 283 234 | 299 494 | 317 183 | 322 449 | 322 449 | 322 449 | 367 656 | 394 240 | 414 789 |
| Surplus/(Deficit) | (41 713) | (25 692) | (28 702) | 1 025 | 268 | 268 | 268 | 507 | 875 | 1 392 |
| Transfers recognised - capital | 26 774 | 28 128 | 55 249 | 27 249 | 22 249 | 22 249 | 22 249 | 21 866 | 23 506 | 24 653 |
| Contributions recognised - capital & contributed assets | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | (14 939) | 2 436 | 26 547 | 28 274 | 22 517 | 22 517 | 22 517 | 22 373 | 24 381 | 26 045 |
| Share of surplus/ (deficit) of associate | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) for the year | (14 939) | 2 436 | 26 547 | 28 274 | 22 517 | 22 517 | 22 517 | 22 373 | 24 381 | 26 045 |
| Capital expenditure & funds sources | | | | | | | | | | |
| Capital expenditure | 25 863 | 93 867 | 54 996 | 27 249 | 44 409 | 44 409 | 44 409 | 29 148 | 32 764 | 33 786 |
| Transfers recognised - capital | 24 846 | 27 571 | 54 377 | 27 249 | 22 249 | 43 567 | 43 567 | 21 866 | 23 506 | 24 453 |
| Public contributions & donations | - | 24 | - | - | - | - | - | - | - | - |
| Borrowing | - | - | - | - | - | - | - | - | - | - |
| Internally generated funds | 1 017 | 66 272 | 620 | - | 22 160 | 841 | 841 | 7 282 | 9 258 | 9 333 |
| Total sources of capital funds | 25 863 | 93 867 | 54 996 | 27 249 | 44 409 | 44 409 | 44 409 | 29 148 | 32 764 | 33 786 |
| Financial position | | | | | | | | | | |
| Total current assets | 108 916 | 80 352 | 94 615 | 134 985 | 103 118 | 103 118 | 103 118 | 89 630 | 92 979 | 94 728 |
| Total non current assets | 780 490 | 786 445 | 799 617 | 802 643 | 807 748 | 807 748 | 807 748 | 789 524 | 781 035 | 773 566 |
| Total current liabilities | 55 437 | 50 576 | 48 778 | 32 459 | 28 337 | 28 337 | 28 337 | 29 181 | 27 153 | 26 239 |
| Total non current liabilities | 71 066 | 77 475 | 78 401 | 38 671 | 48 102 | 48 102 | 48 102 | 46 119 | 45 091 | 47 055 |
| Community wealth/Equity | 762 904 | 738 746 | 767 053 | 866 497 | 834 427 | 834 427 | 834 427 | 803 854 | 801 770 | 795 001 |
| Cash flows | | | | | | | | | | |
| Net cash from (used) operating | 43 359 | 63 835 | 79 010 | 30 283 | 25 327 | 17 093 | 17 093 | 32 096 | 34 385 | 36 256 |
| Net cash from (used) investing | (38 297) | (51 617) | (62 886) | (27 249) | (44 409) | (36 175) | (36 175) | (29 148) | (32 764) | (35 786) |
| Net cash from (used) financing | (1 341) | (1 268) | (2 524) | (2 650) | (2 581) | (2 581) | (2 581) | (2 623) | (3 037) | (3 214) |
| Cash/cash equivalents at the year end | (2 275) | 8 676 | 22 276 | 8 761 | 24 989 | 24 989 | 24 989 | 25 315 | 23 898 | 21 154 |
| Cash backing/surplus reconciliation | | | | | | | | | | |
| Cash and investments available | 12 574 | 38 474 | 46 652 | 26 926 | 24 989 | 24 989 | 24 989 | 25 315 | 32 699 | 38 419 |
| Application of cash and investments | 6 421 | 1 161 | (4 302) | (39 873) | (43 242) | (43 242) | (43 242) | (30 671) | (29 372) | (27 023) |
| Balance - surplus (shortfall) | 6 153 | 37 313 | 50 954 | 66 799 | 68 231 | 68 231 | 68 231 | 55 986 | 62 071 | 65 441 |
| Asset management | | | | | | | | | | |
| Asset register summary (WDV) | 777 502 | 769 733 | 799 617 | 802 643 | 819 802 | 819 802 | 819 483 | 819 483 | 842 989 | 869 442 |
| Depreciation & asset impairment | 57 866 | 37 598 | 41 825 | 11 232 | 11 232 | 11 232 | 28 974 | 28 974 | 30 770 | 32 586 |
| Renewal of Existing Assets | - | - | - | - | - | - | - | - | - | - |
| Repairs and Maintenance | 4 932 | 6 333 | 12 347 | 24 741 | 18 096 | 18 096 | 21 861 | 21 861 | 23 966 | 25 380 |
| Free services | | | | | | | | | | |
| Cost of Free Basic Services provided | - | - | - | - | - | - | - | - | - | - |
| Revenue cost of free services provided | 51 354 | 33 598 | 35 613 | 52 568 | 43 152 | 43 152 | 39 765 | 39 765 | 42 230 | 44 722 |
| Households below minimum service level | | | | | | | | | | |
| Water: | - | - | - | - | - | - | - | - | - | - |
| Sanitation/sewerage: | - | - | - | - | - | - | - | - | - | - |
| Energy: | - | - | - | - | - | - | - | - | - | - |
| Refuse: | - | - | - | - | - | - | - | - | - | - |

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

Table 12 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

KZN222 uMngeni - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

| Standard Classification Description | Ref | 2012/13 | 2013/14 | 2014/15 | Current Year 2015/16 | | | 2016/17 Medium Term Revenue & Expenditure Framework | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2016/17 | Budget Year +1 2017/18 | Budget Year +2 2018/19 |
| Revenue - Standard | | | | | | | | | | |
| <i>Governance and administration</i> | | 137 303 | 148 190 | 225 261 | 191 151 | 196 153 | 196 153 | 230 778 | 246 978 | 263 295 |
| Executive and council | | 107 689 | 112 815 | 195 694 | 186 039 | 189 021 | 189 021 | 223 282 | 239 044 | 254 737 |
| Budget and treasury office | | 28 232 | 34 542 | 28 601 | 4 207 | 6 258 | 6 258 | 6 564 | 6 945 | 7 510 |
| Corporate services | | 1 382 | 832 | 965 | 905 | 874 | 874 | 932 | 989 | 1 048 |
| <i>Community and public safety</i> | | 13 383 | 34 941 | 32 776 | 41 153 | 35 768 | 35 768 | 36 991 | 35 697 | 37 778 |
| Community and social services | | 1 882 | 3 235 | 5 035 | 3 528 | 3 999 | 3 999 | 3 595 | 3 753 | 3 949 |
| Sport and recreation | | 5 | 153 | 172 | 3 681 | 3 508 | 3 508 | 2 007 | 8 | 8 |
| Public safety | | 11 497 | 31 553 | 27 569 | 33 943 | 28 261 | 28 261 | 31 389 | 31 936 | 33 821 |
| Housing | | - | - | - | - | - | - | - | - | - |
| Health | | - | - | - | - | - | - | - | - | - |
| <i>Economic and environmental services</i> | | 357 | 541 | 629 | 24 780 | 19 753 | 19 753 | 20 896 | 24 600 | 25 811 |
| Planning and development | | 357 | 541 | 629 | 1 031 | 1 004 | 1 004 | 1 030 | 1 094 | 1 158 |
| Road transport | | - | - | - | 23 749 | 18 749 | 18 749 | 19 865 | 23 506 | 24 653 |
| Environmental protection | | - | - | - | - | - | - | - | - | - |
| <i>Trading services</i> | | 68 866 | 73 732 | 67 375 | 88 373 | 93 293 | 93 293 | 101 365 | 111 346 | 113 950 |
| Electricity | | 53 823 | 59 281 | 56 907 | 76 936 | 81 917 | 81 917 | 88 947 | 97 804 | 99 316 |
| Water | | - | - | - | - | - | - | - | - | - |
| Waste water management | | - | - | - | - | - | - | - | - | - |
| Waste management | | 13 042 | 14 451 | 10 468 | 11 437 | 11 375 | 11 375 | 12 418 | 13 541 | 14 634 |
| <i>Other</i> | 4 | - | - | - | - | - | - | - | - | - |
| Total Revenue - Standard | 2 | 217 909 | 257 403 | 326 042 | 345 457 | 344 866 | 344 866 | 390 030 | 418 621 | 440 834 |
| Expenditure - Standard | | | | | | | | | | |
| <i>Governance and administration</i> | | 49 872 | 92 895 | 117 317 | 80 050 | 90 299 | 90 299 | 123 647 | 131 339 | 139 612 |
| Executive and council | | 23 226 | 56 543 | 38 005 | 34 257 | 34 348 | 34 348 | 42 856 | 45 561 | 48 325 |
| Budget and treasury office | | 16 452 | 20 162 | 61 113 | 20 655 | 32 282 | 32 282 | 50 256 | 53 467 | 56 925 |
| Corporate services | | 10 194 | 16 190 | 18 199 | 25 138 | 23 669 | 23 669 | 30 535 | 32 312 | 34 362 |
| <i>Community and public safety</i> | | 70 849 | 67 685 | 43 200 | 55 172 | 53 884 | 53 884 | 53 284 | 51 489 | 54 718 |
| Community and social services | | 8 375 | 7 783 | 9 574 | 12 504 | 14 409 | 14 409 | 13 911 | 14 795 | 15 696 |
| Sport and recreation | | 8 450 | 8 411 | 8 864 | 11 229 | 8 852 | 8 852 | 8 436 | 9 033 | 9 644 |
| Public safety | | 10 149 | 23 984 | 23 645 | 29 556 | 29 773 | 29 773 | 28 678 | 25 249 | 26 807 |
| Housing | | 43 875 | 27 508 | 1 117 | 1 883 | 849 | 849 | 2 258 | 2 413 | 2 570 |
| Health | | - | - | - | - | - | - | - | - | - |
| <i>Economic and environmental services</i> | | 37 794 | 25 508 | 38 195 | 51 404 | 41 490 | 41 490 | 46 963 | 54 958 | 58 449 |
| Planning and development | | 8 375 | 6 603 | 9 463 | 8 884 | 8 737 | 8 737 | 7 624 | 8 147 | 8 682 |
| Road transport | | 29 419 | 18 904 | 28 731 | 42 520 | 32 753 | 32 753 | 39 339 | 46 821 | 49 767 |
| Environmental protection | | - | - | - | - | - | - | - | - | - |
| <i>Trading services</i> | | 101 057 | 97 142 | 100 778 | 130 487 | 136 771 | 136 771 | 143 757 | 156 437 | 162 004 |
| Electricity | | 84 350 | 80 456 | 80 391 | 99 981 | 108 716 | 108 716 | 122 042 | 133 340 | 137 507 |
| Water | | - | - | - | - | - | - | - | - | - |
| Waste water management | | 3 685 | 2 740 | 3 006 | 5 688 | 2 557 | 2 557 | - | - | - |
| Waste management | | 13 022 | 13 946 | 17 381 | 24 817 | 25 498 | 25 498 | 21 715 | 23 097 | 24 497 |
| <i>Other</i> | 4 | 51 | 5 | 5 | 71 | 6 | 6 | 6 | 6 | 7 |
| Total Expenditure - Standard | 3 | 259 623 | 283 234 | 299 494 | 317 183 | 322 449 | 322 449 | 367 656 | 394 240 | 414 789 |
| Surplus/(Deficit) for the year | | (41 713) | (25 831) | 26 548 | 28 274 | 22 517 | 22 517 | 22 373 | 24 381 | 26 045 |

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

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

Table 13 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

KZN222 uMngeni - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

| Vote Description | Ref | 2012/13 | 2013/14 | 2014/15 | Current Year 2015/16 | | | 2016/17 Medium Term Revenue & Expenditure Framework | | |
|---|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2016/17 | Budget Year +1 2017/18 | Budget Year +2 2018/19 |
| R thousand | | | | | | | | | | |
| Revenue by Vote | 1 | | | | | | | | | |
| Vote 1 - Executive and Council | | 107 689 | 112 815 | 195 694 | 186 039 | 189 021 | 189 021 | 223 282 | 239 044 | 254 737 |
| Vote 2 - Finance | | 28 232 | 34 542 | 28 601 | 4 207 | 6 258 | 6 258 | 6 564 | 6 945 | 7 510 |
| Vote 3 - Corporate Services | | 1 382 | 1 023 | 3 026 | 1 187 | 1 156 | 1 156 | 1 233 | 1 309 | 1 386 |
| Vote 4 - Planning Services | | 357 | 541 | 629 | 1 031 | 1 004 | 1 004 | 1 030 | 1 094 | 1 158 |
| Vote 5 - Community Services | | 9 303 | 29 434 | 27 435 | 36 893 | 31 481 | 31 481 | 32 667 | 32 504 | 34 396 |
| Vote 6 - Technical Services | | 16 911 | 19 767 | 13 748 | 39 163 | 34 129 | 34 129 | 36 307 | 39 921 | 42 330 |
| Vote 7 - Economic Development and Growth | | - | - | - | - | - | - | - | - | - |
| Vote 8 - Internal Audit | | 211 | - | - | - | - | - | - | - | - |
| Vote 9 - Electricity | | 53 823 | 59 281 | 56 907 | 76 936 | 81 917 | 81 917 | 88 947 | 97 804 | 99 316 |
| Vote 10 - [NAME OF VOTE 10] | | - | - | - | - | - | - | - | - | - |
| Vote 11 - [NAME OF VOTE 11] | | - | - | - | - | - | - | - | - | - |
| Vote 12 - [NAME OF VOTE 12] | | - | - | - | - | - | - | - | - | - |
| Vote 13 - [NAME OF VOTE 13] | | - | - | - | - | - | - | - | - | - |
| Vote 14 - [NAME OF VOTE 14] | | - | - | - | - | - | - | - | - | - |
| Vote 15 - [NAME OF VOTE 15] | | - | - | - | - | - | - | - | - | - |
| Total Revenue by Vote | 2 | 217 909 | 257 403 | 325 042 | 345 457 | 344 966 | 344 966 | 390 030 | 418 621 | 440 834 |
| Expenditure by Vote to be appropriated | 1 | | | | | | | | | |
| Vote 1 - Executive and Council | | 23 496 | 57 316 | 39 654 | 36 314 | 36 137 | 36 137 | 47 803 | 50 585 | 53 668 |
| Vote 2 - Finance | | 16 452 | 20 162 | 61 113 | 20 655 | 32 282 | 32 282 | 50 256 | 53 467 | 56 925 |
| Vote 3 - Corporate Services | | 10 194 | 13 438 | 16 429 | 23 981 | 24 213 | 24 213 | 27 451 | 29 261 | 31 104 |
| Vote 4 - Planning Services | | 8 375 | 6 603 | 9 463 | 8 884 | 8 737 | 8 737 | 7 624 | 8 147 | 8 682 |
| Vote 5 - Community Services | | 67 652 | 64 238 | 39 307 | 49 464 | 47 162 | 47 162 | 47 387 | 45 194 | 48 017 |
| Vote 6 - Technical Services | | 44 979 | 38 188 | 49 715 | 74 195 | 61 600 | 61 600 | 61 054 | 69 918 | 74 264 |
| Vote 7 - Economic Development and Growth | | 2 307 | 2 303 | 2 300 | 2 627 | 2 405 | 2 405 | 2 614 | 2 799 | 2 990 |
| Vote 8 - Internal Audit | | 1 818 | 529 | 1 120 | 1 083 | 1 198 | 1 198 | 1 426 | 1 528 | 1 633 |
| Vote 9 - Electricity | | 84 351 | 80 456 | 80 391 | 99 981 | 108 716 | 108 716 | 122 042 | 133 340 | 137 507 |
| Vote 10 - [NAME OF VOTE 10] | | - | - | - | - | - | - | - | - | - |
| Vote 11 - [NAME OF VOTE 11] | | - | - | - | - | - | - | - | - | - |
| Vote 12 - [NAME OF VOTE 12] | | - | - | - | - | - | - | - | - | - |
| Vote 13 - [NAME OF VOTE 13] | | - | - | - | - | - | - | - | - | - |
| Vote 14 - [NAME OF VOTE 14] | | - | - | - | - | - | - | - | - | - |
| Vote 15 - [NAME OF VOTE 15] | | - | - | - | - | - | - | - | - | - |
| Total Expenditure by Vote | 2 | 259 623 | 283 234 | 299 494 | 317 183 | 322 449 | 322 449 | 367 655 | 394 240 | 414 789 |
| Surplus/(Deficit) for the year | 2 | (41 713) | (25 831) | 26 548 | 28 274 | 22 517 | 22 517 | 22 373 | 24 381 | 26 045 |

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

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the electricity trading service.

Table 14 Surplus/(Deficit) calculations for the trading services

| Description | 2012/2013 | 2013/2014 | 2014/2015 | 2015/2016 | | | | Medium Term Revenue & Expenditure Framework | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|--------------------|-------------------|---|--------------------------|--------------------------|
| R thousand | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2016/2017 | Budget Year +1 2017/2018 | Budget Year +2 2018/2019 |
| Electricity | | | | | | | | | | |
| Total revenue (incl capital grants and transfers) | 59,517 | 53,823 | 56,907 | 76,936 | 81,917 | 81,917 | 81,917 | 88,947 | 97,804 | 99,316 |
| Operating Expenditure | 81,813 | 84,351 | 80,456 | 80,391 | 99,981 | 108,716 | 108,716 | 122,042 | 133,340 | 137,507 |
| Surplus/ Deficit for the year | -22,296 | -30,528 | -23,549 | -3,455 | -18,064 | -26,798 | -26,798 | -33,095 | -35,536 | -38,191 |
| Percentage Surplus | -37% | -57% | -41% | -4% | -22% | -33% | -33% | -37% | -36% | -38% |

2. The electricity trading deficit is a major concern over the 2016/17 MTREF averaging -37 percent over the MTREF. This is primarily as a result of the high increases in Eskom bulk purchases, distribution losses through tampering, theft, illegal connections and the tariff setting policy of the municipality to buffer the impact of these increases on individual consumers.
3. Note that the deficit on the electricity account is *cross-subsidise by rates and other municipal services*.

Table 15 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

KZN222 uMngeni - Table A4 Budgeted Financial Performance (revenue and expenditure)

| Description | Ref | 2012/13 | 2013/14 | 2014/15 | Current Year 2015/16 | | | | 2016/17 Medium Term Revenue & Expenditure Framework | | |
|--|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2016/17 | Budget Year +1 2017/18 | Budget Year +2 2018/19 |
| R thousand | 1 | | | | | | | | | | |
| Revenue By Source | | | | | | | | | | | |
| Property rates | 2 | 100 902 | 111 632 | 119 499 | 141 135 | 143 970 | 143 970 | 143 970 | 176 512 | 187 456 | 198 516 |
| Property rates - penalties & collection charges | | 3 868 | 6 037 | 6 596 | 6 243 | 6 243 | 6 243 | 6 243 | 6 655 | 7 067 | 7 484 |
| Service charges - electricity revenue | 2 | 48 718 | 51 842 | 52 718 | 68 177 | 71 427 | 71 427 | 71 427 | 76 684 | 84 112 | 92 018 |
| Service charges - water revenue | 2 | - | - | - | - | - | - | - | - | - | - |
| Service charges - sanitation revenue | 2 | - | - | - | - | - | - | - | - | - | - |
| Service charges - refuse revenue | 2 | 7 609 | 4 619 | 5 049 | 5 233 | 5 171 | 5 171 | 5 171 | 5 512 | 5 654 | 6 199 |
| Service charges - other | | - | - | - | - | - | - | - | - | - | - |
| Rental of facilities and equipment | | 833 | 728 | 844 | 675 | 673 | 673 | 673 | 719 | 764 | 809 |
| Interest earned - external investments | | 829 | 1 849 | 2 741 | 1 513 | 3 494 | 3 494 | 3 494 | 3 725 | 3 956 | 4 189 |
| Interest earned - outstanding debtors | | 1 683 | 1 675 | 1 655 | 1 838 | 1 838 | 1 838 | 1 838 | 1 960 | 2 081 | 2 204 |
| Dividends received | | - | - | - | - | - | - | - | - | - | - |
| Fines | | 5 579 | 24 203 | 21 642 | 30 372 | 22 435 | 22 435 | 22 435 | 23 916 | 25 399 | 26 897 |
| Licences and permits | | 1 916 | 2 045 | 2 655 | 2 425 | 3 226 | 3 226 | 3 226 | 3 439 | 3 653 | 3 898 |
| Agency services | | - | - | - | - | - | - | - | - | - | - |
| Transfers recognised - operational | | 40 598 | 48 265 | 47 728 | 51 426 | 56 642 | 56 642 | 56 642 | 61 469 | 66 945 | 65 705 |
| Other revenue | 2 | 5 173 | 4 547 | 9 665 | 9 169 | 7 597 | 7 597 | 7 597 | 7 372 | 7 829 | 8 291 |
| Gains on disposal of PPE | | - | - | - | - | - | - | - | - | - | - |
| Total Revenue (excluding capital transfers and contributions) | | 217 909 | 257 542 | 270 793 | 318 208 | 322 717 | 322 717 | 322 717 | 368 164 | 395 115 | 416 181 |
| Expenditure By Type | | | | | | | | | | | |
| Employee related costs | 2 | 75 704 | 65 979 | 83 397 | 103 728 | 96 424 | 96 424 | 96 424 | 102 239 | 110 971 | 118 615 |
| Remuneration of councillors | | 5 465 | 5 745 | 6 119 | 6 727 | 7 092 | 7 092 | 7 092 | 7 446 | 7 819 | 8 210 |
| Debt impairment | 3 | 14 612 | 21 462 | 22 033 | 21 462 | 22 100 | 22 100 | 22 100 | 22 876 | 24 297 | 25 730 |
| Depreciation & asset impairment | 2 | 57 866 | 37 598 | 41 825 | 11 232 | 11 232 | 11 232 | 11 232 | 28 974 | 30 770 | 32 586 |
| Finance charges | | 4 597 | 4 297 | 4 303 | 4 760 | 4 760 | 4 760 | 4 760 | 5 127 | 5 445 | 5 767 |
| Bulk purchases | 2 | 80 662 | 65 893 | 72 286 | 80 432 | 88 632 | 88 632 | 88 632 | 95 404 | 102 693 | 112 346 |
| Other materials | 8 | - | - | - | - | - | - | - | - | - | - |
| Contracted services | | 1 115 | 1 950 | 3 110 | 10 249 | 12 128 | 12 128 | 12 128 | 13 929 | 14 792 | 15 665 |
| Transfers and grants | | - | - | - | 7 110 | 3 250 | 3 250 | 3 250 | 3 516 | 3 734 | 3 954 |
| Other expenditure | 4, 5 | 39 579 | 80 311 | 66 422 | 71 481 | 76 831 | 76 831 | 76 831 | 88 142 | 93 720 | 91 916 |
| Loss on disposal of PPE | | 22 | - | - | - | - | - | - | - | - | - |
| Total Expenditure | | 259 622 | 283 234 | 299 494 | 317 183 | 322 449 | 322 449 | 322 449 | 367 666 | 394 240 | 414 789 |
| Surplus/(Deficit) | | (41 713) | (25 692) | (28 702) | 1 025 | 268 | 268 | 268 | 507 | 875 | 1 392 |
| Transfers recognised - capital | | 26 774 | 28 128 | 55 249 | 27 249 | 22 249 | 22 249 | 22 249 | 21 866 | 23 506 | 24 653 |
| Contributions recognised - capital | | - | - | - | - | - | - | - | - | - | - |
| Contributed assets | | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | | (14 939) | 2 436 | 26 547 | 28 274 | 22 517 | 22 517 | 22 517 | 22 373 | 24 381 | 26 045 |
| Taxation | | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after taxation | | (14 939) | 2 436 | 26 547 | 28 274 | 22 517 | 22 517 | 22 517 | 22 373 | 24 381 | 26 045 |
| Attributable to minorities | | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) attributable to municipality | | (14 939) | 2 436 | 26 547 | 28 274 | 22 517 | 22 517 | 22 517 | 22 373 | 24 381 | 26 045 |
| Share of surplus/ (deficit) of associates | | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) for the year | | (14 939) | 2 436 | 26 547 | 28 274 | 22 517 | 22 517 | 22 517 | 22 373 | 24 381 | 26 045 |

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

1. Total revenue is R 368, 1 million in 2016/2017 and escalates to R 395, 1 million by 2017/2018. This represents a year-on-year increase of 15, 0 per cent for the 2016/2017 financial year and an increase of 7, 3 per cent for the 2017/2018 financial year.
2. Revenue to be generated from property rates is R183,1 million in the 2016/2017 financial year and increases to R194,5million by 2017/2018 which represents 48 per cent of the operating revenue base of the Municipality and therefore remains a significant funding source for the municipality. It remains relatively constant over the medium-term and tariff increases have been factored in at 6 per cent for each of the respective financial years of the MTREF.
3. Services charges relating to electricity and refuse removal contributes to the revenue basket of the Municipality totalling R82,3million for the 2016/2017 financial year and increasing to R89,9 million by 2017/2018. For the 2016/2017 financial year services charges amount to 22 per cent of the total revenue base and increase to 23 per cent per annum over the medium-term. This growth can mainly be attributed to the increase in the bulk prices of electricity.
4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government.
5. Bulk purchases have significantly increased over the 2016/2017 to 2017/2018 period escalating from R 95,4 million to R 102,6 million. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom.
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 16 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

KZN222 uMngeni - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

| Vote Description | Ref | 2012/13 | 2013/14 | 2014/15 | Current Year 2015/16 | | | | 2016/17 Medium Term Revenue & Expenditure Framework | | |
|---|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2015/17 | Budget Year +1 2017/18 | Budget Year +2 2018/19 |
| R thousand | 1 | | | | | | | | | | |
| Capital expenditure - Vote | | | | | | | | | | | |
| Multi-year expenditure to be appropriated | 2 | | | | | | | | | | |
| Vote 1 - Executive and Council | | - | - | - | - | - | - | - | - | - | - |
| Vote 2 - Finance | | - | - | - | - | - | - | - | - | - | - |
| Vote 3 - Corporate Services | | - | - | - | - | - | - | - | - | - | - |
| Vote 4 - Planning Services | | - | - | - | - | - | - | - | - | - | - |
| Vote 5 - Community Services | | - | - | - | - | - | - | - | - | - | - |
| Vote 6 - Technical Services | | - | - | - | - | - | - | - | - | - | - |
| Vote 7 - Economic Development and Growth | | - | - | - | - | - | - | - | - | - | - |
| Vote 8 - Internal Audit | | - | - | - | - | - | - | - | - | - | - |
| Vote 9 - Electricity | | - | - | - | - | - | - | - | - | - | - |
| Vote 10 - [NAME OF VOTE 10] | | - | - | - | - | - | - | - | - | - | - |
| Vote 11 - [NAME OF VOTE 11] | | - | - | - | - | - | - | - | - | - | - |
| Vote 12 - [NAME OF VOTE 12] | | - | - | - | - | - | - | - | - | - | - |
| Vote 13 - [NAME OF VOTE 13] | | - | - | - | - | - | - | - | - | - | - |
| Vote 14 - [NAME OF VOTE 14] | | - | - | - | - | - | - | - | - | - | - |
| Vote 15 - [NAME OF VOTE 15] | | - | - | - | - | - | - | - | - | - | - |
| Capital multi-year expenditure sub-total | 7 | - | - | - | - | - | - | - | - | - | - |
| Single-year expenditure to be appropriated | 2 | | | | | | | | | | |
| Vote 1 - Executive and Council | | 543 | 10 771 | 2 822 | - | 79 | 79 | 79 | 175 | 186 | 197 |
| Vote 2 - Finance | | - | - | - | - | 127 | 127 | 127 | 139 | 148 | 157 |
| Vote 3 - Corporate Services | | 474 | - | - | - | 266 | 266 | 266 | 292 | 311 | 330 |
| Vote 4 - Planning Services | | - | - | 30 814 | - | 20 031 | 20 031 | 20 031 | 114 | 122 | 129 |
| Vote 5 - Community Services | | - | - | - | 3 500 | 3 728 | 3 728 | 3 728 | 2 251 | 267 | 283 |
| Vote 6 - Technical Services | | 24 846 | 82 615 | 20 546 | 18 749 | 20 044 | 20 044 | 20 044 | 26 176 | 23 730 | 26 690 |
| Vote 7 - Economic Development and Growth | | - | - | - | - | - | - | - | - | - | - |
| Vote 8 - Internal Audit | | - | - | - | - | - | - | - | - | - | - |
| Vote 9 - Electricity | | - | - | 815 | 5 000 | 135 | 135 | 135 | - | 8 000 | 8 000 |
| Vote 10 - [NAME OF VOTE 10] | | - | - | - | - | - | - | - | - | - | - |
| Vote 11 - [NAME OF VOTE 11] | | - | - | - | - | - | - | - | - | - | - |
| Vote 12 - [NAME OF VOTE 12] | | - | - | - | - | - | - | - | - | - | - |
| Vote 13 - [NAME OF VOTE 13] | | - | - | - | - | - | - | - | - | - | - |
| Vote 14 - [NAME OF VOTE 14] | | - | - | - | - | - | - | - | - | - | - |
| Vote 15 - [NAME OF VOTE 15] | | - | - | - | - | - | - | - | - | - | - |
| Capital single-year expenditure sub-total | | 25 863 | 93 887 | 54 996 | 27 249 | 44 409 | 44 409 | 44 409 | 29 148 | 32 764 | 35 786 |
| Total Capital Expenditure - Vote | | 25 863 | 93 887 | 54 996 | 27 249 | 44 409 | 44 409 | 44 409 | 29 148 | 32 764 | 35 786 |
| Capital Expenditure - Standard | | | | | | | | | | | |
| Governance and administration | | 1 017 | 10 771 | 2 822 | - | 471 | 471 | 471 | 607 | 646 | 684 |
| Executive and council | | 543 | 10 771 | 2 822 | - | 79 | 79 | 79 | 175 | 186 | 197 |
| Budget and treasury office | | - | - | - | - | 127 | 127 | 127 | 139 | 148 | 157 |
| Corporate services | | 474 | - | - | - | 266 | 266 | 266 | 292 | 311 | 330 |
| Community and public safety | | - | - | - | 3 500 | 3 728 | 3 728 | 3 728 | 2 251 | 267 | 283 |
| Community and social services | | - | - | - | - | 228 | 228 | 228 | 251 | 267 | 283 |
| Sport and recreation | | - | - | - | 3 500 | 3 500 | 3 500 | 3 500 | 2 000 | - | - |
| Public safety | | - | - | - | - | - | - | - | - | - | - |
| Housing | | - | - | - | - | - | - | - | - | - | - |
| Health | | - | - | - | - | - | - | - | - | - | - |
| Economic and environmental services | | 24 846 | 82 615 | 50 740 | 18 749 | 40 036 | 40 036 | 40 036 | 19 980 | 23 628 | 24 582 |
| Planning and development | | - | - | 30 814 | - | 20 031 | 20 031 | 20 031 | 114 | 122 | 129 |
| Road transport | | 24 846 | 82 615 | 19 926 | 18 749 | 20 005 | 20 005 | 20 005 | 19 866 | 23 506 | 24 453 |
| Environmental protection | | - | - | - | - | - | - | - | - | - | - |
| Trading services | | - | 481 | 1 435 | 5 000 | 135 | 135 | 135 | 3 000 | 8 000 | 8 000 |
| Electricity | | - | - | 815 | 5 000 | 135 | 135 | 135 | - | 8 000 | 8 000 |
| Water | | - | - | - | - | - | - | - | - | - | - |
| Waste water management | | - | - | - | - | - | - | - | - | - | - |
| Waste management | | - | 481 | 620 | - | - | - | - | 3 000 | - | - |
| Other | | - | - | - | - | 38 | 38 | 38 | 3 310 | 224 | 237 |
| Total Capital Expenditure - Standard | 3 | 25 863 | 93 887 | 54 996 | 27 249 | 44 409 | 44 409 | 44 409 | 29 148 | 32 764 | 33 786 |
| Funded by: | | | | | | | | | | | |
| National Government | | 22 353 | 18 912 | 22 912 | 27 249 | 22 249 | 22 249 | 22 249 | 21 866 | 23 506 | 24 453 |
| Provincial Government | | 2 493 | 8 659 | 31 465 | - | - | 21 318 | 21 318 | - | - | - |
| District Municipality | | - | - | - | - | - | - | - | - | - | - |
| Other transfers and grants | | - | - | - | - | - | - | - | - | - | - |
| Transfers recognised - capital | 4 | 24 846 | 27 571 | 54 377 | 27 249 | 22 249 | 43 567 | 43 567 | 21 866 | 23 506 | 24 453 |
| Public contributions & donations | 5 | - | 24 | - | - | - | - | - | - | - | - |
| Borrowing | 6 | - | - | - | - | - | - | - | - | - | - |
| Internally generated funds | | 1 017 | 66 272 | 620 | - | 22 160 | 841 | 841 | 7 282 | 9 258 | 9 333 |
| Total Capital Funding | 7 | 25 863 | 93 887 | 54 996 | 27 249 | 44 409 | 44 409 | 44 409 | 29 148 | 32 764 | 33 786 |

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

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.
3. Single-year capital expenditure has been appropriated at R29, 1 million for the 2016/2017 financial year and increases over the MTREF at levels of R32, 7 million and R33, 7 million respectively for the two outer years.
4. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. 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 Municipality. 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 funded from capital grants and contributions from the capital replacement reserve. For 2016/2017, capital transfers totals R21, 8 million (75 per cent) and escalates to R23, 5million by 2017/2018 (100 per cent). Internally generated funding totaling R7, 2million in 2016/2017.

Table 17 MBRR Table A6 - Budgeted Financial Position

KZN222 uMngeni - Table A6 Budgeted Financial Position

| KZN222 uMngeni - Table A6 Budgeted Financial Position | | | | | | | | | | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| Description | Ref | 2012/13 | 2013/14 | 2014/15 | Current Year 2015/16 | | | | 2016/17 Medium Term Revenue & Expenditure Framework | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2016/17 | Budget Year +1 2017/18 | Budget Year +2 2018/19 |
| R thousand | | | | | | | | | | | |
| ASSETS | | | | | | | | | | | |
| Current assets | | | | | | | | | | | |
| Cash | | 216 | 8 676 | 8 103 | 1 716 | 8 761 | 8 761 | 8 761 | 7 155 | 8 365 | 8 867 |
| Call investment deposits | 1 | 14 849 | 29 798 | 38 548 | 25 210 | 16 228 | 16 228 | 16 228 | 18 160 | 24 334 | 29 552 |
| Consumer debtors | 1 | 35 688 | 32 515 | 31 354 | 78 129 | 78 129 | 78 129 | 78 129 | 64 315 | 60 281 | 56 310 |
| Other debtors | | 1 332 | 9 362 | 16 610 | - | - | - | - | - | - | - |
| Current portion of long-term receivables | | - | - | - | - | - | - | - | - | - | - |
| Inventory | 2 | 56 832 | - | - | 29 930 | - | - | - | - | - | - |
| Total current assets | | 108 916 | 80 352 | 94 615 | 134 985 | 103 118 | 103 118 | 103 118 | 89 630 | 92 979 | 94 728 |
| Non current assets | | | | | | | | | | | |
| Long-term receivables | | - | - | - | - | - | - | - | - | - | - |
| Investments | | - | - | - | - | - | - | - | - | - | - |
| Investment property | | 5 785 | 5 523 | 5 323 | 5 523 | 5 523 | 5 523 | 5 523 | 5 323 | 5 323 | 5 323 |
| Investment in Associate | | - | - | - | - | - | - | - | - | - | - |
| Property, plant and equipment | 3 | 771 595 | 775 394 | 788 876 | 796 982 | 802 087 | 802 087 | 802 087 | 778 784 | 770 294 | 762 825 |
| Agricultural | | - | - | - | - | - | - | - | - | - | - |
| Biological | | - | - | - | - | - | - | - | - | - | - |
| Intangible | | 239 | 135 | 25 | 138 | 138 | 138 | 138 | 25 | 25 | 25 |
| Other non-current assets | | 2 871 | 5 393 | 5 393 | - | - | - | - | 5 393 | 5 393 | 5 393 |
| Total non current assets | | 780 490 | 786 445 | 799 517 | 802 643 | 807 748 | 807 748 | 807 748 | 789 524 | 781 035 | 773 566 |
| Total non current assets | | 889 406 | 866 797 | 894 232 | 937 628 | 910 866 | 910 866 | 910 866 | 879 154 | 874 014 | 868 294 |
| TOTAL ASSETS | | | | | | | | | | | |
| LIABILITIES | | | | | | | | | | | |
| Current liabilities | | | | | | | | | | | |
| Bank overdraft | 1 | 2 491 | - | - | - | - | - | - | - | - | - |
| Borrowing | 4 | 6 148 | 4 234 | 4 263 | 4 635 | 2 650 | 2 650 | 2 650 | 2 805 | 2 973 | 3 152 |
| Consumer deposits | | 2 210 | 2 277 | 2 198 | 2 267 | 2 267 | 2 267 | 2 267 | 2 132 | 2 068 | 2 006 |
| Trade and other payables | 4 | 43 519 | 42 836 | 41 166 | 25 557 | 16 670 | 16 670 | 16 670 | 17 048 | 14 491 | 13 042 |
| Provisions | | 1 069 | 1 229 | 1 151 | - | 6 750 | 6 750 | 6 750 | 7 198 | 7 620 | 8 039 |
| Total current liabilities | | 55 437 | 50 576 | 48 778 | 32 459 | 28 337 | 28 337 | 28 337 | 29 181 | 27 153 | 26 239 |
| Non current liabilities | | | | | | | | | | | |
| Borrowing | | 31 722 | 33 064 | 29 453 | 33 599 | 29 022 | 29 022 | 29 022 | 26 372 | 23 566 | 23 593 |
| Provisions | | 39 343 | 44 411 | 48 948 | 5 072 | 19 080 | 19 080 | 19 080 | 19 747 | 21 524 | 23 462 |
| Total non current liabilities | | 71 065 | 77 475 | 78 401 | 38 671 | 48 102 | 48 102 | 48 102 | 46 119 | 45 091 | 47 055 |
| Total non current liabilities | | 126 502 | 128 051 | 127 180 | 71 131 | 76 439 | 76 439 | 76 439 | 75 300 | 72 244 | 73 294 |
| TOTAL LIABILITIES | | | | | | | | | | | |
| NET ASSETS | 5 | 762 904 | 738 746 | 767 053 | 866 497 | 834 427 | 834 427 | 834 427 | 803 854 | 801 770 | 795 001 |
| COMMUNITY WEALTH/EQUITY | | | | | | | | | | | |
| Accumulated Surplus/(Deficit) | | 619 762 | 596 167 | 624 474 | 610 097 | 578 027 | 578 027 | 578 027 | 547 454 | 545 370 | 538 600 |
| Reserves | 4 | 143 152 | 142 579 | 142 579 | 256 400 | 256 400 | 256 400 | 256 400 | 256 400 | 256 400 | 256 400 |
| Total community wealth/equity | 5 | 762 904 | 738 746 | 767 053 | 866 497 | 834 427 | 834 427 | 834 427 | 803 854 | 801 770 | 795 001 |

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.
- Table 61 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 18 MBRR Table A7 - Budgeted Cash Flow Statement

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. The 2016/2017 MTREF provides for a further net increase in cash of R1,1 thousand for the 2016/2017 financial year resulting in an overall projected positive cash position of R25,3million at year end.
4. The 2016/2017 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
5. The collection rates is 88% except traffic fines at 60%, rental of facilities and equipment , interest and external investment, licenses and permits and grants are at 100%.
6. Cash and cash equivalents totals R25, 3million positive as at the end of the 2016/2017 financial year and increase to R23, 8million by 2017/2018.

KZN222 uMngeni - Table A7 Budgeted Cash Flows

| KZN222 urgent - Table A7 Budgeted Cash Flows | | | | | | | | | | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| Description | Ref | 2012/13 | 2013/14 | 2014/15 | Current Year 2015/16 | | | | 2016/17 Medium Term Revenue & Expenditure Framework | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2015/17 | Budget Year +1 2017/18 | Budget Year +2 2018/19 |
| R thousand | | | | | | | | | | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Properly rates, penalties & collection charges | | 98 484 | 104 169 | 126 096 | 130 685 | 132 187 | 132 187 | 132 187 | 161 187 | 171 181 | 181 280 |
| Service charges | | 53 135 | 51 944 | 57 768 | 63 867 | 64 546 | 64 546 | 64 546 | 72 509 | 79 170 | 86 431 |
| Other revenue | | 58 151 | 50 904 | 29 037 | 27 601 | 27 308 | 27 308 | 27 308 | 24 996 | 26 545 | 28 112 |
| Government - operating | 1 | 42 208 | 50 677 | 47 728 | 51 426 | 56 426 | 56 426 | 56 426 | 61 469 | 66 945 | 65 705 |
| Government - capital | 1 | 24 364 | 28 128 | 55 249 | 27 249 | 22 249 | 22 249 | 22 249 | 21 866 | 23 505 | 24 653 |
| Interest | | 6 890 | 3 524 | 718 | 3 112 | 3 494 | 3 494 | 3 494 | 5 449 | 5 787 | 6 129 |
| Dividends | | | | | - | - | - | - | - | - | - |
| Payments | | | | | | | | | | | |
| Suppliers and employees | | (246 789) | (215 949) | (212 865) | (261 787) | (281 107) | (281 107) | (281 107) | (306 736) | (329 869) | (346 333) |
| Finance charges | | (5 992) | (4 297) | (3 675) | (4 760) | (4 760) | (4 760) | (4 760) | (5 127) | (5 445) | (5 767) |
| Transfers and Grants | 1 | | | (7 162) | (7 110) | (3 250) | (3 250) | (3 250) | (3 519) | (3 734) | (3 954) |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | | 30 452 | 69 099 | 92 893 | 30 283 | 17 093 | 17 093 | 17 093 | 32 095 | 34 385 | 38 256 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Proceeds on disposal of PPE | | - | - | - | - | - | - | - | - | - | - |
| Decrease (increase) in non-current debtors | | - | - | - | - | - | - | - | - | - | - |
| Decrease (increase) other non-current receivables | | - | - | - | - | - | - | - | - | - | - |
| Decrease (increase) in non-current investments | | - | (14 949) | 148 | - | 8 234 | 8 234 | 8 234 | - | - | - |
| Payments | | | | | | | | | | | |
| Capital assets | | (24 364) | (36 668) | (90 975) | (27 249) | (44 409) | (44 409) | (44 409) | (29 148) | (32 764) | (35 786) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | (24 364) | (51 617) | (90 827) | (27 249) | (36 175) | (36 175) | (36 175) | (29 148) | (32 764) | (35 786) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Short term loans | | | | | | | | | - | - | - |
| Borrowing long term/refinancing | | | | | | | | | - | - | - |
| Increase (decrease) in consumer deposits | | | | (79) | | 69 | 69 | 69 | 182 | (64) | (62) |
| Payments | | | | | | | | | | | |
| Repayment of borrowing | | (2 368) | (2 445) | (2 580) | (2 650) | (2 650) | (2 650) | (2 650) | (2 805) | (2 973) | (3 152) |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | | (2 368) | (2 445) | (2 638) | (2 650) | (2 581) | (2 581) | (2 581) | (2 623) | (3 037) | (3 214) |
| NET INCREASE/(DECREASE) IN CASH HELD | | 3 720 | 15 037 | (573) | 384 | (21 653) | (21 653) | (21 653) | 326 | (1 417) | (2 744) |
| Cash/cash equivalents at the year begin: | 2 | (5 995) | (2 275) | 8 676 | 8 377 | 46 652 | 46 652 | 46 652 | 24 989 | 25 315 | 23 898 |
| Cash/cash equivalents at the year end: | 2 | (2 275) | 12 763 | 8 103 | 8 761 | 24 989 | 24 989 | 24 989 | 25 315 | 23 898 | 21 154 |

Table 19 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

KZN222 uMngeni - Table A8 Cash backed reserves/accumulated surplus reconciliation

| Description | | Ref | 2012/13 | 2013/14 | 2014/15 | Current Year 2015/16 | | | | 2016/17 Medium Term Revenue & Expenditure Framework | | |
|---|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| R thousand | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2016/17 | Budget Year +1 2017/18 | Budget Year +2 2018/19 |
| <u>Cash and investments available</u> | | | | | | | | | | | | |
| Cash/cash equivalents at the year end | | 1 | (2 275) | 8 676 | 22 276 | 8 761 | 24 989 | 24 989 | 24 989 | 25 315 | 23 898 | 21 154 |
| Other current investments > 90 days | | | 14 849 | 29 798 | 24 375 | 18 165 | 0 | 0 | 0 | 1 | 8 801 | 17 265 |
| Non current assets - Investments | | 1 | - | - | - | - | - | - | - | - | - | - |
| Cash and investments available: | | | 12 574 | 38 474 | 46 652 | 26 926 | 24 989 | 24 989 | 24 989 | 25 315 | 32 699 | 38 419 |
| <u>Application of cash and investments</u> | | | | | | | | | | | | |
| Unspent conditional transfers | | | 12 814 | 17 831 | 22 223 | - | - | - | - | - | - | - |
| Unspent borrowing | | | - | - | - | - | - | - | - | - | - | - |
| Statutory requirements | | 2 | - | - | - | - | - | - | - | - | - | - |
| Other working capital requirements | | 3 | (6 393) | (16 670) | (28 660) | (39 873) | (49 992) | (49 992) | (49 992) | (37 867) | (36 982) | (35 062) |
| Other provisions | | | - | - | 2 135 | - | 6 750 | 6 750 | 6 750 | 7 196 | 7 620 | 8 039 |
| Long term investments committed | | 4 | - | - | - | - | - | - | - | - | - | - |
| Reserves to be backed by cash/investments | | 5 | - | - | - | - | - | - | - | - | - | - |
| Total Application of cash and investments: | | | 6 421 | 1 161 | (4 302) | (39 873) | (43 242) | (43 242) | (43 242) | (30 671) | (29 372) | (27 023) |
| Surplus(shortfall) | | | 6 153 | 37 313 | 50 954 | 66 799 | 68 231 | 68 231 | 68 231 | 55 986 | 62 071 | 65 441 |

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

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. From the table it can be seen that for the period 2012/2013 to 2016/2017 the surplus improved from R15, 4 million to R 64,0million.
6. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2016/2017 MTREF was funded owing to the significant surplus.
7. As part of the budgeting and planning guidelines that informed the compilation of the 2016/2017 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

Table 20 MBRR Table A9 - Asset Management

KZN222 uMngeni - Table A9 Asset Management

| Description | Ref | 2012/13 | 2013/14 | 2014/15 | Current Year 2015/16 | | | 2016/17 Medium Term Revenue & Expenditure Framework | | |
|---|------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2016/17 | Budget Year +1 2017/18 | Budget Year +2 2018/19 |
| R thousand | | | | | | | | | | |
| CAPITAL EXPENDITURE | | | | | | | | | | |
| Total New Assets | 1 | 26,858 | 28,128 | -- | 27,249 | 40,509 | -- | -- | -- | -- |
| Infrastructure - Road transport | | 26,858 | 25,091 | -- | 18,749 | 20,005 | -- | -- | -- | -- |
| Infrastructure - Electricity | | -- | 575 | -- | 5,000 | 135 | -- | -- | -- | -- |
| Infrastructure - Water | | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Infrastructure - Sanitation | | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Infrastructure - Other | | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Infrastructure | | 26,858 | 25,666 | -- | 23,749 | 20,140 | -- | -- | -- | -- |
| Community | | -- | -- | -- | 3,500 | -- | -- | -- | -- | -- |
| Heritage assets | | -- | 2,462 | -- | -- | 19,927 | -- | -- | -- | -- |
| Investment properties | | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Other assets | | -- | -- | -- | -- | 841 | -- | -- | -- | -- |
| Agricultural Assets | | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Biological assets | | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Intangibles | | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Total Renewal of Existing Assets | 2 | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Infrastructure - Road transport | | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Infrastructure - Electricity | | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Infrastructure - Water | | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Infrastructure - Sanitation | | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Infrastructure - Other | | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Infrastructure | | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Community | | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Heritage assets | | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Investment properties | | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Other assets | | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Agricultural Assets | | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Biological assets | | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Intangibles | | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Total Capital Expenditure | 4 | 26,858 | 25,091 | -- | 18,749 | 20,005 | -- | -- | -- | -- |
| Infrastructure - Road transport | | -- | 575 | -- | 5,000 | 135 | -- | -- | -- | -- |
| Infrastructure - Electricity | | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Infrastructure - Water | | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Infrastructure - Sanitation | | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Infrastructure - Other | | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Infrastructure | | 26,858 | 25,666 | -- | 23,749 | 20,140 | -- | -- | -- | -- |
| Community | | -- | -- | -- | 3,500 | -- | -- | -- | -- | -- |
| Heritage assets | | -- | 2,462 | -- | -- | 19,927 | -- | -- | -- | -- |
| Investment properties | | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Other assets | | -- | -- | -- | -- | 841 | -- | -- | -- | -- |
| Agricultural Assets | | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Biological assets | | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Intangibles | | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| TOTAL CAPITAL EXPENDITURE - Asset class | 2 | 26,858 | 28,128 | -- | 27,249 | 40,909 | -- | -- | -- | -- |
| ASSET REGISTER SUMMARY - PPE (WDV) | 5 | | | | | | | | | |
| Infrastructure - Road transport | | 476,350 | 481,935 | -- | 18,749 | 20,005 | 20,005 | -- | -- | -- |
| Infrastructure - Electricity | | 57,587 | 54,673 | -- | 5,000 | 135 | 135 | -- | -- | -- |
| Infrastructure - Water | | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Infrastructure - Sanitation | | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Infrastructure - Other | | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Infrastructure | | 533,937 | 536,608 | -- | 23,749 | 20,140 | 20,140 | -- | -- | -- |
| Community | | -- | -- | -- | 13,118 | 13,346 | 13,346 | -- | -- | -- |
| Heritage assets | | -- | 5,333 | -- | 45,032 | 64,959 | 64,959 | 5,323 | 5,323 | 5,323 |
| Investment properties | | 5,785 | 5,523 | 5,323 | 5,523 | 5,523 | 5,523 | -- | -- | -- |
| Other assets | | 237,531 | 222,134 | -- | 715,083 | 715,697 | 715,697 | -- | -- | -- |
| Agricultural Assets | | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Biological assets | | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Intangibles | | 239 | 135 | 25 | 138 | 138 | 138 | 25 | 25 | 25 |
| TOTAL ASSET REGISTER SUMMARY - PPE (WDV) | 5 | 777,502 | 769,733 | 5,348 | 802,643 | 819,802 | 819,802 | 5,348 | 5,348 | 5,348 |
| EXPENDITURE OTHER ITEMS | | | | | | | | | | |
| Depreciation & asset impairment | | 57,935 | 37,598 | 41,825 | 11,232 | 11,232 | 11,232 | 28,974 | 30,770 | 32,586 |
| Repairs and Maintenance by Asset Class | 3 | 4,932 | 6,333 | -- | 24,741 | 26,103 | -- | -- | -- | -- |
| Infrastructure - Road transport | | -- | -- | -- | 9,125 | 9,125 | -- | -- | -- | -- |
| Infrastructure - Electricity | | -- | -- | -- | 5,574 | 5,574 | -- | -- | -- | -- |
| Infrastructure - Water | | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Infrastructure - Sanitation | | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Infrastructure - Other | | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Infrastructure | | -- | -- | -- | 14,699 | 14,699 | -- | -- | -- | -- |
| Community | | 4,932 | 6,333 | -- | 10,042 | 11,404 | -- | -- | -- | -- |
| Heritage assets | | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Investment properties | | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Other assets | | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| TOTAL EXPENDITURE OTHER ITEMS | 6, 7 | 62,867 | 43,931 | 41,825 | 35,973 | 37,335 | 11,232 | 28,974 | 30,770 | 32,586 |
| Renewal of Existing Assets as % of total capex | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Renewal of Existing Assets as % of deprecn | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| R&M as a % of PPE | | 0.6% | 0.8% | 0.0% | 3.1% | 3.3% | 0.0% | 0.0% | 0.0% | 0.0% |
| Renewal and R&M as a % of PPE | | 1.0% | 1.0% | 0.0% | 3.0% | 3.0% | 0.0% | 0.0% | 0.0% | 0.0% |

Explanatory notes to Table A9 - Asset Management

- 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.
- 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, however uMngeni is unable to comply with the above due to cash limitations.

3. The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTREF. It highlights the Municipality's strategy to address the maintenance backlog.

Table 21 MBRR Table A10 - Basic Service Delivery Measurement

KZN222 uMngeni - Table A10 Basic service delivery measurement

| Description | Ref | 2012/13 | 2013/14 | 2014/15 | Current Year 2015/16 | | | 2016/17 Medium Term Revenue & Expenditure Framework | | |
|--|----------|---------|---------|---------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Outcome | Outcome | Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2016/17 | Budget Year +1 2017/18 | Budget Year +2 2018/19 |
| Household service targets | 1 | | | | | | | | | |
| Water: | | | | | | | | | | |
| Piped water inside dwelling | | - | - | - | - | - | - | - | - | - |
| Piped water inside yard (but not in dwelling) | | - | - | - | - | - | - | - | - | - |
| Using public tap (at least min service level) | 2 | - | - | - | - | - | - | - | - | - |
| Other water supply (at least min service level) | 4 | - | - | - | - | - | - | - | - | - |
| <i>Minimum Service Level and Above sub-total</i> | | - | - | - | - | - | - | - | - | - |
| Using public tap (< min service level) | 3 | - | - | - | - | - | - | - | - | - |
| Other water supply (< min service level) | 4 | - | - | - | - | - | - | - | - | - |
| No water supply | | - | - | - | - | - | - | - | - | - |
| <i>Below Minimum Service Level sub-total</i> | | - | - | - | - | - | - | - | - | - |
| Total number of households | 5 | - | - | - | - | - | - | - | - | - |
| Sanitation/sewerage: | | | | | | | | | | |
| Flush toilet (connected to sewerage) | | - | - | - | - | - | - | - | - | - |
| Flush toilet (with septic tank) | | - | - | - | - | - | - | - | - | - |
| Chemical toilet | | - | - | - | - | - | - | - | - | - |
| Pit toilet (ventilated) | | - | - | - | - | - | - | - | - | - |
| Other toilet provisions (> min service level) | | - | - | - | - | - | - | - | - | - |
| <i>Minimum Service Level and Above sub-total</i> | | - | - | - | - | - | - | - | - | - |
| Bucket toilet | | - | - | - | - | - | - | - | - | - |
| Other toilet provisions (< min service level) | | - | - | - | - | - | - | - | - | - |
| No toilet provisions | | - | - | - | - | - | - | - | - | - |
| <i>Below Minimum Service Level sub-total</i> | | - | - | - | - | - | - | - | - | - |
| Total number of households | 5 | - | - | - | - | - | - | - | - | - |
| Energy: | | | | | | | | | | |
| Electricity (at least min service level) | | - | - | - | - | - | - | - | - | - |
| Electricity - prepaid (min service level) | | - | - | - | - | - | - | - | - | - |
| <i>Minimum Service Level and Above sub-total</i> | | - | - | - | - | - | - | - | - | - |
| Electricity (< min service level) | | - | - | - | - | - | - | - | - | - |
| Electricity - prepaid (< min service level) | | - | - | - | - | - | - | - | - | - |
| Other energy sources | | - | - | - | - | - | - | - | - | - |
| <i>Below Minimum Service Level sub-total</i> | | - | - | - | - | - | - | - | - | - |
| Total number of households | 6 | - | - | - | - | - | - | - | - | - |
| Refuse: | | | | | | | | | | |
| Removed at least once a week | | - | - | - | - | - | - | - | - | - |
| <i>Minimum Service Level and Above sub-total</i> | | - | - | - | - | - | - | - | - | - |
| Removed less frequently than once a week | | - | - | - | - | - | - | - | - | - |
| Using communal refuse dump | | - | - | - | - | - | - | - | - | - |
| Using own refuse dump | | - | - | - | - | - | - | - | - | - |
| Other rubbish disposal | | - | - | - | - | - | - | - | - | - |
| No rubbish disposal | | - | - | - | - | - | - | - | - | - |
| <i>Below Minimum Service Level sub-total</i> | | - | - | - | - | - | - | - | - | - |
| Total number of households | 5 | - | - | - | - | - | - | - | - | - |
| Households receiving Free Basic Service | 7 | | | | | | | | | |
| Water (6 kilolitres per household per month) | | - | - | - | - | - | - | - | - | - |
| Sanitation (free minimum level service) | | - | - | - | - | - | - | - | - | - |
| Electricity/other energy (50kwh per household per month) | | - | - | - | - | - | - | - | - | - |
| Refuse (removed at least once a week) | | - | - | - | - | - | - | - | - | - |
| Cost of Free Basic Services provided - Formal Settlements (R'000) | 8 | | | | | | | | | |
| Water (6 kilolitres per indigent household per month) | | - | - | - | - | - | - | - | - | - |
| Sanitation (free sanitation service to indigent households) | | - | - | - | - | - | - | - | - | - |
| Electricity/other energy (50kwh per indigent household per month) | | - | - | - | - | - | - | - | - | - |
| Refuse (removed once a week for indigent households) | | - | - | - | - | - | - | - | - | - |
| Cost of Free Basic Services provided - Informal Formal Settlements (R'000) | | - | - | - | - | - | - | - | - | - |
| Total cost of FBS provided | | - | - | - | - | - | - | - | - | - |
| Highest level of free service provided per household | | | | | | | | | | |
| Property rates (R value threshold) | | 100 000 | 100 000 | 100 000 | 100 000 | 100 000 | 100 000 | 120 000 | 120 000 | 120 000 |
| Water (kilolitres per household per month) | | - | - | - | - | - | - | - | - | - |
| Sanitation (kilolitres per household per month) | | - | - | - | - | - | - | - | - | - |
| Sanitation (Rand per household per month) | | - | - | - | - | - | - | - | - | - |
| Electricity (kwh per household per month) | | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Refuse (average litres per week) | | - | - | - | - | - | - | - | - | - |
| Revenue cost of subsidised services provided (R'000) | 9 | | | | | | | | | |
| Property rates (tariff adjustment) (impermissible values per section 17 of MPRA) | | - | - | - | - | - | - | - | - | - |
| Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA | | 45 734 | 33 598 | 35 613 | 44 168 | 38 002 | 38 002 | 34 275 | 36 400 | 38 548 |
| Water (in excess of 6 kilolitres per indigent household per month) | | - | - | - | - | - | - | - | - | - |
| Sanitation (in excess of free sanitation service to indigent households) | | - | - | - | - | - | - | - | - | - |
| Electricity/other energy (in excess of 50 kwh per indigent household per month) | | 5 620 | - | - | 3 250 | 5 150 | 5 150 | 5 489 | 5 630 | 6 174 |
| Refuse (in excess of one removal a week for indigent households) | | - | - | - | - | - | - | - | - | - |
| Municipal Housing - rental rebates | | - | - | - | - | - | - | - | - | - |
| Housing - top structure subsidies | | - | - | - | - | - | - | - | - | - |
| Other | | - | - | - | - | - | - | - | - | - |
| Total revenue cost of subsidised services provided | 6 | 51 354 | 33 598 | 35 613 | 52 568 | 43 152 | 43 152 | 39 765 | 42 230 | 44 722 |

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 Municipality continues to make good progress with the eradication of backlogs:
 - a. Electricity services – backlog has been reduced. 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, with all households in rural areas budgeted to be electrified in 2015/16.
 - b. Refuse services – It should be noted that this function is being investigated with a view to realising greater efficiencies, which is likely to translate into a more rapid process to address backlogs.
3. The budget provides for 9000 households to be registered as indigent in 2014/15, and therefore entitled to receiving Free Basic Services. The number is set to increase to 3500 households given the rapid rate of in-migration to the Municipality, especially by poor people seeking economic opportunities.
4. It is anticipated that these Free Basic Services will cost the municipality R3.5 million in 2016/2017, remaining at R 3.7million in 2016/2017 at current tariffs. This is covered by the municipality's equitable share allocation from national government.
5. In addition to the Free Basic Services, the Municipality also 'gives' households R3.5 million in free services in 2016/2017, and remains at R 3.7million in 2017/2018 at current tariffs. This 'tax expenditure' needs to be seen within the context of the municipality's overall revenue management strategy – the more the municipality gives away, the less there is available to fund other services. Currently, the 'free services' represent about 8 per cent of total operating revenue.

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 aim of the Budget Steering Committee is to ensure:

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

2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2016) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule in August 2015. Key dates applicable to the process were:

| | | | | |
|-----------------|---|-----------------|--|--|
| IDP | IDP Representative Forum | 09/10/2015 | Honourable Mayor, GM: Economic Development & Planning, IDP Manager | Present Status Quo report and feedback on current IDP Review |
| IDP | Review municipal strategic objectives | 02-18/11/2015 | MANCO, EXMANCO | Report on reviewed strategies |
| IDP-BUDGET-OPMS | Develop measurable objectives for the next financial year including budget provision | 19-30/11/2015 | Internal departments | Departmental inputs |
| IDP | UMDM IDP Sub-cluster meeting | 20/11/2015 | IDP Manager | Alignment of strategies reports |
| IDP | UMDM IDP Representative Forum | 27/11/2015 | IDP Manager | Alignment of programmes |
| IDP | Strategies report to relevant council committees | 30/11/2015 | IDP Manager, GM: Economic Development & Planning | Strategies report presented to council committees |
| IDP | IDP Best Practice Conference | To be confirmed | IDP Manager | Presentations on best practice |
| IDP | Prioritisation of projects | 11/12/2015 | Ward committees | Prioritisation list integrated into IDP |
| IDP-BUDGET | Interdepartmental Budget inputs for 2016-2017 financial year | 20/12/2015 | Internal departments Budget Manager | Departmental inputs |
| OPMS | Internal Auditor reports on performance information to be submitted to the MM and the Audit Committee | 31/12/2015 | Municipal Manager, Manager: Internal Audit | Quarterly performance report |
| BUDGET-OPMS | 2015-2016 mid-year budget and performance assessment | 27/01/2016 | CFO, Budget Manager | Mid-year performance report |
| IDP-BUDGET-OPMS | Alignment of Draft IDP and Budget towards Draft SDBIP | 01-29/02/2016 | Internal departments IDP Manager | Draft IDP, Budget and SDBIP |
| IDP | COGTA departmental sector alignment sessions | 12/02/2016 | IDP Manager | Department programmes report |
| BUDGET | Budget mid-term review | 24/02/2016 | CFO, Budget Manager | Mid-term budget review report |

| Aligned process | Activities | Target dates | Responsibility | Outputs |
|-----------------|--|--------------------------|--|---|
| IDP | UMDM IDP Sub-cluster meeting | 07/07/2015 | IDP Manager | Process Plan Framework |
| IDP-BUDGET-OPMS | Prepare Draft 2016-2017 Process Plan | 10-24/07/2015 | IDP Manager | Draft Process Plan |
| IDP | MEC Panel assesses submitted 2015-2016 IDP Review | 27/07/2015 to 30/09/2015 | MEC Panel | MEC comments of submitted IDP Review |
| IDP | Submit Draft 2016-2017 Process Plan to COGTA for comments | 31/07/2015 | IDP Manager | Letter of acknowledgement |
| OPMS | Signed S56 & S57 Managers Performance Agreements | 31/07/2015 | Municipal Manager, PMS Manager | Signed Performance agreements |
| IDP | Collect data to review Status Quo of municipality | 14/08/2015 | IDP Manager | Verified data and status quo report |
| IDP-BUDGET-OPMS | Assess status of sector plans and policies | 23/08/2015 | IDP Manager | Updated table indicating status of reviewed sector plans and policies |
| OPMS | Draft 2014-2015 Annual Performance Report | 28/08/2015 | Municipal Manager PMS Manager | Draft 2014-2015 Annual Performance Report |
| IDP-BUDGET-OPMS | Submission and adoption of Process Plan to all relevant council committees | 31/08/2015 | IDP Manager, GM: Economic Development & Planning, Honourable Mayor | Adopted Process Plan with council resolution |
| IDP-BUDGET-OPMS | Public notice on the adoption of Process Plan | 02-23/09/2015 | Communications Manager | Public notice of adopted Process Plan |
| IDP | UMDM IDP Sub-cluster meeting | 18/09/2015 | IDP Manager | Draft Status Quo report and data alignment |
| IDP-BUDGET-OPMS | Submission of adopted Process Plan to COGTA | 25/09/2015 | IDP Manager | Letter of acknowledgement |
| IDP | Planning Indaba / MEC Panel feedback | 30/09/2015 | IDP Manager | Assessment feedback |
| BUDGET | 2015-2016 First Quarter Budget Review | 29/10/2015 | CFO, Budget Manager | Budget review report |
| IDP | Submission of Status Quo report to all relevant council committees | 30/09/2015 | IDP Manager, GM: Economic Development & Planning | Status Quo report to all relevant council committees |
| OPMS | Internal Auditor reports on performance information to be | 30/09/2015 | Municipal Manager, Internal Audit Manager | Quarterly performance report |

| | | | | |
|-----------------|---|-----------------|--|--|
| IDP | IDP Representative Forum | 09/10/2015 | Honourable Mayor, GM: Economic Development & Planning, IDP Manager | Present Status Quo report and feedback on current IDP Review |
| IDP | Review municipal strategic objectives | 02-18/11/2015 | MANCO, EXMANCO | Report on reviewed strategies |
| IDP-BUDGET-OPMS | Develop measurable objectives for the next financial year including budget provision | 19-30/11/2015 | Internal departments | Departmental inputs |
| IDP | UMDM IDP Sub-cluster meeting | 20/11/2015 | IDP Manager | Alignment of strategies reports |
| IDP | UMDM IDP Representative Forum | 27/11/2015 | IDP Manager | Alignment of programmes |
| IDP | Strategies report to relevant council committees | 30/11/2015 | IDP Manager, GM: Economic Development & Planning | Strategies report presented to council committees |
| IDP | IDP Best Practice Conference | To be confirmed | IDP Manager | Presentations on best practice |
| IDP | Prioritisation of projects | 11/12/2015 | Ward committees | Prioritisation list integrated into IDP |
| IDP-BUDGET | Interdepartmental Budget inputs for 2016-2017 financial year | 20/12/2015 | Internal departments Budget Manager | Departmental inputs |
| OPMS | Internal Auditor reports on performance information to be submitted to the MM and the Audit Committee | 31/12/2015 | Municipal Manager, Manager: Internal Audit | Quarterly performance report |
| BUDGET-OPMS | 2015-2016 mid-year budget and performance assessment | 27/01/2016 | CFO, Budget Manager | Mid-year performance report |
| IDP-BUDGET-OPMS | Alignment of Draft IDP and Budget towards Draft SDBIP | 01-29/02/2016 | Internal departments IDP Manager | Draft IDP, Budget and SDBIP |
| IDP | COGTA departmental sector alignment sessions | 12/02/2016 | IDP Manager | Department programmes report |
| BUDGET | Budget mid-term review | 24/02/2016 | CFO, Budget Manager | Mid-term budget review report |

| | | | | |
|-----------------|--|-----------------|---|--|
| IDP-BUDGET-OPMS | Submission and tabling of Draft 2016-2017 IDP Review, Multi-year Budget and SDBIP to all relevant council committees | 01-30/03/2016 | Honourable Mayor, Full Council | Draft 2016-2017 IDP Review, Multi-year Budget and SDBIP with council resolutions |
| IDP-BUDGET-OPMS | Submission of Draft 2016-2017 IDP Review, Draft Multi-year Budget and Draft SDBIP to relevant sector departments | 31/03/2016 | IDP Manager, Budget Manager, PMS Manager | Letters of acknowledgement |
| IDP | UMDM IDP Sub- cluster meeting | 01/04/2016 | IDP Manager | Self-Assessment tool |
| IDP | IDP Representative Forum | 04/04/2016 | Honourable Mayor and all relevant internal departmental personnel | Presentation of Draft IDP Review |
| IDP-BUDGET-OPMS | Presentation of Draft 2016-2017 IDP Review and Draft Multi-year Budget to communities in all wards | 05-29/04/2016 | Honourable Mayor and all relevant internal departmental personnel | Register and minutes of public inputs |
| IDP-BUDGET-OPMS | Public notice on tabled items including a schedule of public meetings | 06/04/2016 | Communications Manager | Public notice |
| IDP | IDP Assessment feedback Session | 21/04/2016 | COGTA | Report of assessment feedback |
| IDP-BUDGET | Incorporate stakeholder comments on Draft IDP Review and Multi-year Budget | 22/04/2016 | IDP Manager, Budget Manager | Incorporate comments into final IDP Review and Multi-year Budget |
| IDP | Convening of decentralised IDP Assessment Forums | To be confirmed | IDP Manager | IDP assessment report |
| IDP-BUDGET-OPMS | Tabling and adoption of 2016-2017 IDP Review and Multi-year Budget | 25/05/2016 | Honourable Mayor | Adopted 2016-2017 IDP Review and Multi-year Budget with council resolution |
| IDP-BUDGET-OPMS | Address AG comments on the Annual Report of the previous financial year | 31/05/2016 | MANCO | Response table |
| IDP | Public Notice on adopted 2016-2017 IDP Review and Multi-year Budget | 01/06/2016 | Communications Manager | Public Notice |

2.1.2 IDP and Service Delivery and Budget Implementation Plan

A third generation IDP document has been compiled and it started in July 2011 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2016/2017 MTREF in July.

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the 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 2016/17MTREF, based on the approved 2016/2017MTREF, 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 2016/17 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 2015/16 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 2016/2017 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 2016/2017 MTREF:

- Municipality growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2016/2017 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 66 and 67 have been taken into consideration in the planning and prioritisation process.

2.1.4 Community Consultation

The 2016/2017 MTREF will be tabled before Council on 31 May 2016 for community consultation and will be published on the municipality's website, hard copies will be made available at municipal offices, municipal notice boards and various libraries.

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

The budget meeting was held on the 13th April 2016 to present the Budget to Ward Committee Members and Imbizo was held on the 15th April 2016 where all wards were combined in the Howick West Indoor Centre to present the budget.

2.2 Overview of alignment of annual budget with IDP

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

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the

municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

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

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

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

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

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

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2016/2017 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 22 IDP Strategic Objectives

| KEY PERFORMANCE AREA | IDP GOAL | STRATEGIC OBJECTIVE |
|--|--|---|
| Municipal Transformation and Institutional Development | 1. Human resource development and management | ▪ Maintain good labour relations |
| | | ▪ Promote employment equity |
| | | ▪ Enhance human resource management |
| Good Governance and Public Participation | 2. Good corporate governance | ▪ Optimize information communication and technology solutions |
| | | ▪ Maintain Law enforcement |
| | | ▪ Strengthened oversight functions |
| | | ▪ Ensure Stakeholder engagement |
| Local Economic Development | 3. Sustainable socio-economic development | ▪ Maintenance of roads and storm water infrastructure |
| | | ▪ Construction and extension of electricity network to businesses |
| | | ▪ Support and grow the economy for investment and job opportunities |

| | | |
|--|---|---|
| | | ▪ Support and Promote tourism development |
| | | ▪ Coordination of agricultural development |
| | | ▪ Promote Social Development |
| | | ▪ Facilitate youth career Development |
| Basic Service Delivery | 4. Promote human settlements and infrastructure development | ▪ Coordinate and facilitate provision of housing |
| | | ▪ Construction of roads and storm water infrastructure |
| | | ▪ Construction and extension of electricity network to all households |
| | | ▪ management of cemeteries |
| | | ▪ Comprehensive waste management |
| | | ▪ Management of all public open spaces |
| Municipal Financial Viability and Financial Management | 5. Financially sound and sustainable municipality | ▪ Increase and diversify municipal revenue streams ▪ Effective budget preparation and implementation ▪ Effective, efficient and transparent procurement of goods and services |
| Cross Cutting | 6. Spatial planning and environmental sustainability | ▪ Manage and Regulate integrated development and spatial planning ▪ Facilitate conservation and management of natural resources |

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

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities.

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

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

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

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

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the 2016/17 revised IDP, including:

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

The 2016/2017 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 23 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

KZN222 uMngeni - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

| KZN222 uMngeni - Supporting table SFA Reconciliation of IDP Strategic Objectives and Budget (Revenue) | | | | | | | | | | | | | |
|---|---|-----------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|---------|
| Strategic Objective | Goal | Goal Code | Ref | 2012/13 | 2013/14 | 2014/15 | Current Year 2015/16 | | | 2016/17 Medium Term Revenue & Expenditure Framework | | | |
| | | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2016/17 | Budget Year +1 2017/18 | Budget Year +2 2018/19 | |
| R thousand | | | | | | | | | | | | | |
| Revenue | | | | 244,683 | 285,670 | 326,042 | - | - | - | - | - | - | |
| | Human resources resource development and management | | | | | | 881 | 850 | 850 | 1,233 | 1,309 | 1,386 | |
| | Good corporate governance | | | | | | 186,039 | 188,021 | 189,021 | 223,282 | 239,044 | 254,737 | |
| | Sustainable socio-economic development | | | | | | 51,507 | 35,766 | 35,766 | 1,030 | 1,094 | 1,158 | |
| | Promote humann settlements and Infrastructure development | | | | | | 74,543 | 81,917 | 81,917 | 36,307 | 39,921 | 42,330 | |
| | Financial sound and sustainable municipality | | | | | | 4,207 | 6,258 | 6,258 | 6,564 | 6,945 | 7,510 | |
| | Spatial planning and environmental sustainability | | | | | | 28,280 | 31,152 | 31,152 | 121,614 | 130,308 | 133,713 | |
| Allocations to other priorities | | | | 2 | | | | | | | | | |
| Total Revenue (excluding capital transfers and contributions) | | | | 1 | 244,683 | 285,670 | 326,042 | 345,457 | 344,966 | 344,966 | 390,030 | 418,621 | 440,834 |

Table 24 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

KZN222 uMngeni - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

| Strategic Objective | Goal | Goal Code | Ref | 2012/13 | 2013/14 | 2014/15 | Current Year 2015/16 | | | 2016/17 Medium Term Revenue & Expenditure Framework | | | |
|---------------------------------|--|-----------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|---------|
| | | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2016/17 | Budget Year +1 2017/18 | Budget Year +2 2018/19 | |
| R thousand Expenditure | Human resources resource development and management | | | 259 623 | 283 234 | 299 484 | 31 501 | 12 881 | 12 881 | 27 451 | 29 261 | 31 104 | |
| | Good corporate governance | | | | | | 34 257 | 34 348 | 34 348 | 47 803 | 50 585 | 53 668 | |
| | Sustainable socio-economic development | | | | | | 51 507 | 41 490 | 41 490 | 7 624 | 8 147 | 8 582 | |
| | Promote human settlements and infrastructure development | | | | | | 158 815 | 136 771 | 136 771 | 187 452 | 202 675 | 211 219 | |
| | Financial sound and sustainable municipality | | | | | | - | 32 282 | 32 282 | 49 939 | 58 377 | 62 100 | |
| | Spatial planning and environmental sustainability | | | | | | 41 104 | 64 677 | 64 677 | 47 387 | 45 194 | 48 017 | |
| Allocations to other priorities | | | | | | | | | | | | | |
| Total Expenditure | | | | 1 | 259 623 | 283 234 | 299 494 | 317 183 | 322 449 | 322 449 | 367 656 | 384 240 | 414 789 |

Table 25 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

KZN222 uMngeni - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

| Strategic Objective | Goal | Goal Code | Ref | 2012/13 | 2013/14 | 2014/15 | Current Year 2015/16 | | | 2016/17 Medium Term Revenue & Expenditure Framework | | |
|---------------------------------|------|-----------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2016/17 | Budget Year +1 2017/18 | Budget Year +2 2018/19 |
| R thousand | | | | | | | | | | | | |
| Capital Expenditure | | A | | 16,190 | 28,128 | 56,276 | 27,249 | 44,409 | 44,409 | 29,148 | 32,764 | 35,786 |
| | | B | | | | | | | | | | |
| | | C | | | | | | | | | | |
| | | D | | | | | | | | | | |
| | | E | | | | | | | | | | |
| | | F | | | | | | | | | | |
| | | G | | | | | | | | | | |
| | | H | | | | | | | | | | |
| | | I | | | | | | | | | | |
| | | J | | | | | | | | | | |
| | | K | | | | | | | | | | |
| | | L | | | | | | | | | | |
| | | M | | | | | | | | | | |
| | | N | | | | | | | | | | |
| | | O | | | | | | | | | | |
| | | P | | | | | | | | | | |
| Allocations to other priorities | | | 3 | | | | | | | | | |
| Total Capital Expenditure | | | 1 | 16,190 | 28,128 | 56,276 | 27,249 | 44,409 | 44,409 | 29,148 | 32,764 | 35,786 |

2.3 Measurable performance objectives and indicators

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

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

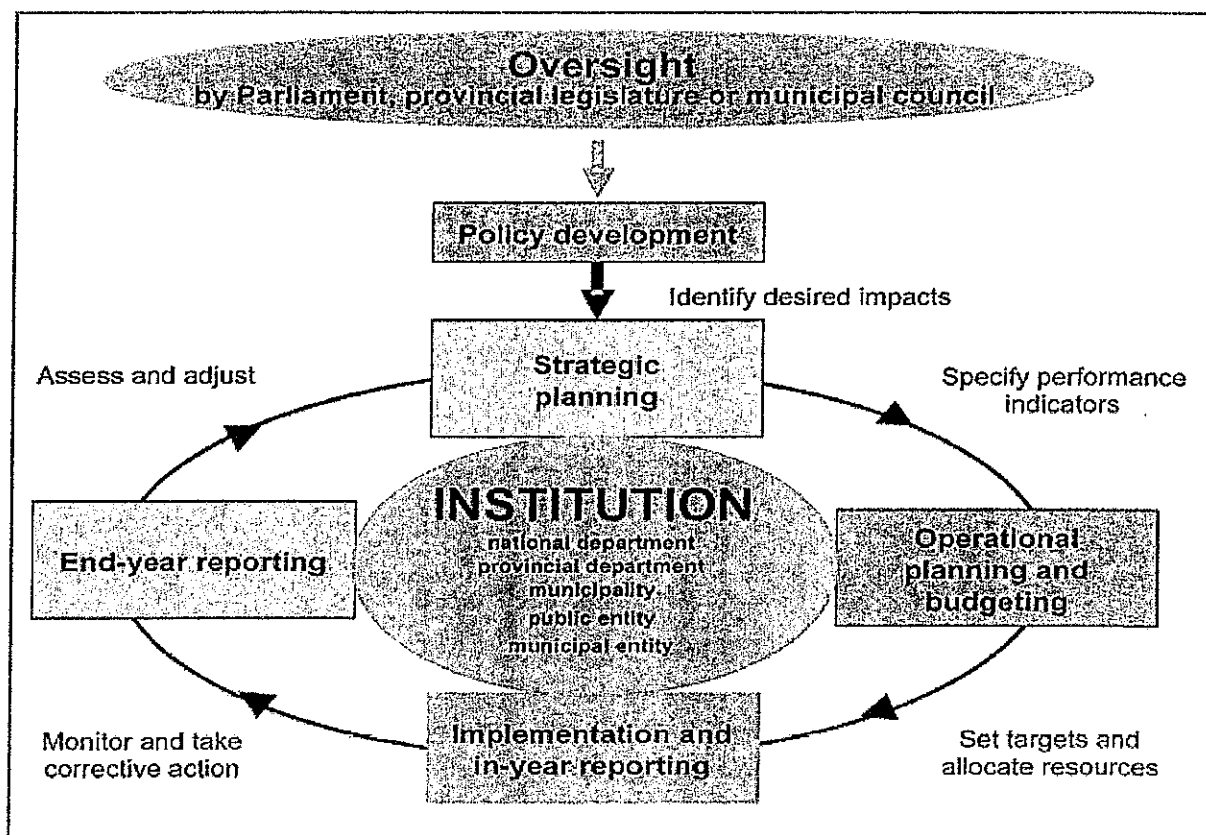


Figure 1 Planning, budgeting and reporting cycle

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

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

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

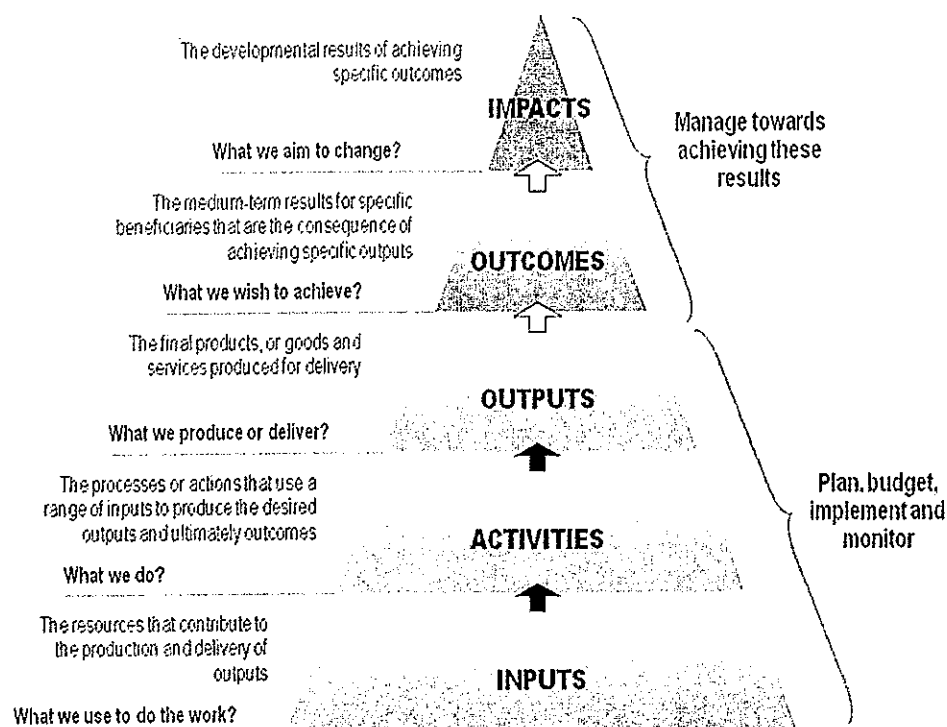


Figure 2 Definition of performance information concepts

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

| KEY FINANCIAL RATIOS OR INDICATORS | | |
|--|--|-----------------|
| Financial Benchmarks | Basic of Calculation | 2014/2015 (AFS) |
| Debt to Asset Ratio | Total Debt/Total Assets | 1:0.04 |
| Debt to Revenue | Total Debt/Annual Income | 1:0.11 |
| Average Interest Paid on Debt | Interest Paid/Total Interest Bearing Debt | 1:0.71 |
| Capital Charges to Operating Expenditure | Interest & Principal Paid/ Operating Expenditure | 1:0.03 |
| Interest as a % of Operating Expenditure | Interest Paid/ operating Expenditure | 1.5% |
| Current Ratio | Current asset/ Current Liabilities | 1:1.93 |
| Creditors System Efficiency | % of creditors Paid within terms | 97.6% |

Table 26 MBRR Table SA7 - Measurable performance objectives

KZN222 uMngeni - Supporting Table SA7 Measurable performance objectives

| Description | Unit of measurement | 2012/13 | 2013/14 | 2014/15 | Current Year 2015/16 | | | 2016/17 Medium Term Revenue & Expenditure Framework | | |
|-------------------------------------|---------------------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2016/17 | Budget Year +1 2017/18 | Budget Year +2 2018/19 |
| Vote 1 - vote name | | | | | | | | | | |
| Function 1 - (name) | | | | | | | | | | |
| Sub-function 1 - (name) | | | | | | | | | | |
| Insert measure/s description | | | | | | | | | | |
| Sub-function 2 - (name) | | | | | | | | | | |
| Insert measure/s description | | | | | | | | | | |
| Sub-function 3 - (name) | | | | | | | | | | |
| Insert measure/s description | | | | | | | | | | |
| Function 2 - (name) | | | | | | | | | | |
| Sub-function 1 - (name) | | | | | | | | | | |
| Insert measure/s description | | | | | | | | | | |
| Sub-function 2 - (name) | | | | | | | | | | |
| Insert measure/s description | | | | | | | | | | |
| Sub-function 3 - (name) | | | | | | | | | | |
| Insert measure/s description | | | | | | | | | | |
| Vote 2 - vote name | | | | | | | | | | |
| Function 1 - (name) | | | | | | | | | | |
| Sub-function 1 - (name) | | | | | | | | | | |
| Insert measure/s description | | | | | | | | | | |
| Sub-function 2 - (name) | | | | | | | | | | |
| Insert measure/s description | | | | | | | | | | |
| Sub-function 3 - (name) | | | | | | | | | | |
| Insert measure/s description | | | | | | | | | | |
| Function 2 - (name) | | | | | | | | | | |
| Sub-function 1 - (name) | | | | | | | | | | |
| Insert measure/s description | | | | | | | | | | |
| Sub-function 2 - (name) | | | | | | | | | | |
| Insert measure/s description | | | | | | | | | | |
| Sub-function 3 - (name) | | | | | | | | | | |
| Insert measure/s description | | | | | | | | | | |
| Vote 3 - vote name | | | | | | | | | | |
| Function 1 - (name) | | | | | | | | | | |
| Sub-function 1 - (name) | | | | | | | | | | |
| Insert measure/s description | | | | | | | | | | |
| Sub-function 2 - (name) | | | | | | | | | | |
| Insert measure/s description | | | | | | | | | | |
| Sub-function 3 - (name) | | | | | | | | | | |
| Insert measure/s description | | | | | | | | | | |
| Function 2 - (name) | | | | | | | | | | |
| Sub-function 1 - (name) | | | | | | | | | | |
| Insert measure/s description | | | | | | | | | | |
| Sub-function 2 - (name) | | | | | | | | | | |
| Insert measure/s description | | | | | | | | | | |
| Sub-function 3 - (name) | | | | | | | | | | |
| Insert measure/s description | | | | | | | | | | |
| And so on for the rest of the Votes | | | | | | | | | | |

The following table sets out the municipalities main performance objectives and benchmarks for the 2016/2017 MTREF.

Table 27 MBRR Table SA8 - Performance indicators and benchmarks

KZN222 uMngeni - Supporting Table SA8 Performance indicators and benchmarks

| Description of financial indicator | Basis of calculation | 2012/13 | 2013/14 | 2014/15 | Current Year 2015/16 | | | | 2016/17 Medium Term Revenue & Expenditure Framework | | |
|--|--|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2016/17 | Budget Year +1 2017/18 | Budget Year +2 2018/19 |
| Borrowing Management | | | | | | | | | | | |
| Credit Rating | | 0,94 | 0,94 | | | | | | | | |
| Capital Charges to Operating Expenditure | Interest & Principal Paid / Operating Expenditure | 2,7% | 2,4% | 2,3% | 2,3% | 2,3% | 2,3% | 2,3% | 2,2% | 2,1% | 2,2% |
| Capital Charges to Own Revenue | Finance charges & Repayment of borrowing / Own Revenue | 3,8% | 3,2% | 3,1% | 2,8% | 2,8% | 2,8% | 2,8% | 2,6% | 2,6% | 2,5% |
| Borrowed Funding of 'own' capital expenditure | Borrowing/Capital expenditure excl. transfers and grants and contributions | 105,7% | 1,7% | 23,9% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% |
| Safety of Capital | | | | | | | | | | | |
| Gearing | Long Term Borrowing/ Funds & Reserves | 22,2% | 23,2% | 20,7% | 13,1% | 11,3% | 11,3% | 11,3% | 10,3% | 9,2% | 9,2% |
| Liquidity | | | | | | | | | | | |
| Current Ratio | Current assets/current liabilities | 2,0 | 1,6 | 1,9 | 4,2 | 3,6 | 3,6 | 3,6 | 3,1 | 3,4 | 3,6 |
| Current Ratio adjusted for aged debtors | Current assets less debtors > 90 days/current liabilities | 2,0 | 1,6 | 1,9 | 4,2 | 3,6 | 3,6 | 3,6 | 3,1 | 3,4 | 3,6 |
| Liquidity Ratio | Monetary Assets/Current Liabilities | 0,3 | 0,8 | 1,0 | 0,8 | 0,9 | 0,9 | 0,9 | 0,9 | 1,2 | 1,5 |
| Revenue Management | | | | | | | | | | | |
| Annual Debtors Collection Rate (Payment Level %) | Last 12 Mths Receipts/Last 12 Mths Billing | | 94,7% | 107,4% | 109,5% | 88,1% | 86,7% | 86,7% | 86,7% | 88,0% | 88,0% |
| Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue) | | 94,7% | 107,4% | 109,5% | 88,1% | 86,7% | 86,7% | 86,7% | 88,0% | 88,0% | 88,0% |
| Outstanding Debtors to Revenue | Total Outstanding Debtors to Annual Revenue | 17,0% | 16,3% | 17,7% | 24,6% | 24,2% | 24,2% | 24,2% | 17,5% | 15,3% | 13,5% |
| Longstanding Debtors Recovered | Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old | | | | | | | | | | |
| Creditors Management | | | | | | | | | | | |
| Creditors System Efficiency | % of Creditors Paid Within Terms (within MFMA's 65(e)) | | | | | | | | | | |
| Creditors to Cash and Investments | | -1243,4% | 280,1% | 65,0% | 291,7% | 66,7% | 66,7% | 66,7% | 67,3% | 60,6% | 61,7% |
| Other Indicators | | | | | | | | | | | |
| | Total Volume Losses (KW) | | | | | | | | | | |
| | Total Cost of Losses (Rand '000) | | 75067374 | | | | | | | | |
| Electricity Distribution Losses (2) | % Volume (units purchased and generated less units sold)/units purchased and generated | | 23,942 | 27,365 | | | | | | | |
| | Total Volume Losses (M) | | | | | | | | | | |
| | Total Cost of Losses (Rand '000) | | | | | | | | | | |
| Water Distribution Losses (2) | % Volume (units purchased and generated less units sold)/units purchased and generated | | | | | | | | | | |
| Employee costs | Employee costs/(Total Revenue - capital revenue) | 34,7% | 25,6% | 30,6% | 32,6% | 29,9% | 29,9% | 29,9% | 27,8% | 28,1% | 28,5% |
| Remuneration | Total remuneration/(Total Revenue - capital revenue) | 38,9% | 29,2% | 34,7% | 34,9% | 32,1% | 32,1% | | 29,8% | 30,1% | 30,5% |
| Repairs & Maintenance | R&M/(Total Revenue excluding capital revenue) | 2,3% | 2,5% | 4,6% | 7,8% | 5,6% | 5,6% | | 5,9% | 6,1% | 6,1% |
| Finance charges & Depreciation | FC&D/(Total Revenue - capital revenue) | 28,7% | 16,3% | 17,0% | 5,0% | 5,0% | 5,0% | 5,0% | 9,3% | 9,2% | 9,2% |
| IDP regulation financial viability indicators | | | | | | | | | | | |
| i. Debt coverage | (Total Operating Revenue - Operating Grants)/Debt service payments due within financial year | 29,7 | 29,9 | 38,7 | 18,6 | 18,6 | 18,6 | 32,2 | 35,0 | 35,4 | 37,8 |
| ii. OS Service Debtors to Revenue | Total outstanding service debtors/annual revenue received for services | 22,8% | 23,9% | 26,0% | 35,3% | 34,3% | 34,3% | 34,3% | 24,2% | 21,1% | 18,5% |
| iii. Cost coverage | (Available cash + Investments)/monthly fixed operational expenditure | (0,2) | 0,5 | 1,2 | 0,4 | 1,1 | 1,1 | 1,1 | 1,1 | 0,9 | 0,8 |

2.3.1 Performance indicators and benchmarks

2.3.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, uMngeni Municipality's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the Municipality's debt portfolio is dominated by annuity loans. The following financial performance indicators have formed part of the compilation of the 2016/2017 MTREF:

- *Capital charges to operating expenditure* is a measure of the cost of borrowing in relation to the operating expenditure. It can be seen that the cost of borrowing has steadily increased from 2.7 per cent in 2012/2013 to 3.4 per cent in 2016/2017. It is estimated that the cost of borrowing as a percentage of the operating expenditure will reach 3.2 per cent in 2016/17 and will then decrease to 2.8 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 as the Municipality has reached its prudential borrowing limits.
- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing. The average over MTREF is nil per cent.

The Municipality's debt profile provides some interesting insights on the Municipality's future borrowing capacity. Firstly, the use of amortising loans leads to high debt service costs at the beginning of the loan, which declines steadily towards the end of the loan's term.

The Municipality has raised mainly amortising loans over the past six years, hence effectively 'front-loading' its debt service costs. This is reflected in the Municipality's debt service profile, which predicts large debt service costs between 2012 and 2018. Debt service costs are expected to peak in 2018 due to the redemption of the last few term loans held by the Municipality.

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the Municipality to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs. As part of the compilation of the 2016/2017 MTREF the potential of smoothing out the debt profile over the longer term will be investigated.

2.3.1.2 Safety of Capital

The gearing ratio is a measure of the total long term borrowings over funds and reserves. Between 2014/2015 and 2016/2017 the gearing ratio peaked at 22.6 per cent. This was primarily a result of the increased borrowing levels and decreasing funds and reserves. While the gearing ratio decreases to 15.0 per cent in the 2015/16 financial year, the medium term strategy is to steadily reduce the gearing ratio to a level that does not exceed 50 per cent as a prudential limit, hence, over the 2016/17 MTREF the ratio decreases to 12.0 per cent in 2016/2017.

2.3.1.3 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 1, hence at no point in time should this ratio

be less than 1. For the 2016/2017 MTREF the current ratio is 2.3 in the 2016/2017 financial year and 2.4 and 2.3 for the two outer years of the MTREF. Going forward it will be necessary to increase these levels.

- *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. For the 2016/2017 financial year the ratio was 0.5 and as part of the financial planning strategy it has been increased to 0.6 in the 2016/2017 financial year. This needs to be considered a pertinent risk for the municipality as any under collection of revenue will translate into serious financial challenges for the Municipality. As part of the longer term financial planning objectives this ratio will have to be set at a minimum of 1.

2.3.1.4 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.

2.3.1.5 Creditors Management

- The Municipality could not manage 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 not managed to ensure a 100 per cent compliance rate to this legislative obligation. This has had a negative impact on suppliers' perceptions of risk of doing business with the Municipality, which is expected to damage the Municipality in the form of more competitive pricing of tenders, as suppliers will not compete for the Municipality's business.

2.3.1.6 Other Indicators

The electricity distribution losses have increased upwards from 33 per cent in the 2015/2016 financial year to 35 per cent in 2016/2017. 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.

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 Municipality. Only registered indigents qualify for the free basic services.

For the 2016/2017 financial year 2775 registered indigents have been provided for in the budget with this figured increasing to 2997 by 2017/2018. In terms of the Municipality's indigent policy registered households are entitled to 100 kwh of electricity and free waste removal for all properties with a value of up to R200 000 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 23 MBRR A10 (Basic Service Delivery Measurement) on page 34.

2.4 Overview of budget related-policies

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

The following budget-related policies have been approved by Council, or have been reviewed or amended and/or are currently being reviewed/amended in line with National Guidelines and other legislation.

- 2.4.1 Budget Policy
- 2.4.2 Supply Chain Management Policy
- 2.4.3. Rates Policy
- 2.4.4 Tariff Policy
- 2.4.5 Credit Control & Debt Collection Policy
- 2.4.6 Subsistence & Travel Policy
- 2.4.7 Leave Policy
- 2.4.8 Human Resources Training & Development Policy.
- 2.4.9 Virement Policy
- 2.4.10 Funding and Reserves Policy
- 2.4.11 Cash Management and Investment Policy
- 2.4.12 Overtime Policy
- 2.4.13 Organisational Performance Management Policy
- 2.4.14 Social Housing Policy
- 2.4.15 Asset Management Policy
- 2.4.16 Travel Allowance Policy

The promulgation of the Municipal Budget and Reporting Regulations in Government Gazette No. 32141 dated 17 April 2009 is to secure sound and sustainable management of the budgeting and reporting practices of municipalities by establishing uniform norms and standards and other requirement for insuring transparency, accountability and appropriate lines of responsibility in the

budgeting and reporting processes of those institutions and other relevant matters as required by the MFMA.

These regulations are effective for all Municipalities from 1 July 2010 and the budget has been compiled accordingly to be in full compliance from 1 July 2010.

In terms of section 7 of these regulations the Municipal Manager must prepare, or take all reasonable steps to ensure the preparation of the budget-related policies of the municipality, or any amendments to such policies, in accordance with the legislation applicable to those policies for tabling in the municipal council by the applicable deadline specified by the mayor in terms of section 21(1)(b) of the Act.

2.4.1 BUDGET POLICY

The budget policy is there to assist Mayors, Councillors, Accounting Officers and Senior Managers in dealing with the changes brought about by the Municipal Finance Management Act No 56 of 2003. This policy provides a framework within which Senior Management can compile, control and review budgets of their respective departments to ensure effective financial management

2.4.2 SUPPLY CHAIN MANAGEMENT POLICY

Municipalities are required in terms of section 111 of the MFMA to have a supply chain management policy.

This policy is within the framework of the relevant legislation and regulations. The policy ascribes to the following principles:

- a. A procurement system which is fair, equitable, transparent, competitive and cost-effective in terms of section 217 of the Constitution of South Africa No. 108 of 1996
- b. As enshrined in Chapter 11 of the Municipal Finance Management Act and its regulations
- c. Best practices in supply chain management
- d. Uniformity in supply chain management systems between organs of state in all spheres
- e. Broad Based Black Economic Empowerment

2.4.3 RATES POLICY

Section 5(1) of the Municipal Property Rates Act, No. 6 of 2004 states that a municipal council must annually review, and if necessary, amend its rates policy. Any amendments must accompany the municipality's annual budget when it is tabled in the Council. The policy is designed to ensure equitable treatment by Council in the levying of rates on property owners, including owners under sectional title, as well as other persons who may become liable for the payment of rates.

2.4.4 TARIFF POLICY

The Municipal Systems Act, No 32 of 2000, requires a municipality to have a tariff determination policy. The challenge in setting tariffs lies in striking a balance between

maintaining financial sustainability of the relevant departments (and so the sustainability of service provision) and ensuring affordability of those services by consumers. The municipality's tariff policy provides a broad framework where the Council can determine fair, transparent and affordable service charges that also promote sustainability of service provision. The policy is based on principles that address the social, economic and financial imperatives that the process of tariff setting should take account of.

2.4.5 CREDIT CONTROL & DEBT COLLECTION POLICY

The municipality's credit control and debt collection policy provides the procedures and mechanisms for credit control and for the collection of debts. The primary objective of this policy is to ensure that all monies due and payable to the municipality in respect of rates, fees for services, surcharges on such fees, charges, tariffs, interest which has accrued on any amounts due and payable in respect of the foregoing and any collection charges are collected efficiently and promptly.

2.4.6 SUBSISTENCE AND TRAVEL POLICY

The purpose of this policy is to determine guidelines for Councillors and officials for the payment of travelling and subsistence allowances when performing official functions on behalf of the Municipality.

2.4.7 LEAVE POLICY

The leave policy for uMngeni Municipality was adopted by Council in January 2009 and the goal is to ensure that the services rendered by this municipality to the community are efficient, effective and uninterrupted.

The objections are as follows:

- (i) Ensure continuity in operational requirements of the organisation while other employees are on leave.
- (ii) To develop a better understanding regarding leave policy and procedure.
- (iii) Ensure the development of clearly written administrative policy and procedure.
- (iv) To ensure proper and accurate record keeping.
- (v) To ensure that the private and confidential information is maintained.
- (vi) Ensure that leave policy respond effectively to crisis and emergency situations.

2.4.8 HUMAN RESOURCE TRAINING AND DEVELOPMENT POLICY

This policy deals with the process whereby people acquire the necessary knowledge and skills to perform delegated tasks. The objective is to ensure that the municipality is served by professional, competent, and productive employees who will have, through continuous improvement in skills and attitude facilitated by the Training Division, distinguish themselves of

being capable of delivering high quality services to all people in an endeavour to achieve the municipal strategic objectives.

2.4.9 VIREMENT POLICY

This policy's objective is to allow flexibility in the use of budgeted funds to enable management to act on occasions such as disasters, unforeseen expenditure or savings, etc. as they arise to accelerate service delivery in a financially responsible manner.

2.4.10 FUNDING AND RESERVES POLICY

The funding and reserves policy is aimed at ensuring that the municipality procures sufficient and cost effective funding in order to achieve its capital expenditure objectives in an optimum manner. The policy is adhered to in the procurement of funding for the municipality having due regard to the assets and liability maturity profile of the municipality.

2.4.11 CASH MANAGEMENT AND INVESTMENT POLICY

Section 13(2) of the MFMA requires that a municipality have a policy dealing with cash management and investment. The municipality's cash management and investment policy is developed within the framework of the MFMA.

2.4.12 OVERTIME POLICY

This policy is to ensure that a clear policy guideline is established for all employees of the municipality for working overtime and performing standby duties.

2.4.13 ORGANISATIONAL PERFORMANCE MANAGEMENT POLICY

The Performance Management System (PMS) is aimed at:

Providing Guidelines on the effective implementation and maintenance of a single and uniform performance management process within uMngeni Municipality;

Ensuring that every employee's output is optimized in terms of quality and quantity, thereby improving uMngeni Municipality's overall performance and service delivery;

Ensuring that individual employee performance is evaluated fairly and objectively;

Ensuring that categories of performance that exceed expectations are recognized, and;

Also ensuring that categories of performance that do not meet expectations are managed.

2.4.14 SOCIAL HOUSING POLICY

The objectives of this Social Housing Policy for uMngeni Municipality are as follows;

To address the housing backlog in the uMngeni municipal area

To ensure that housing beneficiaries are given a choice in respect of the housing types that will suite their life styles and requirements

To facilitate the development and rejuvenation of the town of Howick through social housing development

uMngeni Municipality also intends to facilitate the institution of a Social Housing Company that will be responsible for driving and championing social housing projects within the Municipal area through the social housing policy

This policy seeks to address the imbalances of the past which were a result of the promulgation of policies under the apartheid regime that granted specifically located land for racial segregation as such policies were also determining the urban landscape.

The acceptance of this policy by uMngeni Municipality's EXCO will enable the Municipality and other role-players in the social housing sector to work co-operatively towards improving and upgrading the municipal infrastructure in the identified restructuring zones so that new social housing projects have easy access to services as per Chapter 2, section 5 (iii) of the Social Housing Policy,2006.

To ensure access to funding for social housing development is not interrupted by a lack of policy framework within the municipal structure/municipality

The policy is intended to create an enabling environment for the Municipality to enter into performance agreements with social housing institutions that will be responsible for the overall management of social housing stock within uMngeni Municipality

All the above policies are available at the Municipal Offices in Howick, Hilton, Mpophomeni and Howick West, all the libraries in Howick, Howick West, Hilton and Mpophomeni as well as on the municipality's website www.umngeni.gov.za.

2.4.15 ASSET MANAGEMENT POLICY

The objectives of this policy are:

- To ensure the effectiveness and efficient control, utilisation, safeguarding and strategic property management of municipality's immovable property (property, plant and equipment).
- To ensure asset managers (property managers) are aware of their responsibilities with regards to property, plant and equipment.
- To set out standards of physical management, recording and internal controls to ensure property, plant and equipment are safeguarded against inappropriate loss or utilisation.
- To specify the process required before expenditure on property, plant equipment occurs.
- To emphasize a culture of transparency and accountability over assets.

- To ensure compliance with all legislative, policies, by laws and accounting prescriptions and requirements.

2.4.16 Travel Allowance Policy

- The objectives of the scheme are to provide for the following:
Uniform guidelines, conditions and limitations in terms of which the scheme be run in order to restrict differences.
- To compensate employees in a fair and reasonable manner for the utilization of private travel in the execution of official duties.

2.5 Overview of budget assumptions

2.5.1 External factors

The South African economy has averaged about 2.5 per cent growth a year since 2010. Against the background of the slowdown in the global economy, real GDP growth is likely to fall to about 2.1 per cent in 2014.

A recovery of up to 2.5 per cent and 3.0 per cent growth in 2016 and 2017 is expected, but these are modest rates of expansion relative to the social and developmental challenges we face and the opportunities that our mineral wealth and human capabilities offer.

There was a welcome recovery in job creation during 2011, but unemployment has not yet returned to its 2008 peak and the unemployment rate remains high at 25 per cent.

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the Municipality's finances.

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 2016/2017 MTREF:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on Municipality'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 30% per cent of total operating expenditure in the 2016/2017 MTREF and therefore this increase above inflation places a disproportionate upward pressure on the expenditure budget. The wage agreement SALGBC has been concluded with the municipal workers unions and must be noted.

2.5.3 Credit rating outlook

Table 28 Credit rating outlook

| Security class | Currency | Rating | Annual rating 2010/11 | Previous Rating |
|----------------|----------|----------|--------------------------|--------------------|
| Short term | Rand | Prime -1 | 30 November 2011 | Prime -1 |
| Long-term | Rand | Baa2.za | 30 November 2011 | Baa2.za |
| Outlook | Rand | Negative | 30 November 2011 | Negative |

The rating definitions are:

- Short term : Prime – 1
Short-Term Debt Ratings (maturities of less than one year)
Prime-1 (highest quality)
- Long-term : Baa2.za

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 Municipality engages in a number of financing arrangements to minimise its interest rate costs and risk. However, for simplicity the 2016/2017 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. As part of the compilation of the 2016/2017 MTREF the potential of smoothing out the debt profile over the long term will be investigated.

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 (88 per cent) of annual billings. Cash flow is assumed to be 88 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 debtor's collection rate, tariff/rate pricing, real growth rate of the Municipality, 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

The collective agreement regarding salaries/wages came into operation on 1 July 2015 in 2015/16. An across the board increase of 6 per cent has been provided for as per Circular 82 from National Treasury.

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 90 per cent is achieved on operating expenditure and 95 per cent on the capital programme for the 2016/2017 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 29 Breakdown of the operating revenue over the medium-term

| Description | Adjustments Budget Year 2015/16 | Budget Year 2016/17 | % | Budget Year 2017/18 | % | Budget Year 2018/19 |
|---|------------------------------------|------------------------|----------------|------------------------|----------------|------------------------|
| Revenue By Source | | | | | | |
| Property rates | 143,969,677 | 176,512,298.02 | 48% | 187,456,060.00 | 47% | 198,515,968.00 |
| Property rates - penalties & collection charges | 6,242,663 | 6,654,680.00 | 2% | 7,067,270.00 | 2% | 7,484,239.00 |
| Service charges - electricity revenue | 71,427,347 | 76,884,398.00 | 21% | 84,111,532.00 | 21% | 92,018,016.00 |
| Service charges - refuse revenue | 5,170,966 | 5,512,250.00 | 1% | 5,854,009.00 | 1% | 6,199,393.00 |
| Rental of facilities and equipment | 673,023 | 719,375.00 | 0% | 763,976.00 | 0% | 809,051.00 |
| Interest earned - external investments | 3,494,073 | 3,724,682.00 | 1% | 3,955,612.00 | 1% | 4,188,993.00 |
| Interest earned - outstanding debtors | 1,838,496 | 1,959,837.00 | 1% | 2,081,347.00 | 1% | 2,204,146.00 |
| Fines | 22,435,186 | 23,915,908.00 | 6% | 25,398,694.00 | 6% | 26,897,217.00 |
| Licences and permits | 3,226,490 | 3,439,439.00 | 1% | 3,652,684.00 | 1% | 3,868,192.00 |
| Transfers recognised - operational | 56,642,000 | 61,469,000.00 | 17% | 66,945,000.00 | 17% | 65,705,000.00 |
| Other revenue | 7,597,096 | 7,371,954.00 | 2% | 7,829,016.00 | 2% | 8,290,928.00 |
| NET OPERATING INCOME | 322,717,017.95 | 368,163,821.02 | 100.00% | 395,115,200.00 | 100.00% | 416,181,143.00 |

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 Municipality derives most of its operational revenue from the provision of goods and services such as electricity, solid waste removal, property rates, operating grants from organs of state and other minor charges (such as building plan fees, licenses, fines and permits etc).

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

- Growth in the Municipality and economic development;
- Revenue management and enhancement;
The collection rates is 88% except traffic fines at 60%, rental of facilities and equipment , interest and external investment, licenses and permits and grants are at 100%.
- =National Treasury guidelines;
- Electricity tariff increases within the National Energy 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 2016/2017 MTREF on the different revenue categories are:

Table 30 Final tariff increases over the medium-term

| Revenue category | 2015/16 proposed tariff increase | 2015/16 proposed tariff increase | 2016/17 proposed tariff increase | 2015/16 additional revenue for each % tariff increase | 2015/16 additional revenue owing to % tariff increase | 2016/17 additional revenue owing to % tariff increase |
|------------------|--|--|--|---|---|---|
| | % | % | % | R'000 | R'000 | R'000 |
| Property rates | 6 | 6 | 6 | R6.000 | R6.400 | R7.000 |
| Solid Waste | 6 | 6 | 6 | R500 | R525 | R550 |
| Electricity | 7.64 | 8 | 8 | R6.500 | R7.000 | R8.000 |
| Total | | | | R13.000 | R13.925 | R15.550 |

Revenue to be generated from property rates is R183, 1million in the 2016/2017 financial year and increases to R194, 5million by 2017/2018 which represents 48 per cent of the operating revenue base of the Municipality. It remains relatively constant over the medium-term. With the implementation of the Municipal Property Rates Act the basis of rating significantly changed.

There are no outstanding objections and appeals, The Valuations Appeals Board has dealt with during the 2015/2016 MTREF. As the levying of property rates is considered a strategic revenue source further monthly reviews processes will be undertaken in the 2016/2017 MTREF. The outcome of this initiative will be closely monitored and reported on a regular basis as part of the quarterly performance reporting. The new valuation roll has been done in terms of Municipal Property Rates Act in July 2015 and implemented accordingly.

Services charges relating to electricity and refuse removal constitutes the second biggest component of the revenue basket of the Municipality totalling R82, 3million for the 2016/2017 financial year and increasing to R 89,9 million by 2017/2018. For the 2016/2017 financial year services charges amount to 22, 3per cent of the total revenue base and increases to 23, 0 per cent per annum over the medium-term. This growth can mainly be attributed to the increase in the bulk prices of electricity.

Operational grants and subsidies amount to R61, 4 million, R66,9 million and R65,7 million for each of the respective financial years of the MTREF. The percentage of the total operational grants and transfers in relation to the total operating revenue is distorted owing to the high increases in revenue relating to services charges.

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 31 MBRR SA15 – Detail Investment Information

KZN222 uMngeni - Supporting Table SA15 Investment particulars by type

| Investment type | Ref | 2012/13 | 2013/14 | 2014/15 | Current Year 2015/16 | | | 2016/17 Medium Term Revenue & Expenditure Framework | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2016/17 | Budget Year +1 2017/18 | Budget Year +2 2018/19 |
| R thousand | | | | | | | | | | |
| Parent municipality | | | | | | | | | | |
| Securities - National Government | | - | - | - | - | - | - | - | - | - |
| Listed Corporate Bonds | | | | | | | | | | |
| Deposits - Bank | | 14,849 | 29,798 | 38,548 | 25,210 | 16,228 | 16,228 | 18,160 | 24,334 | 29,552 |
| 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 | | - | - | - | - | - | - | - | - | - |
| Municipality sub-total | 1 | 14,849 | 29,798 | 38,548 | 25,210 | 16,228 | 16,228 | 18,160 | 24,334 | 29,552 |
| Entities | | | | | | | | | | |
| 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 | | - | - | - | - | - | - | - | - | - |
| Entities sub-total | | - | - | - | - | - | - | - | - | - |
| Consolidated total: | | 14,849 | 29,798 | 38,548 | 25,210 | 16,228 | 16,228 | 18,160 | 24,334 | 29,552 |

Table 32 MBRR SA15 – Investment particulars by maturity

KZN222 uMngeni - Supporting Table SA15 Investment particulars by maturity

| Investments by Maturity | Ref | Period of Investment | Type of Investment | Capital Guarantee (Yes/No) | Variable or Fixed Interest rate | Interest Rate % | Commission Paid (Funds) | Commission Recipient | Expiry date of investment | Opening balance | Interest to be realised | Partial / Premature Withdrawal (€) | Investment Top Up | Closing Balance |
|---------------------------------------|-----|----------------------|--------------------|----------------------------|---------------------------------|-----------------|-------------------------|----------------------|---------------------------|-----------------|-------------------------|------------------------------------|-------------------|-----------------|
| Name of Institution & Investment ID | 1 | Yrs/Months | | | | | | | | | | | | |
| Parent municipality | | | | | | | | | | | | | | |
| ABSA | | n/a | FIXED | YES | FIXED | FIXED | 0 | | | 3,322 | 2,788 | - | - | 6,110 |
| FNB | | n/a | FIXED | YES | FIXED | FIXED | 0 | | | 1,530 | 633 | - | - | 2,163 |
| INVESTEC BANK | | n/a | CALL | YES | VARIABLE | VARIABLE | 0 | | | 8,925 | 1,377 | - | - | 9,902 |
| | | n/a | FIXED | YES | FIXED | FIXED | 0 | | | | | | | - |
| | | n/a | FIXED | YES | FIXED | FIXED | 0 | | | | | | | - |
| Municipality sub-total | | | | | | | | | | 13,377 | | - | - | 18,160 |
| Entities | | | | | | | | | | | | | | - |
| | | | | | | | | | | | | | | - |
| | | | | | | | | | | | | | | - |
| Entities sub-total | | | | | | | | | | - | | - | - | - |
| TOTAL INVESTMENTS AND INTEREST | 1 | | | | | | | | | 13,377 | | - | - | 18,160 |

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity. The surplus is intended to partly fund capital expenditure from own sources as well as ensure adequate cash backing of reserves and funds although this is not at all sufficient.

2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2016/2017 medium-term capital programme:

Table 33 Sources of capital revenue over the MTREF

| | | | | | | | | | | |
|----------------------------------|----------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Funded by: | | | | | | | | | | |
| National Government | | 24,364 | 18,912 | 21,833 | 27,249 | 22,249 | 22,249 | 22,249 | 21,866 | 24,453 |
| Provincial Government | | 2,493 | 9,216 | 33,416 | | 21,318 | 21,318 | 21,318 | - | - |
| District Municipality | | - | - | - | - | - | - | - | - | - |
| Other transfers and grants | | - | - | - | - | - | - | - | - | - |
| Transfers recognised - capital | 4 | 26,858 | 28,128 | 55,249 | 27,249 | 43,567 | 43,567 | 43,567 | 21,866 | 24,453 |
| Public contributions & donations | 5 | - | - | - | - | - | - | - | - | - |
| Borrowing | 6 | - | - | - | - | - | - | - | - | - |
| Internally generated funds | | - | 5,007 | 1,027 | - | 841 | 841 | 841 | 7,282 | 9,333 |
| Total Capital Funding | 7 | 26,858 | 33,135 | 56,276 | 27,249 | 44,409 | 44,409 | 44,409 | 29,148 | 33,786 |

Capital grants and receipts equates to R 21, 8 per cent of the total funding source which represents R29, 1 million for the 2016/2017 financial year.

As explained earlier, the borrowing capacity of the Municipality has essentially reached its limits and going forward borrowing limits will remain constant.

The following table is a detailed analysis of the Municipality's borrowing liability.

Table 34 MBRR Table SA 17 - Detail of borrowings

KZN222 uMngeni - Supporting Table SA17 Borrowing

| Borrowing - Categorised by type R thousand | Ref | 2012/13 | 2013/14 | 2014/15 | Current Year 2015/16 | | | 2016/17 Medium Term Revenue & Expenditure Framework | | |
|---|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2016/17 | Budget Year +1 2017/18 | Budget Year +2 2018/19 |
| Parent municipality | | | | | | | | | | |
| Long-Term Loans (annuity/reducing balance) | | 31,722 | 33,064 | 29,022 | 33,599 | 29,022 | 29,022 | 26,372 | 23,566 | 23,593 |
| 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 Securifies | | - | - | - | - | - | - | - | - | - |
| Municipality sub-total | 1 | 31,722 | 33,064 | 29,022 | 33,599 | 29,022 | 29,022 | 26,372 | 23,566 | 23,593 |
| Entities | | | | | | | | | | |
| Long-Term Loans (annuity/reducing balance) | | - | - | - | - | - | - | - | - | - |
| Long-Term Loans (non-annuity) | | - | - | - | - | - | - | - | - | - |
| Local registered stock | | - | - | - | - | - | - | - | - | - |
| Instalment Credit | | - | - | - | - | - | - | - | - | - |
| Financial Leases | | - | - | - | - | - | - | - | - | - |
| PPP liabilities | | - | - | - | - | - | - | - | - | - |
| Finance Granted By Cap Equipment Supplier | | - | - | - | - | - | - | - | - | - |
| Marketable Bonds | | - | - | - | - | - | - | - | - | - |
| Non-Marketable Bonds | | - | - | - | - | - | - | - | - | - |
| Bankers Acceptances | | - | - | - | - | - | - | - | - | - |
| Financial derivatives | | - | - | - | - | - | - | - | - | - |
| Other Securifies | | - | - | - | - | - | - | - | - | - |
| Entities sub-total | 1 | - | - | - | - | - | - | - | - | - |
| Total Borrowing | 1 | 31,722 | 33,064 | 29,022 | 33,599 | 29,022 | 29,022 | 26,372 | 23,566 | 23,593 |

Internally generated funds consist of a mixture between surpluses generated on the operating statement of financial performance and cash backed reserves. In determining the credibility of this funding source it becomes necessary to review the cash flow budget as well as the cash backed reserves and accumulated funds reconciliation, as discussed below. Internally generated funds consist of R7,2 million.

Table 35 MBRR Table SA 18 – Operating and Capital transfers and grant receipts

KZN222 uMngeni - Supporting Table SA18 Transfers and grant receipts

| Description | Ref | 2012/13 | 2013/14 | 2014/15 | Current Year 2015/16 | | | 2016/17 Medium Term Revenue & Expenditure Framework | | |
|---|------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2016/17 | Budget Year +1 2017/18 | Budget Year +2 2018/19 |
| R thousand | | | | | | | | | | |
| RECEIPTS: | 1, 2 | | | | | | | | | |
| Operating Transfers and Grants | | | | | | | | | | |
| National Government: | | 38 897 | 43 831 | 44 911 | 48 500 | 53 528 | 53 528 | 58 288 | 63 610 | 62 199 |
| Local Government Equitable Share | | 29 561 | 37 208 | 40 229 | 40 132 | 40 132 | 40 132 | 44 429 | 49 458 | 54 263 |
| Municipal Systems Improvement | | 342 | 966 | 1 315 | 930 | 930 | 930 | - | - | - |
| Finance Management | | 2 232 | 2 573 | 1 977 | 1 600 | 1 600 | 1 600 | 1 625 | 1 700 | 1 955 |
| EPWP Incentive | | 1 021 | 2 984 | 972 | 1 438 | 1 466 | 1 466 | 1 317 | - | - |
| Integrated National Electrification Programme | | - | - | 418 | - | 5 000 | 5 000 | 6 000 | 7 000 | - |
| - | | - | - | - | - | - | - | - | - | - |
| - | | - | - | - | - | - | - | - | - | - |
| - | | - | - | - | - | - | - | - | - | - |
| - | | - | - | - | - | - | - | - | - | - |
| - | | - | - | - | - | - | - | - | - | - |
| Other transfers/grants [insert description] | | 5 341 | - | - | 4 400 | 4 400 | 4 400 | 4 597 | 5 452 | 5 981 |
| Provincial Government: | | 1 701 | 4 434 | 2 913 | 3 142 | 4 011 | 4 011 | 3 201 | 3 335 | 3 506 |
| Provincialisation of Libraries | | 1 552 | 2 672 | 2 752 | 2 976 | 2 976 | 2 976 | 2 668 | 2 774 | 2 919 |
| Museum Subsidies | | 134 | 284 | 161 | 166 | 656 | 656 | 175 | 184 | 193 |
| Cleanest Town | | 5 | 1 320 | - | - | 25 | 25 | - | - | - |
| Data Cleansing | | - | 158 | - | - | 354 | 354 | - | - | - |
| Community Library Services Grant | | - | - | - | - | - | - | 358 | 377 | 394 |
| District Municipality: | | - | - | - | - | - | - | - | - | - |
| [insert description] | | - | - | - | - | - | - | - | - | - |
| Other grant providers: | | - | - | - | - | - | - | - | - | - |
| [insert description] | | - | - | - | - | - | - | - | - | - |
| Total Operating Transfers and Grants | 5 | 40 598 | 48 265 | 47 824 | 51 642 | 57 540 | 57 540 | 61 469 | 66 945 | 65 705 |
| Capital Transfers and Grants | | | | | | | | | | |
| National Government: | | 24 364 | 19 487 | 21 415 | 27 249 | 22 384 | 22 384 | 21 866 | 23 506 | 24 653 |
| Municipal Infrastructure Grant (MiG) | | 24 364 | 18 912 | 21 415 | 22 249 | 22 249 | 22 249 | 21 866 | 23 506 | 24 653 |
| Dept of Energy- NATIONAL GRANT | | - | 575 | - | 5 000 | 135 | 135 | - | - | - |
| - | | - | - | - | - | - | - | - | - | - |
| - | | - | - | - | - | - | - | - | - | - |
| - | | - | - | - | - | - | - | - | - | - |
| Other capital transfers/grants [insert desc] | | - | - | - | - | - | - | - | - | - |
| Provincial Government: | | 2 409 | 8 641 | 32 312 | - | 19 927 | 19 927 | - | - | - |
| Mandela Capture site | | 2 409 | 8 641 | 32 312 | - | 19 927 | 19 927 | - | - | - |
| District Municipality: | | - | - | - | - | - | - | - | - | - |
| [insert description] | | - | - | - | - | - | - | - | - | - |
| Other grant providers: | | - | - | - | - | 1 391 | 1 391 | - | - | - |
| [insert description] | | - | - | - | - | 1 391 | 1 391 | - | - | - |
| Total Capital Transfers and Grants | 5 | 26 774 | 28 128 | 53 727 | 27 249 | 43 702 | 43 702 | 21 866 | 23 506 | 24 653 |
| TOTAL RECEIPTS OF TRANSFERS & GRANTS | | 67 372 | 76 393 | 101 551 | 78 891 | 101 242 | 101 242 | 83 335 | 90 451 | 90 358 |

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 36 MBRR Table A7 - Budget cash flow statement

KZN222 uMngeni - Table A7 Budgeted Cash Flows

| Description | | Ref | 2012/13 | 2013/14 | 2014/15 | Current Year 2015/16 | | | | 2016/17 Medium Term Revenue & Expenditure Framework | | |
|---|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| R thousand | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2016/17 | Budget Year +1 2017/18 | Budget Year +2 2018/19 |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | | | | | | | |
| Receipts | | | | | | | | | | | | |
| | | | 103 952 | 130 559 | 143 603 | 130 685 | 132 187 | 132 187 | 132 187 | 161 187 | 171 181 | 181 280 |
| | | | 48 718 | 56 461 | 57 768 | 63 867 | 64 546 | 64 546 | 64 546 | 72 509 | 79 170 | 86 431 |
| | | | 12 669 | 15 910 | 17 299 | 27 601 | 27 308 | 27 308 | 27 308 | 24 996 | 26 545 | 28 112 |
| | 1 | | 42 208 | 43 893 | 41 278 | 51 426 | 56 426 | 56 426 | 56 426 | 61 469 | 66 945 | 65 705 |
| | 1 | | 24 364 | 34 912 | 61 699 | 27 249 | 22 249 | 22 249 | 22 249 | 21 866 | 23 506 | 24 653 |
| | | | 2 513 | 3 524 | 4 396 | 3 112 | 11 728 | 3 494 | 3 494 | 5 449 | 5 787 | 6 129 |
| | | | | | | - | - | - | - | - | - | - |
| Payments | | | | | | | | | | | | |
| | | | (186 467) | (217 127) | (243 390) | (261 787) | (281 107) | (281 107) | (281 107) | (306 736) | (329 569) | (346 333) |
| | | | (4 597) | (4 297) | (3 643) | (4 760) | (4 760) | (4 760) | (4 760) | (5 127) | (5 445) | (5 767) |
| | 1 | | - | - | - | (7 110) | (3 250) | (3 250) | (3 250) | (3 516) | (3 734) | (3 954) |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | | | 43 359 | 63 835 | 79 010 | 30 283 | 25 327 | 17 093 | 17 093 | 32 096 | 34 385 | 36 255 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | | | |
| Receipts | | | | | | | | | | | | |
| | | | - | (2 462) | - | - | - | - | - | - | - | - |
| | | | - | - | - | - | - | - | - | - | - | - |
| | | | - | - | - | - | - | - | - | - | - | - |
| | | | (12 434) | (14 949) | (8 750) | - | - | 8 234 | 8 234 | - | - | - |
| Payments | | | | | | | | | | | | |
| | | | (25 863) | (34 206) | (54 135) | (27 249) | (44 409) | (44 409) | (44 409) | (29 148) | (32 764) | (35 786) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | | (38 297) | (51 617) | (62 886) | (27 249) | (44 409) | (36 175) | (36 175) | (29 148) | (32 764) | (35 786) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | | | |
| Receipts | | | | | | | | | | | | |
| | | | - | - | - | | | | | - | - | - |
| | | | 1 075 | 1 111 | 148 | | | | | - | - | - |
| | | | (49) | 67 | (79) | | 69 | 69 | 69 | 182 | (64) | (62) |
| Payments | | | | | | | | | | | | |
| | | | (2 368) | (2 445) | (2 593) | (2 650) | (2 650) | (2 650) | (2 650) | (2 805) | (2 973) | (3 152) |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | | | (1 341) | (1 268) | (2 524) | (2 650) | (2 581) | (2 581) | (2 581) | (2 623) | (3 037) | (3 214) |
| NET INCREASE/ (DECREASE) IN CASH HELD | | | 3 720 | 10 951 | 13 601 | 384 | (21 663) | (21 663) | (21 663) | 326 | (1 417) | (2 744) |
| | 2 | | (5 995) | (2 275) | 8 676 | 8 377 | 46 652 | 46 652 | 46 652 | 24 989 | 25 315 | 23 898 |
| | 2 | | (2 275) | 8 676 | 22 276 | 8 761 | 24 989 | 24 989 | 24 989 | 25 315 | 23 898 | 21 154 |

The above table shows that cash and cash equivalents of the Municipality were largely depleted between the 2012/2013 and 2016/2017 financial year moving from a negative cash balance of R2,2 million to a surplus of R 25.3 million with the approved 2015/2016 MTREF. With the 2015/2016 adjustments budget various cost efficiencies and savings had to be realised to ensure the Municipality could meet its operational expenditure commitments. In addition the Municipality undertook an extensive debt collection process to boost cash levels. These initiatives and interventions have translated into a positive cash position for the Municipality.

2.6.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

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 37 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

KZN222 uMngeni - Table A8 Cash backed reserves/accumulated surplus reconciliation

RZ.N222 Umhingi • Table A6 Cash backed reserves/accumulated surpluses reconciliation

| Description | Ref | 2012/13 | 2013/14 | 2014/15 | Current Year 2015/16 | | | | 2016/17 Medium Term Revenue & Expenditure Framework | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2016/17 | Budget Year +1 2017/18 | Budget Year +2 2018/19 |
| R thousand | | | | | | | | | | | |
| Cash and investments available | | | | | | | | | | | |
| Cash/cash equivalents at the year end | 1 | (2 275) | 8 676 | 22 276 | 8 761 | 24 989 | 24 989 | 24 989 | 25 315 | 23 838 | 21 154 |
| Other current investments > 90 days | | 14 849 | 29 798 | 24 375 | 18 165 | 0 | 0 | 0 | 1 | 8 801 | 17 265 |
| Non current assets - Investments | 1 | - | - | - | - | - | - | - | - | - | - |
| Cash and investments available: | | 12 574 | 38 474 | 46 652 | 26 926 | 24 989 | 24 989 | 24 989 | 25 315 | 32 699 | 38 419 |
| Application of cash and investments | | | | | | | | | | | |
| Unspent conditional transfers | | 12 814 | 17 831 | 22 223 | - | - | - | - | - | - | - |
| Unspent borrowing | | - | - | - | - | - | - | - | - | - | - |
| Statutory requirements | 2 | - | - | - | - | - | - | - | - | - | - |
| Other working capital requirements | 3 | (6 393) | (16 670) | (28 660) | (38 873) | (49 992) | (49 992) | (49 992) | (37 867) | (36 992) | (35 062) |
| Other provisions | | - | - | 2 135 | - | 6 750 | 6 750 | 6 750 | 7 196 | 7 620 | 8 039 |
| Long term investments committed | 4 | - | - | - | - | - | - | - | - | - | - |
| Reserves to be backed by cash/investments | 5 | - | - | - | - | - | - | - | - | - | - |
| Total Application of cash and investments: | | 6 421 | 1 161 | (4 302) | (38 873) | (43 242) | (43 242) | (43 242) | (30 671) | (29 372) | (27 023) |
| Surplus(shortfall) | | 6 153 | 37 313 | 50 954 | 66 799 | 68 231 | 68 231 | 68 231 | 55 986 | 62 071 | 65 441 |

From the above table it can be seen that the cash and investments available total R47,5 million positive in the 2016/2017 financial year and progressively increase to R49,9 million positive by 2015/16, 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.

- 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.
- Provisions for statutory requirements include VAT owing to timing differences resulting from year-end obligations. The liability in this regard totalled R0 million for the 2016/2017 financial year.
- 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. For the purpose of the cash backed reserves and accumulated surplus reconciliation a provision equivalent to one month's operational expenditure has been provided for. It needs to be noted that although this can be considered prudent, the desired cash levels should be 60 days to ensure continued liquidity of the municipality. Any underperformance in relation to collections could place upward pressure on the ability of the Municipality to meet its creditor obligations.
- Long term investments consist primarily of the sinking funds for the repayment of future borrowings. The sinking fund value is held within long term investments and must be 'held to maturity' and is not available for spending.

2.6.5 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 38 MBRR SA10 – Funding compliance measurement

| KZN222 uMngeni Supporting Table SA10 Funding measurement | | | | | | | | | | | | |
|---|--------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| Description | MFMA section | Ref | 2012/13 | 2013/14 | 2014/15 | Current Year 2015/16 | | | | 2016/17 Medium Term Revenue & Expenditure Framework | | |
| | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2016/17 | Budget Year +1 2017/18 | Budget Year +2 2018/19 |
| Funding measures | | | | | | | | | | | | |
| Cash/cash equivalents at the year end - R'000 | 18(1)b | 1 | (2 275) | 8 678 | 22 276 | 8 761 | 24 989 | 24 989 | 24 989 | 25 315 | 23 838 | 21 154 |
| Cash + investments at the yr end less applications - R'000 | 18(1)b | 2 | 6 153 | 37 313 | 50 954 | 66 799 | 68 231 | 68 231 | 68 231 | 55 966 | 62 071 | 65 441 |
| Cash year end/monthly employee/supplier payments | 18(1)b | 3 | (0,2) | 0,5 | 1,2 | 0,4 | 1,1 | 1,1 | 1,1 | 1,1 | 0,9 | 0,8 |
| Surplus/(Deficit) excluding depreciation offsets: R'000 | 18(1) | 4 | (14 939) | 2 436 | 26 547 | 28 274 | 22 517 | 22 517 | 22 517 | 22 373 | 24 381 | 26 045 |
| Service charge rev % change - macro CPIX target exclusive | 18(1)a(2) | 5 | N.A. | 2,0% | 3,4% | 14,1% | 3,3% | 3,6% | 3,6% | 11,1% | 1,1% | 0,9% |
| Cash receipts % of Ratepayer & Other revenue | 18(1)a(2) | 6 | 93,7% | 97,6% | 99,2% | 83,7% | 85,3% | 85,3% | 85,3% | 85,4% | 85,4% | 85,4% |
| Debt impairment expense as a % of total billable revenue | 18(1)a(2) | 7 | 9,1% | 12,5% | 12,0% | 9,7% | 9,7% | 9,7% | 9,7% | 8,6% | 8,5% | 8,5% |
| Capital payments % of capital expenditure | 18(1)c(1) | 8 | 100,0% | 36,4% | 38,4% | 100,0% | 100,0% | 100,0% | 100,0% | 100,0% | 100,0% | 100,0% |
| Borrowing receipts % of capital expenditure (excl. transfers) | 18(1)c | 9 | 105,7% | 1,7% | 23,9% | 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 - inc/(decr) | 18(1)a | 11 | N.A. | 13,1% | 14,5% | 62,9% | 0,0% | 0,0% | 0,0% | (7,7%) | (6,5%) | (6,6%) |
| Long term receivables % change - inc/(decr) | 18(1)a | 12 | N.A. | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% |
| R&M % of Property Plant & Equipment | 20(1)(vi) | 13 | 0,6% | 0,8% | 1,6% | 3,1% | 2,3% | 2,3% | 2,7% | 2,8% | 3,1% | 3,3% |
| Asset renewal % of capital budget | 20(1)(vi) | 14 | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% |
| References | | | | | | | | | | | | |
| 1. Positive cash balances indicative of minimum compliance - subject to 2 | | | | | | | | | | | | |
| 2. Deduct cash and investment applications (defined) from cash balances | | | | | | | | | | | | |
| 3. Indicative of sufficient liquidity to meet average monthly operating payments | | | | | | | | | | | | |
| 4. Indicative of funded operational requirements | | | | | | | | | | | | |
| 5. Indicative of adherence to macro-economic targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications) | | | | | | | | | | | | |
| 6. Realistic average cash collection forecasts as % of annual billed revenue | | | | | | | | | | | | |
| 7. Realistic average increase in debt impairment (doubtful debt) provision | | | | | | | | | | | | |
| 8. Indicative of planned capital expenditure level & cash payment timing | | | | | | | | | | | | |
| 9. Indicative of compliance with borrowing 'only' for the capital budget - should not exceed 100% unless refinancing | | | | | | | | | | | | |
| 10. Substantiation of National/Province allocations included in budget | | | | | | | | | | | | |
| 11. Indicative of realistic current arrears debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications) | | | | | | | | | | | | |
| 12. Indicative of realistic long term arrears debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications) | | | | | | | | | | | | |
| 13. Indicative of a credible allowance for repairs & maintenance of assets - functioning assets revenue protection | | | | | | | | | | | | |
| 14. Indicative of a credible allowance for asset renewal (requires analysis of asset renewal projects as a % of total capital projects - detailed capital plan) - functioning assets revenue protection | | | | | | | | | | | | |

2.6.5.1 Cash/cash equivalent position

The Municipality'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.

2.6.5.2 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 21, on page 31. 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.

2.6.5.3 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 Municipality 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. Notably, the ratio has been falling significantly for the period 2010/2011 to 2014/15, moving from 2.9 to (0.1) with the adopted 2013/14 MTREF. As part of the 2014/15 MTREF the municipalities decreasing cash position causes the ratio to move to 0.1 and then decreases to (0.7) for the outer years. As indicated above the Municipality aims to achieve at least one month's cash coverage in the medium term, and then gradually move towards two months coverage. This measure will have to be carefully monitored going forward.

2.6.5.4 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.

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.

2.6.5.5 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 0, 0 and 0 per cent for the respective financial year of the 2016/2017 MTREF. Considering the lowest percentage tariff increase in relation to revenue generated from rates and services charges is 6 per cent, with the increase in electricity at 9,4per cent it is to be expected that the increase in revenue will exceed the inflation target figures. However, the outcome is lower than 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.

2.6.5.6 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. Given that the assumed collection

rate was based on a 88 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. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly?

2.6.5.7 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 0.3, 0.3 and 0.3 per cent over the MTREF. Considering the debt incentive scheme and the municipality's revenue management strategy's objective to collect outstanding debtors of 90 days, the provision is well within the accepted leading practice.

2.6.5.8 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. It can be seen that a 0 per cent timing discount has been factored into the cash position forecasted over the entire financial year. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

2.6.5.9 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.

2.6.5.10 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 Municipality has budgeted for all transfers.

2.6.5.11 Consumer debtors change (Current and Non-current)

The purpose of these measures is 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 Municipality's policy of settling debtor's accounts within 30 days.

2.6.5.12 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 Municipality's strategy pertaining to asset management and repairs and maintenance are contained in Table 55 MBRR SA34C on page 99.

2.6.5.13 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 54 MBRR SA34b on page 116.

2.7 Expenditure on transfers and grants programmes

Table 39 MBRR SA19 - Expenditure on transfers and grant programmes

KZN222 uMngeni - Supporting Table SA19 Expenditure on transfers and grant programme

| Description | Ref | 2012/13 | 2013/14 | 2014/15 | Current Year 2015/16 | | | 2016/17 Medium Term Revenue & Expenditure Framework | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2016/17 | Budget Year +1 2017/18 | Budget Year +2 2018/19 |
| R thousand | | | | | | | | | | |
| EXPENDITURE: | 1 | | | | | | | | | |
| Operating expenditure of Transfers and Grants | | | | | | | | | | |
| National Government: | | 33 556 | 43 831 | 44 911 | 48 500 | 53 528 | 53 528 | 58 268 | 63 610 | 62 199 |
| Local Government Equitable Share | | 29 961 | 37 208 | 40 229 | 40 132 | 40 132 | 40 132 | 44 429 | 49 458 | 54 263 |
| Municipal Systems Improvement | | 342 | 966 | 1 315 | 930 | 930 | 930 | - | - | - |
| Finance Management | | 2 232 | 2 673 | 1 977 | 1 600 | 1 600 | 1 600 | 1 625 | 1 700 | 1 955 |
| EPWP Incentive | | 1 021 | 2 984 | 972 | 1 438 | 1 466 | 1 466 | 1 317 | - | - |
| Integrated National Electrification Programme | | - | - | 418 | - | 5 000 | 5 000 | 6 000 | 7 000 | - |
| Other transfers/grants [insert description] | | - | - | - | 4 400 | 4 400 | 4 400 | 4 897 | 5 452 | 5 981 |
| Provincial Government: | | 1 701 | 4 434 | 3 063 | 3 142 | 4 011 | 4 011 | 3 201 | 3 335 | 3 506 |
| Provincialisation of Libraries | | 1 562 | 2 672 | 2 752 | 2 976 | 2 976 | 2 976 | 2 668 | 2 774 | 2 919 |
| Museum Subsidies | | 134 | 284 | 161 | 166 | 656 | 656 | 175 | 184 | 193 |
| Cleanest Town | | 5 | 1 320 | 150 | - | 25 | 25 | - | - | - |
| Data Cleansing | | - | 158 | - | - | 354 | 354 | - | - | - |
| Community Library Services Grant | | - | - | - | - | - | - | 358 | 377 | 394 |
| District Municipality: | | - | - | - | - | - | - | - | - | - |
| [insert description] | | - | - | - | - | - | - | - | - | - |
| Other grant providers: | | - | - | - | - | - | - | - | - | - |
| [insert description] | | - | - | - | - | - | - | - | - | - |
| Total operating expenditure of Transfers and Grants: | | 35 257 | 48 265 | 47 974 | 51 642 | 57 540 | 57 540 | 61 469 | 66 945 | 65 705 |
| Capital expenditure of Transfers and Grants | | | | | | | | | | |
| National Government: | | 24 364 | 19 487 | 21 415 | 27 249 | 22 384 | 22 384 | 21 866 | 23 506 | 24 653 |
| Municipal Infrastructure Grant (MIG) | | 24 364 | 18 912 | 21 415 | 22 249 | 22 249 | 22 249 | 21 866 | 23 506 | 24 653 |
| Dept of Energy- NATIONAL GRANT | | - | 575 | - | 5 000 | 135 | 135 | - | - | - |
| Other capital transfers/grants [insert desc] | | - | - | - | - | - | - | - | - | - |
| Provincial Government: | | 2 409 | 8 641 | 32 312 | - | 19 927 | 19 927 | - | - | - |
| Mandela Capture site | | 2 409 | 8 641 | 32 312 | - | 19 927 | 19 927 | - | - | - |
| District Municipality: | | - | - | - | - | - | - | - | - | - |
| [insert description] | | - | - | - | - | - | - | - | - | - |
| Other grant providers: | | - | - | - | - | 1 391 | 1 391 | - | - | - |
| [insert description] | | - | - | - | - | 1 391 | 1 391 | - | - | - |
| Total capital expenditure of Transfers and Grants | | 26 774 | 28 128 | 53 727 | 27 249 | 43 702 | 43 702 | 21 866 | 23 506 | 24 653 |
| TOTAL EXPENDITURE OF TRANSFERS AND GRANTS | | 62 031 | 76 393 | 101 702 | 78 891 | 101 242 | 101 242 | 83 335 | 90 451 | 90 358 |

Table 40 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

KZN222 uMngeni - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

| Description | Ref | 2012/13 | 2013/14 | 2014/15 | Current Year 2015/16 | | | 2016/17 Medium Term Revenue & Expenditure Framework | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2016/17 | Budget Year +1 2017/18 | Budget Year +2 2018/19 |
| R thousand | | | | | | | | | | |
| Operating transfers and grants: | 1,3 | | | | | | | | | |
| National Government: | | | | | | | | | | |
| Balance unspent at beginning of the year | | 2,543 | 2,543 | 28 | | 28 | 28 | - | - | - |
| Current year receipts | | - | - | | | 53,500 | 53,500 | 58,268 | 63,610 | 62,199 |
| Conditions met - transferred to revenue | | 2,543 | 2,543 | 28 | - | 53,528 | 53,528 | 58,268 | 63,610 | 62,199 |
| Conditions still to be met - transferred to liabilities | | | | | | | | | | |
| Provincial Government: | | | | | | | | | | |
| Balance unspent at beginning of the year | | 831 | 10,271 | 870 | | 870 | 870 | - | - | - |
| Current year receipts | | 2,935 | - | | | 3,142 | 3,142 | 3,201 | 3,335 | 3,506 |
| Conditions met - transferred to revenue | | 3,766 | 10,271 | 870 | - | 4,012 | 4,012 | 3,201 | 3,335 | 3,506 |
| Conditions still to be met - transferred to liabilities | | | | | | | | | | |
| District Municipality: | | | | | | | | | | |
| Balance unspent at beginning of the year | | | | | | | | - | - | - |
| Current year receipts | | | | | | | | | | |
| Conditions met - transferred to revenue | | - | - | - | - | - | - | - | - | - |
| Conditions still to be met - transferred to liabilities | | | | | | | | | | |
| Other grant providers: | | | | | | | | | | |
| Balance unspent at beginning of the year | | | | | | | | - | - | - |
| Current year receipts | | | | | | | | | | |
| Conditions met - transferred to revenue | | - | - | - | - | - | - | - | - | - |
| Conditions still to be met - transferred to liabilities | | | | | | | | | | |
| Total operating transfers and grants revenue | | 6,309 | 12,814 | 899 | - | 57,541 | 57,541 | 61,469 | 66,945 | 65,705 |
| Total operating transfers and grants - CTBM | 2 | - | - | - | - | - | - | - | - | - |
| Capital transfers and grants: | 1,3 | | | | | | | | | |
| National Government: | | | | | | | | | | |
| Balance unspent at beginning of the year | | | | 6 | | 6 | 6 | - | - | - |
| Current year receipts | | | | | | 22,249 | 22,249 | 21,866 | 23,506 | 24,653 |
| Conditions met - transferred to revenue | | - | - | 6 | - | 22,255 | 22,255 | 21,866 | 23,506 | 24,653 |
| Conditions still to be met - transferred to liabilities | | | | | | | | | | |
| Provincial Government: | | | | | | | | | | |
| Balance unspent at beginning of the year | | | | 21,318 | | 21,318 | 21,318 | - | - | - |
| Current year receipts | | | | | | - | - | - | - | - |
| Conditions met - transferred to revenue | | - | - | 21,318 | - | 21,318 | 21,318 | - | - | - |
| Conditions still to be met - transferred to liabilities | | | | | | | | | | |
| District Municipality: | | | | | | | | | | |
| Balance unspent at beginning of the year | | | | | | | | | | |
| Current year receipts | | | | | | | | | | |
| Conditions met - transferred to revenue | | - | - | - | - | - | - | - | - | - |
| Conditions still to be met - transferred to liabilities | | | | | | | | | | |
| Other grant providers: | | | | | | | | | | |
| Balance unspent at beginning of the year | | | | | | | | | | |
| Current year receipts | | | | | | | | | | |
| Conditions met - transferred to revenue | | - | - | - | - | - | - | - | - | - |
| Conditions still to be met - transferred to liabilities | | | | | | | | | | |
| Total capital transfers and grants revenue | | - | - | 21,324 | - | 43,573 | 43,573 | 21,866 | 23,506 | 24,653 |
| Total capital transfers and grants - CTBM | 2 | - | - | - | - | - | - | - | - | - |
| TOTAL TRANSFERS AND GRANTS REVENUE | | 6,309 | 12,814 | 22,223 | - | 101,114 | 101,114 | 83,335 | 90,451 | 90,358 |
| TOTAL TRANSFERS AND GRANTS - CTBM | | - | - | - | - | - | - | - | - | - |

Councillor and employee benefits

Table 41 MBRR SA22 - Summary of councillor and staff benefits

KZN222 uMngeni - Supporting Table SA22 Summary councillor and staff benefits

| Summary of Employee and Councillor remuneration | Ref | 2012/13 | 2013/14 | 2014/15 | Current Year 2015/16 | | | 2016/17 Medium Term Revenue & Expenditure Framework | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2016/17 | Budget Year +1 2017/18 | Budget Year +2 2018/19 |
| R thousand | | A | B | C | D | E | F | G | H | I |
| Councillors (Political Office Bearers plus Other) | 1 | | | | | | | | | |
| Basic Salaries and Wages | | 5 465 | 5 745 | 6 119 | 6 726 | 7 092 | 7 092 | 7 446 | 7 819 | 8 210 |
| Pension and UIF Contributions | | - | - | - | - | - | - | - | - | - |
| Medical Aid Contributions | | - | - | - | - | - | - | - | - | - |
| Motor Vehicle Allowance | | - | - | - | - | - | - | - | - | - |
| Cellphone Allowance | | - | - | - | - | - | - | - | - | - |
| Housing Allowances | | - | - | - | - | - | - | - | - | - |
| Other benefits and allowances | | - | - | - | - | - | - | - | - | - |
| Sub Total - Councillors | | 5 465 | 5 745 | 6 119 | 6 726 | 7 092 | 7 092 | 7 446 | 7 819 | 8 210 |
| % Increase | 4 | | 5,1% | 6,5% | 9,9% | 5,4% | - | 5,0% | 5,0% | 6,0% |
| Senior Managers of the Municipality | 2 | | | | | | | | | |
| Basic Salaries and Wages | | 4 006 | 3 079 | 3 565 | 6 241 | 6 241 | 6 241 | 6 707 | 7 196 | 7 699 |
| Pension and UIF Contributions | | - | 37 | - | 12 | 12 | 12 | 11 | 11 | 12 |
| Medical Aid Contributions | | - | - | - | - | - | - | - | - | - |
| Overtime | | - | - | - | - | - | - | - | - | - |
| Performance Bonus | | - | - | - | - | - | - | - | - | - |
| Motor Vehicle Allowance | | - | 320 | 729 | 176 | 351 | 351 | - | - | - |
| Cellphone Allowance | 3 | - | 43 | 80 | 114 | 114 | 114 | 114 | 120 | 126 |
| Housing Allowances | 3 | - | - | - | - | - | - | - | - | - |
| Other benefits and allowances | 3 | - | - | - | - | - | - | 146 | 153 | 161 |
| Payments in lieu of leave | 3 | - | - | - | - | - | - | - | - | - |
| Long service awards | | - | - | - | - | - | - | - | - | - |
| Post-retirement benefit obligations | 6 | - | - | - | - | - | - | - | - | - |
| Sub Total - Senior Managers of Municipality | | 4 006 | 3 479 | 4 394 | 6 545 | 6 719 | 6 719 | 6 978 | 7 481 | 7 997 |
| % Increase | 4 | | (15,1%) | 26,3% | 49,0% | 2,6% | - | 3,9% | 7,2% | 6,9% |
| Other Municipal Staff | | | | | | | | | | |
| Basic Salaries and Wages | | 48 337 | 42 602 | 53 036 | 60 744 | 53 818 | 53 818 | 58 589 | 64 442 | 68 887 |
| Pension and UIF Contributions | | 7 312 | 8 910 | 10 365 | 11 215 | 11 430 | 11 430 | 10 191 | 10 925 | 11 679 |
| Medical Aid Contributions | | 2 659 | 3 219 | 3 742 | 6 054 | 4 680 | 4 680 | 6 091 | 6 530 | 6 981 |
| Overtime | | 3 935 | 3 918 | 5 563 | 4 418 | 5 840 | 5 840 | 6 015 | 6 449 | 6 894 |
| Performance Bonus | | - | - | - | - | - | - | - | - | - |
| Motor Vehicle Allowance | 3 | 534 | 1 155 | 2 964 | 3 459 | 3 597 | 3 597 | 3 509 | 3 762 | 4 021 |
| Cellphone Allowance | 3 | 47 | 202 | 314 | 375 | 341 | 341 | 312 | 334 | 358 |
| Housing Allowances | 3 | 203 | 183 | 248 | 752 | 586 | 586 | 674 | 723 | 773 |
| Other benefits and allowances | 3 | 14 171 | 2 650 | 4 790 | 5 371 | 5 616 | 5 616 | 5 632 | 6 028 | 6 478 |
| Payments in lieu of leave | 3 | - | 3 102 | 2 376 | 4 805 | 3 105 | 3 105 | 3 309 | 3 515 | 3 722 |
| Long service awards | | - | - | - | - | - | - | - | - | - |
| Post-retirement benefit obligations | 6 | - | - | - | 691 | 691 | 691 | 736 | 782 | 828 |
| Sub Total - Other Municipal Staff | | 75 209 | 65 979 | 83 397 | 97 683 | 89 705 | 89 705 | 95 261 | 103 460 | 110 618 |
| % Increase | 4 | | (12,3%) | 26,4% | 17,1% | (8,2%) | - | 6,2% | 8,6% | 6,9% |
| Total Parent Municipality | | 84 770 | 75 203 | 93 910 | 110 956 | 103 515 | 103 515 | 109 688 | 118 789 | 126 825 |
| | | | (11,3%) | 24,9% | 18,2% | (6,7%) | - | 6,0% | 8,3% | 8,6% |
| Board Members of Entities | | | | | | | | | | |
| Basic Salaries and Wages | | - | - | - | - | - | - | - | - | - |
| Pension and UIF Contributions | | - | - | - | - | - | - | - | - | - |
| Medical Aid Contributions | | - | - | - | - | - | - | - | - | - |
| Overtime | | - | - | - | - | - | - | - | - | - |
| Performance Bonus | | - | - | - | - | - | - | - | - | - |
| Motor Vehicle Allowance | 3 | - | - | - | - | - | - | - | - | - |
| Cellphone Allowance | 3 | - | - | - | - | - | - | - | - | - |
| Housing Allowances | 3 | - | - | - | - | - | - | - | - | - |
| Other benefits and allowances | 3 | - | - | - | - | - | - | - | - | - |
| Board Fees | | - | - | - | - | - | - | - | - | - |
| Payments in lieu of leave | | - | - | - | - | - | - | - | - | - |
| Long service awards | | - | - | - | - | - | - | - | - | - |
| Post-retirement benefit obligations | 6 | - | - | - | - | - | - | - | - | - |
| Sub Total - Board Members of Entities | | - | - | - | - | - | - | - | - | - |
| % Increase | 4 | | - | - | - | - | - | - | - | - |
| Senior Managers of Entities | | | | | | | | | | |
| Basic Salaries and Wages | | - | - | - | - | - | - | - | - | - |
| Pension and UIF Contributions | | - | - | - | - | - | - | - | - | - |
| Medical Aid Contributions | | - | - | - | - | - | - | - | - | - |
| Overtime | | - | - | - | - | - | - | - | - | - |
| Performance Bonus | | - | - | - | - | - | - | - | - | - |
| Motor Vehicle Allowance | 3 | - | - | - | - | - | - | - | - | - |
| Cellphone Allowance | 3 | - | - | - | - | - | - | - | - | - |
| Housing Allowances | 3 | - | - | - | - | - | - | - | - | - |
| Other benefits and allowances | 3 | - | - | - | - | - | - | - | - | - |
| Payments in lieu of leave | 3 | - | - | - | - | - | - | - | - | - |
| Long service awards | | - | - | - | - | - | - | - | - | - |
| Post-retirement benefit obligations | 6 | - | - | - | - | - | - | - | - | - |
| Sub Total - Senior Managers of Entities | | - | - | - | - | - | - | - | - | - |
| % Increase | 4 | | - | - | - | - | - | - | - | - |
| Other Staff of Entities | | | | | | | | | | |
| Basic Salaries and Wages | | - | - | - | - | - | - | - | - | - |
| Pension and UIF Contributions | | - | - | - | - | - | - | - | - | - |
| Medical Aid Contributions | | - | - | - | - | - | - | - | - | - |
| Overtime | | - | - | - | - | - | - | - | - | - |
| Performance Bonus | | - | - | - | - | - | - | - | - | - |
| Motor Vehicle Allowance | 3 | - | - | - | - | - | - | - | - | - |
| Cellphone Allowance | 3 | - | - | - | - | - | - | - | - | - |
| Housing Allowances | 3 | - | - | - | - | - | - | - | - | - |
| Other benefits and allowances | 3 | - | - | - | - | - | - | - | - | - |
| Payments in lieu of leave | | - | - | - | - | - | - | - | - | - |
| Long service awards | | - | - | - | - | - | - | - | - | - |
| Post-retirement benefit obligations | 6 | - | - | - | - | - | - | - | - | - |
| Sub Total - Other Staff of Entities | | - | - | - | - | - | - | - | - | - |
| % Increase | 4 | | - | - | - | - | - | - | - | - |
| Total Municipal Entities | | - | - | - | - | - | - | - | - | - |
| TOTAL SALARY, ALLOWANCES & BENEFITS | | 84 770 | 75 203 | 93 910 | 110 956 | 103 515 | 103 515 | 109 688 | 118 789 | 126 825 |
| % Increase | 4 | | (11,3%) | 24,9% | 18,2% | (6,7%) | - | 6,0% | 8,3% | 8,6% |
| TOTAL MANAGERS AND STAFF | 5,7 | 79 305 | 69 458 | 87 791 | 104 229 | 96 423 | 96 423 | 102 239 | 110 971 | 118 615 |

KZN222 uMngeni - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

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Table 43 MBRR SA24 – Summary of personnel numbers

KZN222 uMngeni - Supporting Table SA24 Summary of personnel numbers

| Summary of Personnel Numbers | Ref | 2014/15 | | | Current Year 2015/16 | | | Budget Year 2016/17 | | |
|---|-------|-----------|---------------------|--------------------|----------------------|---------------------|--------------------|---------------------|---------------------|--------------------|
| | | Positions | Permanent employees | Contract employees | Positions | Permanent employees | Contract employees | Positions | Permanent employees | Contract employees |
| Municipal Council and Boards of Municipal Entities | | | | | | | | | | |
| Councillors (Political Office Bearers plus Other Councillors) | | | 21 | | | 21 | | | 21 | |
| Board Members of municipal entities | 4 | | | | | | | | | |
| Municipal employees | 5 | | | | | | | | | |
| Municipal Manager and Senior Managers | 3 | | | 6 | | | 6 | | | 6 |
| Other Managers | 7 | | 22 | | | 25 | | | 25 | |
| Professionals | | - | 5 | - | - | 6 | - | - | 6 | - |
| Finance | | | | | | | | | | |
| Spatial/town planning | | | 4 | | | 4 | | | 4 | |
| Information Technology | | | 1 | | | 1 | | | 1 | |
| Roads | | | | | | | | | | |
| Electricity | | | | | | 1 | | | 1 | |
| Water | | | | | | | | | | |
| Sanitation | | | | | | | | | | |
| Refuse | | | | | | | | | | |
| Other | | | | | | | | | | |
| Technicians | | - | 29 | - | - | 79 | - | - | 129 | - |
| Finance | | | | | | | | | | |
| Spatial/town planning | | | | | | | | | | |
| Information Technology | | | | | | | | | | |
| Roads | | | 29 | | | 79 | | | 129 | |
| Electricity | | | | | | | | | | |
| Water | | | | | | | | | | |
| Sanitation | | | | | | | | | | |
| Refuse | | | | | | | | | | |
| Other | | | | | | | | | | |
| Clerks (Clerical and administrative) | | | 77 | | | 86 | | | 86 | |
| Service and sales workers | | | 13 | | | 19 | | | 19 | |
| Skilled agricultural and fishery workers | | | | | | | | | | |
| Craft and related trades | | | 10 | | | 10 | | | 10 | |
| Plant and Machine Operators | | | 29 | | | 29 | | | 29 | |
| Elementary Occupations | | | 150 | | | 150 | | | 150 | |
| TOTAL PERSONNEL NUMBERS | 9 | - | 356 | 6 | - | 425 | 6 | - | 475 | 6 |
| % Increase | | | | | | 19.4% | | | 11.8% | |
| Total municipal employees headcount | 6, 10 | | | | | | | | | |
| Finance personnel headcount | 8, 10 | | | | | | | | | |
| Human Resources personnel headcount | 8, 10 | | | | | | | | | |

2.8 Monthly targets for revenue, expenditure and cash flow

KZN222 uMngeni - Supporting Table SA30 Budgeted monthly cash flow

| MONTHLY CASH FLOWS | Budget Year 2016/17 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
|---|---------------------|-----------------|----------------|---------------|---------------|-----------------|---------------|----------------|---------------|---------------|-----------------|----------------|---|------------------------|------------------------|
| R thousand | July | August | Sept. | October | November | December | January | February | March | April | May | June | Budget Year 2016/17 | Budget Year +1 2017/18 | Budget Year +2 2018/19 |
| Cash Receipts By Source | | | | | | | | | | | | | 1 | | |
| Property rates | 14 238 | 14 941 | 13 043 | 13 160 | 12 040 | 12 850 | 12 789 | 12 754 | 12 584 | 12 842 | 12 848 | 11 212 | 155 331 | 164 951 | 174 694 |
| Property rates - penalties & collection charges | 114 | 11 | 26 | 15 | 46 | 9 | 31 | 815 | 2 547 | 1 452 | 535 | 285 | 5 856 | 6 219 | 6 595 |
| Service charges - electricity revenue | 5 541 | 7 091 | 5 356 | 6 345 | 5 428 | 5 126 | 5 477 | 5 537 | 5 216 | 5 321 | 6 590 | 4 680 | 67 053 | 74 018 | 80 976 |
| Service charges - water revenue | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Service charges - sanitation revenue | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Service charges - refuse revenue | 295 | 434 | 426 | 443 | 404 | 422 | 355 | 513 | 495 | 382 | 254 | 426 | 4 651 | 5 152 | 5 455 |
| Service charges - other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Rental of facilities and equipment | 20 | 31 | 77 | 43 | 30 | 58 | 65 | 69 | 71 | 67 | 88 | 82 | 719 | 764 | 809 |
| Interest earned - external investments | 226 | 258 | 363 | 334 | 216 | 1 138 | 24 | 5 | 654 | 117 | 125 | 295 | 3 725 | 3 956 | 4 188 |
| Interest earned - outstanding debtors | - | - | - | - | - | - | - | - | - | - | - | 1 725 | 1 725 | 1 832 | 1 940 |
| Dividends received | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Fines | 446 | 570 | 628 | 458 | 584 | 617 | 637 | 1 525 | 2 325 | 1 259 | 2 154 | 3 147 | 14 350 | 15 239 | 16 138 |
| Licences and permits | 220 | 212 | 145 | 176 | 205 | 220 | 232 | 214 | 253 | 125 | 135 | 1297 | 3 439 | 3 653 | 3 658 |
| Agency services | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer receipts - operational | 20 185 | 2 957 | 3 082 | - | 14 527 | - | 12 380 | 300 | - | 8 037 | - | - | 61 469 | 66 945 | 69 705 |
| Other revenue | 1 195 | 104 | 420 | 1 738 | 1 368 | 219 | 3 | 125 | 199 | 86 | 153 | 877 | 6 487 | 6 890 | 7 256 |
| Cash Receipts by Source | 42 481 | 26 518 | 23 607 | 22 713 | 34 618 | 20 687 | 31 993 | 21 855 | 24 351 | 29 789 | 22 682 | 23 987 | 325 610 | 349 628 | 367 657 |
| Other Cash Flows by Source | | | | | | | | | | | | | | | |
| Transfer receipts - capital | - | 5 000 | - | - | 9 540 | - | - | - | 7 326 | - | - | - | 21 685 | 23 506 | 24 653 |
| Contributions recognised - capital & Contributed assets | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Proceeds on disposal of PPE | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Short term loans | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Borrowing long term financing | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Increase (decrease) in consumer deposits | (3) | 9 | (118) | 25 | (12) | (9) | 20 | 10 | (3) | (81) | 70 | 275 | 182 | (54) | (52) |
| Decrease (increase) in non-current debtors | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Decrease (increase) other non-current receivables | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Decrease (increase) in non-current investments | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Cash Receipts by Source | 42 478 | 31 526 | 23 489 | 22 738 | 44 345 | 20 677 | 32 013 | 21 865 | 31 674 | 29 627 | 22 952 | 24 272 | 347 658 | 373 070 | 392 248 |
| Cash Payments by Type | | | | | | | | | | | | | | | |
| Employee related costs | 8 508 | 8 508 | 8 508 | 8 508 | 8 508 | 8 508 | 8 508 | 8 508 | 8 508 | 8 508 | 8 508 | 8 556 | 102 239 | 110 971 | 118 615 |
| Remuneration of councillors | 647 | 647 | 647 | 647 | 647 | 647 | 647 | 647 | 647 | 647 | 647 | 331 | 7 446 | 7 819 | 8 210 |
| Finance charges | - | - | 1 265 | - | - | 1 171 | 0 | - | 1 049 | - | - | 1 642 | 5 127 | 5 445 | 5 757 |
| Bulk purchases - Electricity | 6 226 | 22 284 | 7 472 | 5 821 | 5 603 | 5 456 | 6 158 | 8 322 | 6 389 | 8 457 | 6 987 | 6 228 | 95 404 | 102 633 | 112 346 |
| Bulk purchases - Water & Sewer | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other materials | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Contracted services | 1 077 | 1 077 | 1 077 | 1 077 | 1 077 | 1 077 | 1 077 | 1 077 | 1 077 | 1 077 | 1 077 | 2 077 | 13 929 | 14 792 | 15 685 |
| Transfers and grants - other municipalities | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfers and grants - other | 293 | 293 | 293 | 293 | 293 | 293 | 293 | 293 | 293 | 293 | 293 | 293 | 3 516 | 3 734 | 3 954 |
| Other expenditure | 5 797 | 7 324 | 7 339 | 6 947 | 4 966 | 8 129 | 9 830 | 8 755 | 8 580 | 6 584 | 8 655 | 4 802 | 87 718 | 93 295 | 91 497 |
| Cash Payments by Type | 22 548 | 40 133 | 26 602 | 23 293 | 21 094 | 25 281 | 26 513 | 27 601 | 26 552 | 25 566 | 26 167 | 24 029 | 315 380 | 338 749 | 356 654 |
| Other Cash Flows/Payments by Type | | | | | | | | | | | | | | | |
| Capital assets | 538 | 6 724 | - | - | 2 684 | 5 581 | - | - | - | 3 449 | 7 690 | 2 483 | 29 148 | 32 764 | 35 785 |
| Repayment of borrowing | - | - | 665 | - | - | 667 | - | - | 586 | - | - | 687 | 2 805 | 2 973 | 3 152 |
| Other Cash Flows/Payments | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Cash Payments by Type | 23 086 | 46 856 | 27 267 | 23 293 | 23 778 | 31 529 | 26 513 | 27 601 | 27 139 | 29 015 | 33 857 | 27 399 | 347 333 | 374 487 | 394 952 |
| NET INCREASE/(DECREASE) IN CASH HELD | 19 392 | (15 330) | (3 777) | (559) | 20 558 | (10 852) | 5 500 | (5 736) | 4 535 | 612 | (10 904) | (3 127) | 326 | (1 417) | (2 744) |
| Cash/bank equivalents at the monthly year begin: | 24 983 | 44 381 | 29 051 | 25 274 | 24 718 | 45 285 | 34 434 | 39 934 | 34 198 | 38 734 | 39 346 | 28 441 | 24 980 | 25 315 | 23 858 |
| Cash/bank equivalents at the monthly year end: | 44 381 | 29 051 | 25 274 | 24 718 | 45 285 | 34 434 | 39 934 | 34 198 | 38 734 | 39 346 | 28 441 | 25 315 | 25 315 | 23 858 | 21 154 |

Table 44 MBRR SA25 - Budgeted monthly revenue and expenditure

KZN222 uMngeni - Supporting Table SA25 Budgeted monthly revenue and expenditure

| Description | Ref | Budget Year 2018/17 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
|--|----------|---------------------|----------------|----------------|----------------|---------------|----------------|----------------|---------------|---------------|---------------|----------------|-----------------|---|------------------------|------------------------|
| | | July | August | Sept. | October | November | December | January | February | March | April | May | June | Budget Year 2016/17 | Budget Year +1 2017/18 | Budget Year +2 2018/19 |
| Revenue By Source | | | | | | | | | | | | | | | | |
| Property rates | | 16 139 | 15 089 | 15 159 | 14 644 | 15 125 | 14 722 | 14 159 | 14 915 | 14 841 | 14 846 | 14 846 | 12 029 | 176 512 | 187 456 | 198 516 |
| Property rates - penalties & collection charges | | 325 | 300 | 396 | 292 | 325 | 424 | 215 | 3 246 | 387 | 285 | 295 | 162 | 6 855 | 7 087 | 7 484 |
| Service charges - electricity revenue | | 6 243 | 8 654 | 5 943 | 7 812 | 5 847 | 6 117 | 5 101 | 6 782 | 5 985 | 6 879 | 5 893 | 5 627 | 76 884 | 84 112 | 92 018 |
| Service charges - water revenue | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Service charges - sanitation revenue | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Service charges - refuse revenue | | 483 | 495 | 489 | 480 | 487 | 487 | 413 | 417 | 413 | 418 | 416 | 517 | 5 512 | 5 854 | 6 199 |
| Service charges - other | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Rental of facilities and equipment | | 67 | 67 | 16 | 59 | 61 | 59 | 55 | 59 | 51 | 57 | 62 | 108 | 719 | 764 | 809 |
| Interest earned - external investments | | 226 | 258 | 363 | 334 | 216 | 1 136 | 24 | 5 | 654 | 117 | 125 | 266 | 3 725 | 3 955 | 4 189 |
| Interest earned - outstanding debtors | | 213 | 305 | 170 | 144 | 13 | 155 | 202 | 312 | 152 | 104 | 152 | 39 | 1 960 | 2 081 | 2 204 |
| Dividends received | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Fines | | 1 243 | 856 | 1 289 | 1 257 | 2 188 | 143 | 1 637 | 2 207 | 3 255 | 3 382 | 3 784 | 2 665 | 23 916 | 25 399 | 26 897 |
| Licences and permits | | 335 | 222 | 246 | 246 | 234 | 243 | 232 | 315 | 207 | 346 | 290 | 522 | 3 439 | 3 653 | 3 868 |
| Agency services | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfers recognised - operational | | 10 185 | 2 957 | 3 082 | - | 14 527 | - | 2 380 | 300 | 20 000 | 8 037 | - | - | 61 469 | 68 945 | 65 705 |
| Other revenue | | 78 | 928 | 308 | 105 | 104 | 563 | 653 | 586 | 2 326 | 581 | 687 | 753 | 7 372 | 7 829 | 8 291 |
| Gains on disposal of PPE | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Revenue (excluding capital transfers and contributions) | | 35 538 | 29 832 | 27 461 | 25 373 | 39 137 | 24 048 | 25 071 | 29 143 | 48 270 | 35 051 | 26 550 | 22 658 | 388 164 | 395 115 | 416 181 |
| Expenditure By Type | | | | | | | | | | | | | | | | |
| Employee related costs | | 8 508 | 8 508 | 8 508 | 8 508 | 8 508 | 8 508 | 8 508 | 8 508 | 8 508 | 8 508 | 8 508 | 8 556 | 102 239 | 110 071 | 118 615 |
| Remuneration of councillors | | 647 | 647 | 647 | 647 | 647 | 647 | 647 | 647 | 647 | 647 | 647 | 331 | 7 445 | 7 819 | 8 210 |
| Debt impairment | | - | - | - | - | - | - | - | - | - | - | - | 22 878 | 22 878 | 24 297 | 25 730 |
| Depreciation & asset impairment | | 2 414 | 2 414 | 2 414 | 2 414 | 2 414 | 2 414 | 2 414 | 2 414 | 2 414 | 2 414 | 2 414 | 2 414 | 28 974 | 30 770 | 32 586 |
| Finance charges | | 0 | 0 | 1 204 | 0 | 1 | 1 446 | 0 | - | 1 049 | - | - | 1 428 | 5 127 | 5 445 | 5 767 |
| Bulk purchases | | 7 226 | 18 284 | 7 472 | 6 821 | 6 603 | 6 456 | 6 158 | 8 322 | 6 386 | 8 457 | 6 987 | 6 228 | 95 404 | 102 693 | 112 346 |
| Other materials | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Contracted services | | 1 161 | 1 161 | 1 161 | 1 161 | 1 161 | 1 161 | 1 161 | 1 161 | 1 161 | 1 161 | 1 161 | 1 161 | 13 929 | 14 792 | 15 665 |
| Transfers and grants | | 293 | 293 | 293 | 293 | 293 | 293 | 293 | 293 | 293 | 293 | 293 | 293 | 3 516 | 3 734 | 3 954 |
| Other expenditure | | 5 797 | 7 324 | 7 339 | 6 947 | 4 966 | 8 129 | 9 830 | 8 755 | 8 890 | 6 584 | 8 655 | 5 227 | 98 142 | 93 720 | 91 916 |
| Loss on disposal of PPE | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Expenditure | | 25 045 | 38 631 | 29 038 | 26 791 | 24 593 | 29 054 | 29 011 | 30 089 | 29 050 | 26 064 | 26 655 | 48 615 | 367 656 | 394 240 | 414 789 |
| Surplus/(Deficit) | | 9 492 | (8 799) | (1 577) | (1 418) | 14 545 | (5 006) | (3 939) | (956) | 19 220 | 8 987 | (2 115) | (25 927) | 507 | 875 | 1 392 |
| Transfers recognised - capital | | - | 5 000 | - | - | 9 540 | - | - | - | 7 326 | - | - | - | 21 686 | 23 506 | 24 653 |
| Contributions recognised - capital | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Contributed assets | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | | 9 492 | (3 799) | (1 577) | (1 418) | 24 085 | (5 006) | (3 939) | (956) | 26 546 | 8 987 | (2 115) | (25 927) | 22 373 | 24 381 | 26 045 |
| Taxation | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Attributable to minorities | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Share of surplus/ (deficit) of associate | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) | 1 | 9 492 | (3 799) | (1 577) | (1 418) | 24 085 | (5 006) | (3 939) | (956) | 26 546 | 8 987 | (2 115) | (25 927) | 22 373 | 24 381 | 26 045 |

Table 45 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

KZN222 uMngeni - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

| Ref | Description | Budget Year 2018/17 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
|-----|---|---------------------|----------------|----------------|----------------|---------------|----------------|----------------|---------------|---------------|---------------|----------------|----------------|---|------------------------|------------------------|
| | | July | August | Sept. | October | November | December | January | February | March | April | May | June | Budget Year 2016/17 | Budget Year +1 2017/18 | Budget Year +2 2018/19 |
| | Revenue by Vote | | | | | | | | | | | | | | | |
| | Vote 1 - Executive and Council | 20 163 | 20 442 | 18 714 | 18 068 | 20 856 | 16 200 | 17 827 | 17 199 | 25 909 | 23 158 | 17 238 | 7 508 | 223 282 | 239 044 | 254 737 |
| | Vote 2 - Finance | 1 809 | 176 | 105 | 103 | 128 | 385 | 163 | 125 | 378 | 255 | 354 | 2 582 | 6 564 | 6 945 | 7 510 |
| | Vote 3 - Corporate Services | 28 | 85 | 23 | 23 | 82 | 63 | 130 | 125 | 260 | 58 | 125 | 231 | 1 233 | 1 309 | 1 386 |
| | Vote 4 - Planning Services | 8 | 10 | 20 | 20 | - | 0 | 11 | 215 | 358 | 25 | 10 | 351 | 1 030 | 1 094 | 1 156 |
| | Vote 5 - Community Services | 3 682 | 7 185 | 2 276 | 1 379 | 792 | 856 | 873 | 1 692 | 1 784 | 3 276 | 1 279 | 7 585 | 32 667 | 32 504 | 34 396 |
| | Vote 6 - Technical Services | 2 223 | 1 021 | 598 | 592 | 13 624 | 839 | 751 | 3 798 | 9 892 | 2 084 | 839 | 48 | 36 307 | 38 921 | 42 330 |
| | Vote 7 - Economic Development and Growth | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Vote 8 - Internal Audit | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Vote 9 - Electricity | 7 616 | 5 913 | 5 726 | 5 189 | 13 195 | 5 705 | 5 317 | 5 988 | 16 689 | 6 195 | 6 706 | 4 709 | 88 947 | 97 804 | 99 316 |
| | Vote 10 - [NAME OF VOTE 10] | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Vote 11 - [NAME OF VOTE 11] | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Vote 12 - [NAME OF VOTE 12] | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Vote 13 - [NAME OF VOTE 13] | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Vote 14 - [NAME OF VOTE 14] | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Vote 15 - [NAME OF VOTE 15] | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Total Revenue by Vote | 35 538 | 34 832 | 27 461 | 25 373 | 48 677 | 24 048 | 25 071 | 29 143 | 55 270 | 35 051 | 25 550 | 23 014 | 390 030 | 418 621 | 440 834 |
| | Expenditure by Vote to be appropriated | | | | | | | | | | | | | | | |
| | Vote 1 - Executive and Council | 3 765 | 3 012 | 6 350 | 3 327 | 3 028 | 4 860 | 3 116 | 4 535 | 3 327 | 4 028 | 4 860 | 3 594 | 47 803 | 50 585 | 53 668 |
| | Vote 2 - Finance | 3 641 | 3 724 | 3 963 | 3 947 | 4 012 | 3 591 | 4 073 | 3 947 | 4 012 | 6 591 | 5 073 | 3 682 | 50 256 | 53 467 | 56 925 |
| | Vote 3 - Corporate Services | 1 320 | 2 209 | 3 306 | 1 893 | 1 859 | 2 493 | 2 739 | 1 209 | 2 306 | 1 293 | 2 859 | 3 984 | 27 451 | 29 261 | 31 104 |
| | Vote 4 - Planning Services | 744 | 562 | 651 | 644 | 651 | 550 | 562 | 744 | 582 | 651 | 644 | 649 | 7 624 | 8 147 | 8 682 |
| | Vote 5 - Community Services | 1 002 | 1 002 | 7 611 | 4 189 | 2 350 | 5 107 | 3 924 | 3 322 | 2 389 | 7 457 | 1 507 | 7 526 | 47 387 | 45 194 | 48 017 |
| | Vote 6 - Technical Services | 6 231 | 6 303 | 4 847 | 4 476 | 3 720 | 5 744 | 5 195 | 4 782 | 6 985 | 3 931 | 7 893 | 944 | 61 054 | 69 918 | 74 264 |
| | Vote 7 - Economic Development and Growth | 186 | 266 | 271 | 169 | 167 | 166 | 186 | 266 | 271 | 289 | 267 | 130 | 2 514 | 2 789 | 2 990 |
| | Vote 8 - Internal Audit | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 1 426 | 1 528 | 1 633 |
| | Vote 9 - Electricity | 14 342 | 20 666 | 10 010 | 10 073 | 8 886 | 6 227 | 7 182 | 7 010 | 10 858 | 8 595 | 9 227 | 8 955 | 122 042 | 133 340 | 137 507 |
| | Vote 10 - [NAME OF VOTE 10] | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Vote 11 - [NAME OF VOTE 11] | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Vote 12 - [NAME OF VOTE 12] | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Vote 13 - [NAME OF VOTE 13] | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Vote 14 - [NAME OF VOTE 14] | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Vote 15 - [NAME OF VOTE 15] | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Total Expenditure by Vote | 31 350 | 37 853 | 37 128 | 28 838 | 24 793 | 28 868 | 27 696 | 25 934 | 30 830 | 32 936 | 32 449 | 29 573 | 367 656 | 394 240 | 414 769 |
| | Surplus/(Deficit) before assoc. | 4 188 | (3 021) | (9 668) | (3 464) | 23 885 | (4 819) | (2 624) | 3 209 | 24 441 | 2 115 | (5 899) | (6 559) | 22 373 | 24 381 | 26 045 |
| | Taxation | | | | | | | | | | | | | | | |
| | Attributable to minorities | | | | | | | | | | | | | | | |
| | Share of surplus/ (deficit of associate | | | | | | | | | | | | | | | |
| | Surplus/(Deficit) | 1 | (3 031) | (9 668) | (3 464) | 23 885 | (4 819) | (2 624) | 3 209 | 24 441 | 2 115 | (5 899) | (6 559) | 22 373 | 24 381 | 26 045 |

Table 46 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

KZN222 uMngeni - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

| R thousand | Description | Ref | Budget Year 2016/17 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
|------------|--|----------|---------------------|-----------------|----------------|----------------|---------------|----------------|----------------|---------------|---------------|---------------|---------------|----------------|---|------------------------|------------------------|
| | | | July | August | Sept. | October | November | December | January | February | March | April | May | June | Budget Year 2016/17 | Budget Year +1 2017/18 | Budget Year +2 2018/19 |
| | Revenue - Standard | | | | | | | | | | | | | | | | |
| | <i>Governance and administration</i> | | | | | | | | | | | | | | | | |
| | Executive and council | | 28 575 | 11 557 | 12 191 | 10 489 | 21 028 | 12 915 | 10 484 | 13 399 | 23 659 | 13 208 | 17 320 | 57 974 | 230 778 | 246 978 | 263 295 |
| | Budget and treasury office | | 24 758 | 11 319 | 12 086 | 10 385 | 20 842 | 12 474 | 10 189 | 13 216 | 23 224 | 12 841 | 16 841 | 55 108 | 223 282 | 239 044 | 254 737 |
| | Corporate services | | 1 809 | 176 | 105 | 103 | 128 | 395 | 163 | 125 | 378 | 255 | 354 | 2 592 | 6 584 | 6 945 | 7 510 |
| | <i>Community and public safety</i> | | | | | | | | | | | | | | | | |
| | Community and social services | | 3 416 | 2 212 | 2 297 | 1 373 | 818 | 882 | 890 | 1 423 | 777 | 4 226 | 1 125 | 17 021 | 36 991 | 35 697 | 37 778 |
| | Sport and recreation | | 27 | 26 | 524 | 515 | 27 | 0 | 19 | 215 | 22 | 259 | 22 | 1 926 | 3 595 | 3 753 | 3 949 |
| | Public safety | | 2 | 1 | 1 | 1 | 0 | 0 | 2 | 1 | 1 | 0 | 0 | 1 569 | 2 007 | 8 | 8 |
| | Housing | | 3 387 | 2 183 | 1 772 | 857 | 790 | 852 | 869 | 1 207 | 755 | 3 967 | 1 654 | 13 056 | 31 389 | 31 936 | 33 821 |
| | Health | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| | <i>Economic and environmental services</i> | | | | | | | | | | | | | | | | |
| | Planning and development | | 169 | 612 | 208 | 218 | 147 | 422 | 349 | 940 | 574 | 694 | 33 | 16 540 | 20 896 | 24 600 | 25 811 |
| | Road transport | | 8 | 10 | 20 | 20 | — | 0 | 11 | 215 | 358 | 25 | 10 | 361 | 1 030 | 1 094 | 1 168 |
| | Environmental protection | | 160 | 602 | 188 | 198 | 147 | 422 | 338 | 724 | 216 | 658 | 23 | 16 189 | 19 866 | 23 506 | 24 653 |
| | <i>Trading services</i> | | | | | | | | | | | | | | | | |
| | Electricity | | 9 973 | 6 328 | 6 137 | 5 610 | 10 131 | 6 123 | 5 730 | 6 399 | 8 575 | 6 616 | 7 123 | 22 619 | 101 365 | 111 346 | 113 950 |
| | Water | | 7 616 | 5 913 | 5 726 | 5 189 | 6 135 | 5 706 | 5 317 | 5 998 | 6 689 | 6 195 | 6 706 | 21 709 | 88 947 | 97 804 | 99 316 |
| | Waste water management | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| | Waste management | | 2 358 | 415 | 411 | 422 | 3 937 | 417 | 413 | 411 | 1 687 | 422 | 417 | 910 | 12 418 | 13 541 | 14 634 |
| | <i>Other</i> | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| | Total Revenue - Standard | | 40 133 | 20 709 | 20 833 | 17 690 | 32 123 | 20 322 | 17 433 | 22 160 | 33 955 | 24 734 | 26 133 | 114 155 | 390 030 | 418 621 | 440 834 |
| | Expenditure - Standard | | | | | | | | | | | | | | | | |
| | <i>Governance and administration</i> | | | | | | | | | | | | | | | | |
| | Executive and council | | 4 501 | 6 060 | 6 760 | 7 182 | 6 531 | 6 192 | 7 070 | 9 277 | 7 231 | 9 498 | 8 377 | 44 966 | 123 647 | 131 339 | 139 612 |
| | Budget and treasury office | | 1 765 | 3 012 | 2 350 | 2 327 | 2 028 | 2 860 | 2 116 | 4 535 | 3 327 | 4 028 | 2 860 | 11 947 | 42 856 | 45 591 | 48 325 |
| | Corporate services | | 1 226 | 1 309 | 1 548 | 1 533 | 1 597 | 1 777 | 1 658 | 1 533 | 1 597 | 4 177 | 2 658 | 30 241 | 50 256 | 53 467 | 56 925 |
| | <i>Community and public safety</i> | | | | | | | | | | | | | | | | |
| | Community and social services | | 1 510 | 1 739 | 2 861 | 3 323 | 2 906 | 2 155 | 3 296 | 3 209 | 2 306 | 1 293 | 2 859 | 3 076 | 30 535 | 32 112 | 34 382 |
| | Sport and recreation | | 2 181 | 4 821 | 3 991 | 3 265 | 2 538 | 5 139 | 2 400 | 4 039 | 3 343 | 3 016 | 8 687 | 9 863 | 53 284 | 51 489 | 54 718 |
| | Public safety | | 755 | 613 | 659 | 1 652 | 905 | 733 | 1 132 | 1 543 | 855 | 915 | 1 487 | 2 652 | 13 311 | 14 795 | 15 696 |
| | Housing | | 653 | 675 | 684 | 677 | 771 | 821 | 652 | 751 | 548 | 1 905 | 2 203 | 8 436 | 8 436 | 9 033 | 9 644 |
| | Health | | 688 | 3 469 | 2 953 | 872 | 805 | 3 528 | 556 | 1 682 | 1 781 | 1 905 | 4 872 | 5 937 | 28 678 | 25 248 | 26 807 |
| | <i>Economic and environmental services</i> | | | | | | | | | | | | | | | | |
| | Planning and development | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| | Road transport | | 1 511 | 1 906 | 1 469 | 2 627 | 2 310 | 6 266 | 1 836 | 1 989 | 10 903 | 1 805 | 3 187 | 11 153 | 46 963 | 54 968 | 58 449 |
| | Environmental protection | | 444 | 562 | 351 | 644 | 651 | 560 | 552 | 744 | 582 | 651 | 644 | 1 249 | 7 624 | 8 147 | 8 682 |
| | Electricity | | 1 057 | 1 344 | 1 118 | 1 983 | 1 659 | 5 706 | 1 274 | 1 245 | 10 340 | 1 155 | 2 543 | 9 504 | 39 339 | 46 821 | 49 767 |
| | Water | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| | Waste water management | | 12 129 | 19 422 | 10 827 | 12 079 | 9 722 | 6 847 | 12 019 | 7 745 | 11 546 | 8 028 | 3 743 | 29 850 | 143 757 | 156 437 | 162 004 |
| | Waste management | | 10 342 | 15 656 | 10 010 | 10 073 | 8 866 | 6 227 | 7 162 | 7 010 | 10 858 | 6 596 | 2 600 | 26 592 | 122 042 | 133 340 | 137 507 |
| | <i>Other</i> | | | | | | | | | | | | | | | | |
| | Waste water management | | 1 787 | 3 756 | 817 | 2 006 | 836 | 420 | 4 837 | 735 | 688 | 1 431 | 1 143 | 3 258 | 21 715 | 23 097 | 24 497 |
| | Waste management | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| | Total Expenditure - Standard | | 20 323 | 32 210 | 23 047 | 25 154 | 21 100 | 24 244 | 23 326 | 23 051 | 33 022 | 22 348 | 23 996 | 95 835 | 367 656 | 384 240 | 414 789 |
| | Surplus/(Deficit) before assoc. | | 19 810 | (11 502) | (2 214) | (7 464) | 11 023 | (3 923) | (5 893) | (891) | 563 | 2 386 | 2 156 | 18 320 | 22 373 | 24 381 | 26 045 |
| | Share of surplus/(deficit) of associate | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| | Surplus/(Deficit) | 1 | 19 810 | (11 502) | (2 214) | (7 464) | 11 023 | (3 923) | (5 893) | (891) | 563 | 2 386 | 2 156 | 18 320 | 22 373 | 24 381 | 26 045 |

Table 47 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

KZN222 uMngeni - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

| R thousand | Description | Ref | Budget Year 2016/17 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | | |
|---|--|-----|---------------------|--------|-------|---------|-------|-------|---------|------|-------|-------|-------|------|---|------------------------|------------------------|---|
| | | | July | August | Sept. | October | Nov. | Dec. | January | Feb. | March | April | May | June | Budget Year 2016/17 | Budget Year +1 2017/18 | Budget Year +2 2018/19 | |
| | | | | | | | | | | | | | | | | | | |
| 1 | Multi-year expenditure to be appropriated | | | | | | | | | | | | | | | | | |
| | Vote 1 - Executive and Council | | | | | | | | | | | | | | | | | |
| | Vote 2 - Finance | | | | | | | | | | | | | | | | | |
| | Vote 3 - Corporate Services | | | | | | | | | | | | | | | | | |
| | Vote 4 - Planning Services | | | | | | | | | | | | | | | | | |
| | Vote 5 - Community Services | | | | | | | | | | | | | | | | | |
| | Vote 6 - Technical Services | | | | | | | | | | | | | | | | | |
| | Vote 7 - Economic Development and Growth | | | | | | | | | | | | | | | | | |
| | Vote 8 - Internal Audit | | | | | | | | | | | | | | | | | |
| | Vote 9 - Electricity | | | | | | | | | | | | | | | | | |
| | Vote 10 - [NAME OF VOTE 10] | | | | | | | | | | | | | | | | | |
| | Vote 11 - [NAME OF VOTE 11] | | | | | | | | | | | | | | | | | |
| | Vote 12 - [NAME OF VOTE 12] | | | | | | | | | | | | | | | | | |
| | Vote 13 - [NAME OF VOTE 13] | | | | | | | | | | | | | | | | | |
| | Vote 14 - [NAME OF VOTE 14] | | | | | | | | | | | | | | | | | |
| Vote 15 - [NAME OF VOTE 15] | | | | | | | | | | | | | | | | | | |
| Capital multi-year expenditure sub-total | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2 | Single-year expenditure to be appropriated | | | | | | | | | | | | | | | | | |
| | Vote 1 - Executive and Council | | | | | | | | | | | | | | | | | |
| | Vote 2 - Finance | | 175 | | | | | | | | | | | | | | | |
| | Vote 3 - Corporate Services | | | | 139 | | | | | | | | | | | | | |
| | Vote 4 - Planning Services | 114 | | | | | 292 | | | | | | | | | | | |
| | Vote 5 - Community Services | | | | | | | | | | | | | | | | | |
| | Vote 6 - Technical Services | | | 1,548 | | | | | | | | | | | | | | |
| | Vote 7 - Economic Development and Growth | | 538 | 6,907 | 1,427 | 4,690 | | 6,581 | | | | | | | | | | |
| | Vote 8 - Internal Audit | | | | | | | | | | | | | | | | | |
| | Vote 9 - Electricity | | | | | | | | | | | | | | | | | |
| | Vote 10 - [NAME OF VOTE 10] | | | | | | | | | | | | | | | | | |
| | Vote 11 - [NAME OF VOTE 11] | | | | | | | | | | | | | | | | | |
| | Vote 12 - [NAME OF VOTE 12] | | | | | | | | | | | | | | | | | |
| | Vote 13 - [NAME OF VOTE 13] | | | | | | | | | | | | | | | | | |
| | Vote 14 - [NAME OF VOTE 14] | | | | | | | | | | | | | | | | | |
| Vote 15 - [NAME OF VOTE 15] | | | | | | | | | | | | | | | | | | |
| Capital single-year expenditure sub-total | | | 114 | 713 | 8,455 | 1,566 | 4,690 | 292 | 6,581 | - | 3,287 | - | 3,449 | - | 29,148 | 32,764 | 35,786 | |
| Total Capital Expenditure | | | 114 | 713 | 8,455 | 1,566 | 4,690 | 292 | 6,581 | - | 3,287 | - | 3,449 | - | 29,148 | 32,764 | 35,786 | |

Table 48 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

0

KZN222 uMngeni - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

| Description | Ref | Budget Year 2016/17 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
|--------------------------------------|-----|---------------------|--------|-------|--------------|-------|-------|---------|------|-------|-------|-------|-------|---|------------------------|------------------------|
| | | July | August | Sept. | October | Nov. | Dec. | January | Feb. | March | April | May | June | Budget Year 2016/17 | Budget Year +1 2017/18 | Budget Year +2 2018/19 |
| R thousand | | | | | | | | | | | | | | | | |
| Capital Expenditure - Standard | 1 | | | | | | | | | | | | | | | |
| Governance and administration | | - | 175 | - | 139 | - | 292 | - | - | - | - | - | - | 607 | 646 | 684 |
| Executive and council | | | 175 | | | | | | | | | | | 175 | 186 | 197 |
| Budget and treasury office | | | | | 139 | | | | | | | | | 139 | 148 | 157 |
| Corporate services | | | | | | | 292 | | | | | | | 292 | 311 | 330 |
| Community and public safety | | - | - | 1 799 | - | - | - | - | - | - | 452 | - | - | 2 251 | 267 | 283 |
| Community and social services | | - | - | 251 | - | - | - | - | - | - | - | - | - | 251 | 267 | 283 |
| Sport and recreation | | - | - | 1 548 | - | - | - | - | - | - | 452 | - | - | 2 000 | - | - |
| Public safety | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Housing | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Health | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Economic and environmental services | | - | 538 | 907 | - | 4 690 | 1 117 | 6 581 | 114 | 2 584 | - | 3 449 | - | 19 980 | 23 628 | 24 582 |
| Planning and development | | - | - | - | - | - | - | - | 114 | - | - | - | - | 114 | 122 | 129 |
| Road transport | | - | 538 | 907 | - | 4 690 | 1 117 | 6 581 | - | 2 584 | - | 3 449 | - | 19 866 | 23 506 | 24 453 |
| Environmental protection | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Trading services | | - | - | - | - | - | - | - | - | - | - | - | - | 3 000 | 8 000 | 8 000 |
| Electricity | | - | - | - | - | - | - | - | - | - | - | - | - | - | 8 000 | 8 000 |
| Water | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Waste water management | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Waste management | | - | - | - | Waste manage | - | - | - | - | - | - | - | 3 000 | 3 000 | - | - |
| Other | | - | - | - | - | - | - | - | - | - | - | - | 3 310 | 3 310 | 224 | 237 |
| Total Capital Expenditure - Standard | 2 | - | 713 | 2 706 | 139 | 4 690 | 1 409 | 6 581 | 114 | 2 584 | 452 | 3 449 | 6 310 | 29 148 | 32 764 | 33 786 |
| Funded by: | | | | | | | | | | | | | | | | |
| National Government | | - | 713 | 2 706 | - | 4 690 | 1 117 | 6 581 | 26 | 2 584 | - | 3 449 | - | 21 866 | 23 506 | 24 453 |
| Provincial Government | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| District Municipality | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other transfers and grants | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfers recognised - capital | | - | 713 | 2 706 | - | 4 690 | 1 117 | 6 581 | 26 | 2 584 | - | 3 449 | - | 21 866 | 23 506 | 24 453 |
| Public contributions & donations | | | | | | | | | | | | | | - | - | - |
| Borrowing | | | | | 4 639 | | | | 114 | | 452 | | 1 784 | 7 282 | 9 258 | 9 333 |
| Internally generated funds | | - | - | 2 706 | 4 639 | 4 690 | 1 409 | 6 581 | 141 | 2 584 | 452 | 3 449 | 1 784 | 29 148 | 32 764 | 33 786 |
| Total Capital Funding | | - | 713 | 2 706 | 4 639 | 4 690 | 1 409 | 6 581 | 141 | 2 584 | 452 | 3 449 | 1 784 | 29 148 | 32 764 | 33 786 |

Table 49 MBRR SA30 - Budgeted monthly cash flow

KZN222 uMngeni - Supporting Table SA30 Budgeted monthly cash flow

| MONTHLY CASH FLOWS | | Budget Year 2016/17 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
|---|--|---------------------|-----------------|----------------|---------------|---------------|-----------------|---------------|----------------|---------------|---------------|-----------------|----------------|---|------------------------|------------------------|
| R thousand | | July | August | Sept. | October | November | December | January | February | March | April | May | June | Budget Year 2016/17 | Budget Year +1 2017/18 | Budget Year +2 2018/19 |
| <u>Cash Receipts By Source</u> | | | | | | | | | | | | | | 1 | | |
| Property rates | | 14 238 | 14 941 | 13 043 | 13 160 | 12 040 | 12 880 | 12 789 | 12 754 | 12 584 | 12 842 | 12 848 | 11 212 | 155 331 | 164 951 | 174 694 |
| Property rates - penalties & collection charges | | 114 | 11 | 26 | 15 | 16 | 9 | 31 | 815 | 2 547 | 1 452 | 536 | 285 | 5 856 | 6 219 | 6 586 |
| Service charges - electricity revenue | | 5 541 | 7 001 | 5 396 | 6 346 | 5 428 | 5 126 | 5 477 | 5 537 | 5 216 | 5 321 | 6 590 | 4 680 | 67 658 | 74 018 | 80 976 |
| Service charges - water revenue | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Service charges - sanitation revenue | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Service charges - refuse revenue | | 296 | 434 | 426 | 443 | 404 | 422 | 355 | 513 | 496 | 382 | 254 | 426 | 4 851 | 5 152 | 5 455 |
| Service charges - other | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Rental of facilities and equipment | | 20 | 31 | 77 | 43 | 30 | 58 | 65 | 69 | 71 | 87 | 88 | 82 | 719 | 764 | 809 |
| Interest earned - external investments | | 226 | 258 | 363 | 334 | 216 | 1 136 | 24 | 5 | 654 | 117 | 125 | 266 | 3 725 | 3 956 | 4 189 |
| Interest earned - outstanding debtors | | - | - | - | - | - | - | - | - | - | - | - | 1 725 | 1 725 | 1 832 | 1 940 |
| Dividends received | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Fines | | 446 | 570 | 628 | 458 | 584 | 617 | 637 | 1 525 | 2 325 | 1 258 | 2 154 | 3 147 | 14 350 | 15 239 | 16 138 |
| Licences and permits | | 220 | 212 | 145 | 176 | 206 | 220 | 232 | 214 | 256 | 125 | 135 | 1 287 | 3 439 | 3 653 | 3 868 |
| Agency services | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer receipts - operational | | 20 186 | 2 957 | 3 082 | - | 14 527 | - | 12 380 | 300 | - | 8 037 | - | - | 61 469 | 66 945 | 65 705 |
| Other revenue | | 1 195 | 104 | 420 | 1 738 | 1 368 | 219 | 3 | 125 | 199 | 96 | 153 | 877 | 6 487 | 6 890 | 7 296 |
| Cash Receipts by Source | | 42 481 | 26 518 | 23 607 | 22 713 | 34 818 | 20 687 | 31 993 | 21 856 | 24 351 | 29 708 | 22 882 | 23 937 | 325 610 | 349 628 | 367 657 |
| <u>Other Cash Flows by Source</u> | | | | | | | | | | | | | | | | |
| Transfer receipts - capital | | - | 5 000 | - | - | 9 540 | - | - | - | 7 326 | - | - | - | 21 856 | 23 506 | 24 653 |
| Contributions recognised - capital & Contributed assets | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Proceeds on disposal of PPE | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Short term loans | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Borrowing long term/financing | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Increase (decrease) in consumer deposits | | (3) | 9 | (118) | 25 | (12) | (9) | 20 | 10 | (3) | (81) | 70 | 275 | 182 | (64) | (62) |
| Decrease (increase) in non-current debtors | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Decrease (increase) other non-current receivables | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Decrease (increase) in non-current investments | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Cash Receipts by Source | | 42 478 | 31 526 | 23 489 | 22 738 | 44 345 | 20 677 | 32 013 | 21 865 | 31 674 | 29 627 | 22 952 | 24 272 | 347 556 | 373 070 | 392 248 |
| <u>Cash Payments by Type</u> | | | | | | | | | | | | | | | | |
| Employee related costs | | 8 508 | 8 508 | 8 508 | 8 508 | 8 508 | 8 508 | 8 508 | 8 508 | 8 508 | 8 508 | 8 508 | 8 656 | 102 239 | 110 971 | 118 615 |
| Remuneration of councillors | | 647 | 647 | 647 | 647 | 647 | 647 | 647 | 647 | 647 | 647 | 647 | 331 | 7 446 | 7 819 | 8 210 |
| Finance charges | | - | - | 1 265 | - | - | 1 171 | 0 | - | 1 049 | - | - | 1 642 | 5 127 | 5 445 | 5 767 |
| Bulk purchases - Electricity | | 6 226 | 22 284 | 7 472 | 5 821 | 5 603 | 5 456 | 6 156 | 8 322 | 6 389 | 8 457 | 6 987 | 6 228 | 95 404 | 102 693 | 112 346 |
| Bulk purchases - Water & Sewer | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other materials | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Contracted services | | 1 077 | 1 077 | 1 077 | 1 077 | 1 077 | 1 077 | 1 077 | 1 077 | 1 077 | 1 077 | 1 077 | 2 077 | 13 929 | 14 792 | 15 665 |
| Transfers and grants - other municipalities | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfers and grants - other | | 293 | 293 | 293 | 293 | 293 | 293 | 293 | 293 | 293 | 293 | 293 | 293 | 3 516 | 3 734 | 3 954 |
| Other expenditure | | 5 797 | 7 324 | 7 339 | 6 947 | 4 866 | 8 129 | 9 830 | 8 755 | 8 594 | 8 655 | 8 655 | 4 802 | 87 718 | 93 295 | 91 497 |
| Cash Payments by Type | | 22 548 | 40 133 | 26 602 | 23 293 | 21 094 | 25 281 | 26 513 | 27 601 | 26 552 | 25 566 | 26 167 | 24 029 | 315 380 | 338 749 | 355 054 |
| <u>Other Cash Flows/Payments by Type</u> | | | | | | | | | | | | | | | | |
| Capital assets | | 538 | 6 724 | - | - | 2 684 | 5 581 | - | - | - | 3 449 | 7 690 | 2 483 | 29 148 | 32 784 | 35 786 |
| Repayment of borrowing | | - | - | 685 | - | - | 667 | - | - | - | - | - | 887 | 2 805 | 2 973 | 3 152 |
| Other Cash Flows/Payments | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Cash Payments by Type | | 23 086 | 46 856 | 27 287 | 23 293 | 23 778 | 31 529 | 26 513 | 27 601 | 27 139 | 29 015 | 33 857 | 27 399 | 347 333 | 374 487 | 394 992 |
| NET INCREASE/(DECREASE) IN CASH HELD | | 19 392 | (15 330) | (3 777) | (555) | 20 568 | (10 852) | 5 500 | (5 736) | 4 535 | 612 | (10 904) | (3 127) | 326 | (1 417) | (2 744) |
| Cash/bank equivalents at the month/year begin: | | 24 989 | 44 381 | 29 051 | 25 274 | 24 718 | 45 286 | 34 434 | 39 934 | 34 180 | 38 734 | 39 346 | 28 441 | 24 989 | 25 315 | 23 898 |
| Cash/bank equivalents at the month/year end: | | 44 381 | 29 051 | 25 274 | 24 718 | 45 286 | 34 434 | 39 934 | 34 198 | 38 734 | 39 346 | 39 346 | 28 441 | 25 315 | 23 898 | 21 154 |

KZN222 uMngeni - Supporting Table SA30 Budgeted monthly cash flow

| R thousand | Budget Year 2016/17 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
|---|---------------------|-----------------|----------------|---------------|---------------|-----------------|---------------|----------------|---------------|---------------|-----------------|---------------|---|------------------------|------------------------|
| | MONTHLY CASH FLOWS | | | | | | | | | | | | Budget Year 2016/17 | Budget Year +1 2017/18 | Budget Year +2 2018/19 |
| | July | August | Sept. | October | November | December | January | February | March | April | May | June | | | |
| Cash Receipts by Source | | | | | | | | | | | | | | | |
| Property rates - penalties & collection charges | 14,236 | 14,941 | 13,043 | 13,160 | 12,040 | 12,880 | 12,789 | 12,754 | 12,584 | 12,842 | 12,848 | 11,212 | 155,331 | 104,991 | 174,694 |
| Service charges - electricity revenue | 114 | 11 | 26 | 15 | 16 | 9 | 31 | 815 | 2,547 | 1,452 | 536 | 295 | 5,858 | 6,219 | 8,585 |
| Service charges - water revenue | 5,541 | 7,001 | 5,396 | 6,346 | 5,426 | 5,125 | 5,477 | 5,537 | 5,216 | 5,321 | 6,550 | 4,680 | 67,658 | 74,018 | 80,976 |
| Service charges - sanitation revenue | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Service charges - refuse revenue | 296 | 434 | 426 | 443 | 404 | 422 | 355 | 513 | 496 | 382 | 254 | 426 | 4,851 | 5,152 | 5,455 |
| Service charges - other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Rental of facilities and equipment | - | 31 | 77 | 43 | 30 | 58 | 65 | 69 | 71 | 87 | 88 | 82 | 719 | 764 | 809 |
| Interest earned - external investments | 226 | 258 | 353 | 334 | 216 | 1,136 | 24 | 5 | 654 | 117 | 125 | 266 | 3,725 | 3,956 | 4,189 |
| Interest earned - outstanding debtors | - | - | - | - | - | - | - | - | - | - | - | 1,725 | 1,725 | 1,832 | 1,940 |
| Dividends received | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Fines | 446 | 570 | 628 | 458 | 584 | 817 | 637 | 1,525 | 2,325 | 1,258 | 2,154 | 3,147 | 14,350 | 15,239 | 18,136 |
| Licences and permits | 220 | 212 | 145 | 176 | 206 | 220 | 232 | 214 | 258 | 125 | 135 | 1,297 | 3,439 | 3,653 | 3,688 |
| Agency services | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer receipts - operational | 20,186 | 2,957 | 3,082 | - | 14,527 | - | - | 300 | - | 8,037 | - | - | 61,469 | 65,945 | 65,705 |
| Other revenue | 1,195 | 104 | 420 | 1,738 | 1,388 | 219 | 12,380 | - | - | - | - | - | 6,487 | 8,880 | 7,298 |
| Cash Receipts by Source | 42,481 | 26,518 | 23,607 | 22,713 | 34,818 | 20,687 | 31,953 | 21,856 | 24,351 | 29,708 | 22,882 | 23,997 | 325,610 | 349,628 | 357,657 |
| Other Cash Flows by Source | | | | | | | | | | | | | | | |
| Transfer receipts - capital | - | 5,000 | - | - | 9,540 | - | - | - | 7,326 | - | - | - | 21,665 | 23,506 | 24,653 |
| Contributions recognised - capital & Contributed | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Proceeds on disposal of PPE | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Short term loans | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Borrowing long term/refinancing | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Increase (decrease) in consumer deposits | (3) | 9 | (118) | 25 | (12) | (9) | 20 | 10 | (3) | (81) | 70 | (42) | (135) | (64) | (62) |
| Decrease (increase) in non-current debtors | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Decrease (increase) other non-current receivables | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Decrease (increase) in non-current investments | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Cash Receipts by Source | 42,478 | 31,526 | 23,489 | 22,738 | 44,345 | 20,677 | 32,013 | 21,865 | 31,674 | 29,627 | 22,952 | 23,995 | 347,341 | 373,070 | 392,240 |
| Cash Payments by Type | | | | | | | | | | | | | | | |
| Employee related costs | 8,508 | 8,508 | 8,508 | 8,508 | 8,508 | 8,508 | 8,508 | 8,508 | 8,508 | 8,508 | 8,508 | 7,100 | 100,684 | 102,343 | 109,401 |
| Remuneration of councillors | 647 | 647 | 647 | 647 | 647 | 647 | 647 | 647 | 647 | 647 | 647 | 647 | 7,763 | 8,151 | 8,556 |
| Finance charges | - | - | 1,285 | - | 1,171 | 1,171 | 0 | - | 1,048 | - | - | 1,642 | 5,127 | 5,445 | 5,787 |
| Bulk purchases - Electricity | 6,225 | 22,284 | 7,472 | 5,821 | 5,603 | 5,495 | 6,158 | 8,322 | 6,389 | 8,457 | 6,987 | 7,788 | 95,964 | 106,078 | 116,050 |
| Bulk purchases - Water & Sewer | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other materials | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Contracted services | 1,077 | 1,077 | 1,077 | 1,077 | 1,077 | 1,077 | 1,077 | 1,077 | 1,077 | 1,077 | 1,077 | 2,077 | 13,928 | 14,702 | 15,665 |
| Transfers and grants - other municipalities | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfers and grants - other | 577 | 577 | 577 | 577 | 577 | 577 | 577 | 577 | 577 | 577 | 577 | (2,836) | 3,516 | 3,734 | 3,954 |
| Other expenditure | 5,797 | 7,324 | 7,339 | 6,947 | 4,965 | 8,128 | 9,830 | 8,765 | 5,584 | 6,584 | 8,655 | 4,798 | 87,714 | 96,285 | 94,861 |
| Cash Payments by Type | 22,832 | 40,417 | 26,886 | 23,578 | 21,375 | 25,566 | 26,797 | 27,886 | 26,637 | 25,651 | 26,452 | 21,216 | 315,656 | 336,838 | 354,055 |
| Other Cash Flows/Payments by Type | | | | | | | | | | | | | | | |
| Capital assets | 538 | 6,724 | - | - | 2,684 | 5,581 | - | - | - | 3,449 | 7,680 | 2,483 | 26,148 | 32,764 | 35,786 |
| Repayment of borrowing | - | - | 665 | - | 667 | 667 | - | - | 596 | - | - | 667 | 2,805 | 2,073 | 3,152 |
| Total Cash Flows/Payments | 23,370 | 47,141 | 27,551 | 23,576 | 24,062 | 31,814 | 26,797 | 27,886 | 27,423 | 29,300 | 34,141 | 24,566 | 347,648 | 372,576 | 392,992 |
| NET INCREASE/(DECREASE) IN CASH HELD | 19,107 | (15,614) | (4,062) | (840) | 20,283 | (11,136) | 5,216 | (6,021) | 4,251 | 328 | (11,189) | (631) | (308) | 494 | (746) |
| Cash/cash equivalents at the month/year begin: | 24,989 | 44,097 | 28,482 | 24,420 | 23,980 | 43,384 | 32,727 | 37,943 | 31,923 | 36,174 | 36,501 | 25,312 | 29,585 | 28,501 | 25,175 |
| Cash/cash equivalents at the month/year end: | 44,097 | 28,482 | 24,420 | 23,580 | 43,664 | 32,727 | 37,943 | 31,923 | 36,174 | 36,501 | 25,312 | 24,681 | 29,277 | 25,175 | 24,429 |

10 Annual Budgets and Service Delivery Budget Implementation Plan – internal department

In terms of section 53(1)(c)(ii) the Mayor must take all reasonable steps to ensure that the municipality's service delivery and budget implementation plan is approved by the mayor within 28 days after the approval of the budget. The draft organisational SDBIP together with the departmental SDBIP's will be included in the final budget document

2.11 Contracts having future budgetary implications

In terms of the Municipality's Supply Chain Management Policy, the following 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.

Table 52 MBRR SA32 – List of external mechanisms

KZN222 uMngeni - Supporting Table SA32 List of external mechanisms

| External mechanism | Yrs/ Mths | Period of agreement 1. | Service provided | Expiry date of service delivery agreement or contract | Monetary value of agreement 2. |
|---------------------------|--------------|---------------------------|--|--|--------------------------------------|
| Name of organisation | | Number | | | R thousand |
| ONG | | | Debt Collection | 31/03/2019 | 10% prof fee |
| Siva Chetty | | | Debt Collection | 31/03/2019 | 10% prof fee |
| Melgoris (Pty) Ltd | | | Metro Property Mgt. System | 31/12/2015 | 270 |
| Bytes (Pty) Ltd | | | Bytes | 30/08/2014 | 31 |
| Indwe Risks Services | | | Short Term Insurance | 30/08/2017 | 316 |
| Nisumi Telecommunications | | | MMS Sent Statements for Municipal Accounts | 30/08/2016 | - |
| Fidelity Cash Solutions | | | Cash In-Transit | 30/09/2016 | 271 |

2.10 Capital expenditure details

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

Table 53 MBRR SA 34a - Capital expenditure on new assets by asset class

KZN222 uMngeni - Supporting Table SA34a Capital expenditure on new assets by asset class

| Description | | Ref | 2012/13 | 2013/14 | 2014/15 | Current Year 2015/16 | | | 2016/17 Medium Term Revenue & Expenditure Framework | | |
|--|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| R thousand | | 1 | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2016/17 | Budget Year +1 2017/18 | Budget Year +2 2018/19 |
| Capital expenditure on new assets by Asset Class/Sub-class | | | | | | | | | | | |
| Infrastructure | | | 26,858 | 29,645 | 20,741 | 23,749 | 20,140 | 20,140 | 19,866 | 31,506 | 34,453 |
| Infrastructure - Road transport | | | 26,858 | 29,070 | 19,926 | 18,749 | 20,005 | 20,005 | 19,866 | 23,506 | 26,453 |
| Roads, Pavements & Bridges | | | 26,858 | 29,070 | 19,926 | 18,749 | 20,005 | 20,005 | 19,866 | 23,506 | 26,453 |
| Storm water | | | | | | - | - | | | | |
| Infrastructure - Electricity | | | - | 575 | 815 | 5,000 | 135 | 135 | - | 8,000 | 8,000 |
| Generation | | | | | | - | - | | | | |
| Transmission & Reticulation | | | - | 575 | 815 | 5,000 | 135 | 135 | - | 8,000 | 8,000 |
| Street Lighting | | | | | | - | - | | | | |
| Infrastructure - Water | | | - | - | - | - | - | - | - | - | - |
| Dams & Reservoirs | | | | | | | | | | | |
| Water purification | | | | | | | | | | | |
| Reticulation | | | | | | | | | | | |
| Infrastructure - Sanitation | | | - | - | - | - | - | - | - | - | - |
| Reticulation | | | | | | | | | | | |
| Sewerage purification | | | | | | | | | | | |
| Infrastructure - Other | | | - | - | - | - | - | - | - | - | - |
| Waste Management | | | | | | | | | | | |
| Transportation | | | | | | | | | | | |
| Gas | | | | | | | | | | | |
| Other | | | | | | | | | | | |
| Community | | | - | - | 3,223 | 3,500 | 3,500 | 3,500 | 2,000 | - | - |
| Parks & gardens | | | | | | - | - | - | - | - | - |
| Sportsfields & stadia | | | | | 3,223 | 3,500 | 3,500 | 2,000 | - | - | - |
| Swimming pools | | | - | - | - | - | - | - | - | - | - |
| Community halls | | | - | - | - | - | - | - | - | - | - |
| Libraries | | | - | - | - | - | - | - | - | - | - |
| Recreational facilities | | | - | - | - | - | - | - | - | - | - |
| Fire, safety & emergency | | | - | - | - | - | - | - | - | - | - |
| Security and policing | | | - | - | - | - | - | - | - | - | - |
| Buses | | | - | - | - | - | - | - | - | - | - |
| Clinics | | | - | - | - | - | - | - | - | - | - |
| Museums & Art Galleries | | | - | - | - | - | - | - | - | - | - |
| Cemeteries | | | - | - | - | - | - | - | - | - | - |
| Social rental housing | | | - | - | - | - | - | - | - | - | - |
| Other | | | - | - | - | - | - | - | - | - | - |
| Heritage assets | | | - | 2,462 | 32,312 | - | 19,927 | 19,927 | - | - | - |
| Buildings | | | | | | | | | | | |
| Other | | | - | 2,462 | 32,312 | - | 19,927 | 19,927 | - | - | - |
| Investment properties | | | - | - | - | - | - | - | - | - | - |
| Housing development | | | | | | | | | | | |
| Other | | | - | - | - | - | - | - | - | - | - |
| Other assets | | | - | 1,028 | - | - | 841 | 841 | 7,282 | 1,258 | 1,333 |
| General vehicles | | | | | | | | | | | |
| Specialised vehicles | | | - | - | - | - | - | - | - | - | - |
| Plant & equipment | | | - | 1,028 | - | - | - | - | 6,100 | - | - |
| Computers - hardware/equipment | | | - | - | - | - | - | - | - | - | - |
| Furniture and other office equipment | | | - | - | - | - | 841 | 841 | 1,182 | 1,258 | 1,333 |
| Abattoirs | | | - | - | - | - | - | - | - | - | - |
| Markets | | | - | - | - | - | - | - | - | - | - |
| Civic Land and Buildings | | | - | - | - | - | - | - | - | - | - |
| Other Buildings | | | - | - | - | - | - | - | - | - | - |
| Other Land | | | - | - | - | - | - | - | - | - | - |
| Surplus Assets - (Investment or Inventory) | | | - | - | - | - | - | - | - | - | - |
| Other | | | - | - | - | - | - | - | - | - | - |
| Agricultural assets | | | - | - | - | - | - | - | - | - | - |
| List sub-class | | | - | - | - | - | - | - | - | - | - |
| Biological assets | | | - | - | - | - | - | - | - | - | - |
| List sub-class | | | - | - | - | - | - | - | - | - | - |
| Intangibles | | | - | - | - | - | - | - | - | - | - |
| Computers - software & programming | | | - | - | - | - | - | - | - | - | - |
| Other (list sub-class) | | | - | - | - | - | - | - | - | - | - |
| Total Capital Expenditure on new assets | 1 | | 26,858 | 33,135 | 56,276 | 27,249 | 44,409 | 44,409 | 29,148 | 32,764 | 35,786 |

Table 54 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

KZN222 uMngeni - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

| Description | | Ref | 2012/13 | 2013/14 | 2014/15 | Current Year 2015/16 | | | 2016/17 Medium Term Revenue & Expenditure Framework | | |
|--|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| R thousand | | 1 | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2016/17 | Budget Year +1 2017/18 | Budget Year +2 2018/19 |
| Capital expenditure on renewal of existing assets by Asset Class/Sub-class | | | | | | | | | | | |
| Infrastructure | | | - | - | - | - | - | - | - | - | - |
| Infrastructure - Road transport | | | - | - | - | - | - | - | - | - | - |
| Roads, Pavements & Bridges | | | - | - | - | - | - | - | - | - | - |
| Storm water | | | - | - | - | - | - | - | - | - | - |
| Infrastructure - Electricity | | | - | - | - | - | - | - | - | - | - |
| Generation | | | - | - | - | - | - | - | - | - | - |
| Transmission & Reticulation | | | - | - | - | - | - | - | - | - | - |
| Street Lighting | | | - | - | - | - | - | - | - | - | - |
| Infrastructure - Water | | | - | - | - | - | - | - | - | - | - |
| Dams & Reservoirs | | | - | - | - | - | - | - | - | - | - |
| Water purification | | | - | - | - | - | - | - | - | - | - |
| Reticulation | | | - | - | - | - | - | - | - | - | - |
| Infrastructure - Sanitation | | | - | - | - | - | - | - | - | - | - |
| Reticulation | | | - | - | - | - | - | - | - | - | - |
| Sewerage purification | | | - | - | - | - | - | - | - | - | - |
| Infrastructure - Other | | | - | - | - | - | - | - | - | - | - |
| Waste Management | | | - | - | - | - | - | - | - | - | - |
| Transportation | | | - | - | - | - | - | - | - | - | - |
| Gas | | | - | - | - | - | - | - | - | - | - |
| Other | | | - | - | - | - | - | - | - | - | - |
| Community | | | - | - | - | - | - | - | - | - | - |
| Parks & gardens | | | - | - | - | - | - | - | - | - | - |
| Sports fields & stadia | | | - | - | - | - | - | - | - | - | - |
| Swimming pools | | | - | - | - | - | - | - | - | - | - |
| Community halls | | | - | - | - | - | - | - | - | - | - |
| Libraries | | | - | - | - | - | - | - | - | - | - |
| Recreational facilities | | | - | - | - | - | - | - | - | - | - |
| Fire, safety & emergency | | | - | - | - | - | - | - | - | - | - |
| Security and policing | | | - | - | - | - | - | - | - | - | - |
| Buses | | | - | - | - | - | - | - | - | - | - |
| Clinics | | | - | - | - | - | - | - | - | - | - |
| Museums & Art Galleries | | | - | - | - | - | - | - | - | - | - |
| Cemeteries | | | - | - | - | - | - | - | - | - | - |
| Social rental housing | | | - | - | - | - | - | - | - | - | - |
| Other | | | - | - | - | - | - | - | - | - | - |
| Heritage assets | | | - | - | - | - | - | - | - | - | - |
| Buildings | | | - | - | - | - | - | - | - | - | - |
| Other | | | - | - | - | - | - | - | - | - | - |
| Investment properties | | | - | - | - | - | - | - | - | - | - |
| Housing development | | | - | - | - | - | - | - | - | - | - |
| Other | | | - | - | - | - | - | - | - | - | - |
| Other assets | | | - | - | - | - | - | - | - | - | - |
| General vehicles | | | - | - | - | - | - | - | - | - | - |
| Specialised vehicles | | | - | - | - | - | - | - | - | - | - |
| Plant & equipment | | | - | - | - | - | - | - | - | - | - |
| Computers - hardware/equipment | | | - | - | - | - | - | - | - | - | - |
| Furniture and other office equipment | | | - | - | - | - | - | - | - | - | - |
| Abattoirs | | | - | - | - | - | - | - | - | - | - |
| Markets | | | - | - | - | - | - | - | - | - | - |
| Civic Land and Buildings | | | - | - | - | - | - | - | - | - | - |
| Other Buildings | | | - | - | - | - | - | - | - | - | - |
| Other Land | | | - | - | - | - | - | - | - | - | - |
| Surplus Assets - (Investment or Inventory) | | | - | - | - | - | - | - | - | - | - |
| Other | | | - | - | - | - | - | - | - | - | - |
| Agricultural assets | | | - | - | - | - | - | - | - | - | - |
| List sub-class | | | - | - | - | - | - | - | - | - | - |
| Biological assets | | | - | - | - | - | - | - | - | - | - |
| List sub-class | | | - | - | - | - | - | - | - | - | - |
| Intangibles | | | - | - | - | - | - | - | - | - | - |
| Computers - software & programming | | | - | - | - | - | - | - | - | - | - |
| Other (list sub-class) | | | - | - | - | - | - | - | - | - | - |
| Total Capital Expenditure on renewal of existing | | | 1 | - | - | - | - | - | - | - | - |

Table 55 MBRR SA34c - Repairs and maintenance expenditure by asset class

KZN222 uMngeni - Supporting Table SA34c Repairs and maintenance expenditure by asset class

| Description | | Ref | 2012/13 | 2013/14 | 2014/15 | Current Year 2015/16 | | | 2016/17 Medium Term Revenue & Expenditure Framework | | |
|---|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| R thousand | | 1 | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2016/17 | Budget Year +1 2017/18 | Budget Year +2 2018/19 |
| Repairs and maintenance expenditure by Asset Class/Sub-class | | | | | | | | | | | |
| Infrastructure | | | - | - | 5 100 | 14 689 | 9 689 | 9 699 | 10 594 | 12 251 | 12 973 |
| Infrastructure - Road transport | | | - | - | 3 940 | 9 125 | 8 125 | 8 125 | 8 008 | 9 505 | 10 065 |
| Roads, Pavements & Bridges | | | | | 3 940 | 7 050 | 7 050 | 7 050 | 7 651 | 9 338 | 9 869 |
| Storm water | | | | | - | 2 075 | 1 075 | 1 075 | 157 | 167 | 177 |
| Infrastructure - Electricity | | | - | - | 2 160 | 5 574 | 1 574 | 1 574 | 2 586 | 2 746 | 2 908 |
| Generation | | | | | - | - | - | - | - | - | - |
| Transmission & Reticulation | | | | | 2 160 | 5 574 | 1 574 | 1 574 | 2 586 | 2 746 | 2 908 |
| Street Lighting | | | | | - | - | - | - | - | - | - |
| Infrastructure - Water | | | - | - | - | - | - | - | - | - | - |
| Dams & Reservoirs | | | | | - | - | - | - | - | - | - |
| Water purification | | | | | - | - | - | - | - | - | - |
| Reticulation | | | | | - | - | - | - | - | - | - |
| Infrastructure - Sanitation | | | - | - | - | - | - | - | - | - | - |
| Reticulation | | | | | - | - | - | - | - | - | - |
| Sewerage purification | | | | | - | - | - | - | - | - | - |
| Infrastructure - Other | | | - | - | - | - | - | - | - | - | - |
| Waste Management | | | | | - | - | - | - | - | - | - |
| Transportation | | | | | - | - | - | - | - | - | - |
| Gas | | | | | - | - | - | - | - | - | - |
| Other | | | | | - | - | - | - | - | - | - |
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Table 56 MBRR SA35 - Future financial implications of the capital budget

KZN222 uMngeni - Supporting Table SA35 Future financial implications of the capital budget

| Vote Description R thousand | Ref | 2016/17 Medium Term Revenue & Expenditure Framework | | | Forecasts | | | |
|---|-----|---|---------------------------|---------------------------|---------------------|---------------------|---------------------|------------------|
| | | Budget Year 2016/17 | Budget Year +1 2017/18 | Budget Year +2 2018/19 | Forecast 2019/20 | Forecast 2020/21 | Forecast 2021/22 | Present value |
| Capital expenditure | 1 | | | | | | | |
| Vote 1 - Executive and Council | | 175 | 186 | 197 | | | | |
| Vote 2 - Finance | | 139 | 148 | 157 | | | | |
| Vote 3 - Corporate Services | | 292 | 311 | 330 | | | | |
| Vote 4 - Planning Services | | 114 | 122 | 129 | | | | |
| Vote 5 - Community Services | | 2,251 | 267 | 283 | | | | |
| Vote 6 - Technical Services | | 26,176 | 23,730 | 26,690 | | | | |
| Vote 7 - Economic Development and Growth | | - | - | - | | | | |
| Vote 8 - Internal Audit | | - | - | - | | | | |
| Vote 9 - Electricity | | - | 8,000 | 8,000 | | | | |
| Vote 10 - [NAME OF VOTE 10] | | - | - | - | | | | |
| Vote 11 - [NAME OF VOTE 11] | | - | - | - | | | | |
| Vote 12 - [NAME OF VOTE 12] | | - | - | - | | | | |
| Vote 13 - [NAME OF VOTE 13] | | - | - | - | | | | |
| Vote 14 - [NAME OF VOTE 14] | | - | - | - | | | | |
| Vote 15 - [NAME OF VOTE 15] | | - | - | - | | | | |
| List entity summary if applicable | | | | | | | | |
| Total Capital Expenditure | | 29,148 | 32,764 | 35,786 | - | - | - | - |
| Future operational costs by vote | 2 | | | | | | | |
| Vote 1 - Executive and Council | | | | | | | | |
| Vote 2 - Finance | | | | | | | | |
| Vote 3 - Corporate Services | | | | | | | | |
| Vote 4 - Planning Services | | | | | | | | |
| Vote 5 - Community Services | | | | | | | | |
| Vote 6 - Technical Services | | | | | | | | |
| Vote 7 - Economic Development and Growth | | | | | | | | |
| Vote 8 - Internal Audit | | | | | | | | |
| Vote 9 - Electricity | | | | | | | | |
| Vote 10 - [NAME OF VOTE 10] | | | | | | | | |
| Vote 11 - [NAME OF VOTE 11] | | | | | | | | |
| Vote 12 - [NAME OF VOTE 12] | | | | | | | | |
| Vote 13 - [NAME OF VOTE 13] | | | | | | | | |
| Vote 14 - [NAME OF VOTE 14] | | | | | | | | |
| Vote 15 - [NAME OF VOTE 15] | | | | | | | | |
| List entity summary if applicable | | | | | | | | |
| Total future operational costs | | - | - | - | - | - | - | - |
| Future revenue by source | 3 | | | | | | | |
| Property rates | | | | | | | | |
| Property rates - penalties & collection charges | | | | | | | | |
| Service charges - electricity revenue | | | | | | | | |
| Service charges - water revenue | | | | | | | | |
| Service charges - sanitation revenue | | | | | | | | |
| Service charges - refuse revenue | | | | | | | | |
| Service charges - other | | | | | | | | |
| Rental of facilities and equipment | | | | | | | | |
| List other revenues sources if applicable | | | | | | | | |
| List entity summary if applicable | | | | | | | | |
| Total future revenue | | - | - | - | - | - | - | - |
| Net Financial Implications | | 29,148 | 32,764 | 35,786 | - | - | - | - |

Table 57 MBRR SA36 - Detailed capital budget per municipal vote

XZN222 uMngeni - Supporting Table SA36 Detailed capital budget

| Municipal Vote/Capital project | Ref | Program/Project description | Project number | IDP Goal code | Individually Approved (Yes/No) | Asset Class | Asset Sub-Class | GPS co-ordinates | Total Project Estimate | Prior year outcomes | | 2016/17 Medium Term Revenue & Expenditure Framework | | | Project information | |
|--|-----|-------------------------------|----------------|---------------|--------------------------------|------------------------------|------------------------------|------------------|------------------------|-------------------------|---|---|------------------------|------------------------|---------------------|----------------|
| | | | | | | | | | | Audited Outcome 2014/15 | Current Year 2015/16 Full Year Forecast | Budget Year 2016/17 | Budget Year +1 2017/18 | Budget Year +2 2018/19 | Ward location | New or renewal |
| R thousand | 4 | | | | 6 | 3 | 3 | 5 | | | | | | | | |
| Parent municipality: | | | | | | | | | | | | | | | | |
| List of capital projects grouped by Municipal Vote | | | | | | | | | | | | | | | | |
| Klayathle Road and Stormwater | | Klayathle Road and Stormwater | | | Yes | Roads, Pavements & Bridges | Roads, Pavements & Bridges | 2016 | | 6 415 | 6 415 | - | | | 5 New | |
| Main Road Howick | | Main Road Howick | | | Yes | Roads, Pavements & Bridges | Roads, Pavements & Bridges | 2015 | | 1 000 | 1 000 | - | | 0 | 2 New | |
| Mfanduzi Road | | Mfanduzi Road | | | Yes | Roads, Pavements & Bridges | Roads, Pavements & Bridges | 2015 | | 1 500 | 1 000 | - | | | 2 New | |
| Mphahlela Ward 3, 10 and 11 | | Mphahlela Ward 3, 10 and 11 | | | Yes | Roads, Pavements & Bridges | Roads, Pavements & Bridges | 2018 | | 10 000 | 9 740 | 12 000 | 23 506 | 26 453 | 3, 10 and 11 | New |
| Mphahlela Sportsfield | | Mphahlela Sportsfield | | | Yes | Sportsfields & stadia | Sportsfields & stadia | 2017 | | 2 500 | 1 500 | - | | | 11 New | |
| Mandela Capture Site | | Mandela Capture Site | | | Yes | Museums & Art Galleries | Museums & Art Galleries | 2019 | | 34 951 | 19 937 | - | | | 9 New | |
| Zenani | | Zenani | | | Yes | Roads, Pavements & Bridges | Roads, Pavements & Bridges | 2016 | | | | 2 000 | | | 3 New | |
| Lions River | | Lions River | | | Yes | Roads, Pavements & Bridges | Roads, Pavements & Bridges | 2016 | | | | 1 000 | | | 9 New | |
| Tumbwezi | | Tumbwezi | | | Yes | Roads, Pavements & Bridges | Roads, Pavements & Bridges | 2016 | | | | 1 000 | | | 12 New | |
| Emandeni | | Emandeni | | | Yes | Roads, Pavements & Bridges | Roads, Pavements & Bridges | 2016 | | | | 500 | | | 7 New | |
| Sphumale | | Sphumale | | | Yes | Roads, Pavements & Bridges | Roads, Pavements & Bridges | 2016 | | | | 886 | | | 1 New | |
| Lidgaton West Sportsfield | | Lidgaton West Sportsfield | | | Yes | Sportsfields & stadia | Sportsfields & stadia | 2017 | | | | 2 000 | | | 2 New | |
| Lidgaton West | | Lidgaton West | | | Yes | Roads, Pavements & Bridges | Roads, Pavements & Bridges | 2017 | | | | 1 500 | - | | 4 New | |
| Cedara | | Cedara | | | Yes | Roads, Pavements & Bridges | Roads, Pavements & Bridges | 2017 | | - | - | 1 000 | | | 2 New | |
| Electricity upgrade | | Electricity upgrade | | | No | Infrastructure - Electricity | Infrastructure - Electricity | 2018 | | - | - | | 8 000 | 8 000 | 5 New | |
| Other | | | | | | | | | | - | - | | | - | 2 New | |
| Parent Capital expenditure | 1 | | | | | | | | | | | 7 252 | 31 505 | 34 453 | | |
| Entity: | | | | | | | | | | | | | | | | |
| List of capital projects grouped by Entity | | | | | | | | | | | | | | | | |
| Entity A | | | | | | | | | | | | | | | | |
| Water project A | | | | | | | | | | | | | | | | |
| Entity B | | | | | | | | | | | | | | | | |
| Electricity project B | | | | | | | | | | | | | | | | |
| Entity Capital expenditure | | | | | | | | | | 56 276 | 39 951 | - | - | - | - | |
| Total Capital expenditure | | | | | | | | | | | 29 149 | 31 505 | - | - | 34 453 | |

Table 58 MBRR SA37 - Projects delayed from previous financial year

| KZN222 uMngeni - Supporting Table SA37 Projects delayed from previous financial year/s | | | | | | | | | | | |
|---|--------------|----------------|------------------|----------------------|-----------------------|--|---|--|--|--|--|
| Ref. | Project name | Project number | Asset Class 3 | Asset Sub-Class 3 | GPS co-ordinates 4 | Previous target year to complete Year | Current Year 2014/15 Original Budget Forecast | 2015/16 Medium Term Revenue & Expenditure Framework Budget Year 2015/16 Budget Year +1 2016/17 Budget Year +2 2017/18 | | | |
| Municipal Vote/Capital project R thousand Parent municipality: List all capital projects grouped by Municipal Vote | | | Examples | Examples | | | | | | | |
| Entities: List all capital projects grouped by Municipal Entity Entity Name Project name | | | | | | | | | | | |

| Ref. | Project name | Project number | Asset Class 3 | Asset Sub-Class 3 | GPS co-ordinates 4 | Previous target year to complete Year | Current Year 2012/13 Original Budget Forecast | 2013/14 Medium Term Revenue & Expenditure Framework Budget Year 2013/14 Budget Year +1 2014/15 Budget Year +2 2015/16 | | | |
|---|--------------|----------------|------------------|----------------------|-----------------------|--|---|--|--|--|--|
| Municipal Vote/Capital project R thousand Parent municipality: List all capital projects grouped by Municipal Vote | | | Examples | Examples | | | | | | | |
| Entities: List all capital projects grouped by Municipal Entity Entity Name Project name | | | | | | | | | | | |

2.13 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 Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the Municipality's website.
2. Internship programme
The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. Since the introduction of the Internship programme the Municipality has successfully employed and trained 13 interns through this programme and a majority of them were appointed either in uMngeni Municipality or other municipalities.
3. Budget and Treasury Office
The Budget and Treasury Office has been established in accordance with the MFMA.
4. Audit Committee
An Audit Committee has been established and is fully functional.
5. Service Delivery and Implementation Plan
The detail SDBIP document is at a draft stage and will be finalised after approval of the 2016/2017 MTREF in June 2016 directly aligned and informed by the 2016/17 MTREF.
6. Annual Report
Annual report is compiled in terms of the MFMA and National Treasury requirements.
7. MFMA Training
The MFMA training module in electronic format is presented at the Municipality's internal centre and training is ongoing.
8. Policies
An amendment of the Municipal Property Rates Regulations as published in Government Notice 363 of 27 March 2009, was announced in Government Gazette 33016 on 12 March 2010. The ratios as prescribed in the Regulations have been complied with.

2.14 Other supporting documents

Table 59 MBRR Table SA1 - Supporting detail to budgeted financial performance

| KZN222 uMngeni - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance' | | | | | | | | | | |
|---|---|---|---|--|---|---|---|---|--|--|
| Ref | Description | 2012/13 | 2013/14 | 2014/15 | Current Year 2015/16 | | | Pre-audit outcome | 2016/17 Medium Term Revenue & Expenditure Framework | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | | Budget Year 2016/17 | Budget Year +1 2017/18 |
| 6 | REVENUE ITEMS: Property rates Total Property Rates less Revenue Foregone (exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA) Net Property Rates Service charges - electricity revenue Total Service charges - electricity revenue less Revenue Foregone (in excess of 50 kwh per indigent household per month) less Cost of Free Basis Services (50 kwh per indigent household per month) Net Service charges - electricity revenue Service charges - water revenue Total Service charges - water revenue less Revenue Foregone (in excess of 6 kilolitres per indigent household per month) less Cost of Free Basis Services (6 kilolitres per indigent household per month) Net Service charges - water revenue Service charges - sanitation revenue Total Service charges - sanitation revenue less Revenue Foregone (in excess of free sanitation service to indigent households) less Cost of Free Basis Services (free sanitation service to indigent households) Net Service charges - sanitation revenue Service charges - refuse revenue Total refuse removal revenue Total landfill revenue less Revenue Foregone (in excess of one removal a week to indigent households) less Cost of Free Basis Services (removed once a week to indigent households) Net Service charges - refuse revenue Other Revenue by source BUILDING PLAN FEES VALUATION & OBJECTION FEES SHARED SERVICES RECONNECTION FEES RATES CERTIFICATES MISCELLANEOUS INCOME HALL HIRE LGSETA BURIAL FEES STOP ORDER COMMISSION INSURANCE CLAIMS RECEIVED Other Revenue Total 'Other' Revenue | 146,636 45,734 100,902 54,338 5,620 48,718 1,297 505 628 330 226 285 54 — — 1,847 5,173 | 145,229 33,598 111,632 51,842 — 51,842 1,988 323 377 218 205 158 66 38 41 1,294 4,308 | 155,112 35,613 119,499 52,718 — 52,718 2,037 572 588 239 158 220 89 33 41 148 5,343 9,665 | 185,305 44,168 141,136 71,427 3,250 68,177 1,943 561 555 394 333 282 166 64 212 4,562 9,169 | 181,972 38,002 143,970 71,427 — 71,427 1,943 561 555 394 333 282 166 64 212 2,986 7,597 | 181,972 38,002 143,970 71,427 — 71,427 1,943 561 555 394 333 282 166 64 212 2,986 7,597 | 210,787 34,275 176,512 76,684 — 76,684 2,044 595 1,037 402 355 301 177 68 226 2,059 7,372 | 223,856 36,400 187,456 84,112 — 84,112 2,178 69 930 446 377 320 188 46 240 2,161 7,829 | 237,064 38,548 198,518 92,018 — 92,018 2,269 73 988 473 369 338 199 77 49 254 2,266 8,281 |
| 3 | | 1,847 | 1,294 | 5,343 | 4,562 | 2,986 | 2,161 | 2,059 | 2,161 | 2,266 |
| 1 | | 5,173 | 4,308 | 9,665 | 9,169 | 7,597 | 7,597 | 7,372 | 7,829 | 8,281 |

Table 59 MBRR Table SA1 - Supporting detail to budgeted financial performance (Continued)

SA1 Continued

| Other Expenditure By Type | | | | | | | | | | | | | |
|--|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 3 | Collection costs | 2 596 | 3 560 | 721 | 695 | 760 | 760 | 760 | 760 | 760 | 546 | 580 | 614 |
| | Contributions to 'other' provisions | - | - | - | - | 1 560 | 1 560 | 1 560 | 1 560 | 1 560 | 425 | 425 | 419 |
| | Consultant fees | 1 020 | 155 | 7 784 | 4 407 | 6 069 | 6 069 | 6 069 | 6 069 | 6 069 | 5 915 | 5 915 | 6 264 |
| 1 | Audit fees | 847 | 1 282 | 1 130 | 1 660 | 1 300 | 1 300 | 1 300 | 1 300 | 1 300 | 1 385 | 1 471 | 1 558 |
| | General expenses | 7 708 | 40 453 | 15 090 | 41 366 | 10 193 | 10 193 | 10 193 | 10 193 | 10 193 | 18 308 | 19 692 | 20 836 |
| | GRANTS EXPENDITURE | 1 115 | - | - | - | 13 008 | 13 008 | 13 008 | 13 008 | 13 008 | 12 143 | 12 035 | 5 461 |
| | ASSET REGISTER MANAGEMENT | 3 081 | 3 718 | 625 | - | 2 000 | 2 000 | 2 000 | 2 000 | 2 000 | 2 132 | 2 264 | 2 398 |
| | REPAIRS AND MAINTENANCE | 2 308 | 3 012 | 12 347 | - | 18 096 | 18 096 | 18 096 | 18 096 | 18 096 | 21 861 | 23 966 | 25 380 |
| | ELECTRICITY | 4 017 | 4 224 | 4 513 | 4 960 | 6 076 | 6 076 | 6 076 | 6 076 | 6 076 | 6 477 | 6 879 | 7 284 |
| | MAINTENANCE OF COMPUTER SERVICES | 1 847 | 155 | 406 | - | 491 | 491 | 491 | 491 | 491 | 524 | 556 | 589 |
| | LEASE RENTALS ON OPERATING LEASE | 1 425 | 1 464 | 2 994 | 231 | 240 | 240 | 240 | 240 | 240 | 255 | 272 | 288 |
| | PURCHASE OF STATIONERY | - | 256 | 544 | 390 | 464 | 464 | 464 | 464 | 464 | 494 | 525 | 556 |
| | LEGAL FEES | 536 | 480 | 88 | 1 056 | 512 | 512 | 512 | 512 | 512 | 546 | 580 | 614 |
| | BANK CHARGES | 831 | 692 | 694 | 621 | 653 | 653 | 653 | 653 | 653 | 696 | 739 | 783 |
| | PURCHASE OF CLEANING MATERIALS | - | 71 | 69 | 123 | 83 | 83 | 83 | 83 | 83 | 88 | 94 | 99 |
| | POSTAGES | 990 | 1 066 | 1 126 | 1 334 | 1 334 | 1 334 | 1 334 | 1 334 | 1 334 | 1 422 | 1 510 | 1 599 |
| | COMMUNICATION EXPENSE | - | 374 | 425 | 582 | 762 | 762 | 762 | 762 | 762 | 850 | 903 | 956 |
| | HIRING OF VEHICLE SYS | 269 | 321 | 1 625 | 1 809 | 1 809 | 1 809 | 1 809 | 1 809 | 1 809 | 1 929 | 2 048 | 2 169 |
| | FIRE FIGHTING SERVICE | 200 | 236 | 263 | 371 | 416 | 416 | 416 | 416 | 416 | 444 | 471 | 499 |
| | VALUATION ROLL EXPENSE | 516 | 1 572 | 2 669 | 635 | 1 845 | 1 845 | 1 845 | 1 845 | 1 845 | 1 967 | 2 088 | 2 212 |
| 8 | ADVERTISING | 415 | 330 | 497 | 435 | 534 | 534 | 534 | 534 | 534 | 570 | 605 | 641 |
| | BANK DEPOSIT SERVICES | 73 | 94 | 73 | 156 | 172 | 172 | 172 | 172 | 172 | 150 | 159 | 168 |
| | INSURANCE | 407 | 393 | 460 | 760 | 467 | 467 | 467 | 467 | 467 | 498 | 529 | 560 |
| | IDP EXPENDITURE | 103 | 57 | 684 | 106 | 281 | 281 | 281 | 281 | 281 | 650 | 690 | 731 |
| | TELEPHONE AND FAX | 1 179 | 1 230 | 1 377 | 1 455 | 1 486 | 1 486 | 1 486 | 1 486 | 1 486 | 1 584 | 1 682 | 1 781 |
| | YOUTH CO-ORD PROGRAMMES | 390 | 708 | 508 | 5 052 | 3 452 | 3 452 | 3 452 | 3 452 | 3 452 | 3 680 | 3 908 | 4 139 |
| | TMT EXPENSES | 2 596 | 3 560 | 2 557 | 3 255 | 2 767 | 2 767 | 2 767 | 2 767 | 2 767 | 2 949 | 3 132 | 3 317 |
| | Total 'Other' Expenditure | 34 470 | 69 444 | 59 260 | 71 481 | 76 831 | 76 831 | 76 831 | 76 831 | 76 831 | 88 142 | 93 720 | 91 916 |
| 9 | Repairs and Maintenance by Expenditure Item | | | | | | | | | | | | |
| | Employee related costs | - | - | - | - | - | - | - | - | - | - | - | - |
| | Other materials | - | - | - | - | - | - | - | - | - | - | - | - |
| | Contracted Services | - | - | - | - | - | - | - | - | - | - | - | - |
| | Other Expenditure | 4 932 | 6 333 | 12 347 | 24 741 | 18 096 | 18 096 | 18 096 | 18 096 | 18 096 | 21 861 | 23 966 | 25 380 |
| Total Repairs and Maintenance Expenditure | | 4 932 | 6 333 | 12 347 | 24 741 | 18 096 | 18 096 | 18 096 | 18 096 | 18 096 | 21 861 | 23 966 | 25 380 |

Table 60 MBRR Table SA2 – Matrix financial performance budget (revenue source/ expenditure type and department)

| KZN222 uMngeni - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.) | | | | | | | | | | | | | | | | | | |
|---|-----|--------------------------------------|---------------------|-----------------------------------|----------------------------------|-----------------------------------|-----------------------------------|---|----------------------------|-------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|---------|--|
| Description | Ref | Vote 1 - Executive and Council | Vote 2 - Finance | Vote 3 - Corporate Services | Vote 4 - Planning Services | Vote 5 - Community Services | Vote 6 - Technical Services | Vote 7 - Economic Development and Growth | Vote 8 - Internal Audit | Vote 9 - Electricity | Vote 10 - [NAME OF VOTE 10] | Vote 11 - [NAME OF VOTE 11] | Vote 12 - [NAME OF VOTE 12] | Vote 13 - [NAME OF VOTE 13] | Vote 14 - [NAME OF VOTE 14] | Vote 15 - [NAME OF VOTE 15] | Total | |
| R thousand | 1 | | | | | | | | | | | | | | | | | |
| Revenue By Source | | | | | | | | | | | | | | | | | | |
| Property rates | | 176 512 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 176 512 | |
| Property rates - penalties & collection charges | | 6 655 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 6 655 | |
| Service charges - electricity revenue | | - | - | - | - | - | - | - | - | 76 884 | - | - | - | - | - | - | 76 884 | |
| Service charges - water revenue | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Service charges - sanitation revenue | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Service charges - refuse revenue | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Service charges - other | | - | - | - | - | - | 5 512 | - | - | - | - | - | - | - | - | - | 5 512 | |
| Rent of facilities and equipment | | - | - | 719 | - | - | - | - | - | - | - | - | - | - | - | - | 719 | |
| Interest earned - external investments | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Interest earned - outstanding debtors | | 1 960 | 3 725 | - | - | - | - | - | - | - | - | - | - | - | - | - | 3 725 | |
| Dividends received | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1 960 | |
| Fees | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Licenses and permits | | - | - | - | - | 23 916 | - | - | - | - | - | - | - | - | - | - | 23 916 | |
| Agency services | | - | - | - | - | 3 439 | - | - | - | - | - | - | - | - | - | - | 3 439 | |
| Other revenue | | 703 | 1 214 | 599 | 1 030 | 96 | 2 635 | - | - | 1 034 | - | - | - | - | - | - | 7 372 | |
| Transfers recognised - operational | | 37 452 | 1 625 | - | - | 3 201 | 8 223 | - | - | 10 968 | - | - | - | - | - | - | 61 469 | |
| Gains on disposal of PPE | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Total Revenue (excluding capital transfers and contributions) | | 223 282 | 6 564 | 1 318 | 1 030 | 30 653 | 16 359 | - | - | 88 947 | - | - | - | - | - | - | 358 164 | |
| Expenditure By Type | | | | | | | | | | | | | | | | | | |
| Employee related costs | | 22 216 | 13 973 | 10 310 | 5 177 | 22 277 | 24 372 | 2 520 | 1 394 | - | - | - | - | - | - | - | 102 239 | |
| Remuneration of councillors | | 7 446 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 7 446 | |
| Debt impairment | | - | - | - | - | 14 029 | 8 221 | - | - | 628 | - | - | - | - | - | - | 22 878 | |
| Depreciation & asset impairment | | - | 28 974 | - | - | - | - | - | - | - | - | - | - | - | - | - | 28 974 | |
| Finance charges | | - | - | - | - | - | 5 127 | - | - | - | - | - | - | - | - | - | 5 127 | |
| Bulk purchases | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Other materials | | - | - | - | - | - | - | - | - | 95 404 | - | - | - | - | - | - | 95 404 | |
| Contracted services | | 226 | - | 6 903 | - | - | - | - | - | 6 800 | - | - | - | - | - | - | 13 929 | |
| Transfers and grants | | - | - | - | - | - | 51 | - | - | 3 465 | - | - | - | - | - | - | 3 516 | |
| Other expenditure | | 27 743 | 7 309 | 10 236 | 2 447 | 11 076 | 14 987 | 64 | 89 | 14 189 | - | - | - | - | - | - | 88 142 | |
| Loss on disposal of PPE | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Total Expenditure | | 57 631 | 50 256 | 27 451 | 7 624 | 47 383 | 52 759 | 2 584 | 1 483 | 120 487 | - | - | - | - | - | - | 367 655 | |
| Surplus/(Deficit) | | 165 652 | (43 691) | (26 133) | (6 594) | (16 730) | (36 399) | (2 564) | (1 483) | (31 540) | - | - | - | - | - | - | 507 | |
| Transfers recognised - capital | | - | - | - | - | - | 21 866 | - | - | - | - | - | - | - | - | - | 21 866 | |
| Contributions recognised - capital | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Contributed assets | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Surplus/(Deficit) after capital transfers & contributions | | 165 652 | (43 691) | (26 133) | (6 594) | (16 730) | (14 523) | (2 564) | (1 483) | (31 540) | - | - | - | - | - | - | 22 373 | |

Table 61 MBRR Table SA3 – Supporting detail to Statement of Financial Position

KZN222 uMngeni - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

| Description | Ref | 2012/13 | 2013/14 | 2014/15 | Current Year 2015/16 | | | | 2016/17 Medium Term Revenue & Expenditure Framework | | |
|--|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2016/17 | Budget Year +1 2017/18 | Budget Year +2 2018/19 |
| R thousand | | | | | | | | | | | |
| ASSETS | | | | | | | | | | | |
| <u>Call investment deposits</u> | | | | | | | | | | | |
| Call deposits < 90 days | | 14 849 | 29 793 | 38 548 | 25 210 | 16 228 | 16 228 | 16 228 | 18 160 | 24 334 | 29 552 |
| Other current investments > 90 days | | - | - | - | - | - | - | - | - | - | - |
| Total Call investment deposits | 2 | 14 849 | 29 793 | 38 548 | 25 210 | 16 228 | 16 228 | 16 228 | 18 160 | 24 334 | 29 552 |
| <u>Consumer debtors</u> | | | | | | | | | | | |
| Consumer debtors | | 35 688 | 32 515 | 31 354 | 59 591 | 59 591 | 59 591 | 59 591 | 87 193 | 84 577 | 82 040 |
| Less: Provision for debt impairment | | - | - | - | (21 462) | (21 462) | (21 462) | (21 462) | (22 878) | (24 297) | (25 730) |
| Total Consumer debtors | 2 | 35 688 | 32 515 | 31 354 | 78 129 | 78 129 | 78 129 | 78 129 | 64 315 | 60 281 | 56 310 |
| <u>Debt impairment provision</u> | | | | | | | | | | | |
| Balance at the beginning of the year | | - | - | - | - | - | - | - | - | - | - |
| Contributions to the provision | | - | - | - | - | - | - | - | - | - | - |
| Bad debts written off | | 29 470 | 32 338 | - | 21 462 | 21 462 | 21 462 | 21 462 | 22 878 | 24 297 | 25 730 |
| Balance at end of year | | 29 470 | 32 338 | - | 21 462 | 21 462 | 21 462 | 21 462 | 22 878 | 24 297 | 25 730 |
| <u>Property, plant and equipment (PPE)</u> | | | | | | | | | | | |
| PPE at cost/valuation (excl. finance leases) | | 771 585 | 775 394 | 788 876 | 796 962 | 802 087 | 802 087 | 802 087 | 778 784 | 770 294 | 762 825 |
| Leases recognised as PPE | | - | - | - | - | - | - | - | - | - | - |
| Less: Accumulated depreciation | | - | - | - | - | - | - | - | - | - | - |
| Total Property, plant and equipment (PPE) | 2 | 771 585 | 775 394 | 788 876 | 796 962 | 802 087 | 802 087 | 802 087 | 778 784 | 770 294 | 762 825 |
| LIABILITIES | | | | | | | | | | | |
| <u>Current liabilities - Borrowing</u> | | | | | | | | | | | |
| Short term loans (other than bank overdraft) | | - | - | - | - | - | - | - | - | - | - |
| Current portion of long-term liabilities | | 6 148 | 3 189 | 3 279 | 4 635 | 2 650 | 2 650 | 2 650 | 2 805 | 2 973 | 3 152 |
| Total Current liabilities - Borrowing | | 6 148 | 3 189 | 3 279 | 4 635 | 2 650 | 2 650 | 2 650 | 2 805 | 2 973 | 3 152 |
| <u>Trade and other payables</u> | | | | | | | | | | | |
| Trade and other creditors | | 28 289 | 25 345 | 18 943 | 25 557 | 16 670 | 16 670 | 16 670 | 17 048 | 14 491 | 13 042 |
| Unspent conditional transfers | | 12 814 | 17 831 | 22 223 | - | - | - | - | - | - | - |
| VAT | | 2 416 | 705 | - | - | - | - | - | - | - | - |
| Total Trade and other payables | 2 | 43 519 | 43 881 | 41 166 | 25 557 | 16 670 | 16 670 | 16 670 | 17 048 | 14 491 | 13 042 |
| <u>Non-current liabilities - Borrowing</u> | | | | | | | | | | | |
| Borrowing | | 31 159 | 31 672 | 29 022 | 33 599 | 29 022 | 29 022 | 29 022 | 26 372 | 23 566 | 23 593 |
| Finance leases (including PPP asset element) | | 584 | 1 392 | - | - | - | - | - | - | - | - |
| Total Non-current liabilities - Borrowing | 4 | 31 722 | 33 064 | 29 022 | 33 599 | 29 022 | 29 022 | 29 022 | 26 372 | 23 566 | 23 593 |
| <u>Provisions - non-current</u> | | | | | | | | | | | |
| Retirement benefits | | 25 273 | 21 715 | - | - | - | - | - | - | - | - |
| List other major provision items | | - | - | - | - | - | - | - | - | - | - |
| Refuse landfill site rehabilitation | | 14 070 | 16 556 | 18 117 | 5 072 | 19 080 | 19 080 | 19 080 | 19 747 | 21 524 | 23 462 |
| others | | - | 6 140 | 31 262 | - | - | - | - | - | - | - |
| Total Provisions - non-current | | 39 343 | 44 411 | 49 379 | 5 072 | 19 080 | 19 080 | 19 080 | 19 747 | 21 524 | 23 462 |
| CHANGES IN NET ASSETS | | | | | | | | | | | |
| <u>Accumulated Surplus/(Deficit)</u> | | | | | | | | | | | |
| Accumulated Surplus/(Deficit) - opening balance | | - | - | 617 925 | - | - | - | - | 644 474 | - | - |
| GRAP adjustments | | - | - | - | - | - | - | - | - | - | - |
| Restated balance | | - | - | 617 926 | - | - | - | - | 644 474 | - | - |
| Surplus/(Deficit) | | (14 940) | 2 436 | 25 548 | 28 274 | 22 517 | 22 517 | 22 517 | 22 373 | 24 381 | 26 045 |
| Appropriations to Reserves | | - | - | - | - | - | - | - | - | - | - |
| Transfers from Reserves | | - | - | - | - | - | - | - | - | - | - |
| Depreciation offsets | | - | - | - | - | - | - | - | - | - | - |
| Other adjustments | | - | - | - | 610 097 | 578 027 | 578 027 | 578 027 | - | - | - |
| Accumulated Surplus/(Deficit) | 1 | (14 940) | 2 436 | 644 474 | 638 370 | 600 544 | 600 544 | 600 544 | 666 847 | 24 381 | 26 045 |
| <u>Reserves</u> | | | | | | | | | | | |
| Housing Development Fund | | 15 681 | 15 108 | 15 108 | 15 108 | 15 108 | 15 108 | 15 108 | 15 108 | 15 108 | 15 108 |
| Capital replacement | | - | - | - | - | - | - | - | - | - | - |
| Self-insurance | | - | - | - | - | - | - | - | - | - | - |
| Other reserves | | 127 471 | 127 471 | 127 471 | 241 292 | 241 292 | 241 292 | 241 292 | 241 292 | 241 292 | 241 292 |
| Revaluation | | - | - | - | - | - | - | - | - | - | - |
| Total Reserves | 2 | 143 152 | 142 579 | 142 579 | 256 400 | 256 400 | 256 400 | 256 400 | 256 400 | 256 400 | 256 400 |
| TOTAL COMMUNITY WEALTH/EQUITY | 2 | 128 212 | 145 015 | 787 052 | 894 770 | 856 944 | 856 944 | 856 944 | 923 247 | 280 781 | 282 445 |

Table 62 MBRR Table SA9 – Social, economic and demographic statistics and assumptions

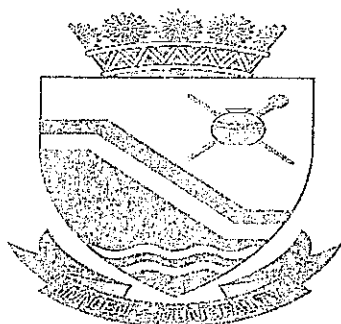
KZN222 uMngeni - Supporting Table SA9 Social, economic and demographic statistics and assumptions

| Description of economic indicator | Ref. | Basis of calculation | 2001 Census | 2007 Survey | 2011 Census | 2012/13 | 2013/14 | 2014/15 | Current Year 2015/16 | 2016/17 Medium Term Revenue & Expenditure Framework | | |
|---|-------|----------------------|-------------|-------------|-------------|----------|----------|----------|-------------------------|--|----------|----------|
| | | | | | | Outcome | Outcome | Outcome | Original Budget | Outcome | Outcome | Outcome |
| Demographics | | | | | | | | | | | | |
| Population | | | | | | 92,710 | 92,710 | 92,710 | 92,710 | 92,710 | 92,710 | 92,710 |
| Females aged 5 - 14 | | | | | | 7,162 | 7,162 | 7,162 | 7,162 | 7,162 | 7,162 | 7,162 |
| Males aged 5 - 14 | | | | | | 7,368 | 7,368 | 7,368 | 7,368 | 7,368 | 7,368 | 7,368 |
| Females aged 15 - 34 | | | | | | 17,157 | 17,157 | 17,157 | 17,157 | 17,157 | 17,157 | 17,157 |
| Males aged 15 - 34 | | | | | | 17,759 | 17,759 | 17,759 | 17,759 | 17,759 | 17,759 | 17,759 |
| Unemployment | | | | | | 9,711 | 9,711 | 9,711 | 9,711 | 9,711 | 9,711 | 9,711 |
| Monthly household income (no. of households) | 1, 12 | | | | | | | | | | | |
| No income | | | | | | 33,287 | 33,287 | 33,287 | 33,287 | 33,287 | 33,287 | 33,287 |
| R1 - R1 600 | | | | | | 12,987 | 12,987 | 12,987 | 12,987 | 12,987 | 12,987 | 12,987 |
| R1 601 - R3 200 | | | | | | 8,575 | 8,575 | 8,575 | 8,575 | 8,575 | 8,575 | 8,575 |
| R3 201 - R6 400 | | | | | | 4,441 | 4,441 | 4,441 | 4,441 | 4,441 | 4,441 | 4,441 |
| R6 401 - R12 600 | | | | | | 4,124 | 4,124 | 4,124 | 4,124 | 4,124 | 4,124 | 4,124 |
| R12 601 - R25 600 | | | | | | 3,130 | 3,130 | 3,130 | 3,130 | 3,130 | 3,130 | 3,130 |
| R25 601 - R51 200 | | | | | | 1,501 | 1,501 | 1,501 | 1,501 | 1,501 | 1,501 | 1,501 |
| R51 201 - R102 400 | | | | | | 481 | 481 | 481 | 481 | 481 | 481 | 481 |
| R102 401 - R204 600 | | | | | | 176 | 176 | 176 | 176 | 176 | 176 | 176 |
| R204 601 - R409 600 | | | | | | 94 | 94 | 94 | 94 | 94 | 94 | 94 |
| R409 601 - R819 200 | | | | | | - | - | - | - | - | - | - |
| > R819 200 | | | | | | - | - | - | - | - | - | - |
| Poverty profiles (no. of households) | | | | | | | | | | | | |
| < R2 060 per household per month | 13 | | | | | 19000.00 | 19000.00 | 19000.00 | 19000.00 | 19000.00 | 19000.00 | 19000.00 |
| Insert description | 2 | | | | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Household demographics (000) | | | | | | | | | | | | |
| Number of people in municipal area | | | | | | 93 | 93 | 93 | 93 | 93 | 93 | 93 |
| Number of poor people in municipal area | | | | | | - | - | - | - | - | - | - |
| Number of households in municipal area | | | | | | 30 | 30 | 30 | 30 | 30 | 30 | 30 |
| Number of poor households in municipal area | | | | | | - | - | - | - | - | - | - |
| Definition of poor household (R per month) | | | | | | - | - | - | - | - | - | - |
| Housing statistics | 3 | | | | | | | | | | | |
| Formal | | | | | | 23,485 | 23,485 | 23,485 | 23,485 | 23,485 | 23,485 | 23,485 |
| Informal | | | | | | 1,546 | 1,546 | 1,546 | 1,546 | 1,546 | 1,546 | 1,546 |
| Total number of households | | | | | | 25,031 | 25,031 | 25,031 | 25,031 | 25,031 | 25,031 | 25,031 |
| Dwellings provided by municipality | 4 | | | | | - | - | - | - | - | - | - |
| Dwellings provided by provinces | 5 | | | | | - | - | - | - | - | - | - |
| Dwellings provided by private sector | | | | | | - | - | - | - | - | - | - |
| Total new housing dwellings | | | | | | - | - | - | - | - | - | - |
| Economic | 6 | | | | | | | | | | | |
| Inflation/outlook (CPI-X) | | | | | | 6.8% | 6.8% | 6.8% | 6.8% | 6.8% | 6.8% | 6.8% |
| Interest rate - borrowing | | | | | | 7.1% | 7.4% | 7.4% | 7.4% | 7.4% | 7.4% | 7.4% |
| Interest rate - investment | | | | | | | | | | | | |
| Remuneration increases | | | | | | | | | | | | |
| Consumption growth (electricity) | | | | | | | | | | | | |
| Consumption growth (water) | | | | | | | | | | | | |
| Collection rates | 7 | | | | | | | | | | | |
| Property tax/service charges | | | | | | 75.0% | 80.0% | 94.0% | 92.0% | 88.0% | 88.0% | 88.0% |
| Rental of facilities & equipment | | | | | | 53.0% | 57.0% | 61.0% | 89.0% | 88.0% | 88.0% | 88.0% |
| Interest - external investments | | | | | | 100.0% | 100.0% | 100.0% | 100.0% | 88.0% | 88.0% | 88.0% |
| Interest - debtors | | | | | | 75.0% | 80.0% | 83.0% | 89.0% | 88.0% | 88.0% | 88.0% |
| Revenue from agency services | | | | | | 1.0% | 1.0% | 1.0% | 10.0% | 88.0% | 88.0% | 88.0% |

Table 63 MBRR SA32 – List of external mechanisms

KZN222 uMngeni - Supporting Table SA32 List of external mechanisms

| External mechanism | Yrs/ Mths | Period of agreement 1. | Service provided | Expiry date of service delivery agreement or contract | Monetary value of agreement 2. |
|---------------------------|--------------|---------------------------|--|--|--------------------------------------|
| Name of organisation | | Number | | | R thousand |
| GNG | | | Debt Collection | 31/03/2019 | 10% prof fee |
| Siva Chetty | | | Debt Collection | 31/03/2019 | 10% prof fee |
| Metgovis (Pty) Ltd | | | Metval Property Magt. System | 31/12/2015 | 270 |
| Bytes (Pty) Ltd | | | Bytes | 30/06/2014 | 31 |
| Indwe Risks Services | | | Short Term Insurance | 30/06/2017 | 316 |
| Ntsumi Telecommunications | | | MMS Sent Statements for Municipal Accounts | 30/08/2016 | - |
| Fidelity Cash Solutions | | | Cash In-Transit | 30/09/2016 | 271 |



MUNICIPAL NOTICE NO 07/2016

FINAL TARIFFS: 2016 / 2017 FINANCIAL YEAR

Notice is hereby given in terms of Section 75A (3) (b) of the Local Government: Municipal Systems Act (Act 32 of 2000), that uMngeni Municipal Council by Resolution taken on 31 May 2016 resolved to amend the following tariffs as indicated:

1. Refuse Removal Tariffs

- | | | |
|-----|-------------------------|---|
| (a) | Domestic Consumers | Free up to total market value per property of R200 000. Consumers/Ratepayers with property values in excess of R200 000 will have a monthly charge of R61.19 |
| (b) | Commercial Consumers | R114.26 per 120ℓ bin per month (One collection per week) |
| (c) | Government Institutions | R101.57 per bin 120ℓ per month (One collection per week) |

Sectional title complexes that collect and transport domestic refuse to the landfill site for disposal must make application in writing to the Municipal Manager in order to qualify for reduced refuse removal tariffs subject to all necessary criteria being met.

The above tariff excludes Vat.

2. Electricity Tariffs

Domestic Consumers High on Conventional Meters

| | |
|-----------------------|----------|
| BLOCK 1: 0 – 50 Kwh | 82c/kwh |
| BLOCK 2: 51 - 350 Kwh | 103c/kwh |

| | |
|------------------------|-------------------|
| BLOCK 3: 351 – 600 Kwh | 140c/kwh |
| BLOCK 4: 601 and above | 169c/kwh |
| Basic Charge | R129.61 per month |

Any domestic consumer in excess of 60 amps will attract the charge of R24.58 per amp per month

These tariffs are applicable in respect of all accounts rendered from 1 July 2016 irrespective of when meter readings were taken

Domestic Consumers Low on Prepaid Meters

| | |
|------------------------|----------|
| BLOCK 1: 0 – 50 kwh | 83c/kwh |
| BLOCK 2: 51 - 350 kwh | 108c/kwh |
| BLOCK 3: 351 – 600 kwh | 146c/kwh |

Domestic Consumers High on Prepaid Meters

| | |
|------------------------|----------|
| BLOCK 1: 0 – 50 kwh | 85c/kwh |
| BLOCK 2: 51 - 350 kwh | 108c/kwh |
| BLOCK 3: 351 – 600 kwh | 146c/kwh |
| BLOCK 4: 601 and above | 172c/kwh |

Commercial Consumers on Conventional Meters

| | |
|--------------|--------------------------|
| Per kwh | 97c/kwh |
| Basic Charge | R24.58 per amp per month |

These tariffs are applicable in respect of all accounts rendered from 1 July 2016 irrespective of when meter readings were taken.

Commercial Consumers on Prepaid Meters

| | |
|---------|----------|
| Per kwh | 176c/kwh |
|---------|----------|

3. Deposits

- (a) Domestic Consumers:
Electricity R1780.22
- (a) All Other Consumers:
Electricity: Minimum deposit of R 6259.98but will be
Based on 2 months consumption.

4. Final Meter Reading Fees

- (a) Domestic Consumers: R 101.70per reading on request
- (b) All Other Consumers : R 197.74 per reading

5. **Testing of Meters**

- (a) Domestic meters: R 1 400.00 per meter
- (b) Commercial meters: R 2 200 per meter

The above tariff excludes Vat.

ELECTRICITY - STANDARD CONNECTIONS

Electricity: (Conventional & Prepaid) R7053.21 per connection.

Electricity: (Conversion to Pre-paid) R 734.47 per connection

(The standard conversion tariff applies to indigent applicants only and the application must

Be made for a 20 amp circuit breaker or lower)

Domestic Circuit Breaker upgrades R1355.95 per change

Any other Circuit Breaker upgrades are at cost plus 10 %

ELECTRICITY - OTHER CONNECTIONS

All other electricity connections, beyond the above standard connection are at cost + 20%.

Conversion from conventional to prepaid above 20 amps is at cost + 20%.

All new electricity, water and sewerage connections are made to the boundary of the property and not the dwelling, depending on the technical considerations.

The above tariff excludes Vat.

8. **Disconnection/Reconnection and Tamper Fees**

Electricity: Disconnection/Reconnection fee R 437.06

Electricity:

1st Offence R2824.90

2nd Offence R3 954.86

3rd Offence Prosecution.

The above tariff excludes Vat.

9. **Library Membership Fees**

Adults R110.19 per annum

Children (under 18) R69.47per annum

The above tariff excludes Vat.

10. Clearance Certificates and Property Valuation Certificates & Objections

- (a) Issuing of Clearance Certificates R191.88 per certificate.
- (b) Issuing of Property Valuation Certificates R 117.26 per certificate
- (c) Lodging of Objections: R338.99per objection for Residential and Non-Residential Properties
R677.98per objection for Agricultural Properties
Refundable if objection is upheld

(d) Lodging of Appeals: R847.47 per appeal for all properties. Refundable is the appeal is upheld by the Valuations Appeals Board

The above tariff excludes Vat.

11. Building Plan Fees

- Minor Works and Internal Alterations not affecting the floor area. R169.49
- New Buildings, erection or additions:
 - (a) For first 20m² R 109.61
 - (b) For 21m² - 50² R183.05
 - (c) For 51m² - 90m² R271.19
 - (d) For 91m² and above. R 1220.36per 10m²
or part thereof save for a 50% reduction on bone fide farming structures utilized for farming purposes in excess 91m².
 - (e) Approval in principle 30% of Building Plan Fee.
 - (f) Swimming Pools R248.59
 - (g) Drainage charge R248.59
 - (h) Petrol, Diesel & Gas R259.89
 - (i) Temporary Buildings R169.49for each 50m² or part thereof.
 - (j) Pre-cast Concrete Boundary walls R 158.19
not adjacent to a road boundary
but exceeding 1,8 meters in height
shall require the submission of
an application with sketch plan.
 - (k) Pre-cast Concrete Boundary walls 1/2% of the Value of the R122.04

| | | |
|-----|---|--|
| | adjacent to a road exceeding fence – Minimum 1,5 meters in height are subject to the submission of application forms and building plans. | |
| (l) | Hoarding Fees: Deposit per frontage of 10m ² or part thereof | R2316.41 |
| | Rental per frontage of 10m ² or part thereof | R 107.35 |
| (m) | Encroachments Balconies not used for living purposes or business purposes. | R 77.97per 10m ² or part thereof. |
| | Balconies 75% enclosed and attached to business premises and not used or part thereof For business purposes. | R188.70 per 10m ² |
| | Balconies used for licensed business purposes. | R874.12 per 10m ² or part thereof. |
| | Verandah's | R 80.23 per annum |
| | Servitudes and Reserves | R127.69 per annum per 10m or part thereof. |

12. Town Planning Fees

| | |
|---|-----------|
| (a) Subdivision | |
| - Urban (1-5 Subs) | R 4797.00 |
| - Urban (6-10 Subs) | R 5308.68 |
| - Urban (Above 10 Subs) | R 6289.40 |
| - Rural (1-5 Subs) | R 6950.32 |
| - Rural (6-10 Subs) | R 8248.71 |
| - Rural (Above 10 Subs) | R 9380.80 |
| (b) Subdivision and Consolidation | R 6396.00 |
| Consolidation | R 4797.00 |
| (c) Special Consent | |
| - Self contained unit with advertising | R 3411.20 |
| - Self contained unit without advertising | R 1385.80 |

| | |
|----------------------|-----------|
| - Other Applications | R 4690.40 |
|----------------------|-----------|

(d) Rezoning

| | |
|------------------|-----------|
| - less than 1 ha | R 4797.00 |
|------------------|-----------|

| | |
|---------------------------|-----------|
| - 1 ha but less than 5 ha | R 5308.68 |
|---------------------------|-----------|

| | |
|----------------------------|-----------|
| - 5 ha but less than 10 ha | R 6289.40 |
|----------------------------|-----------|

| | |
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| - 1 | |
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|----------------|-----------|
| 0 ha and above | R 7675.20 |
|----------------|-----------|

| | |
|-------------------------|-----------|
| (e) Extension of Scheme | R 4797.00 |
|-------------------------|-----------|

Development Outside Scheme

| | |
|----------------|-----------|
| - 1 ha to 5 ha | R 5223.40 |
|----------------|-----------|

| | |
|-----------------|-----------|
| - 6 ha to 10 ha | R 5756.40 |
|-----------------|-----------|

| | |
|-------------------|-----------|
| - 10 ha and above | R 6289.40 |
|-------------------|-----------|

(f) Alteration, Suspension and Removal of restrictive

| | |
|--|-----------|
| Conditions of title or conditions of establishment | R 4637.10 |
|--|-----------|

If an applicant for any application is responsible for the advertising, circulation and postage, the application fee will be R 1599 plus VAT per application

| | |
|----------------------------------|-----------|
| (g) Closure of Roads/Open Spaces | R 4903.60 |
|----------------------------------|-----------|

| | |
|--|-----------|
| (h) Amend, Phasing, or Cancellation of layouts | R 4903.60 |
|--|-----------|

| | |
|-------------------------|-----------|
| (g) Extension of scheme | R 4797.00 |
|-------------------------|-----------|

(i) Enforcement

| | |
|--------------------------------|-----------|
| - Spot Fines – Any Illegal Use | R 1385.80 |
|--------------------------------|-----------|

| | |
|----------------------|----------|
| - Thereafter per day | R 666.25 |
|----------------------|----------|

| | |
|--------------------------------|-----------|
| (j) Spot Fine – Prohibited Use | R 1385.80 |
|--------------------------------|-----------|

| | |
|----------------------|----------|
| - Thereafter per day | R 677.98 |
|----------------------|----------|

(h) Other Fines:

| | |
|----------------------------------|--|
| - Fines as per section 75 and 89 | |
|----------------------------------|--|

| | |
|------------|--------------------|
| of the PDA | As per court order |
|------------|--------------------|

| | |
|---|--------------------|
| - Additional penalties in accordance with section 76: | As per court order |
|---|--------------------|

| | |
|------------------------------|--|
| - Section 89 Civil Penalties | 10 – 100% of value of illegal building Construction etc. |
|------------------------------|--|

The above tariff excludes Vat.

13. Photocopies/Plotting Charges:

| | |
|--------------------------|----------|
| Copies made by scholars | R 0,74 |
| A4 Photocopy per page | R 1,18 |
| A3 Photocopy per page | R 2,31 |
| A1 G.I.S. print per page | R 4,57 |
| A4 Plotting costs | R 10,34 |
| A3 Plotting costs | R 34,12 |
| A2 Plotting costs | R 51,02 |
| A1 Plotting costs | R 90,68 |
| A0 Plotting costs | R 186,44 |
| AO+Plotting costs | R 198,87 |
| CD Plotting costs | R 75,71 |
| Digital Copies | R 42,37 |

Wide format Photocopying/plotting Charges

| | |
|-------------|--------|
| A0 size | R36,72 |
| A1 size | R25,42 |
| A2 size | R14,12 |
| A3 size | R1,98 |
| CD Plotting | R59.32 |

The above tariff excludes Vat

14. Landfill Site Tariffs

1. The tariff for the disposal of refuse at the Curry's Post Landfill Site;-
 - a) General domestic refuse, inert trade refuse, per 250kg or part thereof. R42.49
 - b) Mixed refuse (garden, domestic, trade refuse, including builder's rubble) R42.49
per 250kg or part thereof.
 - c) Industrial sludges, subject to agreement and approval by the Landfill R183.18
Manager per 250kg or part thereof.

| | | |
|---|--|-----------|
| d) | Builder's rubble and excavated material per 250kg or part thereof; | R13,87 |
| e) | Bulk food waste and condemned food per 250kg or part thereof; | R39.63 |
| f) | Garden refuse, per 250kg or part thereof; | R13,87 |
| g) | Finely divided excavated material with the maximum stone content of 10% And maximum stone size of 100mm per 250kg or part thereof; | R6.39 |
| h) | Sawdust and woodwaste, per 250kg or part thereof; | R64.73 |
| Provided that no charge shall be payable for the disposal of :- | | |
| i. | Garden refuse by bona fide households where such refuse is conveyed Motor cars, trailers with a normal capacity not greater than 0.5 tonne and Light delivery vehicles with a normal capacity not greater than 1 tonne and Deposited in the garden refuse containers. | R0.00 |
| ii. | Builder's rubble by bona fide householders and casual builders where such Rubble is conveyed in vehicles with a nominal capacity not greater than 1 Tonne and deposited in the demarcated area on the Landfill site. | R0.00 |
| iii. | Garden refuse by bona fide households where such refuse is conveyed In vehicles with a normal capacity not greater than 1 tonne and deposited In the demarcated area on the Landfill site. | R0.00 |
| iv. | Soil, ash and sand which the Landfill Site Manager has agreed in advance Is suitable cover material, delivered in trucks of minimum 5 tonne capacity | R0.00 |
| 2. | Tariff for the voluntary weighing of vehicles (per vehicle). | R35.07 |
| 3. | That parking of a vehicle, trailer or container be not more than 8 hours at the Curry's Post Landfill Site, or on the road reserve adjacent to the site for each 8 Hour period (per unit). | R388.53 |
| 4. | Building Rubble: deposit payable when submitting a building plan for approval And refundable upon proof of disposal on the Landfill site. | R1,306.35 |
| 5. | Illegal dumping: a collection and disposal fee per 1.75m ³ container load for Refuse or rubble dumped on a road verge in front or next to a property. | R1289.51 |
| 6. | Florescent tubes – complete tubes to be deposited in specialised containers Located in the recycling area. Per 250kg or part thereof. | R84.10 |

15. Hall Hire Charges:

HOWICK WEST HALL

May 2016

1. Profit-making / commercial functions such as Banquet, Theatre and the likes:

| | TARIFFS |
|---|-----------|
| (a) MAIN HALL Charge per 5 hour session: | R 2398.50 |
| Deposit: | R 2398.50 |
| TOTAL | R 4797.00 |

| | TARIFFS |
|---|-----------|
| (b) Side Hall Charge per 5 hour session: | R 1193.92 |
| Deposit: | R 1812.20 |
| TOTAL | R 3006.12 |

| | TARIFFS |
|--|-----------|
| © Main and Side Hall Charge per 5 hour session: | R 2398.50 |
| Deposit: | R 2398.50 |
| TOTAL: | R 4797.00 |

2. For activities relating to Elections:

| | TARIFFS |
|---|-----------|
| (a) Main Hall Charge per 5 hour session: | R 2398.50 |
| Deposit: | R 2398.50 |
| TOTAL: | R 4797.00 |

| | |
|--|-----------|
| | TARIFFS |
| (b) Side Hall Charge per 5 hour session: | R 1193.92 |
| Deposit: | R 1812.20 |
| TOTAL | R3006.12 |
| | TARIFFS |
| (c) Main and Side Hall Charge per 5 hour session: | R 2398.50 |
| Deposit: | R 2398.50 |
| TOTAL: | R 4797.00 |

3. Fundraising, sporting, religious, political and cultural, and education functions:
Preparation Time R451.98 per session

| | |
|---|-----------|
| | TARIFFS |
| (a) Main Hall Charge per 5 hour session: | R 1193.92 |
| Deposit: | R 1193.92 |
| TOTAL: | R 2387.84 |

| | |
|---|-----------|
| | TARIFFS |
| (b) Side Hall Charge per hour session: | R 724.88 |
| Deposit: | R 724.88 |
| TOTAL: | R 1449.76 |

| | |
|--|-----------|
| | TARIFFS |
| (c) Main and Side Hall Charge per 5 hour session: | R 1812.20 |

| | |
|----------|-----------|
| Deposit: | R 1812.20 |
| TOTAL: | R 3624.40 |

4. Social functions such as Weddings, Receptions, Parties, Choir performance and the likes:
Preparation Time R451.98per session

| | |
|---|-----------|
| | TARIFFS |
| (a) Main Hall Charge per 5 hour session: | R 1812.20 |
| Deposit: | R 1812.20 |
| TOTAL: | R 3624.40 |

| | |
|---|-----------|
| | TARIFFS |
| (b) Side Hall Charge per 5 hour session: | R 1300.52 |
| Deposit: | R 1705.60 |
| TOTAL | R 3006.12 |

| | |
|--|-----------|
| | TARIFFS |
| (c) Main and Side Hall Charge per 5 hour session: | R 1865.50 |
| Deposit: | R 1865.50 |
| TOTAL: | R 3731.00 |

HILTON HALL

1. Profit-making / commercial functions such as Banquets, Theatre and the likes:
Preparation time R282.49per session

| | |
|---|-----------|
| | TARIFFS |
| (a) Main Hall Charge per 5 hour session: | R 1865.50 |

| | |
|----------|-----------|
| Deposit: | R 1865.50 |
| TOTAL: | R 3731.00 |

| | |
|---|-----------|
| | TARIFFS |
| (b) Verandah only Charge per 5 hour session: | R 1193.92 |
| Deposit: | R 1865.50 |
| TOTAL | R 3059.42 |

| | |
|---|-----------|
| | TARIFFS |
| (c) Main Hall and Verandah Charge per 5 hour session | R 1193.92 |
| Deposit: | R 1865.50 |
| TOTAL: | R 3059.42 |

2. For activities relating to Elections:

| | |
|---|------------------------|
| | TARIFFS |
| (a) Main Hall Charge per 5 hour session: | R 1812.20 R 1812.20 |
| Deposit: | |
| TOTAL: | R 3624.40 |

| | |
|---|-----------|
| | TARIFFS |
| (a) Verandah only Charge per 5 hour session: | R1193.92 |
| Deposit: | R 1812.20 |
| TOTAL: | R3006.12 |

| | TARIFFS |
|--|-----------|
| © Main Hall and Verandah Charge per 5 hour session: | R 2707.64 |
| Deposit: | R 2707.64 |
| TOTAL: | R 5415.28 |

3. Fundraising, sporting, religious, political and cultural, and education functions:
Preparations time R338.99 per session

| | TARIFFS |
|---|-----------|
| (a) Main Hall Charge per 5 hour session: | R703.56 |
| Deposit: | R703.56 |
| TOTAL: | R 1407.12 |

| | TARIFFS |
|---|-----------|
| (b) Verandah only Charge per 5 hour session: | R 703.56 |
| Deposit: | R 703.56 |
| TOTAL: | R 1407.12 |

| | TARIFFS |
|--|-----------|
| (c) Main Hall and Verandah Charge per 5 hour session: | R 1193.92 |
| Deposit: | R 1193.92 |
| TOTAL: | R 2387.84 |

4. Social functions such as Weddings, Receptions, Parties, Choir Performances and the likes:
Preparation time R 225.99 per session

| | TARIFFS |
|--|---------|
|--|---------|

| | |
|---|-----------|
| (a) Main Hall Charge per 5 hour session: | R 1812.20 |
| Deposit: | R 1812.20 |
| TOTAL: | R 3624.40 |

| | |
|---|-----------|
| | TARIFFS |
| (b) Verandah only Charge per 5 hour session: | R 703.56 |
| Deposit: | R 1812.20 |
| TOTAL: | R 2515.76 |

| | |
|--|-----------|
| | TARIFFS |
| (c) Main Hall and Verandah Charge per 5 hour session: | R 1812.20 |
| Deposit: | R 1812.20 |
| TOTAL: | R 3624.40 |

MPOPHOMENI HALL AND YOUTH THEATRE

1. Profit-making / commercial functions such as Banquets, Theatre and the likes:

| | |
|---|-----------|
| | TARIFFS |
| (a) Main Hall Charge per hour session: | R 1279.20 |
| Deposit: | R 1279.20 |
| TOTAL: | R2558.40 |

2. For activities relating to elections:

| | TARIFFS |
|---|----------|
| (a) Main Hall Charge per 5 hour session: | R1279.20 |
| Deposit: | R1279.20 |
| TOTAL: | R2558.40 |

3. Fundraising, sporting, religious, political and cultural, and educational functions:

| | TARIFFS |
|---|-----------|
| (a) Main Hall Charge per 5 hour session: | R 746.20 |
| Deposit: | R 1279.20 |
| TOTAL: | R 2025.40 |

4. Social functions such as Weddings, Receptions, Parties, Choir Performances and the likes:
Preparation time R225.99per session

| | TARIFFS |
|---|-----------|
| (a) Main Hall Charge per 5 hour session: | R 1279.20 |
| Deposit: | R 1279.20 |
| TOTAL: | R 2558.40 |

HOWICK SOUTH HALL

1. Profit-making / commercial functions such as Banquets, Theatre and the likes:

| | TARIFFS |
|---|-----------|
| (b) Main Hall Charge per 5 hour session: | R 746.20 |
| Deposit: | R 746.20 |
| TOTAL: | R 1492.40 |

2. For activities relating to Elections: Preparation time R113.00 per session

| | PROPOSED TARIFFS |
|---|------------------|
| (a) Main Hall Charge per 5 hour session: | R 621.48 |
| Deposit: | R 621.48 |
| TOTAL: | R 1242.96 |

3. Fundraising, sporting, religious, political and cultural, and educational functions: Preparation time R113.00 per session

| | TARIFFS |
|---|----------|
| (a) Main Hall Charge per 5 hour session: | R 621.48 |
| Deposit: | R 621.48 |
| TOTAL: | R1242.96 |

4. Social functions such as Weddings, Receptions, Parties, Choir Performances and the likes: Preparation time R225.99 per session

| | TARIFFS |
|---------------|----------|
| (a) Main Hall | R 621.48 |

| | |
|----------------------------|-----------|
| Charge per 5 hour session: | |
| Deposit: | R 621.48 |
| TOTAL: | R 1242.96 |

KWA-MEVANA HALL

5. Profit-making / commercial functions such as Banquets, Theatre and the likes:

| | |
|---|-----------|
| | TARIFFS |
| (b) Main Hall Charge per hour session: | R 1279.20 |
| Deposit: | R 1279.20 |
| TOTAL: | R 2558.40 |

6. For activities relating to elections:

| | |
|---|----------|
| | TARIFFS |
| (b) Main Hall Charge per 5 hour session: | R1279.20 |
| Deposit: | R1279.20 |
| TOTAL: | R2558.40 |

7. Fundraising, sporting, religious, political and cultural, and educational functions:

| | |
|--|-----------|
| | TARIFFS |
| (b) Main Hall Charge per 5 hour session | R 746.20 |
| Deposit: | R 1279.20 |
| TOTAL: | R 2025.40 |

8. Social functions such as Weddings, Receptions, Parties, Choir Performances and the likes:

Preparation time R282.49 per session

| | |
|---|-----------|
| | TARIFFS |
| (c) Main Hall Charge per 5 hour session: | R 1279.20 |
| Deposit: | R 1279.20 |
| TOTAL: | R 2558.40 |

LIDGETON HALL

9. Profit-making / commercial functions such as Banquets, Theatre and the likes:

| | |
|---|-----------|
| | TARIFFS |
| (c) Main Hall Charge per hour session: | R 1279.20 |
| Deposit: | R 1279.20 |
| TOTAL: | R 2558.40 |

10. For activities relating to elections:

| | |
|---|-----------|
| | TARIFFS |
| (c) Main Hall Charge per 5 hour session: | R 1279.20 |
| Deposit: | R 1279.20 |
| TOTAL: | R 2558.40 |

11. Fundraising, sporting, religious, political and cultural, and educational functions:

| | |
|----------|-----------|
| | TARIFFS |
| | R 746.20 |
| Deposit: | R 1279.20 |

| | |
|--------|-----------|
| TOTAL: | R 2025.40 |
|--------|-----------|

12. Social functions such as Weddings, Receptions, Parties, Choir Performances and the likes:
Preparation time R282.49 per session

| | |
|---|-----------|
| | TARIFFS |
| (d) Main Hall Charge per 5 hour session: | R 1279.20 |
| Deposit: | R 1279.20 |
| TOTAL: | R 2558.40 |

13. Fees for the use of the Dorris Robbins Room at the Howick Library:

- (a) Promotion of culture i.e. Book discussions, art evaluation or educational instruction Free
- (b) Religious services and charitable institutions R 225.99 per session
- (c) Commercial undertakings R395.49 per session

These fees are per session. Morning session 8am to 12 noon and afternoon session 1pm to 5 pm

NOTE: (i) Functions of Provincial and National acclaimed artists are NOT covered on these tariffs as written requests will have to be made to the Municipality.

- (ii) A cancellation fee of 15% of the hire charge will be applicable should the booking be cancelled one month before the event. Should a request for cancellation be received at any time 2 weeks prior to the date of the event, the hire charge or deposit will be forfeited.

16. Animal Pound Charges

- (a) Transport of animal by LDV or Truck - R5,65 per Kilometer per animal
- (b) Veterinary Services rendered - Cost plus 10%
- (c) Pound Fees/Holding Fees
 - Large Animals e.g. Cattle R101.70 per day
 - Small Animals e.g. Sheep R67.80 per day
- (d) Administration Fee - R191.88 per animal

17. uMngeni Municipality Sports Complex

Field 1

Ad-hoc day Activities Deposit = R1812.20

| | | | |
|--------------------------------|--|---------|-----------------------------------|
| | Charge | = | R 282.49 |
| <u>Ad-hoc Night Activities</u> | Deposit | = | R1812.20 |
| | Charge | = | R 451.98/hr |
| <u>Season Bookings Day</u> | Deposit | = | R2942.16 |
| | Charge p/day | = | R 101.70 |
| <u>Season Booking Night</u> | Deposit | = | R2942.16/Season |
| | Charge p/night | = | R 248.38/hr |
| 2. | <u>Field 2</u> | | |
| | <u>Ad -- hoc Day</u> | Deposit | = R1812.20 |
| | | Charge | = R 101.70 |
| | <u>Ad-hoc Night</u> | Deposit | = R1812.20 |
| | | Charge | = R 101.70/hr |
| | <u>Season Booking Day</u> | Deposit | = R2942.16/Season |
| | | Charge | = R 56.50/Day |
| | <u>Season Booking Night</u> | Deposit | = R2942.16/Season |
| | | Charge | = R 79.10/hr |
| 3. | <u>Indoor Centre</u> | | |
| | <u>Ad-hoc (Lights Day & Night)</u> | Deposit | = R1812.20 |
| | | Charge | = R 181.22/hr |
| | <u>Season Booking</u> | Deposit | = R2942.16 |
| | | Charge | = R 181.22/hr |
| 4. | <u>Bar and Restaurant</u> | | |
| | Electricity | = | As metered |
| | Water | = | As metered |
| | Lease | = | As per Bid |
| | Deposit | = | R9604.66/year |
| | Maintenance | = | Clean entire grand stand facility |

| | | |
|----------------------|---|---|
| Admin responsibility | = | Report to Municipality on users monthly |
|----------------------|---|---|

5. Gym

| | | |
|------------------------|---|---|
| Electricity | = | As metered |
| Water | = | As metered |
| Lease | = | As per Bid |
| Deposit | = | R9604.66/year |
| Maintenance | = | Clean entire Indoor Centre |
| Admin Responsibilities | = | Report to Municipality on users monthly |

18. Ranking and Transport Permit Fees

1.1 Minibus Taxi

R 270 .00 per annum plus R50.00 Application fee non refundable

1.2 Buses (GVM greater than 3500kg)

R150.00 per annum plus R50.00 application non refundable

1.3 Metered Taxi (Less than 5 seats)

R150.00 per annum plus R50.00 application fee non refundable

1.4 Tour and Transport Vehicles

R250.00 per annum plus R 50 application fee non refundable

1.5 Scholar Transport Vehicles

R 250.00 per annum plus R50.00 application non refundable

1.6 Lost and Renewal

50% of initial fee plus R50.00 application fee non refundable

1.7 Replacement permit R300.00

Interest on all arrear accounts will be charged at the rate of 1% per month and any part of a month shall be considered as a full month.

The date on which this notice will be first displayed on the municipal notice board is 01 July 2016.

These tariffs will come into operation on 1 July 2016.

Mrs G Gumbi Masilela

Acting Municipal Manager

uMngeni Municipality

P O Box 5

HOWICK

3290



ASSESSMENT OF GENERAL RATES FOR 2016/ 2017

MUNICIPAL NOTICE NO: 16/ 2016

ASSESSMENT OF GENERAL RATES FOR 2016/ 2017

Notice is hereby given in terms of Section 14 of the Local Government: Municipal Property Rates Act No 6 of 2004, that by Resolution taken 31 May 2016 the Council of uMngeni Municipality has resolved to determine the rates payable on all ratable property within the area of uMngeni Municipality for the financial year 1 July 2016 to 30 June 2017 at 1.35 cents in the rand on the market value of the property as stated in the valuation roll.

All rebates and exemptions are contained in the Rates Policy and may in certain instances be applied to the rate as assessed above.

General:

1. Rates will be payable monthly in twelve (12) equal installments with the first installment payable on 30 August 2016 and the last installment payable on the 31 July 2017.
2. The date on which the determination of rates came into operation is 01 July 2016.
3. Any rates remaining unpaid for a period longer than 3 months will be subject to legal action to be instituted to recover the arrear amount.
4. Any rates that are not paid on the due date will be subject to interest at the rate of 1% per month or part thereof.
5. A collection fee of 10% will be raised on the amount outstanding on 28 February 2017.
6. The date on which the notice was first displayed on the Municipal Notice Board is 01 July 2016.
7. This notice is also available on uMngeni Municipality's website www.umngeni.gov.za
8. Pensioner and disability rebate will be granted to qualifying persons whose income doesn't exceed R 11 500.00 per month.

**Mrs G Gumbi Masilela,
ACTING MUNICIPAL MANAGER
PO BOX 5
HOWICK
3290**

2.14 Acting Municipal manager's quality certificate



uMngeni Municipality

PO Box 5
3290
Howick, South Africa

Tel: +27 (33) 239 9200
Fax: +27 (33) 330 4183
Email: manager@umngeni.gov.za
Website: www.umngeni.gov.za

OFFICE OF THE ACTING MUNICIPAL MANAGER

Quality Certificate

I, Gabi Gumbi-Masilela, Acting Municipal Manager of uMngeni 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.

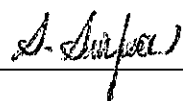
PRINT NAME

GABI GUMBI MASILELA

 ACTING MUNICIPAL MANAGER OF

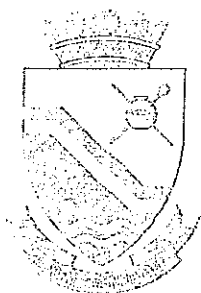
UMNGENI MUNICIPALITY (KZN222)

SIGNATURE



DATE

31 MAY 2016



uMngeni Municipality

PO Box 5
3290
Howick, South Africa

Tel: +27 (33) 239 9266
Fax: 033-3304183
Email: manager@umngeni.gov.za
Website: www.umngeni.gov.za

Our Ref.:

Your Ref.:

Date:

Office of the Municipal Manager

**COUNCIL COMMITTEE MEETING HELD ON TUESDAY 31 MAY 2016 AT 12:17AM IN
UMNGENI MUNICIPALITY COUNCIL CHAMBER.**

**C.0516.80 ADOPTION OF 2016, 2017, 2018 AND 2019 MEDIUM TERM REVENUE AND
EXPENDITURE FORECAST**

On a proposal moved by Councillor SM Ndlovu, supported by Councillor STJ Ndlovu, it was

RESOLVED

1. That in terms of section 24 of the Municipal Finance Management Act, 56 of 2003, the annual budget of uMngeni Municipality for the financial year 2016/2017 and indicative allocations for the two projected outer years 2017/2018 and 2018/2019, and the multi-year and single year capital appropriations are approved as set out in the following tables:

- 1.1 Budgeted Financial Performance (revenue and expenditure by standard classification)
- 1.2 Budgeted Financial Performance (revenue and expenditure by municipal vote)
- 1.3 Budgeted Financial Performance (revenue by source and expenditure by type)
- 1.4 Single year capital appropriations by municipal vote and standard classification and associated funding by source.

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

- 2.1 Budgeted Financial Position
- 2.2 Budgeted Cash Flows
- 2.3 Cash backed reserves and accumulated surplus reconciliation
- 2.4 Asset management
- 2.5 Basic service delivery management

3. That in terms of section 24(2)(c)(i) and (ii) of the Municipal Finance Management Act, 56 of 2003 and sections 74 and 75A of the Local Government : Municipal Systems Act, Act 32 of 2000 as amended, the tariffs for the supply of electricity, refuse removal and all other tariffs as set out Other Supporting Documents be approved with effect from 01 July 2016.
4. That in terms of section 5 of the Municipal Property Rates Act, 6 of 2004, the rates policy be approved.
5. That in terms of section 24(2)(c)(v) of the Municipal Finance Management Act, 56 of 2003 the various budget-related policies be approved.
6. That in terms of section 14 of the Municipal Property Rates Act, 6 of 2004 the rate randage and conditions as set out Other Supporting Documents be approved with effect from 01 July 2016.
7. That in terms of section 24(2)(c)(ii) of the Municipal Finance Management Act, 56 of 2003, the measurable performance objectives for capital and operating expenditure by vote for each year of the medium term revenue and expenditure framework be approved.
8. That the Basic Services Package of Electricity and Refuse Removal as set out in the Tariff Policy be approved.
9. That the salaries, wages and allowances of all employees be increased as per Salary and Wage Collective Agreement with effect from 01 July 2016.
10. Approved in accordance with the gazette on the Remuneration of Public Officer Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published on 21 December 2015 by the Department of Cooperative Governance.

Certified true extract of the minutes of the meeting

Signed-----

Mrs G. Gumbi-Masilela
Acting Municipal Manager