



SPECIAL ADJUSTMENT BUDGET 2019-2020



**ZULULAND DISTRICT MUNICIPALITY
UMKHANDLU WESIFUNDA SASE ZULULAND**

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GLOSSARY

Adjustment Budgets – it is the formal means by which a municipality may revise its budget during a financial year. Prescribed in section 28 of the Municipal Finance Management Act

Allocations– money received from Provincial or National Government or other municipalities.

AFS – Annual Financial Statements.

Budget – the financial plan of the municipality.

Budget related policy – policy of a municipality affecting or affected by the budget.

Capital Expenditure – spending on municipal assets such as land, buildings, distribution networks, treatment plants and vehicles. Any capital expenditure must be reflected as an asset on a municipality's balance sheet.

Cash Flow Statements – a statement showing when actual cash will be received and spent by the municipality, and the month end balances of cash and short term investments. Cash receipts and payments do not always coincide with budgeted income and expenditure timings.

CFO – Chief Financial Officer

DORA – Division of Revenue Act. An annual legislation indicating the allocations from National Government and Provincial Government

DWAF – Department of Water Affairs

EPWP – Expanded Public Works Program

Equitable Share – a general grant paid to municipalities. It is predominantly targeted to assist with free basic services.

FMG – Financial Management Grant

Fruitless and wasteful expenditure – expenditure that was made in vain and would have been avoided had reasonable care been exercised

GRAP – Generally Recognised Accounting Practice. The new standard for municipal accounting and basis upon which AFS are prepared

IDP –Integrated Development Plan. The main strategic planning document of a municipality

KPI – Key Performance Indicators. Measures of service output and/or outcome

LED – Local Economic Development

MFMA – Municipal Finance Management Act (No. 53 of 2003). The principal piece of legislation relating to municipal finance management

MIG – Municipal Infrastructure Grant

MSIG – Municipal Systems Improvement Grant

MTREF – Medium Term Revenue and Expenditure Framework as prescribed by the MFMA sets out indicative revenue and projected expenditure for the budget year plus two outer financial years to determine the affordability level. Also includes details of the previous three years and current years' financial position.

MWIG – Municipal Water Infrastructure Grant

Operating Expenditure – spending on the day to day expenses of a municipality such as general expenses, salaries & wages, and repairs & maintenance

R & M – Repairs and Maintenance

SCM - Supply Chain Management

SSBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget statements

Strategic Objectives - the main priorities of a municipality as set out in the IDP
Budget spending must contribute towards achievement of these strategic objectives

Unauthorised Expenditure – generally spending without or in excess of an approved budget

Virement – transfer of budget

ZDM – Zululand District Municipality

1.1 Mayors Report

SPECIAL ADJUSTMENT BUDGET SPEECH 2019 / 2020 BY THE MAYOR OF ZULULAND DISTRICT MUNICIPALITY CLLR T D BUTHELEZI IN THE COUNCIL CHAMBERS ON 08 NOVEMBER 2019

Honourable Speaker;

Deputy Mayor;

Members of the Executive Committee;

AmaKhosi aseNdlunkulu;

Fellow Councillors;

Municipal official under the leadership of the Municipal Manager;

Representative from the KZN Provincial Treasury;

Representative from COGTA

Honourable Speaker, it is an honour to stand in this august Chamber and before members of Council to present this Special Adjustment Budget. This special adjustment budget is sanctioned by National Treasury in its role to monitor the budget of municipalities in conjunction with Provincial treasury.

This process has not been an easy journey since it allowed all treasury spheres to question the purpose of M-SCOA taking into account the diversity of the municipalities.

The M-SCOA cycle will be complete next year when the reporting of annual financial statements is aligned. Yet again we have seen the diverse of opinion and compromise that is needed to arrive at a common understanding for the special adjustment budget to be drafted. This is a change in the budget process since you have to develop assumptions that suggest the financial position and the cash flows in the outer years.

The representative from Provincial Treasury will attest that the tools for this budget was tested to the limit that became a benchmark for all municipalities to benefit from. All this follows the Provincial Treasury assessment that the Municipality's budget appeared to be unfunded for the following reasons:

- The Municipality incorrectly carried forward Cash at the beginning and at the end of the year end in Table A7 that does not reconcile with a total of Cash reflected in Table A6;

- The Municipality appears to have overstated the Collection rate at 85 percent relating to Service charges looking at the trend from previous years.
- In Table A8 the Municipality did not budget amongst others, for Unspent conditional grants, Statutory requirements Other provisions and Reserves that are cash backed.
- The deficit position in the Operating budget of R51 million in 2019/20.

After engagements were made between the Municipality and the Provincial Treasury a common ground was found that address all the concerns highlighted.

The budget document gives detailed breakdown of all assumptions taken into account to assist the special adjustment budget process.

This 2019/20 special adjustment budget is put together in a manner that seeks to ensure that the poor and indigent households remains our priority and that current projects are completed timeously and within budget. This will also cater for new projects that are in the pipeline reserving the space for any eventuality for additional funding on capital projects. Financial sustainability remains our priority, while we seek to ensure that reduced tariffs paid by poorer households are augmented by normal tariffs paid by other residents.

To this end the collection rate was reduced from 85 percent to 65 percent. This has an impact of a reduced revenue collection budget by R10.9 million to R35 million. This, however does not mean in any way a step back in our revenue enhancement efforts as was envisaged.

Continued concerns that the original budget was at a deficit of R51 million is occasioned by transferring of capital grant portion to operating budget to implement rural sanitation projects, the VIP toilet that are transferred to beneficiaries after completion. As such they cannot be treated as assets, funded from a capital budget.

To mitigate cash and cash equivalents in the financial position, a reconciliation of the cash flow, working capital and reserves had to be undertaken taking into account past experiences and the strategies for future turn around to arrive at a cash position that reflect a positive balance. In the final analysis the Municipality's budget is funded with a surplus . However, this is only possible if the municipality observes the budget parameters, cost containment, revenue enhancement strategies and laws and regulations impacting on budgeting and service delivery processes.

This budget, like any other, is always a task that requires collaboration from all the Municipality's departments, scrutiny of the MTREF and a closer look at Integrated Development Plans (IDPs) in order to be consolidated to address the needs of the people of Zululand District Municipality. It is definitely a delicate balancing act – and thankfully, we are here today.

I would therefore like to extend my appreciation of the involvement of Provincial Treasury who worked tirelessly to ensure that the numbers are collated and that this administration remains on track to achieve its goals and meeting the deadline of the 11th November 2019 to submit to National Treasury. Otherwise, the Municipality would have been faced by a dark cloud when National Treasury stops the equitable share allocation.

Mr Speaker, the presentation of this budget demonstrates our commitment compliance and our zeal to improve the lives of the people of Zululand District Municipality through effective service delivery.

The Budget is detailed in the document circulated with the agenda. I therefore propose the adoption of the Special Adjustment Budget for MTREF 2019/ 2020 with its outer years as per the budget resolutions detailed on page 11 of the agenda.

I thank you.

ZULULAND DISTRICT MUNICIPALITY

EXTRACT FROM THE MINUTES OF THE SPECIAL COUNCIL MEETING HELD
ON THE 8TH NOVEMBER 2019

ZDMC:19/402

FILE NUMBER:5/1

SPECIAL ADJUSTMENT BUDGET 2019/2020

The Honourable Mayor, Cllr TD Buthelezi presented the special adjustment budget 2019/20 and the circumstances that led to the need for the special adjustment were further confirmed by Mr Mthokozisi Ndumo from KZN Treasury.

With Cllrs TD Buthelezi and MM Kunene proposing and seconding respectively, Council

RESOLVED THAT:

The Special adjustment budget be adopted


ZW MCINEKA
MUNICIPAL MANAGER

1.3 Executive Summary

The adjustments budget process is regulated by S 28 of the MFMA as well as the Municipal Budgeting and Reporting Regulations which were developed to establish uniform norms and standards in the budgeting and reporting structures of municipalities.

These regulations further states that an adjustments budget may be tabled in the municipal council at any time after the mid-year budget and performance assessment has been tabled to council, but not later than 28 February of the current year. However National Treasury have granted municipality the opportunity of the special adjustment budget 2019-2020. The municipality have effected changes where it was necessary. Below are the changes and explanations.

Budget summary

National policy Key Imperatives

There are five key factors that have been taken into consideration in the compilation of the 2019/20 MTREF:

- (i) The general inflationary outlook and the impact on Municipality's residents and businesses

Fiscal Year	2018/19 Estimates	2019/20	2020/21 Forecast	2021/22 Forecast
CPI Inflation	4.7%	5.2%	5.4%	5.4%
Real GDP Growth	0.7%	1.5%	1.7%	2.1%

- (ii) Division of Revenue Bill

The Act allocates grants to municipalities. Allocation made towards the municipality are tabled below

GRANT	2018/2019	2019/2020	2020/2021	2021/2022
EQUITABLE SHARE	424 766 000	464 560 000	502 754 000	545 500 000
FMG	1 000 000	1 465 000	1 200 000	1 200 000
EPWP	5 908 000	8 818 000		
SHARED SERVICES	300 000	550 000	550 000	600 000
SPATIAL DEVELOPMENT FRAMEWORK SUPPORT	0	1 250 000	0	0
ECONOMIC DEVELOPMENT (MAJOMELA MANUFACTURING CENTRE)		4 250 000	4 463 000	4 708 000
TOURISM (THOKAZI ROYAL LODGE)		5 000 000	5 290 000	5 581 000

TOURISM STRATEGY	700 000			
OPERATING COSTS OF ART CENTRES	1 911 000	1 911 000	1 911 000	1 911 000
MIG	220 762 000	225 574 000	238 887 000	258 040 000
RBIG	131 498 000	163 774 000	133 774 000	200 000 000
WSIG	115 000 000	100 000 000	105 000 000	110 000 000
RRAMS	2 364 000	2 504 000	2 648 000	2 794 000
TOTAL	904 209 000	979 656 000	9976 977 000	1 130 334 000

(iii) **The revenue budget**

A staggered increase of 6%, 10%, 15% is proposed to be effected on Tariffs.

Employee related Costs

The South African Local Government Council last year entered into a three-year salary and wage collective agreement. A proposed increase of 7.1% as per the Salary wage agreement will be effected on employee related costs.

(vi) **Cost containment measures**

Cost containment measures continue as our resolution. Hence the budget is largely informed by this. We continue to make it our practice a call by the State President to eliminate expenditures on the following:

Travel, Conferences, Catering, Entertainment, social functions and wasteful expenditure

(vii) **Budget related policies**

The municipality should include a section in its budget document listing the budget related policies that are in place, when they were last updated and where a member of the public can easily access them. Below is the list of Budget related policies for the municipality:

- Budget Policy
- Virement Policy
- Credit control policy
- Debt write off-policy

- Banking and investment policy
- Funding and Reserve policy
- Supply Chain management policy
- Asset Management Policy
- Asset Loss control policy
- Indigent support policy
- Insurance Policy
- Tariff Policy
- Subsistence and Travelling Policy

The policies can be viewed on the municipal website

All reviewed and new policies were workshopped to stakeholders and Council.

Attached are the annual budget document for 2019/20& MTREF, Schedule of Tariffs and Budget Related Policies for 2019/20 financial year. As per the adopted Key deadline schedule. The Council approved the annual budget for 2019/20& MTREF on 08 November 2019.

Description	2018/19	2019/20	2020/21	2021/22
Revenue	1 055 655 105	1 046 040 191	1 067 630 003	1 205 627 005
Operating Expenditure	605 726 202	607 724 951	586 831 333	634 914 901
Contribution to Capital	449 928 903	438 315 240	480 798 670	570 712 104
Contribution to capital	449 928 903	438 315 240	480 798 670	570 712 104
Capital Expenditure (Grants)	449 323 903	435 210 240	478 161 000	568 040 000
Internally Funded Assets	605 000	3 105 000	2 637 670	2 672 104
Total Budgeted Revenue	1 055 655 105	1 046 040 191	1 067 630 003	1 205 627 005
Total Budgeted Expenditure	1 055 655 105	1 046 040 191	1 067 630 003	1 205 627 005

- There is no change in the total expenditure and total revenue

Below are the highlights of the adjustments effected on this document.

1.4 OPERATING REVENUE FRAMEWORK

DC26 Zululand - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 08/11/2019

Description	Ref	Budget Year 2019/20									Budget Year +1 2020/21	Budget Year +2 2021/22
		Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt. 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands	1	A	A1	B	C	D	E	F	G	H		
Revenue By Source												
Property rates	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	38 025	-	-	-	-	-	-	-	38 025	39 973	42 131
Service charges - sanitation revenue	2	16 738	-	-	-	-	-	-	-	16 738	17 579	18 528
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		180							-	180	190	200
Interest earned - external investments		10 000						(1 000)	(1 000)	9 000	11 000	12 000
Interest earned - outstanding debtors		-							-	-	-	-
Dividends received		-							-	-	-	-
Fines, penalties and forfeits		90							-	90	95	100
Licences and permits		-							-	-	-	-
Agency services		-							-	-	-	-
Transfers and subsidies		487 804						25 694	25 694	513 498	516 168	559 500
Other revenue	2	1 351	-	-	-	-	-	1 000	1 000	2 351	1 816	2 333
Gains on disposal of PPE		-							-	-	-	-
Total Revenue (excluding capital transfers and contributions)		554 188	-	-	-	-	-	25 694	25 694	579 883	586 821	634 793

The change in operating Transfers and subsidies results from the following:

PMU professional fees (MIG) R 11 278 000

Rural sanitation (MIG) R 14 416 465

- This is part of MIG which is capital grant, but this portion is funding operating expenditure part of MIG. Therefore the addition to operating transfers is from capital transfers as indicated on the table.
- Total operating transfer as per Gazette is R 487 804 000 adding transfer from capital of R 25 695 465 totalling to R 513 498 000.
- Other revenue has increased by R 1 000 000 resulting from expected receipts on sale of tender documents

Interest

- It is assumed that Interest Income will increase; the projection was made considering the 2018/2019 year to date actual. The investment rate will be based on the highest financial institution offerings. Interest income will be generated from 32-day investments and call accounts which will occur during budgeted financial year. As a result, the municipality projects no long-term investments. The amount projected is R 9000 000.

Rent of facilities

The income is expected from renting of park homes that are used by WSSA as offices. The budget is based on the contract agreement.

Fines, penalties and forfeits

This item is for fines for illegal connections by community.

1.5 OPERATING EXPENDITURE FRAMEWORK

DC26 Zululand - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 08/11/2019												
Description	Ref	Budget Year 2019/20									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or Prov.	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
R thousands	1	A	A1	B	C	D	E	F	G	H		
Expenditure By Type												
Employee related costs		200 218	–	–	–	–	–	–	–	200 218	211 030	222 426
Remuneration of councillors		7 940								7 940	8 368	8 820
Debt impairment		6 000								6 000	6 324	6 665
Depreciation & asset impair		60 331	–	–	–	–	–	–	–	60 331	63 665	67 103
Finance charges									–	–		
Bulk purchases		29 000	–	–	–	–	–	(4 000)	(4 000)	25 000	30 566	32 217
Other materials		25 736						(8 376)	(8 376)	17 360	26 756	28 201
Contracted services		173 670	–	–	–	–	–	(231)	(231)	173 439	128 740	151 167
Transfers and subsidies		150						139	139	289	158	167
Other expenditure		104 680	–	–	–	–	–	(16 726)	(16 726)	87 954	111 223	118 149
Loss on disposal of PPE									–	–		
Total Expenditure		607 725	–	–	–	–	–	(29 194)	(29 194)	578 531	586 831	634 915

There are no changes on the below highlighted expenditure

1.5.1. EMPLOYEE RELATED COSTS

The employee related costs comprise 38% of the total operating budget inclusive of councillor's remuneration. This is above the norm of 30%. The employee related costs increased by R10.1million. The primary reason for the increase is an annual increment of 7.1% including the notch increases. There are also new positions budgeted and included in the template SA22. All allowances and contribution e.g. medical contribution, car allowances etc. are provided for in the budget

1.5.2 Councillors Allowances

A 7.3% increment for Councillor's remuneration is provided for and also taking into account the upper limits. In 2019-2020 we have provided sitting allowance according to planned sittings.

1.5.3 Working Capital Reserve

This is the provision for doubtful debts as a result of a non-collection level. It is based on the projected inflation level and the collection estimates. Municipality has maintained the provision based on 2017-2018 financial statements, incentives/discounts will be gradually introduced to increase collection and decrease provision for bad debts.

1.5.4 Depreciation

This is a non-cash item budgeted for as per the stipulation of the new accounting standards and is funded from backlog depreciation. The increase is based preliminary 2017/2018 financial statements and 2018-2019 budget year. The depreciation calculation takes into account assets that are still in progress but will be completed in the following financial years. The assets to be started and completed this financial year are also included.

1.5.5 Bulk purchases

This is the budgeted amount for the purchase of Raw Water from the Department of Water and Sanitation and some privately-owned dams. The significant decline on Bulk Purchased Water is caused by the exclusion of Bulk Maintenance which was reclassified to contracted services.

1.5.6 Other Materials

Other material has increased because municipality decided to buy more material and supply so that most of the activities can be performed internal other than contracting people, thus accurate allocation has been effected.

1.5.7 Contracted services

Contracted services have increased due to the fact that, every item that will not be provide internally, such as maintenance, security and others, will be acquire via contractual engagements.

The municipality general expenditure includes all other expenditures that do have line space in A4. It is assumed that costs for services will increase in line with the CPI. The current oil price is still a concern and it is expected that the fuel price hikes will have a substantial effect on expenditure. It is also assumed that the capital projects for 2018/2019 will be completed during the financial year as there were budgeted for, the depreciation of such projects as per general recognized

accounting practice has been budgeted for. R19.5 million has been set aside for the lease of fleet to improve service delivery.

1.5.10 Repairs and Maintenance

Buildings

The budgeted amount is for the maintenance of municipal buildings which is included under contracted services and shown on supporting table SA34c.

Vehicles

The budget will remain the same due to the high expenditure on maintenance of the water tankers and the poor conditions of vehicles, which is included under contracted services and shown on supporting table SA34c.

Operations and Maintenance of ZDM Water Schemes

These funds are set aside for the operation and maintenance of water supply schemes, sewer treatment and to ensure sustainability of such schemes, sewerage treatment and bulk water purification is based on the existing contract and trend. It is included under contracted services and shown on supporting table SA34c. The municipality has tried by all means to priorities maintenance. Municipality decided to buy more material and supply so that most of the repairs and maintenance can be performed internal other than contracting people

1.6 CAPITAL EXPENDITURE

DC26 Zululand - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 08/11/2019												
Description	Ref	Budget Year 2019/20									Budget Year +1 2020/21	Budget Year +2 2021/22
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
Capital expenditure - Vote												
Capital Expenditure - Functional												
Governance and administration		2 355	-	-	-	-	-	-	-	2 355	2 638	2 672
Executive and council										-		
Finance and administration		2 355								2 355	2 638	2 672
Community and public services		-	-	-	-	-	-	-	-	-	-	-
Community and social services										-		
Economic and environmental management		-	-	-	-	-	-	-	-	-	-	-
Planning and development										-		
Environmental protection										-		
Trading services		435 360	-	-	-	-	-	29 194	29 194	464 555	478 161	568 040
Energy sources										-		
Water management		435 360						29 194	29 194	464 555	478 161	568 040
Waste water management										-		
Waste management										-		
Other		600								600		
Total Capital	3	438 315	-	-	-	-	-	29 194	29 194	467 510	480 799	570 712

Capital budget is funded 99% by grants as per DORA, a certain portion is funded by internally generated funds. 99% of capital budget is used for water infrastructure; internally generated funds will be used for the acquisition of computers, transport assets, equipment and the installation of the biometric system.

The change is from Operating to Capital

DC26 Zululand - Table B6 Adjustments Budget Financial Position - 08/11/2019

Description	Ref	Budget Year 2019/20									Budget Year +1 2020/21	Budget Year +2 2021/22
		Original Budget A	Prior Adjusted 3 A1	Accum. Funds 4 B	Multi-year capital 5 C	Unfore. Unavoid. 6 D	Nat. or Prov. Govt 7 E	Other Adjusts. 8 F	Total Adjusts. 9 G	Adjusted Budget 10 H	Adjusted Budget	Adjusted Budget
R thousands												
ASSETS												
Current assets												
Cash		20 000						(18 498)	(18 498)	1 502	20 000	20 000
Call investment deposits	1	–	–	–	–	–	–	–	–	–	–	–
Consumer debtors	1	28 700	–	–	–	–	–	(2 700)	(2 700)	26 000	28 700	28 700
Other debtors		20 000						1 000	1 000	21 000	20 000	20 000
Current portion of long-term receivables								–	–	–	–	–
Inventory		4 000						(1 400)	(1 400)	2 600	4 000	4 000
Total current assets		72 700	–	–	–	–	–	(21 598)	(21 598)	51 102	72 700	72 700
Non current assets												
Long-term receivables								15 000	15 000	15 000		
Investments								–	–	–		
Investment property								–	–	–		
Investment in Associate								–	–	–		
Property, plant and equipment	1	4 137 959	–	–	–	–	–	29 174	29 174	4 167 134	4 495 554	5 010 214
Biological								–	–	–		
Intangible		2 100						–	–	2 100	2 800	3 000
Other non-current assets								–	–	–		
Total non current assets		4 140 059	–	–	–	–	–	44 174	44 174	4 184 234	4 498 354	5 013 214
TOTAL ASSETS		4 212 759	–	–	–	–	–	22 577	22 577	4 235 336	4 571 054	5 085 914
LIABILITIES												
Current liabilities												
Bank overdraft								–	–	–		
Borrowing		–	–	–	–	–	–	–	–	–	–	–
Consumer deposits		3 700						–	–	3 700	3 800	3 900
Trade and other payables		42 000	–	–	–	–	–	36 000	36 000	78 000	42 000	42 000
Provisions		12 000						–	–	12 000	13 000	14 000
Total current liabilities		57 700	–	–	–	–	–	36 000	36 000	93 700	58 800	59 900
Non current liabilities												
Borrowing	1	–	–	–	–	–	–	–	–	–	–	–
Provisions	1	35 000	–	–	–	–	–	–	–	35 000	36 000	37 000
Total non current liabilities		35 000	–	–	–	–	–	–	–	35 000	36 000	37 000
TOTAL LIABILITIES		92 700	–	–	–	–	–	36 000	36 000	128 700	94 800	96 900
NET ASSETS	2	4 120 059	–	–	–	–	–	(13 423)	(13 423)	4 106 636	4 476 254	4 989 014
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		4 120 059	–	–	–	–	–	(13 423)	(13 423)	4 106 636	4 476 254	4 989 014
Reserves		–	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY		4 120 059	–	–	–	–	–	(13 423)	(13 423)	4 106 636	4 476 254	4 989 014

Working capital movements

- The debtors are budgeted based on the trend by looking on the previous financial years AFS.

Consumer debtors are calculated as follows:

Opening balance (AFS)	R 113 000 000
Current year billing	R 54 000 000
Collection	(R 46 000 000)
Closing balance	R 121 000 000
Provision	(R 95 000 000)
Debtors Balance	R 26 000 000

Other debtors

VAT payable at the end of the year	R 13 000 000
Other receivables from non-exchange	<u>R 8 000 000</u>
	<u>R 21 000 000</u>

Inventory

- The previous financial statements indicate that the inventory value is decreasing because the municipality decided to stop some of the as they were regarded as non-core. And municipality keep low value of the stock in stores.
- The inventory is assumed to be R 2 600 000

Long term receivables

- The long term receivables are expected to increase as the municipality is expanding its infrastructure. New connections are needed and municipality have to pay deposits to Eskom.
- The balance is assumed to be R15 000 000 at the end of the financial year.

Trade and other payables

- The determination of trade and other payables is based on the current performance and the trend from previous annual financial statements.
- It determined as following:

Opening balance (AFS)	R 184 000 000
Aqua Transport	-R11 000 000
Yearend payments	-R86 000 000
DWS	-R8 400 000
DWS	8 400 000
WSSA	-20 000 000
Retention	-20 000 000
Purchases	<u>31 000 000</u>
Closing balance	<u>78 000 000</u>

- Municipality is planning to have less yearend payments by paying and complying with 30 days rule.

- Municipality has ring fenced all grant funds so that they are available when needed and not used to fund any project.
- Municipality is in process of reviewing the credit control policy.
- Refund from SARS will be used to fund the liabilities

DC26 Zululand - Table B7 Adjustments Budget Cash Flows - 08/11/2019

Description	Ref	Budget Year 2019/20									Budget Year +1 2020/21	Budget Year +2 2021/22
		Original Budget A	Prior Adjusted 3 A1	Accum. Funds 4 B	Multi-year capital 5 C	Unfore. Unavoid. 6 D	Nat. or Prov. Govt 7 E	Other Adjusts. 8 F	Total Adjusts. 9 G	Adjusted Budget 10 H	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates									-	-		
Service charges		46 549						(10 953)	(10 953)	35 596	51 797	57 627
Other revenue		71 531						1 700	1 700	73 231	77 006	82 533
Gov ernment - operating	1	487 804							-	487 804	525 462	569 296
Gov ernment - capital	1	491 852							-	491 852	480 809	570 834
Interest		10 000						(1 000)	(1 000)	9 000	11 000	12 000
Dividends									-	-		
Payments												
Suppliers and employees		(636 044)						(2 806)	(2 806)	(638 849)	(587 585)	(629 380)
Finance charges									-	-	-	-
Transfers and Grants	1	(150)							-	(150)	(158)	(167)
NET CASH FROM/(USED) OPERATING ACTIVITIES		471 542	-	-	-	-	-	(13 058)	(13 058)	458 484	558 331	662 743
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE		5 000						(5 000)	(5 000)	-		
Decrease (Increase) in non-current debtors									-	-		
Decrease (increase) other non-current receivables								(2 000)	(2 000)	(2 000)		
Decrease (increase) in non-current investments									-	-		
Payments												
Capital assets		(438 315)						(29 194)	(29 194)	(467 510)	(480 809)	(570 834)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(433 315)	-	-	-	-	-	(36 194)	(36 194)	(469 510)	(480 809)	(570 834)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans									-	-		
Borrowing long term/refinancing									-	-		
Increase (decrease) in consumer deposits		50								50	100	100
Payments												
Repayment of borrowing									-	-		
NET CASH FROM/(USED) FINANCING ACTIVITIES		50	-	-	-	-	-	-	-	50	100	100
NET INCREASE/ (DECREASE) IN CASH HELD		38 277	-	-	-	-	-	(49 253)	(49 253)	(10 976)	77 622	92 009
Cash/cash equivalents at the year begin:	2	12 478							-	12 478	2 455	80 078
Cash/cash equivalents at the year end:	2	50 755	-	-	-	-	-	(49 253)	(49 253)	1 502	80 078	172 087

Service charges

Municipality have revised the collection rate to 65%

The 65% collection rate is budget based on the following:

- The municipality is not only collecting the current billing but also the debtors from previous financial years.
- The municipality have revised the revenue enhancement strategy
- The municipality have appointed the debt collector the enhance the collection
- The municipality also appointed the consulted to oversee the municipality operation both revenue and expenditure

- The installation of new meters will help a lot because there were leaks from old meters.
- Municipality have adopted the indigent policy, that will assist in determination of the indigent households. The indigent register is in progress

OTHER REVENUE

Refund from SARS

- Transfers and subsidies both capital and operating are as gazetted because it is expected that we will receive all of them.
- Other revenue include also things like tender fees, marathon entry fee, new connection etc. based on the history, it is expected to be R1 700 000

Interest

- It is assumed that Interest Income will increase; the projection was made considering the 2018/2019 year to date actual. The investment rate will be based on the highest financial institution offerings. Interest income will be generated from 32-day investments and call accounts which will occur during budgeted financial year. As a result, the municipality projects no long-term investments. The amount projected is R 9000 000.

Suppliers and employees

- Municipality is expecting to spend 100% of what is budgeted in 2019-2020, this exclude the non-cash. R 541 000 000
- This also include payment to creditors at year end of R 114 000 000
- The capital budget is expected to be 100% spent by the end of the financial year R 467 510 000

Non-current receivables

- The long term receivables are expected to increase as the municipality is expanding its infrastructure. New connections are needed and municipality have to pay deposits to Eskom. The amount is expected to be R2 000 000.

- Refund from SARS is based on the capital budget and the trend from previous years, the refund is added under other revenue in cash flow as per circular 58 of the MFMA. The amount expected is R 71 531 000

DC26 Zululand - Table B8 Cash backed reserves/accumulated surplus reconciliation - 08/11/2019

Description	Ref	Budget Year 2019/20								Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget
R thousands		A	A1	B	C	D	E	F	G	H	
Cash and investments available											
Cash/cash equivalents at the year end	1	50 755	-	-	-	-	-	(49 253)	(49 253)	1 502	80 078
Other current investments > 90 days		(30 755)	-	-	-	-	-	30 755	30 755	0	(60 078)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		20 000	-	-	-	-	-	(18 498)	(18 498)	1 502	20 000
Applications of cash and investments											
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements		-	-	-	-	-	-	-	-	-	-
Other working capital requirements	2	(59 987)	-	-	-	-	-	20 406	20 406	(39 581)	(63 153)
Other provisions		-	-	-	-	-	-	3 700	3 700	-	(65 844)
Long term investments committed		-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments		-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		(59 987)	-	-	-	-	-	24 106	24 106	(35 881)	(63 153)
Surplus(shortfall)		79 987	-	-	-	-	-	(42 604)	(42 604)	37 383	83 153

The plan to address the unfunded budget in the future

- Municipality will ring fence VAT refund to eliminate payables.
- Municipality will ensure that cash flow is managed such that the payables are eliminated
- Municipality will ensure that all suppliers are paid on time to eliminate year end creditors (paying within 30 days of receipt of invoice)
- The collection level of municipality is expected to increase, that will assist in cash available. **The increase in collection is expected as a result of following:**
 - Recovery of the debtors more than a year since the municipality has appointed the debt collector.
 - The municipality has revised the revenue enhancement strategy
 - The municipality also appointed the consulted to oversee the municipality operation both revenue and expenditure
 - The installation of new meters will help a lot because there were leaks from old meters.

Statutory requirements

- The municipality does pay VAT to SARS and also receive the refund from SARS.
- The trend from previous years indicates that, it is more likely that SARS will owe the municipality by the end of the financial year.

Other working capital requirements

- The working capital calculation is indicated above in explanation of the financial position.

Other provisions

- The provision amount include the following provisions which are cash backed

Leave payout	R 3 700 000
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- Long term investments committed – no long term investments
- Reserves to be backed by cash/investments – no reserves

➤ There are no other changes other than those highlighted above

1.7 ADJUSTED BUDGET TABLES

The following part of budget presentation portrayed below focuses on budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables clearly outline the municipality's 2019/20 budget and MTREF as approved by the Council. Below each table there is a provision of clarification pertaining to what is depicted from the provided tables

Description	Budget Year 2019/20									Budget Year +1 2020/21	Budget Year +2 2021/22
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjuts.	Total Adjuts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
	A	A1	B	C	D	E	F	G	H		
R thousands	A	A1	B	C	D	E	F	G	H		
Financial Performance											
Property rates	-	-	-	-	-	-	-	-	-	-	-
Service charges	54 763	-	-	-	-	-	-	-	54 763	57 552	60 660
Investment revenue	10 000	-	-	-	-	-	(1 000)	(1 000)	9 000	11 000	12 000
Transfers recognised - operational	487 804	-	-	-	-	-	25 694	25 694	513 498	516 168	559 500
Other own revenue	1 621	-	-	-	-	-	1 000	1 000	2 621	2 101	2 633
Total Revenue (excluding capital transfers and contributions)	554 188	-	-	-	-	-	25 694	25 694	579 883	586 821	634 793
Employee costs	200 218	-	-	-	-	-	-	-	200 218	211 030	222 426
Remuneration of councillors	7 940	-	-	-	-	-	-	-	7 940	8 368	8 820
Depreciation & asset impairment	60 331	-	-	-	-	-	-	-	60 331	63 665	67 103
Finance charges	-	-	-	-	-	-	-	-	-	-	-
Materials and bulk purchases	54 736	-	-	-	-	-	(12 376)	(12 376)	42 360	57 322	60 418
Transfers and grants	150	-	-	-	-	-	139	139	289	158	167
Other expenditure	284 350	-	-	-	-	-	(16 957)	(16 957)	267 393	246 287	275 982
Total Expenditure	607 725	-	-	-	-	-	(29 194)	(29 194)	578 531	586 831	634 915
Surplus/(Deficit)	(53 537)	-	-	-	-	-	54 889	54 889	1 352	(10)	(122)
Transfers recognised - capital	491 852	-	-	-	-	-	(25 694)	(25 694)	466 158	480 809	570 834
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	438 315	-	-	-	-	-	29 194	29 194	467 510	480 799	570 712
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	438 315	-	-	-	-	-	29 194	29 194	467 510	480 799	570 712
Capital expenditure & funds sources											
Capital expenditure	438 315	-	-	-	-	-	29 194	29 194	467 510	480 799	570 712
Transfers recognised - capital	435 210	-	-	-	-	-	29 194	29 194	464 405	478 161	568 040
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	3 105	-	-	-	-	-	-	-	3 105	2 638	2 672
Total sources of capital funds	438 315	-	-	-	-	-	29 194	29 194	467 510	480 799	570 712
Financial position											
Total current assets	72 700	-	-	-	-	-	(21 598)	(21 598)	51 102	72 700	72 700
Total non current assets	4 140 059	-	-	-	-	-	15 000	15 000	4 155 059	4 498 354	5 013 214
Total current liabilities	57 700	-	-	-	-	-	36 000	36 000	93 700	58 800	59 900
Total non current liabilities	35 000	-	-	-	-	-	-	-	35 000	36 000	37 000
Community wealth/Equity	4 120 059	-	-	-	-	-	(42 597)	(42 597)	4 077 462	4 476 254	4 989 014
Cash flows											
Net cash from (used) operating	471 542	-	-	-	-	-	(13 058)	(13 058)	458 484	558 331	662 743
Net cash from (used) investing	(433 315)	-	-	-	-	-	(36 194)	(36 194)	(469 510)	(480 809)	(570 834)
Net cash from (used) financing	50	-	-	-	-	-	-	-	50	100	100
Cash/cash equivalents at the year end	50 755</										

DC26 Zululand - Table B2 Adjustments Budget Financial Performance (functional classification) - 08/11/2019

Standard Description	Ref	Budget Year 2019/20									Budget Year +1 2020/21	Budget Year +2 2021/22
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		5 A	6 A1	7 B	8 C	9 D	10 E	11 F	12 G	13 H	14 I	15 J
R thousands	1, 4	A	A1	B	C	D	E	F	G	H		
Revenue - Functional												
Governance and administration		477 646	-	-	-	-	-	-	-	477 646	517 055	561 333
Executive and council		-	-	-	-	-	-	-	-	-	-	-
Finance and administration		477 646	-	-	-	-	-	-	-	477 646	517 055	561 333
Internal audit		-	-	-	-	-	-	-	-	-	-	-
Community and public safety		1 911	-	-	-	-	-	-	-	1 911	1 911	1 911
Community and social services		1 911	-	-	-	-	-	-	-	1 911	1 911	1 911
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		12 304	-	-	-	-	-	-	-	12 304	12 951	13 683
Planning and development		12 304	-	-	-	-	-	-	-	12 304	12 951	13 683
Road transport		-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		552 930	-	-	-	-	-	-	-	552 930	535 713	628 700
Energy sources		-	-	-	-	-	-	-	-	-	-	-
Water management		536 191	-	-	-	-	-	-	-	536 191	518 134	610 171
Waste water management		16 738	-	-	-	-	-	-	-	16 738	17 579	18 528
Waste management		-	-	-	-	-	-	-	-	-	-	-
Other		1 250	-	-	-	-	-	-	-	1 250	-	-
Total Revenue - Functional	2	1 046 040	-	-	-	-	-	-	-	1 046 040	1 067 630	1 205 627
Expenditure - Functional												
Governance and administration		230 426	-	-	-	-	-	348	348	230 774	242 944	256 063
Executive and council		29 293	-	-	-	-	-	250	250	29 543	30 875	32 542
Finance and administration		201 132	-	-	-	-	-	98	98	201 230	212 069	223 521
Internal audit		-	-	-	-	-	-	-	-	-	-	-
Community and public safety		21 021	-	-	-	-	-	(206)	(206)	20 815	21 787	22 964
Community and social services		10 538	-	-	-	-	-	(204)	(204)	10 334	10 738	11 318
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		10 483	-	-	-	-	-	(2)	(2)	10 481	11 049	11 646
Economic and environmental services		38 692	-	-	-	-	-	(117)	(117)	38 575	39 446	41 609
Planning and development		38 692	-	-	-	-	-	(117)	(117)	38 575	39 446	41 609
Road transport		-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		308 917	-	-	-	-	-	(29 209)	(29 209)	279 708	273 621	304 758
Energy sources		-	-	-	-	-	-	-	-	-	-	-
Water management		305 663	-	-	-	-	-	(29 209)	(29 209)	276 454	270 192	301 144
Waste water management		3 253	-	-	-	-	-	-	-	3 253	3 429	3 614
Waste management		-	-	-	-	-	-	-	-	-	-	-
Other		8 670	-	-	-	-	-	(10)	(10)	8 660	9 033	9 521
Total Expenditure - Functional	3	607 725	-	-	-	-	-	(29 194)	(29 194)	578 531	586 831	634 915
Surplus/ (Deficit) for the year		438 316	-	-	-	-	-	29 194	29 194	467 510	480 799	570 712

Table B2 is a view of the budgeted financial performance in relation to revenue and expenditure per Standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional and the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table B4.

DC26 Zululand - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 08/11/2019

Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2019/20									Budget Year +1 2020/21	Budget Year +2 2021/22
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
R thousands												
Revenue by Vote	1											
Vote 1 - COUNCIL		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES		300	-	-	-	-	-	-	-	300	316	333
Vote 3 - FINANCE		477 346	-	-	-	-	-	-	-	477 346	516 739	561 000
Vote 4 - COMMUNITY DEVELOPMENT		12 411	-	-	-	-	-	-	-	12 411	11 664	12 200
Vote 5 - PLANNING & WSA		3 054	-	-	-	-	-	-	-	3 054	3 198	3 394
Vote 6 - TECHNICAL SERVICES		498 166	-	-	-	-	-	-	-	498 166	478 161	568 040
Vote 7 - WATER PURIFICATION		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - WATER DISTRIBUTION		38 025	-	-	-	-	-	-	-	38 025	39 973	42 131
Vote 9 - WASTE WATER		16 738	-	-	-	-	-	-	-	16 738	17 579	18 528
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	1 046 040	-	-	-	-	-	-	-	1 046 040	1 067 630	1 205 627
Expenditure by Vote	1											
Vote 1 - COUNCIL		29 293	-	-	-	-	-	250	250	29 543	30 875	32 542
Vote 2 - CORPORATE SERVICES		85 313	-	-	-	-	-	(235)	(235)	85 078	89 815	94 665
Vote 3 - FINANCE		112 919	-	-	-	-	-	(100)	(100)	112 819	119 092	125 523
Vote 4 - COMMUNITY DEVELOPMENT		54 451	-	-	-	-	-	100	100	54 551	57 026	60 114
Vote 5 - PLANNING & WSA		89 994	-	-	-	-	-	(29 194)	(29 194)	60 800	16 403	17 313
Vote 6 - TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-	20 051	21 133
Vote 7 - WATER PURIFICATION		30 958	-	-	-	-	-	-	-	30 958	32 630	34 392
Vote 8 - WATER DISTRIBUTION		201 544	-	-	-	-	-	(15)	(15)	201 529	217 511	245 619
Vote 9 - WASTE WATER		3 253	-	-	-	-	-	-	-	3 253	3 429	3 614
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	607 725	-	-	-	-	-	(29 194)	(29 194)	578 531	586 831	634 915
Surplus/ (Deficit) for the year	2	438 316	-	-	-	-	-	29 194	29 194	467 510	480 799	570 712

Table B3 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.

DC26 Zululand - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 08/11/2019

Description	Ref	Budget Year 2019/20									Budget Year +1 2020/21	Budget Year +2 2021/22
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		3	4	5	6	7	8	9	10			
R thousands	1	A	A1	B	C	D	E	F	G	H		
Revenue By Source												
Property rates	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	38 025	-	-	-	-	-	-	-	38 025	39 973	42 131
Service charges - sanitation revenue	2	16 738	-	-	-	-	-	-	-	16 738	17 579	18 528
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		180							-	180	190	200
Interest earned - external investments		10 000						(1 000)	(1 000)	9 000	11 000	12 000
Interest earned - outstanding debtors		-							-	-	-	-
Dividends received		-							-	-	-	-
Fines, penalties and forfeits		90							-	90	95	100
Licences and permits		-							-	-	-	-
Agency services		-							-	-	-	-
Transfers and subsidies		487 804						25 694	25 694	513 498	516 168	559 500
Other revenue	2	1 351	-	-	-	-	-	1 000	1 000	2 351	1 816	2 333
Gains on disposal of PPE									-	-		
Total Revenue (excluding capital transfers and contributions)		554 188	-	-	-	-	-	25 694	25 694	579 883	586 821	634 793
Expenditure By Type												
Employee related costs		200 218	-	-	-	-	-	-	-	200 218	211 030	222 426
Remuneration of councillors		7 940							-	7 940	8 368	8 820
Debt impairment		6 000							-	6 000	6 324	6 665
Depreciation & asset impairment		60 331	-	-	-	-	-	-	-	60 331	63 665	67 103
Finance charges									-	-	-	-
Bulk purchases		29 000	-	-	-	-	-	(4 000)	(4 000)	25 000	30 566	32 217
Other materials		25 736						(8 376)	(8 376)	17 360	26 756	28 201
Contracted services		173 670	-	-	-	-	-	(231)	(231)	173 439	128 740	151 167
Transfers and subsidies		150						139	139	289	158	167
Other expenditure		104 680	-	-	-	-	-	(16 726)	(16 726)	87 954	111 223	118 149
Loss on disposal of PPE									-	-	-	-
Total Expenditure		607 725	-	-	-	-	-	(29 194)	(29 194)	578 531	586 831	634 915
Surplus/(Deficit)		(53 537)	-	-	-	-	-	54 889	54 889	1 352	(10)	(122)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		491 852						(25 694)	(25 694)	466 158	480 809	570 834
allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher									-	-	-	-
Transfers and subsidies - capital (in-kind - all)									-	-	-	-
Surplus/(Deficit) before taxation		438 315	-	-	-	-	-	29 194	29 194	467 510	480 799	570 712
Taxation									-	-	-	-
Surplus/(Deficit) after taxation		438 315	-	-	-	-	-	29 194	29 194	467 510	480 799	570 712
Attributable to minorities									-	-	-	-
Surplus/(Deficit) attributable to municipality		438 315	-	-	-	-	-	29 194	29 194	467 510	480 799	570 712
Share of surplus/ (deficit) of associate									-	-	-	-
Surplus/ (Deficit) for the year		438 315	-	-	-	-	-	29 194	29 194	467 510	480 799	570 712

Table B4 indicates the budgeted revenue and expenditure by source, and the calculated surplus which will be used to fund Capital Expenditure on table B5. Table B5 indicates budgeted capital Expenditure by Municipal Vote and standard classification, the budgeted amount is funded from grants and own funds, the funding is taken from table B4 surplus

DC26 Zululand - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 08/11/2019

Description	Ref	Budget Year 2019/20									Budget Year	Budget Year
											+1 2020/21	+2 2021/22
		Original Budget	Prior Adjusted 5 A1	Accum. Funds 6 B	Multi-year capital 7 C	Unfore. Unavoid. 8 D	Nat. or Prov. Govt 9 E	Other Adjusts. 10 F	Total Adjusts. 11 G	Adjusted Budget 12 H	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
Capital expenditure - Vote												
Multi-year expenditure to be adjusted	2											
Vote 1 - COUNCIL		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES		1 700	-	-	-	-	-	-	-	1 700	2 000	2 000
Vote 3 - FINANCE		1 255	-	-	-	-	-	-	-	1 255	638	672
Vote 4 - COMMUNITY DEVELOPMENT		-	-	-	-	-	-	-	-	-	-	-
Vote 5 - PLANNING & WSA		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - TECHNICAL SERVICES		435 210	-	-	-	-	-	29 194	29 194	464 405	478 161	568 040
Vote 7 - WATER PURIFICATION		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - WATER DISTRIBUTION		150	-	-	-	-	-	-	-	150	-	-
Vote 9 - WASTE WATER		-	-	-	-	-	-	-	-	-	-	-
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	3	438 315	-	-	-	-	-	29 194	29 194	467 510	480 799	570 712
Single-year expenditure to be adjusted	2											
Vote 1 - COUNCIL		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - FINANCE		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY DEVELOPMENT		-	-	-	-	-	-	-	-	-	-	-
Vote 5 - PLANNING & WSA		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - WATER PURIFICATION		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - WATER DISTRIBUTION		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - WASTE WATER		-	-	-	-	-	-	-	-	-	-	-
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		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Vote		438 315	-	-	-	-	-	29 194	29 194	467 510	480 799	570 712
Capital Expenditure - Functional												
Governance and administration		2 355	-	-	-	-	-	-	-	2 355	2 638	2 672
Executive and council									-			
Finance and administration		2 355							-	2 355	2 638	2 672
Internal audit									-			
Community and public safety		-	-	-	-	-	-	-	-	-	-	-
Community and social services									-			
Sport and recreation									-			
Public safety									-			
Housing									-			
Health									-			
Economic and environmental services		-	-	-	-	-	-	-	-	-	-	-
Planning and development									-			
Road transport									-			
Environmental protection									-			
Trading services		435 360	-	-	-	-	-	29 194	29 194	464 555	478 161	568 040
Energy sources									-			
Water management		435 360						29 194	29 194	464 555	478 161	568 040
Waste water management									-			
Waste management									-			
Other		600							-	600		
Total Capital Expenditure - Functional	3	438 315	-	-	-	-	-	29 194	29 194	467 510	480 799	570 712
Funded by:												
National Government		435 210						29 194	29 194	464 405	478 161	568 040
Provincial Government									-			
District Municipality									-			
Other transfers and grants									-			
Transfers recognised - capital	4	435 210	-	-	-	-	-	29 194	29 194	464 405	478 161	568 040
Borrowing									-			
Internally generated funds		3 105							-	3 105	2 638	2 672
Total Capital Funding		438 315	-	-	-	-	-	29 194	29 194	467 510	480 799	570 712

DC26 Zululand - Table B6 Adjustments Budget Financial Position - 08/11/2019

Description	Ref	Budget Year 2019/20									Budget Year +1 2020/21	Budget Year +2 2021/22
		Original Budget A	Prior Adjusted 3 A1	Accum. Funds 4 B	Multi-year capital 5 C	Unfore. Unavoid. 6 D	Nat. or Prov. Govt 7 E	Other Adjusts. 8 F	Total Adjusts. 9 G	Adjusted Budget 10 H	Adjusted Budget	Adjusted Budget
R thousands												
ASSETS												
Current assets												
Cash		20 000						(18 498)	(18 498)	1 502	20 000	20 000
Call investment deposits	1	–	–	–	–	–	–	–	–	–	–	–
Consumer debtors	1	28 700	–	–	–	–	–	(2 700)	(2 700)	26 000	28 700	28 700
Other debtors		20 000						1 000	1 000	21 000	20 000	20 000
Current portion of long-term receivables										–		
Inventory		4 000						(1 400)	(1 400)	2 600	4 000	4 000
Total current assets		72 700	–	–	–	–	–	(21 598)	(21 598)	51 102	72 700	72 700
Non current assets												
Long-term receivables								15 000	15 000	15 000		
Investments									–	–		
Investment property									–	–		
Investment in Associate									–	–		
Property, plant and equipment	1	4 137 959	–	–	–	–	–	29 174	29 174	4 167 134	4 495 554	5 010 214
Biological									–	–		
Intangible		2 100							–	2 100	2 800	3 000
Other non-current assets									–	–		
Total non current assets		4 140 059	–	–	–	–	–	44 174	44 174	4 184 234	4 498 354	5 013 214
TOTAL ASSETS		4 212 759	–	–	–	–	–	22 577	22 577	4 235 336	4 571 054	5 085 914
LIABILITIES												
Current liabilities												
Bank overdraft									–	–		
Borrowing		–	–	–	–	–	–	–	–	–	–	–
Consumer deposits		3 700							–	3 700	3 800	3 900
Trade and other payables		42 000	–	–	–	–	–	36 000	36 000	78 000	42 000	42 000
Provisions		12 000							–	12 000	13 000	14 000
Total current liabilities		57 700	–	–	–	–	–	36 000	36 000	93 700	58 800	59 900
Non current liabilities												
Borrowing	1	–	–	–	–	–	–	–	–	–	–	–
Provisions	1	35 000	–	–	–	–	–	–	–	35 000	36 000	37 000
Total non current liabilities		35 000	–	–	–	–	–	–	–	35 000	36 000	37 000
TOTAL LIABILITIES		92 700	–	–	–	–	–	36 000	36 000	128 700	94 800	96 900
NET ASSETS	2	4 120 059	–	–	–	–	–	(13 423)	(13 423)	4 106 636	4 476 254	4 989 014
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		4 120 059	–	–	–	–	–	(13 423)	(13 423)	4 106 636	4 476 254	4 989 014
Reserves		–	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY		4 120 059	–	–	–	–	–	(13 423)	(13 423)	4 106 636	4 476 254	4 989 014

Table A6 is consistent with international standards of good financial management practice, and improves the understanding ability of councillors 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.

1. Table SB3 is 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

DC26 Zululand - Table B7 Adjustments Budget Cash Flows - 08/11/2019

Description	Ref	Budget Year 2019/20									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	+1 2020/21	+2 2021/22
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Adjusted	Adjusted
R thousands		A	A1	B	C	D	E	F	G	H		
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates									-	-		
Service charges		46 549						(10 953)	(10 953)	35 596	51 797	57 627
Other revenue		71 531						1 700	1 700	73 231	77 006	82 533
Government - operating	1	487 804								487 804	525 462	569 296
Government - capital	1	491 852								491 852	480 809	570 834
Interest		10 000						(1 000)	(1 000)	9 000	11 000	12 000
Dividends										-		
Payments												
Suppliers and employees		(636 044)						(2 806)	(2 806)	(638 849)	(587 585)	(629 380)
Finance charges										-	-	-
Transfers and Grants	1	(150)								(150)	(158)	(167)
NET CASH FROM/(USED) OPERATING ACTIVITIES		471 542	-	-	-	-	-	(13 058)	(13 058)	458 484	558 331	662 743
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE		5 000						(5 000)	(5 000)	-		
Decrease (increase) in non-current debtors										-		
Decrease (increase) other non-current receivables								(2 000)	(2 000)	(2 000)		
Decrease (increase) in non-current investments										-		
Payments												
Capital assets		(438 315)						(29 194)	(29 194)	(467 510)	(480 809)	(570 834)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(433 315)	-	-	-	-	-	(36 194)	(36 194)	(469 510)	(480 809)	(570 834)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans									-	-		
Borrowing long term/refinancing									-	-		
Increase (decrease) in consumer deposits		50							-	50	100	100
Payments												
Repayment of borrowing									-	-		
NET CASH FROM/(USED) FINANCING ACTIVITIES		50	-	-	-	-	-	-	-	50	100	100
NET INCREASE/ (DECREASE) IN CASH HELD		38 277	-	-	-	-	-	(49 253)	(49 253)	(10 976)	77 622	92 009
Cash/cash equivalents at the year begin:	2	12 478							-	12 478	2 455	80 078
Cash/cash equivalents at the year end:	2	50 755						(49 253)	(49 253)	1 502	80 078	172 087

The budgeted cash flow statement is the first measurement in determining if the budget is funded. The assumed collection rate based on the current collection level is expected to be 65% of billable revenue, taking into account that there are debtors paying for prior years.

An independent debt collector has been appointed to assist in the debt collection.

DC26 Zululand - Table B8 Cash backed reserves/accumulated surplus reconciliation - 08/11/2019

Description	Ref	Budget Year 2019/20									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	+1 2020/21	+2 2021/22
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Adjusted	Adjusted
R thousands		A	A1	B	C	D	E	F	G	H		
Cash and investments available												
Cash/cash equivalents at the year end	1	50 755	-	-	-	-	-	(49 253)	(49 253)	1 502	80 078	172 087
Other current investments > 90 days		(30 755)	-	-	-	-	-	30 755	30 755	0	(60 078)	(152 087)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		20 000	-	-	-	-	-	(18 498)	(18 498)	1 502	20 000	20 000
Applications of cash and investments												
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-	-
Unspent borrowing									-	-		
Statutory requirements									-	-		
Other working capital requirements	2	(59 987)	-					20 406	20 406	(39 581)	(63 153)	(65 844)
Other provisions								3 700	3 700	3 700		
Long term investments committed		-	-					-	-	-	-	-
Reserves to be backed by cash/investments		-	-					-	-	-	-	-
Total Application of cash and investments:		(59 987)	-	-	-	-	-	24 106	24 106	(35 881)	(63 153)	(65 844)
Surplus(shortfall)		79 987	-	-	-	-	-	(42 604)	(42 604)	37 383	83 153	85 844

The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular42 – Funding a Municipal Budget.

In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the

DC26 Zululand - Table B9 Asset Management - 08/11/2019

DC26 Zululand - Table B9 Asset Management - 08/11/2019												
Description	Ref	Budget Year 2019/20									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
R thousands		A	7	8	9	10	11	12	13	14		
		A	A1	B	C	D	E	F	G	H		
CAPITAL EXPENDITURE												
Total New Assets to be adjusted	1	438 315	-	-	-	-	-	29 194	29 194	467 510	480 799	570 712
Roads Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		435 210	-	-	-	-	-	29 194	29 194	464 405	478 161	568 040
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		435 210	-	-	-	-	-	29 194	29 194	464 405	478 161	568 040
Community Facilities		-	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets	6	-	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		1 500	-	-	-	-	-	20	20	1 520	2 000	2 000
Intangible Assets		1 500	-	-	-	-	-	20	20	1 520	2 000	2 000
Computer Equipment		605	-	-	-	-	-	(230)	(230)	375	638	672
Furniture and Office Equipment		100	-	-	-	-	-	10	10	110	-	-
Machinery and Equipment		750	-	-	-	-	-	200	200	950	-	-
Transport Assets		150	-	-	-	-	-	-	-	150	-	-
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets to be adjusted	2	-	-	-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets	6	-	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets to be adjusted	2a	-	-	-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-

Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets	6	-	-	-	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure to be adjusted	4	438 315	-	-	-	-	-	29 194	29 194	467 510	480 799	570 712	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		435 210	-	-	-	-	-	29 194	29 194	464 405	478 161	568 040	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure		435 210	-	-	-	-	-	29 194	29 194	464 405	478 161	568 040	-	-
Community Facilities		-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		1 500	-	-	-	-	-	20	20	1 520	2 000	2 000	-	-
Intangible Assets		1 500	-	-	-	-	-	20	20	1 520	2 000	2 000	-	-
Computer Equipment		605	-	-	-	-	-	(230)	(230)	375	638	672	-	-
Furniture and Office Equipment		100	-	-	-	-	-	10	10	110	-	-	-	-
Machinery and Equipment		750	-	-	-	-	-	200	200	950	-	-	-	-
Transport Assets		150	-	-	-	-	-	-	-	150	-	-	-	-
Land		-	-	-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE to be adjusted	4	438 315	-	-	-	-	-	29 194	29 194	467 510	480 799	570 712	-	-
ASSET REGISTER SUMMARY - PPE (WDV)	5	2 591 277	-	-	-	-	-	29 194	29 194	2 620 471	2 875 313	3 290 173	-	-
Roads Infrastructure														
Storm water Infrastructure														
Electrical Infrastructure														
Water Supply Infrastructure		435 210						29 194	29 194	464 405	478 161	568 040		
Sanitation Infrastructure														
Solid Waste Infrastructure														
Rail Infrastructure														
Coastal Infrastructure														
Information and Communication Infrastructure														
Infrastructure		435 210	-	-	-	-	-	29 194	29 194	464 405	478 161	568 040		
Community Assets														
Heritage Assets														
Investment properties														
Other Assets		2 142 982								2 142 982	2 384 914	2 709 661		
Biological or Cultivated Assets														
Intangible Assets		2 100						20	20	2 120	2 800	3 000		
Computer Equipment		5 105						(230)	(230)	4 875	4 638	4 672		
Furniture and Office Equipment		2 180						10	10	2 190	2 000	2 000		
Machinery and Equipment		1 550						200	200	1 750	800	800		
Transport Assets		2 150								2 150	2 000	2 000		
Land														
Zoo's, Marine and Non-biological Animals														

TOTAL ASSET REGISTER SUMMARY - PPE (WDV)		5	2 591 277	-	-	-	-	-	29 194	29 194	2 620 471	2 875 313	3 290 173
EXPENDITURE OTHER ITEMS													
Depreciation & asset impairment			60 331	-	-	-	-	-	-	-	60 331	63 665	67 103
Repairs and Maintenance by asset class		3	64 416	-	-	-	-	-	(2 980)	(2 980)	61 436	72 024	91 280
Roads Infrastructure			-	-	-	-	-	-	-	-	-	-	-
Storm water Infrastructure			-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure			-	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure			59 561	-	-	-	-	-	(3 014)	(3 014)	56 547	66 865	85 918
Sanitation Infrastructure			-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure			-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure			-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure			-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure			-	-	-	-	-	-	-	-	-	-	-
Infrastructure			59 561	-	-	-	-	-	(3 014)	(3 014)	56 547	66 865	85 918
Community Facilities			-	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities			-	-	-	-	-	-	-	-	-	-	-
Community Assets			-	-	-	-	-	-	-	-	-	-	-
Heritage Assets			-	-	-	-	-	-	-	-	-	-	-
Revenue Generating			-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating			-	-	-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-	-	-
Operational Buildings			2 500	-	-	-	-	-	(218)	(218)	2 282	2 635	2 777
Housing			-	-	-	-	-	-	-	-	-	-	-
Other Assets			2 500	-	-	-	-	-	(218)	(218)	2 282	2 635	2 777
Biological or Cultivated Assets			-	-	-	-	-	-	-	-	-	-	-
Servitudes			-	-	-	-	-	-	-	-	-	-	-
Licences and Rights			-	-	-	-	-	-	-	-	-	-	-
Intangible Assets			-	-	-	-	-	-	-	-	-	-	-
Computer Equipment			700	-	-	-	-	-	-	-	700	780	778
Furniture and Office Equipment			100	-	-	-	-	-	-	-	100	105	111
Machinery and Equipment			555	-	-	-	-	-	(215)	(215)	340	585	585
Transport Assets			1 000	-	-	-	-	-	467	467	1 467	1 054	1 111
Land			-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		6	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS to be adjusted			124 747	-	-	-	-	-	(2 980)	(2 980)	121 767	135 689	158 383
Renewal and upgrading of Existing Assets as % of tot			0.0%	0.0%							0.0%	0.0%	0.0%
Renewal and upgrading of Existing Assets as % of de			0.0%	0.0%							0.0%	0.0%	0.0%
R&M as a % of PPE			2.5%	0.0%							2.3%	2.5%	2.8%
Renewal and upgrading and R&M as a % of PPE			2.5%	0.0%							2.3%	2.5%	2.8%

- Table B9 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
- The infrastructure is funded solely by grants such as MIG, RBIG and WISG, most portions is spent on water provision.
- The municipal budget for repairs and maintenance is not 8% of PPE, funding is very limited; at the moment there is nothing the municipality can do to fund the budget.

Description	Ref	Budget Year 2019/20									Budget Year +1 2020/21	Budget Year +2 2021/22
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
Household service targets												
Water:	1											
Piped water inside dwelling		10324						-	10	10881	10881	
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)								-	-			
Minimum Service Level and Above sub-total		10	-	-	-	-	-	-	10	11	11	
Using public tap (< min.service level)	3							-	-			
Other water supply (< min.service level)	3.4	6921						-	7	7295	6523	
No water supply								-	-			
Below Minimum Servic Level sub-total		7	-	-	-	-	-	-	7	7	7	
Total number of households	5	17	-	-	-	-	-	-	17	18	17	
Sanitation/sewerage:												
Flush toilet (connected to sewerage)								-	-			
Flush toilet (with septic tank)								-	-			
Chemical toilet								-	-			
Pit toilet (ventilated)								-	-			
Other toilet provisions (> min.service level)		6060						-	6 060	6387	6732	
Minimum Service Level and Above sub-total		6 060	-	-	-	-	-	-	6 060	6 387	6 732	
Bucket toilet								-	-			
Other toilet provisions (< min.service level)								-	-			
No toilet provisions								-	-			
Below Minimum Servic Level sub-total		-	-	-	-	-	-	-	-	-	-	
Total number of households	5	6 060	-	-	-	-	-	-	6 060	6 387	6 732	
Energy:												
Electricity (at least min. service level)								-	-			
Electricity - prepaid (> min.service level)								-	-			
Minimum Service Level and Above sub-total		-	-	-	-	-	-	-	-	-	-	
Electricity (< min.service level)								-	-			
Electricity - prepaid (< min. service level)								-	-			
Other energy sources								-	-			
Below Minimum Servic Level sub-total		-	-	-	-	-	-	-	-	-	-	
Total number of households	5	-	-	-	-	-	-	-	-	-	-	
Refuse:												
Removed at least once a week (min.service)								-	-			
Minimum Service Level and Above sub-total		-	-	-	-	-	-	-	-	-	-	
Removed less frequently than once a week								-	-			
Using communal refuse dump								-	-			
Using own refuse dump								-	-			
Other rubbish disposal								-	-			
No rubbish disposal								-	-			
Below Minimum Servic Level sub-total		-	-	-	-	-	-	-	-	-	-	
Total number of households	5	-	-	-	-	-	-	-	-	-	-	
Households receiving Free Basic Service	15											
Water (6 kilolitres per household per month)		47	-	-	-	-	-	-	47	48	49	
Sanitation (free minimum level service)			-	-	-	-	-	-	-	-	-	
Electricity/other energy (50kw h per household per month)			-	-	-	-	-	-	-	-	-	
Refuse (removed at least once a week)			-	-	-	-	-	-	-	-	-	
Cost of Free Basic Services provided (R'000)	16											
Water (6 kilolitres per indigent household per month)		10 000	-	-	-	-	-	-	10 000	11 000	12 000	
Sanitation (free sanitation service to indigent households)			-	-	-	-	-	-	-	-	-	
Electricity/other energy (50kw/h per indigent household)			-	-	-	-</						

B10 Basic service delivery measurement

- More details are provided in Table B10 Basic service delivery measurement.
- The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the municipality's Indigent Policy.
- The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.
- The information in the B10 is provided or taken from the municipality WSDP for 2019/2020.
- The Zululand district municipality is operating in the area that is dominated by rural areas, most households seems to be indigent as were are in the process of updating the register, the households that are getting billed are people from small urban areas, so the number of households with access to water will increase but not correlating with the increase in service charges.
- The municipality still stand with the target that was outlined in approved budget.

PART 2 – SUPPORTING DOCUMENTATION

2.1. Overview of the adjustment Budget Process

Political oversight of the budget process

- Section 53 (1) of the MFMA stipulates that the mayor of a municipality must provide
- general political guidance over the budget process and the priorities that guide the preparation of the budget.
- Section 21(1) of the MFMA states that the Mayor of a municipality must coordinate the processes for preparing the annual budget and for reviewing the municipality's Integrated development plan and budget-related policies to ensure that the tabled budget and any revisions of the integrated development plan and budget-related policies are mutually consistent and credible.
- Furthermore, this section also states that the Mayor must at least 10 months before the start of the budget year, table in municipal council, a time schedule outlining key deadlines for the preparation, tabling and approval of the annual budget.
- This time schedule provides for political input from formal organizations such as portfolio Committees.
- Section 28 of the MFMA, states that a municipality may revise an approved annual budget through an adjustments budget;

Schedule of Key Deadlines relating to budget and IDP process [MFMA 21(1) (b)]

The IDP and Budget time schedule of the 2019/2020 budget cycle was approved by Council on 30 October 2018, 10 months before the start of the budget year in compliance with legislative directives.

The IDP and Budget Process Plan ensure that the role-players within the process are well prepared. All activities outlined within this document have been prepared in close inter-relation with the Framework that governs both the District and all local municipalities.

Process used to integrate the review of the IDP and preparation of the Budget

Updating the adjustment Budget is an evolving and re-iterative process over a 10 month period. The initial parallel process commenced with the consultative process of the IDP in 2018 and the update of the MTREF to determine the affordability and sustainability framework at the same time.

• Stakeholders involved in consultations

The draft and final budget will be provided to National Treasury and Provincial Treasury

• Process and media used to provide information on the Budget to the community

There are budget and IDP meetings to be held throughout Zululand and all members of the public were urged to attend.

- **Methods employed to make the Budget document available (Including websites)**

In compliance with the Municipal Finance Management Act and the Municipal Systems Act with regards to the advertising of Budget Documents (including the Tariffs, Fees and Charges for 2018/2019), advertisements will be placed in newspapers. In compliance with S22 of the MFMA, the adjustment Budget documentations are published on the municipality's website.

2.2 OVERVIEW OF ADJUSTMENT BUDGET ALIGNMENT WITH IDP

Integrated Development Plan Review Process

The Integrated Development Plan (IDP) Review Process is a vehicle through which Municipalities prepare strategic development plans called Integrated Development Plans for a five-year period. Because service delivery is progressive in nature, the IDP must be reviewed annually to keep up with the evolving nature of communities.

Legal Status

The IDP is a legislative requirement, has a legal status and therefore supersedes all other plans that guide development at local government level.

– Vision

We are the Zululand region and proud of our heritage. We are mindful of the needs of the poor and we seek to reflect the aspirations of our communities. We are committed to responsible and accountable actions, tolerance and concern for racial harmony, the protection of our environment, and the strengthening of the role of women and youth. We will strive to improve the quality of life in Zululand by providing sustainable infrastructure, promoting economic development and building capacity within our communities. " We serve our people.

"

– Mission

To create an affluent district by:

- Provision of optimal delivery of essential services;
- Supporting sustainable local economic development; and
- Community participation in service delivery

– Core Values

- Transparency
- Commitment
- Innovation
- Integrity
- Co-operation

The above vision strategic focus areas of the Zululand District Municipality are:

- To facilitate the delivery of sustainable infrastructure and services
- To promote economic development
- To promote social development

Zululand District Municipality (Key Performance Areas)

These focus areas are broken down to objectives and strategies, which is used to set KPIs for the measurement of the Municipality's performance, and progress with its service delivery mandate. It is important to note that the national KPAs as set that relate to:

- community participation,
- good governance,
- municipal transformation
- And financial viability is considered as of a crosscutting nature and therefore forms an integral part of each of the three/strategic focus areas.

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. 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.

1. KEY FINANCIAL INDICATORS AND RATIOS

Information regarding key financial indicators and ratios are provided on supporting table SB 4.

2. MEASURABLE PERFORMANCE OBJECTIVES

Information regarding revenue is provided as follows:

— **Revenue for each vote:** Table B 3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

— **Revenue for each source:** Table B4 Budgeted Financial Performance (revenue and expenditure)

Provision of free basic services:

More details are provided in Table B10 Basic service delivery measurement.

2.4. OVERVIEW OF BUDGET ASSUMPTIONS

Expenditure

Salaries and Allowances

The employee cost have been adjusted, Councillors Allowance have also been adjusted.

General expenditure

Other expenditure includes operating cost like external audit, advertising, printing and stationery, uniforms and protective clothing etc. other expenditure has slightly increased.

Repairs and Maintenance

It is assumed that municipal infrastructure and assets will be maintained. It is expected no major breakages will take place during the financial year. Our repairs and maintenance are mainly contracted therefore; they do not include employee related and other materials costs. They have been included under contracted services.

Finance costs

Interest is not allocated since it is assumed we will pay no interest during the financial year.

Bulk Purchases

There is an addition to bulk purchases water to cater for water and sanitation provision.

Depreciation and Asset impairment

The Budget for depreciation and asset impairment has decreased; this calculation was made taking into account the current year's depreciation year to date movement, assets still to be capitalized (WIP) and new infrastructure to erect in the budget year.

Contracted services

Contracted services has decreased, it includes items like Outsourced services, Consultants, professional fees, and Contractors. The net decrease is due to the reallocation of VIP toilets budget which are funded by MIG that was transferred from Operating to Capital

Bank charges

Bank charges are classified in SB1 as Other expenses

Service Delivery

The municipal budget and IDP focus on service delivery objectives and priorities; these are the provision of clean water and sanitation through the development of sustainable infrastructure, and the provision of decent employment opportunities. Infrastructure makes most part of our capital expenditure. Service standards are to be tabled together with the final budget.

mSCOA budgeting

1 million Has been allocated for MSCOA related cost.

Trading services

The Municipality is dominated by indigent rural households and poor communities; currently a trade loss is unavoidable because most household are not billed for water and sanitation services.

Income**Collection rate for municipal services**

It is assumed that the collection rate (percentage of service charges recovered) for the financial year will be the same as the year to date collection rate. In accordance with relevant legislation and national directives, the estimated revenue recovery rates are based on realistic and sustainable trends. The Municipality's collection rate is set at an average of 65%. Adequate provision is made for non-

recovery. It is assumed that in 2019/2020 and 2020/2021 the collection will be 85% and 85% respectively.

Sale of water and sewerage fees

Water revenue target was met in the first half of the year. The actual year to date billing is high than year to date budget, it seems as if water revenue was under budgeted, water revenue have been adjusted.

INTEREST ON INVESTMENTS

The interest on investment is estimated to increase.

Rental facilities

The budget is estimated to increase

Other revenue

Other revenue in the budget consist of the amount that will be collected during the year such as meter testing, tender fees, indonsa hall hire, indonsa deposit refundable etc. The other potion of revenue is not collectable revenue but the funds that will be used to cater for the expenses other than those funded by grants and also to cater for backlog depreciation and provision of doubtful debts.

Grants

It is assumed that the National and Provincial grants as per Division of Revenue Act(DORA) which has been included in the budget will be received during the 2019/2020 financial year

FINANCIAL POSITION

Property Plant and Equipment

It is assumed that looking at our current funding there will be an increase in addition to PPE.

Transfers and grants – capital

The Division of Revenue Act has gazetted all capital grants to be received.

Cash flow

Additional allocations of the capital grant and service charges also have effect on the cash flow In terms circular 58 a municipality must show the anticipated reclaimed VAT under 'current assets' on its Budgeted Statement of Financial Position (Table B6), which would flow through to the Budgeted Cash Flow (Table B7) (i.e. the reclaimed VAT does not get recorded as 'own revenue' on the Budgeted Statement of Financial Performance, but as a cash receipt on the Budgeted Cash Flow);

2.5. OVERVIEW OF BUDGET FUNDING

SUMMARY

The operating budget for 2019/2020 will be financed as follows:

Source of Revenue	Original Budget 2019/2020	Adjusted Budget 2019/2020
Provincial and National Operating Grants	487 804 000	513 498 465
Other Revenue	1 351 000	2 351 000
Water and sewerage charges	54 763 000	54 763 000
Rental Income	180 000	180 000
Interest Earned	10 000 000	9 000 000
Fines and penalties	90 000	90 000
Total Operating Revenue excl. Capital Transfers	554 188 000	579 883 000

The capital budget for 2019/2020 will be financed as follows:

	Original Budget 2019/2020	Adjusted Budget 2019/2020
Own Funds	3 105 000	3 105 000
Grants	435 210 000	464 405 000
Total Capital Budget	438 315 000	467 510 000

The SA10 is detailing the funding in terms of grants

Reserves

The process to accumulate sufficient funds is a long term process as tariff increases must be kept to a minimum, and service delivery must be continued.

Sustainability of municipality

The way that the budget is funded will ensure that the municipality will be sustainable on the short term, improvements are being made.

Planned savings and efficiencies

The following areas were identified for possible savings after the efficiency of the usage of the assets/services has been evaluated:

Telephone costs

Overtime

Non priority projects

Planned proceeds of sale of assets

No significant revenue is expected from the sale of redundant assets.

Planned use of previous year's cash backed accumulated surplus

Currently there are no plans.

New borrowings

There are no new borrowings proposed.

2.6. EXPENDITURE ALLOCATIONS AND GRANT PROGRAMMES

Particulars of budgeted allocations and grants

Please refer to Supporting Table SB8: Expenditure on transfers and grant Programme

.

2.7. ALLOCATIONS OR GRANTS MADE BY THE MUNICIPALITY

Please refer to Supporting Table SB10 Transfers and grants made by the municipality.

2.8. COUNCILLORS ALLOWANCES AND EMPLOYEE BENEFITS

Please refer to Supporting Table SB 11 Councillors Allowances, Senior Managers and all employees.

DC26 Zululand - Supporting Table SB11 Adjustments Budget - councillor and staff benefits - 08/11/2019

Summary of remuneration	Ref	Budget Year 2019/20								
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget
R thousands		A	5	6	7	8	9	10	11	12
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		4 979							-	4 979
Pension and UIF Contributions		455							-	455
Medical Aid Contributions		85							-	85
Motor Vehicle Allowance		1 768							-	1 768
Cellphone Allowance		653							-	653
Housing Allowances									-	-
Other benefits and allowances									-	-
Sub Total - Councillors		7 940	-			-		-	-	7 940
% increase			(0)							-
Senior Managers of the Municipality										
Basic Salaries and Wages		6 286							-	6 286
Pension and UIF Contributions		63							-	63
Medical Aid Contributions		90							-	90
Overtime									-	-
Performance Bonus		524							-	524
Motor Vehicle Allowance		1 511							-	1 511
Cellphone Allowance		57							-	57
Housing Allowances		-							-	-
Other benefits and allowances		193							-	193
Payments in lieu of leave									-	-
Long service awards									-	-
Post-retirement benefit obligations									-	-
Sub Total - Senior Managers of Municipality		8 724	-	-		-		-	-	8 724
% increase			(0)							-
Other Municipal Staff										
Basic Salaries and Wages		153 278							-	153 278
Pension and UIF Contributions		19 329							-	19 329
Medical Aid Contributions		7 464							-	7 464
Overtime		-							-	-
Performance Bonus									-	-
Motor Vehicle Allowance		7 166							-	7 166
Cellphone Allowance		543							-	543
Housing Allowances		1 273							-	1 273
Other benefits and allowances		2 327						115	115	2 441
Payments in lieu of leave									-	-
Long service awards									-	-
Post-retirement benefit obligations									-	-
Sub Total - Other Municipal Staff		191 380	-	-	-	-	-	115	115	191 495
% increase										
Total Parent Municipality		208 043	-	-	-	-	-	115	115	208 158

Councillors **R 7 940 000**

Senior Managers **R 8 724 000**

All other staff **R 191 496 000**

Number of Councillors **36**

Senior Managers **6** permanent

2.9. CAPITAL SPENDING DETAIL

Information/detail regarding capital projects by vote is provided in Supporting Table

SB19: Detailed capital budget.

2.10. LEGISLATION COMPLIANCE STATUSES

Zululand District Municipality complies in general with legislation applicable to municipalities.

- **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) is progressively improving.

- **Internship programme**

The Municipality is participating in the Municipal Financial Management Internship programme and has employed 5 interns undergoing training in various divisions of the Financial Services Department.

- **Budget and Treasury Office**

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

- **Audit Committee**

The Audit Committee is established and members are appointed, it is performing its duties.

- **Annual Report**

The 2017-2018 annual report process is on-going and an oversight report is due to be tabled before the end of March 2019

2.11Table B10 Basic service delivery measurements

The information in the B10 is provided or taken from the municipality WSDP for 2019/2020. The Zululand district municipality is operating in the area that is dominated by rural areas, most households seems to be indigent as were are in the process of compiling the register, the households that are getting billed are people from small urban areas, so the number of households with access to water will increase but not correlating with the increase in service charges

WATER, SANITATION TARIFFS AND OTHER CHARGES 2019- 2020																					
DETAILS	NONGOMA	VAT	AMOUNT	% CHANGE	2019/2020 CHANGE	ULUNDI	VAT	AMOUNT	% CHANGE	2019/2020 CHANGE	EDUMBE	VAT	AMOUNT	% CHANGE	2019/2020 CHANGE	PONGOLA	VAT	AMOUNT	% CHANGE	2019/2020 CHANGE	
WATER TARIFFS																					
DOMESTIC																					
CURRENT 0-6kl	0.00	-				0.00	0.00				0.00	0.00					0.00				
PROPOSED	0.00	-		0%	0.00	0.00	0.00		0%	0.00	0.00	0.00			0%		0.00		0%	-	
CURRENT 7-30kl	6.93	1.04	7.96			6.93	1.04	7.96			6.93	1.04	7.96				6.93				
PROPOSED	7.34	1.10	8.44	6%	0.48	7.34	1.10	8.44	6%	0.59	7.34	1.10	8.44	6%	0.48		6.21	0.93	7.14	6%	0.40
CURRENT 30-40	9.69	1.45	11.15			9.69	1.45	11.15			9.69	1.45	11.15				9.69	1.45	11.15		
PROPOSED	10.66	1.60	12.26	10%	1.11	10.66	1.60	12.26	10%	1.11	10.66	1.60	12.26	10%	1.11		10.66	1.60	12.26	10%	1.11
CURRENT > 40	13.65	2.05	15.70			13.65	2.05	15.70			13.65	2.05	15.70				13.65	2.05	15.70		
PROPOSED	15.70	2.35	18.05	15%	2.35	15.01	2.25	17.27	15%	1.57	15.01	2.25	17.27	15%	1.57		15.70	2.35	18.05	10%	2.35
BUSINESS																					
CURRENT	9.73	1.46	11.19			9.73	1.46	11.19			9.73	1.46	11.19				9.73	1.46	11.19		
PROPOSED	10.31	1.55	11.86	6%	0.67	10.31	1.55	11.86	6%	0.67	10.31	1.55	11.86	6%	0.67		10.31	1.55	11.86	6%	0.67
WATER CONNECTIONS:																					
CURRENT	3 116.34	467.45	3 583.79			3 116.34	467.45	3 583.79			3 116.34	467.45	3 583.79				3 116.34	467.45	3 583.79		
Proposed Residential	3 303.32	495.50	3 798.81	6%	215.03	3 303.32	495.50	3 798.81	6%	215.03	3 303.32	495.50	3 798.81	6%	215.03		3 303.32	495.50	3 798.81	6%	215.03
Proposed Business																					
NEW SEWER CONNECTIONS:																					
CURRENT																					
Proposed Residential																					
Proposed Business																					
METER TEMPLERS:																					
CURR - First Offence/ILLEGAL FEE	1 827.31	274.10	2 101.40			1 827.31	274.10	2 101.40			1 827.31	274.10	2 101.40				1 827.31	274.10	2 101.40		
FIRST OFFENCE/ILLEGAL FEE	1 936.95	287.35	2 224.30	6%	126.08	1 936.95	287.35	2 224.30	6%	126.08	1 936.95	287.35	2 224.30	6%	126.08		1 936.95	287.35	2 224.30	6%	126.08
CURR - Second Offence/ILLEGAL FEE	3 824.61	548.19	4 372.81			3 824.61	548.19	4 372.81			3 824.61	548.19	4 372.81				3 824.61	548.19	4 372.81		
PROP - Second Offence/ILLEGAL FEE	3 873.89	561.08	4 434.97	6%	253.17	3 873.89	561.08	4 434.97	6%	253.17	3 873.89	561.08	4 434.97	6%	253.17		3 873.89	561.08	4 434.97	6%	253.17
Third Offence																					
WATER RECONNECTION FEE:																					
CURRENT	184.15	27.62	211.77			184.15	27.62	211.77			184.15	27.62	211.77				184.15	27.62	211.77		

2.13 Municipal Manager's quality certification

QUALITY CERTIFICATE

I Z.W. MCINEKA, Municipal Manager of Zululand District Municipality, hereby certify that the special Adjustment 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 adjustment budget and supporting documents are consistent with the Integrated Development Plan of the municipality.



Mr Z.W. MCINEKA
Acting Municipal Manager
Zululand District Municipality (DC 26)

Date: 11 NOVEMBER 2019.

