

**ANNUAL BUDGET OF**

# **MTHONJANENI LOCAL MUNICIPALITY**



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

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- In the foyers of all municipal buildings
- All public libraries within the municipality
- At [www.mthonjaneni.org.za](http://www.mthonjaneni.org.za)

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## DEFINITIONS

(1) In this Budget Report, unless the context indicates otherwise –

**“accounting officer”**

(a) in relation to a municipality, means the municipal official referred to in section 60 of the Municipal Finance Management Act, 2003; and include a person acting as the accounting officer;

**“allocation”**, in relation to a municipality, means -

- (a) a municipality’s share of the local government’s equitable share referred to in section 214(1)(a) of the Constitution;
- (b) an allocation of money to a municipality in terms of section 214(1)(c) of the Constitution;
- (c) an allocation of money to a municipality in terms of a provincial budget; or
- (d) any other allocation of money to a municipality by an organ of state, including by another municipality, otherwise than in compliance with a commercial or other business transaction;

**“annual Division of Revenue Act”** means the Act of Parliament which must be enacted annually in terms of section 214 (1) of the Constitution;

**“approved budget”** means an annual budget -

- (a) Approved by a municipal council; or
- (b) Approved by a provincial or the national executive following an intervention in terms of section 139 of the Constitution, and includes such an annual budget as revised by an adjustments budget in terms of section 28;

**“basic municipal service”** means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment;

**“budget-related policy”** means a policy of a municipality affecting or affected by the annual budget of the municipality, including -

- (a) The tariffs policy which the municipality must adopt in terms of section 74 of the Municipal Systems Act;
- (b) The credit control and debt collection policy which the municipality must adopt in terms of section 96 of the Municipal Systems Act;

**“budget year”** means the financial year for which an annual budget is to be approved in terms of section 16(1) of the Municipal Finance Management Act, 2003.;

**“chief financial officer”** means a person designated in terms of section 80(2)(a) of the Municipal Finance Management Act, 2003.

**“councillor”** means a member of a municipal council;

**“CPI”** means Consumer price Index.

**“current year”** means the financial year which has already commenced, but not yet ended;

**“debt”** means -

- (a) a monetary liability or obligation created by a financing agreement, note, debenture, bond or overdraft, or by the issuance of municipal debt instruments; or
- (b) a contingent liability such as that created by guaranteeing a monetary liability or obligation of another;

**“delegation”**, in relation to a duty, includes an instruction or request to perform or to assist in performing the duty;

**“district municipality”** means a municipality that has municipal executive and legislative authority in an area that includes more than one municipality, and which is described in section 155(1) of the Constitution as a category C municipality;

**“COGTA”** means Cooperative Governance and Traditional Affairs

**“EXCO”** means Executive Committee of the Council of the Municipality

**“GFS”** means General Financial Statistic.

**“financial year”** means a year ending on 30 June;

**“IDP”** means Integrated Development Plan

**“In year reports, in relation to-**

**(a) a municipality means**

- (i) a monthly budget statement of the municipality contemplated in section 71(1) of the MFMA
- (ii) a Quarterly report on the implementation of the budget and financial state of affairs of the municipality contemplated in section 52(d) of the act;
- (iii) a mid-year budget and performance assessment of the municipality contemplated in section 72 of the act.

**“investment”**, in relation to funds of a municipality, means -

- (a) The placing on deposit of funds of a municipality with a financial institution; or
- (b) The acquisition of assets with funds of a municipality not immediately required, with the primary aim of preserving those funds;

**“lender”**, in relation to a municipality, means a person who provides debt finance to a municipality;

**“local community”** has the meaning assigned to it in section 1 of the Municipal Systems Act;

**“local municipality”** means a municipality that shares municipal executive and legislative authority in its area with a district municipality within whose area it falls, and which is described in section 155(1) of the Constitution as a category B municipality;

**“long-term debt”** means debt repayable over a period exceeding one year;

**“MANCO”** means management committee of the municipality

**“MFMA”** Municipal Finance Management Act, No. 56 of 2003

**“MFMA Regulations or (MBRR)”** means regulations relating to Municipal Budget and Reporting

**“MTEF”** means Medium Term Expenditure Framework

**“mayor”**, in relation to -

- (a) a municipality with an executive mayor, means the councillor elected as the executive mayor of the municipality in terms of section 55 of the Municipal Structures Act; or
- (b) a municipality with an executive committee, means the councillor elected as the mayor of the municipality in terms of section 48 of that Act;

**“month”** means one of the 12 months of a calendar year;

**“municipality”** -

- (a) when referred to as a corporate body, means a municipality as described in section 2 of the Municipal Systems Act; or (b) when referred to as a geographic area, means a municipal area determined in terms of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998);

**“municipal service”** has the meaning assigned to it in section 1 of the Municipal Systems Act;

**“Municipal Systems Act”** means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);

**“municipal tariff”** means a tariff for services which a municipality may set for the provision of a service to the local community, and includes a surcharge on such tariff;

**“municipal tax”** means property rates or other taxes, levies or duties that a municipality may impose;

**“National Treasury”** means the National Treasury established by section 5 of the Public Finance Management Act;

**“past financial year”** means the financial year preceding the current year;

**“NER”**, means the National Electricity Regulator;

**“Provincial Treasury”** means a treasury established in terms of section 17 of the Public Finance Management Act;

**“quarter”** means any of the following periods in a financial year:

- (a) 1 July to 30 September;
- (b) 1 October to 31 December;

(c) 1 January to 31 March; or

(d) 1 April to 30 June;

**“Quality certificate”**, in relation to

(a) a municipality, means a certificate issued and signed by the municipal manager of the municipality confirming the accuracy and reliability of the contents of a document prepared or issued by the municipality

**“SDBIP”** means Service Delivery Budget Implementation Plan

**“standards of generally recognised accounting practice”** means an accounting practice complying with standards applicable to municipalities or municipal entities and issued in terms of Chapter 11 of the Public Finance Management Act;

**“vote”** means -

(a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and

(b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

## **PART 1 – ANNUAL BUDGET**

### **1.1 MAYOR’S REPORT**

Honorable Speaker,

Thank you for giving me this opportunity to present a 2019/2020 final budget and outer subsequence years for Mthonjaneni Municipality. Before I proceed Madam Speaker, allow me to greet Amakhosi aseNdlunkulu in our midst, Deputy Mayor Dlukula, Members of the Executive Committee, Councillors, Municipal Manager, Manyelela, Heads of Departments within our municipality, Officials and valuable members of our community and all other protocol observed.

The 2019/2020 budget has been hard as we are constantly required to do more with fewer resources. Difficult economic conditions still exist. The municipality is not insulated from these events as we live in a global village. Ultimately the negative economic conditions impact the collection of revenue negatively and the prospect of enhancing the municipality’s own revenue sources.

Our municipality has successfully implemented a new financial system (Sage Evolution Pastel) and complied with Municipal Regulations on a Standard Chart of Accounts (Mscoa) which became effective from 01 July 2017.

The Consumer Price Inflation is forecast at 5.2 percent for 2019/20, while the Gross Domestic Product growth rate is forecast at 1.5 per cent in 2019 and 1.7 per cent in year 2020. But the projected rate of growth is not sufficient to reduce the current high levels of unemployment or impact significantly on poverty and inequality. Mthonjaneni Municipality, like all other Municipalities and the whole country, has no doubt that the continuing of economic downturn in our country, funding pressures from Eskom and an increase in other financially distressed state-owned companies due to mismanagement and high levels of corruption have conspired to create a very difficult situation for us indeed. The top priority of this budget is to give relief and better service delivery to the people of Mthonjaneni Municipality.

The Municipality’s core business is to enhance service delivery for our communities. Despite the limited resources at the disposal of the municipality this budget seeks to better service delivery to our community. We are aware of the challenges being faced by our people.

As we all know, the Municipality’s infrastructure is aging, therefore, it becomes more critical that council is able to balance its finances in such a way that we are able to maintain the infrastructure and assets that we have. To this end the municipality is continuously seeking alternative sources of funds to renew this aging infrastructure. Majority of our people lack basic necessities. It is therefore imperative that this Council puts the foot on the pedal for seeking partnership with other private sector and in pursuit of improving the lives of our people as it is evident from the budget that we cannot do everything on our own with the limited financial resources we have.

Madam Speaker, merging of the dissolved Ntambanana Municipality to Mthonjaneni came with no additional cent. As a result of a merger our municipality has grown from 6 to 13 wards and our population is estimated at 78.8 thousand according to the latest community survey from Statistics South Africa. Beside the increase in number of people we serve, we are still operating with a small budget of six wards of old Mthonjaneni. Almost all our wards are rural and have poor infrastructure. We are still waiting for the improvement in the allocation of equitable share and infrastructure grants to our municipality from the National Government as a result of the merger.

Hopefully it will come in our lifetime. As the Municipality we are working very hard to service all wards of Mthonjaneni equally and without any biasness.

We have managed in the past to spend accordingly and in full all the infrastructure grant monies allocated to us. Consequently, National Government decided in the last two years to give us a little bit more top up on Municipal Infrastructure grant from what was initially allocated to us. In current financial year 2018/19, National Treasury gave us an additional R 4 million to spend on MIG projects. This was done because we respect and utilize tax payer's money accordingly. This is clear evidence that the leadership of this municipality is working tirelessly to improve the lives of the people of Mthonjaneni and is not condoning corruption and maladministration.

The recent approval by National Electricity Regulator of South Africa (NERSA) of additional increases in the Eskom bulk tariffs by 9.4 percent pose an affordability challenge to our community.

Honorable members, the Auditor General Report for 2017/2018 proves without reasonable doubt that this municipality led by INkatha Freedom Party is not corrupt and is working for the people of Mthonjaneni.

Despite the obstacles in front of us we are pleased to have put together a balanced, reliable, credible and funded budget under the circumstances. As the Council of Mthonjaneni Municipality we are committed to improving efficiency and implementation of sound financial management. In this regard the 2019/20 budget is being funded mainly from Government grants and a small portion from own revenue because our areas are largely rural and don't have much economic activity.

Summary of final annual budget 2019/20 is as follows:

| <b>Description</b>       | <b>BUDGET<br/>2019/2020</b> | <b>BUDGET<br/>2020/2021</b> | <b>BUDGET<br/>2021/2022</b> |
|--------------------------|-----------------------------|-----------------------------|-----------------------------|
|                          |                             |                             |                             |
| Operational Revenue      | R 144.9 million             | R 151.2 million             | R 159.9 million             |
| Capital Revenue          | R33.1 million               | R33.8 million               | R34.9 million               |
| <b>Total Revenue</b>     | <b>R 178.0 million</b>      | <b>R 185.0 million</b>      | <b>R194.8 million</b>       |
|                          |                             |                             |                             |
| Operational Expenditure  | R 141.7 million             | R 152.2 million             | R 163.6 million             |
| Capital Expenditure      | R 36.1 million              | R 32.4 million              | R 30.9 million              |
| <b>Total Expenditure</b> | <b>R177.8 million</b>       | <b>R 184.6 million</b>      | <b>R 194.6 million</b>      |
|                          |                             |                             |                             |
| <b>Surplus/(Deficit)</b> | <b>R150.0 thousand</b>      | <b>R343.1 thousand</b>      | <b>(R 217.2 thousand)</b>   |

The planned projects for 2019/20 in terms of the Municipal Infrastructure and Electrification grants allocations are as follows:

| No.                          | Project Description                                                       | Source of funding | Budget Amount          |
|------------------------------|---------------------------------------------------------------------------|-------------------|------------------------|
| 1.                           | Urban Roads upgrade and Rehabilitation phase 5 – Ward 3                   | MIG               | R7.6 Million           |
| 2.                           | Noziphiva Gravel road - Ward 10                                           | MIG               | R 3.4 million          |
| 3.                           | Mehlamasha Community hall - Ward 6                                        | MIG               | R1.8 million           |
| 4.                           | Sangoyana Sports Field- Ward 13                                           | MIG               | R 5.2 million          |
| <b>TOTAL MIG ALLOCATION</b>  |                                                                           |                   | <b>R18.033 million</b> |
| 5.                           | Thubalethu Extention Housing Project Phase 1, Ward 2 with 500 connections | INEP              | R15 million            |
| <b>TOTAL INEP ALLOCATION</b> |                                                                           |                   | <b>R15 million</b>     |

These projects are expected to commence as from 1 July 2019.

The municipality will continue to provide free basic services such as 50 kilowatt of electricity to indigent households and to assist the indigent communities with burial assistance. We budgeted **R910 thousand** for this program. Each ward will have an allocation of **R70 thousand**.

We will continue with the program of assisting youth of Mthonjaneni with driver's licenses. Allow me to inform the meeting that to date, more than 90 beneficiaries have received their drivers license's that the municipality took under this project last year. This alone will change the lives of these young people and their families.

We will implement this program again where the municipality will take six (6) young people per ward. The budget for this project is **R312 thousand**. We will continue to sponsor first year students who are doing grade 12 for their higher education level, the council has put aside **R150 thousand** for these Bursaries. Among other things that we are planning to do is Mayoral Cup. We have put aside **R400 thousand** for the Mayoral Cup and for other sports development we budgeted **R450 thousand**.

The Nyusivolume Summer campaign that we hosted last December in partnership with Ukhozi FM was an overwhelming success. This is a lifestyle –driven campaign addressing social challenges faced by our society especially youth and it entrenches social messages that focus on living a positive lifestyle such as Jabul'uzibheke. We wish to make this campaign an annual event for Mthonjaneni because of the positive impact it has on our community, especially the youth. Nyusivolume campaign is budgeted R 1.8 million in the 2019/20 financial year. We have also budgeted **R200 thousand** for other youth related activities. We have put aside budget of **R250 thousand** for Operation Sukuma Sakhe projects. We also have a budget of **R1.1 million** for Local Economic Development for our municipality. Young and emerging businesses will benefit from LED projects. We will also send our Maidens to eNyokeni for uMkhosi woMhlanga. We have put aside **R400 thousand** for that. As a norm, Early Child Development, Senior Citizens and the community leaving with disability, and various forums are allocated certain budgets for their projects or activities.



In conclusion, I would like to thank all the Councillors for their invaluable contributions in this budget, the Municipal Manager, the Heads of Departments and all staff members who made the budget process a success. Honorable Councillors with those few words I have pleasure in placing the 2019/2020 final capital and operating budget for consideration and approval. It is now time to work smarter, harder and faster in delivering on our core mandate. Your continued support is a testimony and affirmation that we can do better in improving the quality of lives of our communities.

I thank you!. Siyathokoza!

**His Worship the Mayor**

**CIlr SBK BIYELA**

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## 1.2 COUNCIL RESOLUTIONS

On 27 March 2019 the Council of Mthonjaneni Local Municipality met in the Council Chamber of Mthonjaneni Local Municipality to consider the annual budget of the municipality for the financial year 2019/20. The Council approved and adopted the following resolutions:

1. The Council of Mthonjaneni Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
  - 1.1. The annual budget of the municipality for the financial year 2019/20 and the multi-year and single-year capital appropriations as set out in the following tables:
    - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table on page;
    - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table on page ;
    - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table on page; and
    - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table on page.
  - 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
    - 1.2.1. Budgeted Financial Position as contained in Table on page;
    - 1.2.2. Budgeted Cash Flows as contained in Table 14 on page 25;
    - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table on page;
    - 1.2.4. Asset management as contained in Table on page; and
    - 1.2.5. Basic service delivery measurement as contained in Table on page.
2. The Council of Mthonjaneni Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts the tariffs of charges for various services with effect from 1 July 2019.

### 1.3 EXECUTIVE SUMMARY

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

**MFMA Circular No. 93** states that South Africa finds itself at a crossroads. The Medium Term Budget Policy Statement (MTBPS) presented by the Minister of Finance, Mr Tito Mboweni highlights the difficult economic and fiscal choices confronting government over the next several years. In the 2018 MTBPS, the Minister of Finance stated that given *the current economic climate the country faces, the government is confronted by difficult economic and fiscal choices over the medium term*. The Minister further indicated that South Africa needs to choose a path that leads to faster and more inclusive economic growth and strengthens private and public sector investment. The path should also stabilise and reduce the national debt, as South Africa cannot afford to borrow at the rate we are currently borrowing at.

The 2018 Budget set out expectations of improved economic performance that proved premature. During the first half of this year, South Africa experienced a technical recession – that is, declining of the two consecutive quarters of Gross Domestic Product (GDP) – driven primarily by contractions in agriculture and mining.

**MFMA Circular No. 94** further states that The GDP growth rate is forecasted at 1.5 per cent in 2019, 1.7 per cent in 2020 and 2.1 per cent in 2021. The revisions take into account weaker investment outcomes in 2018, a more fragile recovery in household income and slower export demand than expected due to moderating global growth. Consumer inflation has also been revised down due to lower oil prices and food inflation than previously assumed.

The main risks to the economic outlook are continued policy uncertainty and deterioration in the finances of state-owned entities. These factors, alongside continued high unemployment and slow growth will continue to exert pressure on municipal revenue generation and collection levels hence a conservative approach is advised for municipal revenue projections. Municipalities affected by the drought should also consider its impact on revenue generation. In this context, municipalities will have to improve their efforts to limit non-priority spending and to implement stringent cost-containment measures.

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

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

- The ongoing difficulties in the national and local economy;
- Wage increases for municipal staff that continues to exceed consumer inflation.

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

- The 2018/19 Adjustment Budget priorities and targets, as well as the base line allocations contained in that Adjustment Budget were adopted as upper limits for the new baselines for the 2019/20 Final annual budget;

- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Property rate increases should be affordable and should generally not exceed inflation as measured by the CPI.
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act.

## 1.4 OPERATING REVENUE FRAMEWORK

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

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

- National Treasury's guidelines and macroeconomic policy
- Effective revenue management
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 Of 2004) (MPRA)

The following table is a summary of the 2019/20 MTREF (classified by main revenue source):

**Table 1 Operating Revenue Framework**

| Description                                                          | Ref | 2015/16         | 2016/17         | 2017/18         | Current Year 2018/19 |                 |                    |                   | 2019/20 Medium Term Revenue & Expenditure Framework |                        |                        |
|----------------------------------------------------------------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                                      |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2019/20                                 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| <b>Revenue By Source</b>                                             |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Property rates                                                       | 2   | 9 817           | 9 789           | 11 431          | 13 850               | 18 850          | 18 850             | –                 | 19 981                                              | 21 179                 | 22 450                 |
| Service charges - electricity revenue                                | 2   | 19 167          | 19 890          | 19 976          | 25 512               | 27 512          | 27 512             | –                 | 31 088                                              | 32 953                 | 34 601                 |
| Service charges - water revenue                                      | 2   | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| Service charges - sanitation revenue                                 | 2   | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| Service charges - refuse revenue                                     | 2   | 1 354           | 1 046           | 2 008           | 1 803                | 1 803           | 1 803              | –                 | 1 910                                               | 2 025                  | 2 177                  |
| Rental of facilities and equipment                                   |     | –               | 229             | 227             | 171                  | 171             | 171                | –                 | 181                                                 | 192                    | 206                    |
| Interest earned - external investments                               |     | 247             | 2 176           | 1 367           | 1 200                | 750             | 750                | –                 | 750                                                 | 795                    | 855                    |
| Interest earned - outstanding debtors                                |     | 3 284           | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| Dividends received                                                   |     | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| Fines, penalties and forfeits                                        |     | 24 309          | 31 618          | 10 165          | 5 000                | 8 500           | 8 500              | –                 | 1 500                                               | 1 590                  | 1 709                  |
| Licences and permits                                                 |     | 2 070           | 1 923           | 1 672           | 2 881                | 2 881           | 2 881              | –                 | 3 054                                               | 3 237                  | 3 480                  |
| Agency services                                                      |     | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| Transfers and subsidies                                              |     | 44 680          | 71 384          | 79 370          | 76 672               | 76 672          | 76 672             | –                 | 85 379                                              | 88 010                 | 93 115                 |
| Other revenue                                                        | 2   | 1 599           | 3 374           | 1 066           | 1 133                | 6 898           | 6 898              | –                 | 1 134                                               | 1 202                  | 1 292                  |
| Gains on disposal of PPE                                             |     | 416             | 608             | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| <b>Total Revenue (excluding capital transfers and contributions)</b> |     | <b>106 944</b>  | <b>142 036</b>  | <b>127 282</b>  | <b>128 221</b>       | <b>144 035</b>  | <b>144 035</b>     | <b>–</b>          | <b>144 977</b>                                      | <b>151 184</b>         | <b>159 886</b>         |

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

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process. Interest comprises of; interest on primary bank account as well as interest earned from call investment accounts.

The Transfers recognized – operating and capital was informed by the government gazette no. 42217 dated 8 February 2019 that talks about Equitable share transfers to municipalities in terms of section 38 (2) of the Division of Revenue Act.

It should be also noted that the anticipated total revenue (excluding capital transfers and contributions) amounts to R 143.8million to cover budgeted operating expenditure amounting to R 140.7 million.

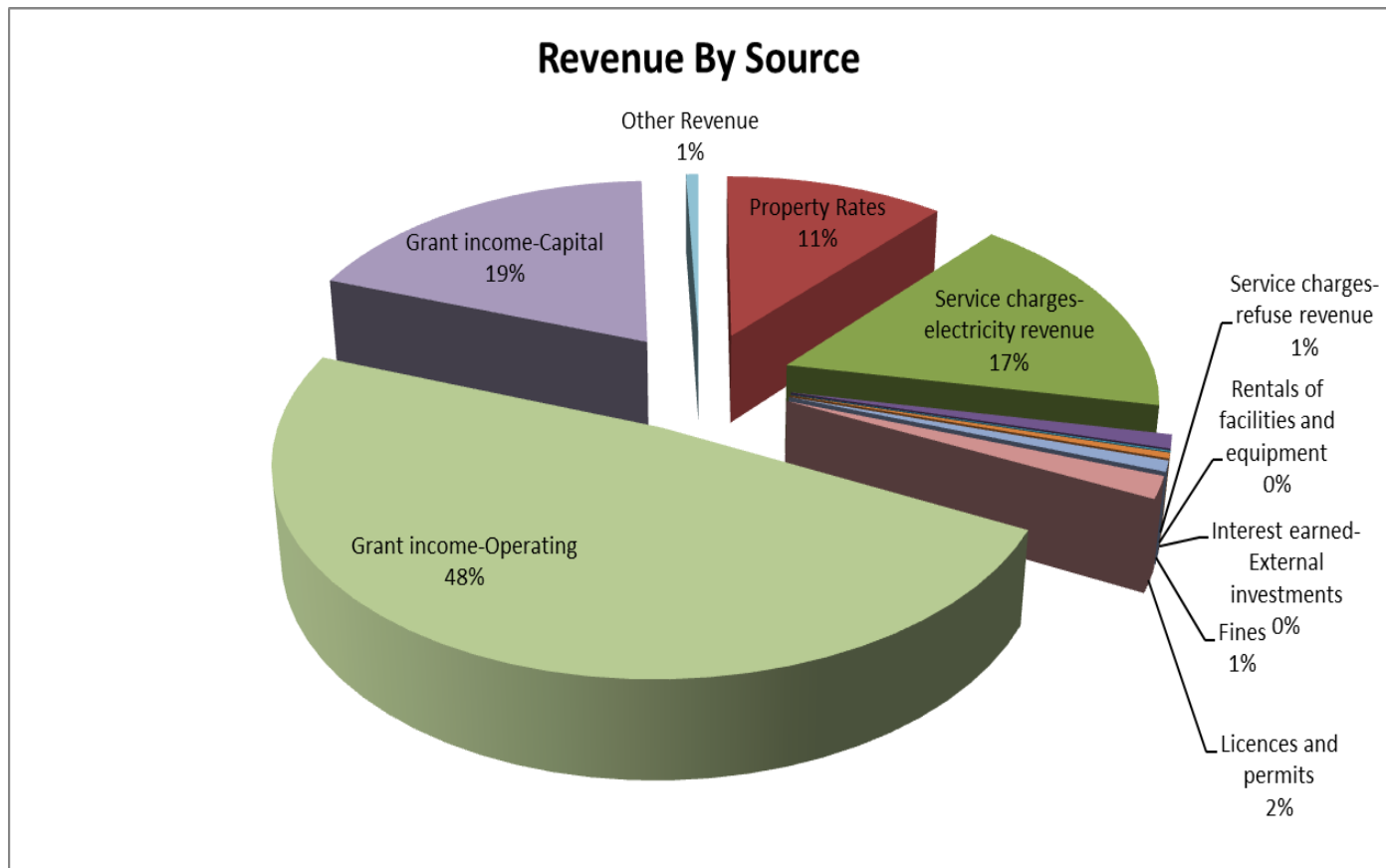
**Table 2 Operating Transfers and Grants Receipts**

**KZN285 Mthonjaneni - Supporting Table SA18 Transfers and grant receipts**

| Description                                 | Ref  | 2015/16         | 2016/17         | 2017/18         | Current Year 2018/19 |                 |                    | 2019/20 Medium Term Revenue & Expenditure Framework |                        |                        |
|---------------------------------------------|------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
|                                             |      | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2019/20                                 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| <b>R thousand</b>                           |      |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>RECEIPTS:</b>                            | 1, 2 |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Operating Transfers and Grants</b>       |      |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>National Government:</b>                 |      | 43 957          | 76 022          | 78 599          | 75 637               | 75 637          | 75 637             | 84 288                                              | 86 860                 | 91 898                 |
| Local Government Equitable Share            |      | 38 963          | 63 837          | 67 317          | 70 979               | 70 979          | 70 979             | 79 412                                              | 84 010                 | 89 048                 |
| Finance Management                          |      | 1 800           | 2 738           | 2 850           | 2 850                | 2 850           | 2 850              | 2 850                                               | 2 850                  | 2 850                  |
| Municipal Systems Improvement               |      | 930             | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| EPWP Incentive                              |      | 2 264           | 2 161           | 2 222           | 1 808                | 1 808           | 1 808              | 2 026                                               | –                      | –                      |
| Library Grant                               |      |                 | 7 286           | 6 210           | –                    | –               | –                  | –                                                   | –                      | –                      |
| <b>Provincial Government:</b>               |      | 723             | 738             | 771             | 1 035                | 1 035           | 1 035              | 1 091                                               | 1 150                  | 1 217                  |
| Library Grant                               |      | 723             | 738             | 771             | 1 035                | 1 035           | 1 035              | 1 091                                               | 1 150                  | 1 217                  |
| <b>District Municipality:</b>               |      | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| <i>[insert description]</i>                 |      |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Other grant providers:</b>               |      | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| <i>[insert description]</i>                 |      |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Total Operating Transfers and Grants</b> | 5    | 44 680          | 76 760          | 79 370          | 76 672               | 76 672          | 76 672             | 85 379                                              | 88 010                 | 93 115                 |

The above table shows the operating transfers and grants for Mthonjaneni Local Municipality 2019/20 as published in the Division of Revenue Act and Provincial Gazette of transfers and of funds to municipalities. The municipality has budgeted for only the transfers that are gazetted.

The diagram below shows the revenue by source through pie chart in terms of how much percentages does each revenue source contributes to total operating revenue of Mthonjaneni Local Municipality.



**Figure 1 Main operational revenue categories for 2019/20 draft budget.**

## 1.5 OPERATING EXPENDITURE FRAMEWORK

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

- Balanced budget constrains (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- Strict adherence to the principle of *no project plans no budget*. If there is no business plan no funding allocation can be made.

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

**Table 3 Summary of operating expenditure by Expenditure by type**

KZN285 Mthonjaneni - Table A4 Budgeted Financial Performance (revenue and expenditure)

| Description                     | Ref  | 2015/16         | 2016/17         | 2017/18         | Current Year 2018/19 |                 |                    |                   | 2019/20 Medium Term Revenue & Expenditure Framework |                        |                        |
|---------------------------------|------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|-----------------------------------------------------|------------------------|------------------------|
|                                 |      | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2019/20                                 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| <b>Expenditure By Type</b>      |      |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Employee related costs          | 2    | 24 982          | 33 195          | 42 913          | 48 580               | 52 355          | 52 355             | –                 | 53 418                                              | 57 424                 | 61 731                 |
| Remuneration of councillors     |      | 3 168           | 6 441           | 7 637           | 7 886                | 8 810           | 8 810              | –                 | 9 299                                               | 9 996                  | 10 746                 |
| Debt impairment                 | 3    | –               | –               | –               | 2 300                | 900             | 900                | –                 | 3 900                                               | 4 193                  | 4 507                  |
| Depreciation & asset impairment | 2    | 5 809           | 14 437          | 15 245          | 5 252                | 5 252           | 5 252              | –                 | 10 145                                              | 10 587                 | 11 381                 |
| Finance charges                 |      | 7 776           | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| Bulk purchases                  | 2    | 19 079          | 20 223          | 21 541          | 24 500               | 24 500          | 24 500             | –                 | 26 705                                              | 28 708                 | 30 861                 |
| Other materials                 | 8    | –               | –               | –               | 1 252                | 1 712           | 1 712              | –                 | 2 227                                               | 2 394                  | 2 574                  |
| Contracted services             |      | 2 159           | 3 231           | 5 788           | 18 094               | 23 222          | 23 222             | –                 | 17 967                                              | 19 504                 | 20 967                 |
| Transfers and subsidies         |      | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| Other expenditure               | 4, 5 | 44 560          | 77 404          | 50 449          | 16 737               | 22 662          | 22 662             | –                 | 18 042                                              | 19 425                 | 20 882                 |
| Loss on disposal of PPE         |      | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| <b>Total Expenditure</b>        |      | <b>107 533</b>  | <b>154 930</b>  | <b>143 573</b>  | <b>124 600</b>       | <b>139 413</b>  | <b>139 413</b>     | <b>–</b>          | <b>141 702</b>                                      | <b>152 231</b>         | <b>163 649</b>         |

The budgeted allocation for employee related costs for 2019/20 financial year totals to R 53.4 million, which equals 39 per cent of the total operating expenditure.

The cost associated with the remuneration of Councillors is determined by the minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the 2019/20 Municipality's budget.

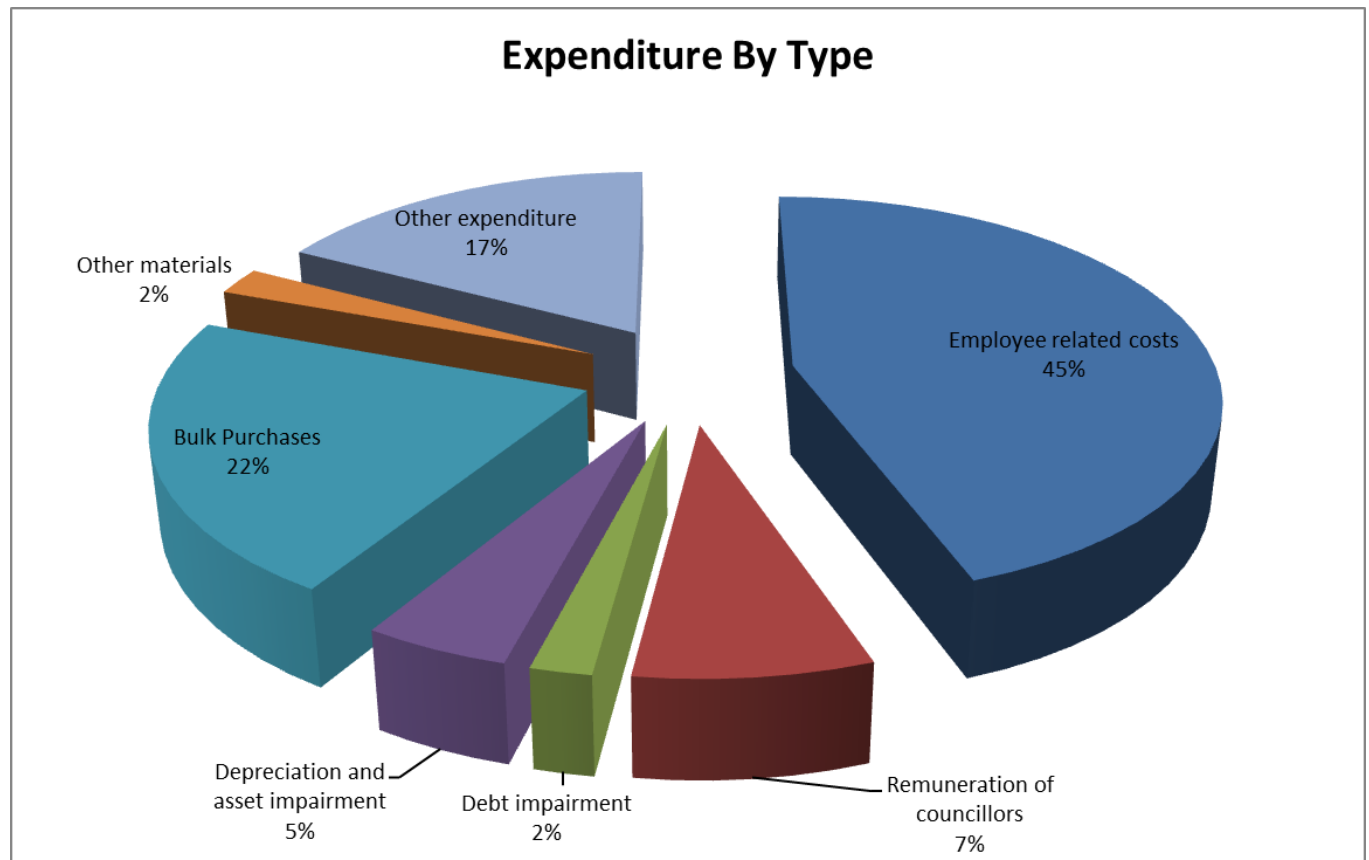
Provision for depreciation has been informed by Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriation in this regard totals to R 10.1 million for 2019/20 financial year of which it translate to 5 per cent of the total operating expenditure.

Other material comprises of amongst others the purchase of fuel and other repairs and maintenance work.

Contracted services has been widened in terms of the MSCOA classification and includes amongst others the costs of, security services, catering services, contracted repairs and maintenance services, leased vehicles, event coordinators . As part of the compilation of the 2019/20 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved.

The following table gives a breakdown of the main expenditure categories for the 2019/20 financial year.



*Figure 2 Main operational expenditure categories for the 2019/20 draft budget*



**Table 4 Operational repairs and maintenance**

SA34C

|                                           |   |       |       |   |       |   |   |       |       |       |       |
|-------------------------------------------|---|-------|-------|---|-------|---|---|-------|-------|-------|-------|
| Repairs and Maintenance                   |   |       |       |   |       |   |   |       |       |       |       |
| Employee related costs                    | 8 |       |       |   |       |   |   |       |       |       |       |
| Other materials                           |   |       |       |   |       |   |   |       |       |       |       |
| Contracted Services                       |   | 3 048 | 6 822 |   | 3 243 |   |   | 3 465 | 3 725 | 4 004 |       |
| Other Expenditure                         |   |       |       |   |       |   |   |       |       |       |       |
| Total Repairs and Maintenance Expenditure | 9 | 3 048 | 6 822 | – | 3 243 | – | – | –     | 3 465 | 3 725 | 4 004 |

In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered as a direct expenditure driver but an outcome of certain other expenditure, such as remuneration, purchases of materials and contracted services. Mthonjaneni Local Municipality is aware of the Municipal Budget and Reporting Regulations which states that priority must be given to operational repairs and maintenance but because of its capacity and a small number of assets that the municipality owns the budgeted amount is reflected on the table above is small.

### Free Basic Services

The free basic service assists households that are poor or face other circumstances that limit their ability to pay for services. To receive this service the households are required to register in terms of the Municipality's Indigent Policy. The qualification criterion in terms of the municipality's Indigent policy is that, the household joint gross income should not exceed two times the government old age pension grant.

## 1.6 CAPITAL EXPENDITURE

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

| CAPITAL EXPENDITURE PER VOTE                                            |                                   |                   |                   |                   |
|-------------------------------------------------------------------------|-----------------------------------|-------------------|-------------------|-------------------|
| VOTE DESCRIPTION                                                        | ADJUSTMENTS<br>BUDGET 2018-<br>19 | BUDGET<br>2019-20 | BUDGET<br>2020-21 | BUDGET<br>2021-22 |
| <b>Executive and council</b>                                            |                                   |                   |                   |                   |
| <b>Municipal Manager</b>                                                |                                   |                   |                   |                   |
| Computer Equipment                                                      | 20,000.00                         | 15,000.00         |                   |                   |
| Assets:Non-current Assets:Property, Plant and Equipment:Cost Model:F    | 20,000.00                         | 15,000.00         |                   |                   |
|                                                                         | 40,000.00                         | 30,000.00         | -                 | -                 |
| <b>Mavoral and Council</b>                                              |                                   |                   |                   |                   |
| Computer Equipment                                                      | 20,000.00                         | 15,000.00         |                   |                   |
| Assets:Non-current Assets:Property, Plant and Equipment:Cost Model:F    | 20,000.00                         | 15,000.00         |                   |                   |
|                                                                         | 40,000.00                         | 30,000.00         | -                 | -                 |
|                                                                         | 80,000.00                         | 60,000.00         | -                 | -                 |
| <b>Finance and Administration</b>                                       |                                   |                   |                   |                   |
| <b>Administrative and Corporate Support</b>                             |                                   |                   |                   |                   |
| Assets:Non-current Assets:Property, Plant and Equipment:Cost Model:C    | 20,000.00                         | 15,000.00         |                   |                   |
| Assets:Non-current Assets:Property, Plant and Equipment:Cost Model:F    | 20,000.00                         | 15,000.00         |                   |                   |
|                                                                         | 40,000.00                         | 30,000.00         | -                 | -                 |
| <b>Budget and Treasury Office</b>                                       |                                   |                   |                   |                   |
| Intangible Assets                                                       | 100,000.00                        | -                 |                   |                   |
| Expenditure:Operational Cost:Assets less than the Capitalisation Thresh | 35,000.00                         | 15,000.00         |                   |                   |
| Assets:Non-current Assets:Property, Plant and Equipment:Cost Model:C    | 30,000.00                         | 15,000.00         |                   |                   |
| Furniture and Office Equipment                                          | 30,000.00                         | 15,000.00         |                   |                   |
| Transport Assets                                                        | -                                 | -                 |                   |                   |
|                                                                         | 195,000.00                        | 45,000.00         | -                 | -                 |
|                                                                         | 235,000.00                        | 75,000.00         | -                 | -                 |
| <b>Community and Social Services</b>                                    |                                   |                   |                   |                   |
| <b>Community Services</b>                                               |                                   |                   |                   |                   |
| Infrastructure Assets                                                   | -                                 |                   |                   |                   |
| Community Assets                                                        | 5,160,000.00                      |                   |                   |                   |
| Computer Equipment                                                      | 30,000.00                         | 15,000.00         |                   |                   |
| Furniture and Office Equipment (Studio)                                 | 30,000.00                         | 15,000.00         |                   |                   |
|                                                                         | 5,220,000.00                      | 30,000.00         | -                 | -                 |
| <b>Libraries</b>                                                        |                                   |                   |                   |                   |
| Intangible Assets                                                       | -                                 |                   |                   |                   |
| Furniture and Office Equipment                                          | 25,000.00                         | 15,000.00         |                   |                   |
| Assets:Non-current Assets:Property, Plant and Equipment:Cost Model:C    | 15,000.00                         | 15,000.00         |                   |                   |
|                                                                         | 40,000.00                         | 30,000.00         | -                 | -                 |
|                                                                         | 5,260,000.00                      | 60,000.00         | -                 | -                 |
| <b>Electricity Services</b>                                             |                                   |                   |                   |                   |
| <b>Infrastructure Assets</b>                                            |                                   |                   |                   |                   |
| Assets:Non-current Assets:Property, Plant and Equipment:Cost Model:E    | 100,000.00                        | 50,000.00         |                   |                   |
| Assets:Non-current Assets:Property, Plant and Equipment:Cost Model:E    | 140,000.00                        | 70,000.00         |                   |                   |
| Assets:Non-current Assets:Property, Plant and Equipment:Cost Model:E    | 150,000.00                        | 60,000.00         |                   |                   |
| <b>Other Assets</b>                                                     |                                   |                   |                   |                   |
| Assets:Non-current Assets:Property, Plant and Equipment:Cost Model:E    | 12,000,000.00                     | 12,000,000.00     | 10,000,000.00     | 8,000,000.00      |
| Assets:Non-current Assets:Property, Plant and Equipment:Cost Model:E    | 3,000,000.00                      | 3,000,000.00      | 2,000,000.00      | 1,500,000.00      |
| Assets:Non-current Assets:Property, Plant and Equipment:Cost Model:E    | -                                 | -                 |                   |                   |
| Assets:Non-current Assets:Property, Plant and Equipment:Cost Model:E    | 250,000.00                        | 50,000.00         |                   |                   |
| Assets:Non-current Assets:Property, Plant and Equipment:Cost Model:E    | 100,000.00                        | 100,000.00        |                   |                   |
| Assets:Non-current Assets:Property, Plant and Equipment:Cost Model:M    | 100,000.00                        | 50,000.00         |                   |                   |
| Transport Assets                                                        | -                                 | -                 |                   |                   |
|                                                                         | 15,840,000.00                     | 15,380,000.00     | 12,000,000.00     | 9,500,000.00      |
| <b>Roads</b>                                                            |                                   |                   |                   |                   |
| <b>Infrastructure Assets</b>                                            |                                   |                   |                   |                   |
| Assets:Non-current Assets:Property, Plant and Equipment:Cost Model:R    | 12,589,000.00                     | 18,033,000.00     | 18,820,000.00     | 19,951,000.00     |
| Assets:Non-current Assets:Property, Plant and Equipment:Cost Model:R    | -                                 | -                 | -                 | -                 |
| Computer Equipment                                                      | 30,000.00                         | 15,000.00         | 60,000.00         | 70,000.00         |
| Assets:Non-current Assets:Property, Plant and Equipment:Cost Model:F    | 30,000.00                         | 20,000.00         | 50,000.00         | 50,000.00         |
| Machinery and Equipment                                                 | -                                 | 50,000.00         | -                 | -                 |
| Transport Assets                                                        | 600,000.00                        | 1,800,000.00      | -                 | -                 |
| Upgrading of Landfill Site Access Road                                  | -                                 | 100,000.00        | -                 | -                 |
| Upgrading of Technical Admin block and parkings                         | -                                 | 100,000.00        | -                 | -                 |
| Drains mainhole concrete covers                                         | -                                 | 150,000.00        | -                 | -                 |
|                                                                         | 13,249,000.00                     | 20,268,000.00     | 18,930,000.00     | 20,071,000.00     |
| <b>Public safety</b>                                                    |                                   |                   |                   |                   |
| <b>Fire Fighting</b>                                                    |                                   |                   |                   |                   |
| Furniture and Office Equipment                                          | 30,000.00                         | 20,000.00         | 20,000.00         | 30,000.00         |
| Assets:Non-current Assets:Property, Plant and Equipment:Cost Model:M    | 100,000.00                        | 15,000.00         | 80,000.00         | 100,000.00        |
| Transport Assets - Engine Truck                                         | 1,000,000.00                      | -                 | 1,200,000.00      | 1,000,000.00      |
|                                                                         | 1,130,000.00                      | 35,000.00         | 1,300,000.00      | 1,130,000.00      |
| <b>Licensing and Protection Services</b>                                |                                   |                   |                   |                   |
| Computer Equipment                                                      | 25,000.00                         | 15,000.00         | 20,000.00         | 30,000.00         |
| Assets:Non-current Assets:Property, Plant and Equipment:Cost Model:F    | 20,000.00                         | 15,000.00         | 30,000.00         | 40,000.00         |
| Machinery and Equipment - Guns                                          | -                                 | -                 | -                 | -                 |
| Transport Assets                                                        | -                                 | -                 | -                 | -                 |
|                                                                         | 45,000.00                         | 30,000.00         | 50,000.00         | 70,000.00         |
|                                                                         | 1,175,000.00                      | 65,000.00         | 1,350,000.00      | 1,200,000.00      |
| <b>Solid Waste Removal</b>                                              |                                   |                   |                   |                   |
| Assets:Non-current Assets:Property, Plant and Equipment:Cost Model:S    | 500,000.00                        | 250,000.00        | 150,000.00        | 200,000.00        |
|                                                                         | 500,000.00                        | 250,000.00        | 150,000.00        | 200,000.00        |
|                                                                         | 36,339,000.00                     | 36,158,000.00     | 32,430,000.00     | 30,971,000.00     |

## 1.7 ANNUAL BUDGET TABLES

The following pages present the ten main budget tables as required in terms of section 9 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2019/20 budget and MTREF as recommended to be approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

**Table 5 MBRR Table A1 – Budget Summary**

**KZN285 Mthonjaneni - Table A1 Budget Summary**

| Description                                                          | 2015/16         | 2016/17         | 2017/18         | Current Year 2018/19 |                 |                    |                   | 2019/20 Medium Term Revenue & Expenditure Framework |                        |                        |
|----------------------------------------------------------------------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                                      | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2019/20                                 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| <b>R thousands</b>                                                   |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Financial Performance</b>                                         |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Property rates                                                       | 9 817           | 9 789           | 11 431          | 13 850               | 18 850          | 18 850             | –                 | 19 981                                              | 21 179                 | 22 450                 |
| Service charges                                                      | 20 522          | 20 935          | 21 985          | 27 314               | 29 314          | 29 314             | –                 | 32 998                                              | 34 978                 | 36 778                 |
| Investment revenue                                                   | 247             | 2 176           | 1 367           | 1 200                | 750             | 750                | –                 | 750                                                 | 795                    | 855                    |
| Transfers recognised - operational                                   | 44 680          | 71 384          | 79 370          | 76 672               | 76 672          | 76 672             | –                 | 85 379                                              | 88 010                 | 93 115                 |
| Other own revenue                                                    | 31 678          | 37 751          | 13 129          | 9 185                | 18 450          | 18 450             | –                 | 5 869                                               | 6 221                  | 6 688                  |
| <b>Total Revenue (excluding capital transfers and contributions)</b> | <b>106 944</b>  | <b>142 036</b>  | <b>127 282</b>  | <b>128 221</b>       | <b>144 035</b>  | <b>144 035</b>     | <b>–</b>          | <b>144 977</b>                                      | <b>151 184</b>         | <b>159 886</b>         |
| Employee costs                                                       | 24 982          | 33 195          | 42 913          | 48 580               | 52 355          | 52 355             | –                 | 53 418                                              | 57 424                 | 61 731                 |
| Remuneration of councillors                                          | 3 168           | 6 441           | 7 637           | 7 886                | 8 810           | 8 810              | –                 | 9 299                                               | 9 996                  | 10 746                 |
| Depreciation & asset impairment                                      | 5 809           | 14 437          | 15 245          | 5 252                | 5 252           | 5 252              | –                 | 10 145                                              | 10 587                 | 11 381                 |
| Finance charges                                                      | 7 776           | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| Materials and bulk purchases                                         | 19 079          | 20 223          | 21 541          | 25 752               | 26 212          | 26 212             | –                 | 28 932                                              | 31 102                 | 33 435                 |
| Transfers and grants                                                 | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| Other expenditure                                                    | 46 719          | 80 635          | 56 237          | 37 130               | 46 784          | 46 784             | –                 | 39 909                                              | 43 122                 | 46 356                 |
| <b>Total Expenditure</b>                                             | <b>107 533</b>  | <b>154 930</b>  | <b>143 573</b>  | <b>124 600</b>       | <b>139 413</b>  | <b>139 413</b>     | <b>–</b>          | <b>141 702</b>                                      | <b>152 231</b>         | <b>163 649</b>         |
| <b>Surplus/(Deficit)</b>                                             | <b>(589)</b>    | <b>(12 895)</b> | <b>(16 291)</b> | <b>3 620</b>         | <b>4 622</b>    | <b>4 622</b>       | <b>–</b>          | <b>3 275</b>                                        | <b>(1 047)</b>         | <b>(3 763)</b>         |
| Transfers and subsidies - capital (monetary allocation)              | 21 022          | 37 399          | 32 278          | 32 749               | 32 749          | 32 749             | –                 | 33 033                                              | 33 820                 | 34 951                 |
| Contributions recognised - capital & contributed assets              | –               | 54 721          | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| <b>Surplus/(Deficit) after capital transfers &amp; contributions</b> | <b>20 433</b>   | <b>79 225</b>   | <b>15 987</b>   | <b>36 369</b>        | <b>37 371</b>   | <b>37 371</b>      | <b>–</b>          | <b>36 308</b>                                       | <b>32 773</b>          | <b>31 188</b>          |
| Share of surplus/ (deficit) of associate                             | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| <b>Surplus/(Deficit) for the year</b>                                | <b>20 433</b>   | <b>79 225</b>   | <b>15 987</b>   | <b>36 369</b>        | <b>37 371</b>   | <b>37 371</b>      | <b>–</b>          | <b>36 308</b>                                       | <b>32 773</b>          | <b>31 188</b>          |
| <b>Capital expenditure &amp; funds sources</b>                       |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Capital expenditure</b>                                           | <b>33 624</b>   | <b>34 242</b>   | <b>–</b>        | <b>36 339</b>        | <b>37 565</b>   | <b>37 565</b>      | <b>–</b>          | <b>36 158</b>                                       | <b>32 430</b>          | <b>30 971</b>          |
| Transfers recognised - capital                                       | 20 904          | 27 399          | –               | 32 749               | 32 749          | 32 749             | –                 | 33 033                                              | 32 430                 | 30 971                 |
| Borrowing                                                            | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| Internally generated funds                                           | 12 720          | 6 843           | –               | 3 590                | 4 816           | 4 816              | –                 | 3 125                                               | –                      | –                      |
| <b>Total sources of capital funds</b>                                | <b>33 624</b>   | <b>34 242</b>   | <b>–</b>        | <b>36 339</b>        | <b>37 565</b>   | <b>37 565</b>      | <b>–</b>          | <b>36 158</b>                                       | <b>32 430</b>          | <b>30 971</b>          |
| <b>Financial position</b>                                            |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Total current assets                                                 | 67 309          | 123 032         | 51 258          | 57 293               | 57 293          | 57 293             | –                 | 49 729                                              | 51 258                 | 51 258                 |
| Total non current assets                                             | 192 735         | 195 458         | 353 020         | 286 456              | 286 456         | 286 456            | –                 | 353 020                                             | 353 020                | 353 020                |
| Total current liabilities                                            | 10 203          | 25 643          | 17 101          | 14 553               | 14 553          | 14 553             | –                 | 17 101                                              | 17 101                 | 17 101                 |
| Total non current liabilities                                        | 4 946           | 2 746           | 7 868           | 7 379                | 7 379           | 7 379              | –                 | 7 868                                               | 7 868                  | 7 868                  |
| Community wealth/Equity                                              | 244 895         | 290 100         | 379 310         | 321 817              | 321 817         | 321 817            | –                 | 377 781                                             | 379 310                | 379 310                |
| <b>Cash flows</b>                                                    |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Net cash from (used) operating                                       | 26 839          | 27 424          | 25 133          | 37 287               | 19 924          | 19 924             | –                 | 45 055                                              | 41 937                 | 41 153                 |
| Net cash from (used) investing                                       | (33 628)        | (34 242)        | (41 735)        | (27 839)             | (29 065)        | (29 065)           | –                 | (36 158)                                            | (32 430)               | (30 971)               |
| Net cash from (used) financing                                       | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| <b>Cash/cash equivalents at the year end</b>                         | <b>42 470</b>   | <b>35 652</b>   | <b>3 680</b>    | <b>2 897</b>         | <b>(5 462)</b>  | <b>(5 462)</b>     | <b>–</b>          | <b>10 112</b>                                       | <b>19 619</b>          | <b>29 801</b>          |
| <b>Cash backing/surplus reconciliation</b>                           |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Cash and investments available                                       | 42 470          | 55 500          | 3 680           | 25 997               | 25 997          | 25 997             | –                 | 3 680                                               | 3 680                  | 3 680                  |
| Application of cash and investments                                  | 13 665          | (39 110)        | (23 502)        | (12 211)             | (6 074)         | (6 074)            | –                 | (30 041)                                            | (30 041)               | (30 049)               |
| <b>Balance - surplus (shortfall)</b>                                 | <b>28 805</b>   | <b>94 610</b>   | <b>27 182</b>   | <b>38 209</b>        | <b>32 072</b>   | <b>32 072</b>      | <b>–</b>          | <b>33 721</b>                                       | <b>33 721</b>          | <b>33 729</b>          |
| <b>Asset management</b>                                              |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Asset register summary (WDV)                                         | 192 533         | 222 292         | –               | –                    | –               | –                  | –                 | 36 158                                              | 32 430                 | 30 971                 |
| Depreciation                                                         | 5 809           | 3 700           | –               | 5 252                | 5 252           | 5 252              | 5 252             | 10 144                                              | 10 587                 | 11 381                 |
| Renewal and Upgrading of Existing Assets                             | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| Repairs and Maintenance                                              | 3 048           | 6 822           | –               | 3 243                | –               | –                  | –                 | 3 465                                               | 3 725                  | 4 004                  |
| <b>Free services</b>                                                 |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Cost of Free Basic Services provided                                 | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| Revenue cost of free services provided                               | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| <b>Households below minimum service level</b>                        |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Water:                                                               | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| Sanitation/sewage:                                                   | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| Energy:                                                              | 1               | 1               | 0               | 1                    | 1               | 1                  | 1                 | 1                                                   | 1                      | 1                      |
| Refuse:                                                              | 26              | 26              | 13              | 26                   | 26              | 26                 | 26                | 26                                                  | 26                     | 26                     |

## **Explanatory notes to MBRR Table A1 – Budget Summary**

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspective (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic services delivery backlogs.
3. Financial management reforms emphasize the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
  - a. the operating surplus/deficit (after Total Expenditure) is positive over the MTREF
  - b. Capital expenditure is balanced by capital funding sources.

**Table 6 MBRR Table A2 – Budgeted Financial Performance (revenue and expenditure by standard classification)**

**KZN285 Mthonjaneni - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)**

| Functional Classification Description             | Ref      | 2015/16         | 2016/17         | 2017/18         | Current Year 2018/19 |                 |                    | 2019/20 Medium Term Revenue & Expenditure Framework |                        |                        |
|---------------------------------------------------|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                   |          | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2019/20                                 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| <b>R thousand</b>                                 | <b>1</b> |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Revenue - Functional</b>                       |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <i><b>Governance and administration</b></i>       |          | 59,673          | 140,046         | 79,475          | 89,435               | 98,617          | 98,617             | 103,524                                             | 109,398                | 115,809                |
| Executive and council                             |          | –               | 6,315           | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Finance and administration                        |          | 59,673          | 133,731         | 79,475          | 89,435               | 98,617          | 98,617             | 103,524                                             | 109,398                | 115,809                |
| Internal audit                                    |          | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| <i><b>Community and public safety</b></i>         |          | 370             | 3,280           | 24,902          | 8,950                | 13,583          | 13,583             | 5,673                                               | 6,007                  | 6,438                  |
| Community and social services                     |          | –               | 3,280           | 810             | 1,069                | 2,202           | 2,202              | 1,119                                               | 1,180                  | 1,249                  |
| Sport and recreation                              |          | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Public safety                                     |          | 370             | –               | 24,093          | 7,881                | 11,381          | 11,381             | 4,554                                               | 4,827                  | 5,189                  |
| Housing                                           |          | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Health                                            |          | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| <i><b>Economic and environmental services</b></i> |          | 39,283          | 62,440          | 23,167          | 20,268               | 20,268          | 20,268             | 20,813                                              | 19,619                 | 20,810                 |
| Planning and development                          |          | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Road transport                                    |          | 39,283          | 62,440          | 23,167          | 20,268               | 20,268          | 20,268             | 20,813                                              | 19,619                 | 20,810                 |
| Environmental protection                          |          | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| <i><b>Trading services</b></i>                    |          | 28,640          | 28,390          | 32,015          | 42,316               | 44,316          | 44,316             | 48,000                                              | 49,980                 | 51,779                 |
| Energy sources                                    |          | 27,286          | 26,972          | 30,851          | 40,512               | 42,512          | 42,512             | 46,088                                              | 47,953                 | 49,601                 |
| Water management                                  |          | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Waste water management                            |          | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Waste management                                  |          | 1,354           | 1,418           | 1,164           | 1,804                | 1,804           | 1,804              | 1,912                                               | 2,026                  | 2,178                  |
| <i><b>Other</b></i>                               | <b>4</b> | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| <b>Total Revenue - Functional</b>                 | <b>2</b> | <b>127,966</b>  | <b>234,155</b>  | <b>159,560</b>  | <b>160,970</b>       | <b>176,784</b>  | <b>176,784</b>     | <b>178,010</b>                                      | <b>185,004</b>         | <b>194,837</b>         |
| <b>Expenditure - Functional</b>                   |          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <i><b>Governance and administration</b></i>       |          | 44,912          | 78,783          | 56,769          | 53,671               | 58,858          | 58,858             | 63,671                                              | 68,128                 | 73,238                 |
| Executive and council                             |          | 10,284          | 21,051          | 19,377          | 17,872               | 20,333          | 20,333             | 18,542                                              | 19,933                 | 21,428                 |
| Finance and administration                        |          | 34,629          | 57,732          | 36,865          | 34,208               | 36,622          | 36,622             | 42,951                                              | 45,853                 | 49,292                 |
| Internal audit                                    |          | –               | –               | 527             | 1,590                | 1,904           | 1,904              | 2,178                                               | 2,342                  | 2,517                  |
| <i><b>Community and public safety</b></i>         |          | 27,543          | 37,538          | 23,307          | 21,246               | 25,810          | 25,810             | 24,256                                              | 26,265                 | 28,235                 |
| Community and social services                     |          | 9,593           | 34,560          | 11,938          | 9,432                | 12,202          | 12,202             | 10,503                                              | 11,291                 | 12,137                 |
| Sport and recreation                              |          | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Public safety                                     |          | 17,951          | 2,978           | 11,369          | 11,815               | 13,608          | 13,608             | 13,753                                              | 14,975                 | 16,098                 |
| Housing                                           |          | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Health                                            |          | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| <i><b>Economic and environmental services</b></i> |          | 10,842          | 11,945          | 34,980          | 20,760               | 25,737          | 25,737             | 22,374                                              | 24,082                 | 25,888                 |
| Planning and development                          |          | –               | –               | 1,231           | 3,811                | 4,891           | 4,891              | 4,303                                               | 4,625                  | 4,972                  |
| Road transport                                    |          | 10,842          | 11,945          | 33,749          | 16,950               | 20,846          | 20,846             | 18,071                                              | 19,456                 | 20,916                 |
| Environmental protection                          |          | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| <i><b>Trading services</b></i>                    |          | 24,235          | 26,664          | 28,517          | 28,923               | 29,008          | 29,008             | 31,401                                              | 33,756                 | 36,288                 |
| Energy sources                                    |          | 22,394          | 24,907          | 26,691          | 26,881               | 26,764          | 26,764             | 29,042                                              | 31,221                 | 33,562                 |
| Water management                                  |          | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Waste water management                            |          | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Waste management                                  |          | 1,842           | 1,757           | 1,826           | 2,042                | 2,244           | 2,244              | 2,358                                               | 2,535                  | 2,725                  |
| <i><b>Other</b></i>                               | <b>4</b> | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| <b>Total Expenditure - Functional</b>             | <b>3</b> | <b>107,533</b>  | <b>154,930</b>  | <b>143,573</b>  | <b>124,600</b>       | <b>139,413</b>  | <b>139,413</b>     | <b>141,702</b>                                      | <b>152,231</b>         | <b>163,649</b>         |
| <b>Surplus/(Deficit) for the year</b>             |          | <b>20,433</b>   | <b>79,225</b>   | <b>15,987</b>   | <b>36,369</b>        | <b>37,371</b>   | <b>37,371</b>      | <b>36,308</b>                                       | <b>32,773</b>          | <b>31,188</b>          |

## Explanatory notes to Table A2 – Budget Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognized – capital) and so does not balance to the operating revenue shown on Table A4.

**Table 7: MBRR Table A3 – Budgeted Financial performance (revenue and expenditure by municipal vote)**

**KZN285 Mthonjaneni - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)**

| Vote Description                              | Ref | 2015/16         | 2016/17         | 2017/18         | Current Year 2018/19 |                 |                    | 2019/20 Medium Term Revenue & Expenditure Framework |                        |                        |
|-----------------------------------------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
|                                               |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2019/20                                 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| <b>R thousand</b>                             |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Revenue by Vote</b>                        | 1   |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Vote 1 - Exacutive and Council                |     | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Vote 2 - Municipal Manager                    |     | –               | 6,315           | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Vote 3 - Finance and administration           |     | 86,958          | 133,731         | 79,475          | 89,435               | 98,617          | 98,617             | 103,524                                             | 109,398                | 115,809                |
| Vote 4 - Community and social services        |     | –               | 3,280           | 810             | 1,069                | 2,202           | 2,202              | 1,119                                               | 1,180                  | 1,249                  |
| Vote 5 - Public safety                        |     | –               | –               | 24,093          | 7,881                | 11,381          | 11,381             | 4,554                                               | 4,827                  | 5,189                  |
| Vote 6 - Planning and development             |     | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Vote 7 - Road transport                       |     | 370             | 62,440          | 23,167          | 20,268               | 20,268          | 20,268             | 20,813                                              | 19,619                 | 20,810                 |
| Vote 8 - Energy sources                       |     | 39,283          | 26,972          | 30,851          | 40,512               | 42,512          | 42,512             | 46,088                                              | 47,953                 | 49,601                 |
| Vote 9 - Waste management                     |     | 1,354           | 1,418           | 1,164           | 1,804                | 1,804           | 1,804              | 1,912                                               | 2,026                  | 2,178                  |
| 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]                   |     | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| <b>Total Revenue by Vote</b>                  | 2   | <b>127,966</b>  | <b>234,155</b>  | <b>159,560</b>  | <b>160,970</b>       | <b>176,784</b>  | <b>176,784</b>     | <b>178,010</b>                                      | <b>185,004</b>         | <b>194,837</b>         |
| <b>Expenditure by Vote to be appropriated</b> | 1   |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Vote 1 - Exacutive and Council                |     | 10,284          | 21,051          | 12,770          | 12,546               | 12,678          | 12,678             | 12,350                                              | 13,276                 | 14,272                 |
| Vote 2 - Municipal Manager                    |     | –               | –               | 7,134           | 6,917                | 9,559           | 9,559              | 8,371                                               | 8,998                  | 9,673                  |
| Vote 3 - Finance and administration           |     | 34,629          | 57,732          | 36,865          | 34,208               | 36,622          | 36,622             | 42,951                                              | 45,853                 | 49,292                 |
| Vote 4 - Community and social services        |     | 9,593           | 34,560          | 11,938          | 9,421                | 12,202          | 12,202             | 10,503                                              | 11,291                 | 12,137                 |
| Vote 5 - Public safety                        |     | –               | 2,978           | 11,369          | 11,815               | 13,608          | 13,608             | 13,753                                              | 14,975                 | 16,098                 |
| Vote 6 - Planning and development             |     | –               | –               | 1,231           | 3,811                | 4,891           | 4,891              | 4,303                                               | 4,625                  | 4,972                  |
| Vote 7 - Road transport                       |     | 17,951          | 11,945          | 33,749          | 16,961               | 20,846          | 20,846             | 18,071                                              | 19,456                 | 20,916                 |
| Vote 8 - Energy sources                       |     | 10,842          | 24,907          | 26,691          | 26,881               | 26,764          | 26,764             | 29,042                                              | 31,221                 | 33,562                 |
| Vote 9 - Waste management                     |     | 1,842           | 1,757           | 1,826           | 2,042                | 2,244           | 2,244              | 2,358                                               | 2,535                  | 2,725                  |
| Vote 10 - [NAME OF VOTE 10]                   |     | 22,394          | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| 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]                   |     | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| <b>Total Expenditure by Vote</b>              | 2   | <b>107,533</b>  | <b>154,930</b>  | <b>143,573</b>  | <b>124,600</b>       | <b>139,413</b>  | <b>139,413</b>     | <b>141,702</b>                                      | <b>152,231</b>         | <b>163,649</b>         |
| <b>Surplus/(Deficit) for the year</b>         | 2   | <b>20,433</b>   | <b>79,225</b>   | <b>15,987</b>   | <b>36,369</b>        | <b>37,371</b>   | <b>37,371</b>      | <b>36,308</b>                                       | <b>32,773</b>          | <b>31,188</b>          |

## Explanatory notes to MBRR Table A3 – Budgeted Financial Performance (revenue and expenditure per municipal vote)

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

**Table 8: MBRR Table A4 – Budgeted Financial Performance (revenue and expenditure)**

KZN285 Mthonjaneni - Table A4 Budgeted Financial Performance (revenue and expenditure)

| Description                                                                                                                                                                                  | Ref      | 2015/16         | 2016/17         | 2017/18         | Current Year 2018/19 |                 |                    |                   | 2019/20 Medium Term Revenue & Expenditure Framework |                        |                        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                                                                                                                                                              |          | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2019/20                                 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| <b>R thousand</b>                                                                                                                                                                            | <b>1</b> |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Revenue By Source</b>                                                                                                                                                                     |          |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Property rates                                                                                                                                                                               | 2        | 9 817           | 9 789           | 11 431          | 13 850               | 18 850          | 18 850             | –                 | 19 981                                              | 21 179                 | 22 450                 |
| Service charges - electricity revenue                                                                                                                                                        | 2        | 19 167          | 19 890          | 19 976          | 25 512               | 27 512          | 27 512             | –                 | 31 088                                              | 32 953                 | 34 601                 |
| Service charges - water revenue                                                                                                                                                              | 2        | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| Service charges - sanitation revenue                                                                                                                                                         | 2        | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| Service charges - refuse revenue                                                                                                                                                             | 2        | 1 354           | 1 046           | 2 008           | 1 803                | 1 803           | 1 803              | –                 | 1 910                                               | 2 025                  | 2 177                  |
| Rental of facilities and equipment                                                                                                                                                           |          | –               | 229             | 227             | 171                  | 171             | 171                | –                 | 181                                                 | 192                    | 206                    |
| Interest earned - external investments                                                                                                                                                       |          | 247             | 2 176           | 1 367           | 1 200                | 750             | 750                | –                 | 750                                                 | 795                    | 855                    |
| Interest earned - outstanding debtors                                                                                                                                                        |          | 3 284           | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| Dividends received                                                                                                                                                                           |          | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| Fines, penalties and forfeits                                                                                                                                                                |          | 24 309          | 31 618          | 10 165          | 5 000                | 8 500           | 8 500              | –                 | 1 500                                               | 1 590                  | 1 709                  |
| Licences and permits                                                                                                                                                                         |          | 2 070           | 1 923           | 1 672           | 2 881                | 2 881           | 2 881              | –                 | 3 054                                               | 3 237                  | 3 480                  |
| Agency services                                                                                                                                                                              |          | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| Transfers and subsidies                                                                                                                                                                      |          | 44 680          | 71 384          | 79 370          | 76 672               | 76 672          | 76 672             | –                 | 85 379                                              | 88 010                 | 93 115                 |
| Other revenue                                                                                                                                                                                | 2        | 1 599           | 3 374           | 1 066           | 1 133                | 6 898           | 6 898              | –                 | 1 134                                               | 1 202                  | 1 292                  |
| Gains on disposal of PPE                                                                                                                                                                     |          | 416             | 608             | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| <b>Total Revenue (excluding capital transfers and contributions)</b>                                                                                                                         |          | <b>106 944</b>  | <b>142 036</b>  | <b>127 282</b>  | <b>128 221</b>       | <b>144 035</b>  | <b>144 035</b>     | <b>–</b>          | <b>144 977</b>                                      | <b>151 184</b>         | <b>159 886</b>         |
| <b>Expenditure By Type</b>                                                                                                                                                                   |          |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Employee related costs                                                                                                                                                                       | 2        | 24 982          | 33 195          | 42 913          | 48 580               | 52 355          | 52 355             | –                 | 53 418                                              | 57 424                 | 61 731                 |
| Remuneration of councillors                                                                                                                                                                  |          | 3 168           | 6 441           | 7 637           | 7 886                | 8 810           | 8 810              | –                 | 9 299                                               | 9 996                  | 10 746                 |
| Debt impairment                                                                                                                                                                              | 3        | –               | –               | –               | 2 300                | 900             | 900                | –                 | 3 900                                               | 4 193                  | 4 507                  |
| Depreciation & asset impairment                                                                                                                                                              | 2        | 5 809           | 14 437          | 15 245          | 5 252                | 5 252           | 5 252              | –                 | 10 145                                              | 10 587                 | 11 381                 |
| Finance charges                                                                                                                                                                              |          | 7 776           | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| Bulk purchases                                                                                                                                                                               | 2        | 19 079          | 20 223          | 21 541          | 24 500               | 24 500          | 24 500             | –                 | 26 705                                              | 28 708                 | 30 861                 |
| Other materials                                                                                                                                                                              | 8        | –               | –               | –               | 1 252                | 1 712           | 1 712              | –                 | 2 227                                               | 2 394                  | 2 574                  |
| Contracted services                                                                                                                                                                          |          | 2 159           | 3 231           | 5 788           | 18 094               | 23 222          | 23 222             | –                 | 17 967                                              | 19 504                 | 20 967                 |
| Transfers and subsidies                                                                                                                                                                      |          | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| Other expenditure                                                                                                                                                                            | 4, 5     | 44 560          | 77 404          | 50 449          | 16 737               | 22 662          | 22 662             | –                 | 18 042                                              | 19 425                 | 20 882                 |
| Loss on disposal of PPE                                                                                                                                                                      |          | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| <b>Total Expenditure</b>                                                                                                                                                                     |          | <b>107 533</b>  | <b>154 930</b>  | <b>143 573</b>  | <b>124 600</b>       | <b>139 413</b>  | <b>139 413</b>     | <b>–</b>          | <b>141 702</b>                                      | <b>152 231</b>         | <b>163 649</b>         |
| <b>Surplus/(Deficit)</b>                                                                                                                                                                     |          | <b>(589)</b>    | <b>(12 895)</b> | <b>(16 291)</b> | <b>3 620</b>         | <b>4 622</b>    | <b>4 622</b>       | <b>–</b>          | <b>3 275</b>                                        | <b>(1 047)</b>         | <b>(3 763)</b>         |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)                                                                                                |          | 21 022          | 37 399          | 32 278          | 32 749               | 32 749          | 32 749             | –                 | 33 033                                              | 33 820                 | 34 951                 |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher | 6        | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| Transfers and subsidies - capital (in-kind - all)                                                                                                                                            |          | –               | 54 721          | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| <b>Surplus/(Deficit) after capital transfers &amp; contributions</b>                                                                                                                         |          | <b>20 433</b>   | <b>79 225</b>   | <b>15 987</b>   | <b>36 369</b>        | <b>37 371</b>   | <b>37 371</b>      | <b>–</b>          | <b>36 308</b>                                       | <b>32 773</b>          | <b>31 188</b>          |
| Taxation                                                                                                                                                                                     |          | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| <b>Surplus/(Deficit) after taxation</b>                                                                                                                                                      |          | <b>20 433</b>   | <b>79 225</b>   | <b>15 987</b>   | <b>36 369</b>        | <b>37 371</b>   | <b>37 371</b>      | <b>–</b>          | <b>36 308</b>                                       | <b>32 773</b>          | <b>31 188</b>          |
| Attributable to minorities                                                                                                                                                                   |          | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| <b>Surplus/(Deficit) attributable to municipality</b>                                                                                                                                        |          | <b>20 433</b>   | <b>79 225</b>   | <b>15 987</b>   | <b>36 369</b>        | <b>37 371</b>   | <b>37 371</b>      | <b>–</b>          | <b>36 308</b>                                       | <b>32 773</b>          | <b>31 188</b>          |
| Share of surplus/ (deficit) of associate                                                                                                                                                     | 7        | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| <b>Surplus/(Deficit) for the year</b>                                                                                                                                                        |          | <b>20 433</b>   | <b>79 225</b>   | <b>15 987</b>   | <b>36 369</b>        | <b>37 371</b>   | <b>37 371</b>      | <b>–</b>          | <b>36 308</b>                                       | <b>32 773</b>          | <b>31 188</b>          |

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

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

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process. Interest comprises of; interest on primary bank account as well as interest earned from call investment accounts.

**Table 9: MBRR Table A5 – Budgeted Capital Expenditure by vote, standard classification and funding sources**

| Vote Description                                  | Ref      | 2015/16         | 2016/17         | 2017/18         | Current Year 2018/19 |                 |                    |                   | 2019/20 Medium Term Revenue & Expenditure Framework |                        |                        |
|---------------------------------------------------|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                   |          | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2019/20                                 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| <b>R thousand</b>                                 | <b>1</b> |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Capital expenditure - Vote</b>                 |          |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Multi-year expenditure to be appropriated</b>  | <b>2</b> |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Vote 1 - Vote 1 - Executive and Council           |          | -               | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| Vote 2 - Vote 2 - Municipal Manager               |          | -               | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| Vote 3 - Vote 3 - Finance and administration      |          | -               | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| Vote 4 - Vote 4 - Community and social services   |          | -               | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| Vote 5 - Vote 5 - Public safety                   |          | -               | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| Vote 6 - Vote 6 - Planning and development        |          | -               | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| Vote 7 - Vote 7 - Road transport                  |          | -               | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| Vote 8 - Vote 8 - Energy sources                  |          | -               | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| Vote 9 - Vote 9 - Waste management                |          | -               | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| 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]                       |          | -               | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| <b>Capital multi-year expenditure sub-total</b>   | <b>7</b> | -               | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| <b>Single-year expenditure to be appropriated</b> | <b>2</b> |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Vote 1 - Vote 1 - Executive and Council           |          | 1 689           | 960             | -               | 40                   | -               | -                  | -                 | 30                                                  | -                      | -                      |
| Vote 2 - Vote 2 - Municipal Manager               |          | -               | 22              | -               | 40                   | -               | -                  | -                 | 30                                                  | -                      | -                      |
| Vote 3 - Vote 3 - Finance and administration      |          | 596             | 61              | -               | 235                  | -               | -                  | -                 | 45                                                  | -                      | -                      |
| Vote 4 - Vote 4 - Community and social services   |          | 8 483           | 163             | -               | 100                  | -               | -                  | -                 | 60                                                  | -                      | -                      |
| Vote 5 - Vote 5 - Public safety                   |          | -               | -               | -               | 1 175                | -               | -                  | -                 | 65                                                  | 1 350                  | 1 200                  |
| Vote 6 - Vote 6 - Planning and development        |          | -               | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| Vote 7 - Vote 7 - Road transport                  |          | -               | 197             | -               | 18 409               | -               | -                  | -                 | 20 268                                              | 18 930                 | 20 071                 |
| Vote 8 - Vote 8 - Energy sources                  |          | 7 716           | 22 339          | -               | 15 840               | -               | -                  | -                 | 15 410                                              | 12 000                 | 9 500                  |
| Vote 9 - Vote 9 - Waste management                |          | -               | 1 700           | -               | 500                  | -               | -                  | -                 | 250                                                 | 150                    | 200                    |
| Vote 10 - [NAME OF VOTE 10]                       |          | 14 383          | 1 700           | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| 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]                       |          | -               | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| <b>Capital single-year expenditure sub-total</b>  |          | <b>32 868</b>   | <b>27 142</b>   | <b>-</b>        | <b>36 339</b>        | <b>-</b>        | <b>-</b>           | <b>-</b>          | <b>36 158</b>                                       | <b>32 430</b>          | <b>30 971</b>          |
| <b>Total Capital Expenditure - Vote</b>           |          | <b>32 868</b>   | <b>27 142</b>   | <b>-</b>        | <b>36 339</b>        | <b>-</b>        | <b>-</b>           | <b>-</b>          | <b>36 158</b>                                       | <b>32 430</b>          | <b>30 971</b>          |
| <b>Capital Expenditure - Functional</b>           |          |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Governance and administration</b>              |          | <b>2 286</b>    | <b>1 206</b>    | <b>-</b>        | <b>315</b>           | <b>326</b>      | <b>326</b>         | <b>-</b>          | <b>135</b>                                          | <b>-</b>               | <b>-</b>               |
| Executive and council                             |          | 1 689           | 982             | -               | 80                   | 80              | 80                 | -                 | 60                                                  | -                      | -                      |
| Finance and administration                        |          | 596             | 224             | -               | 235                  | 246             | 246                | -                 | 75                                                  | -                      | -                      |
| Internal audit                                    |          | -               | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| <b>Community and public safety</b>                |          | <b>9 239</b>    | <b>3 220</b>    | <b>-</b>        | <b>1 275</b>         | <b>6 825</b>    | <b>6 825</b>       | <b>-</b>          | <b>125</b>                                          | <b>1 350</b>           | <b>1 200</b>           |
| Community and social services                     |          | 8 483           | 3 220           | -               | 100                  | 5 370           | 5 370              | -                 | 60                                                  | -                      | -                      |
| Sport and recreation                              |          | -               | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| Public safety                                     |          | 756             | -               | -               | 1 175                | 1 455           | 1 455              | -                 | 65                                                  | 1 350                  | 1 200                  |
| Housing                                           |          | -               | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| Health                                            |          | -               | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| <b>Economic and environmental services</b>        |          | <b>7 716</b>    | <b>19 316</b>   | <b>-</b>        | <b>18 409</b>        | <b>14 319</b>   | <b>14 319</b>      | <b>-</b>          | <b>20 268</b>                                       | <b>18 930</b>          | <b>20 071</b>          |
| Planning and development                          |          | -               | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| Road transport                                    |          | 7 716           | 19 316          | -               | 18 409               | 14 319          | 14 319             | -                 | 20 268                                              | 18 930                 | 20 071                 |
| Environmental protection                          |          | -               | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| <b>Trading services</b>                           |          | <b>14 383</b>   | <b>10 500</b>   | <b>-</b>        | <b>16 340</b>        | <b>16 095</b>   | <b>16 095</b>      | <b>-</b>          | <b>15 630</b>                                       | <b>12 150</b>          | <b>9 700</b>           |
| Energy sources                                    |          | 14 383          | 8 800           | -               | 15 840               | 15 875          | 15 875             | -                 | 15 380                                              | 12 000                 | 9 500                  |
| Water management                                  |          | -               | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| Waste water management                            |          | -               | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| Waste management                                  |          | -               | 1 700           | -               | 500                  | 220             | 220                | -                 | 250                                                 | 150                    | 200                    |
| <b>Other</b>                                      |          | <b>-</b>        | <b>-</b>        | <b>-</b>        | <b>-</b>             | <b>-</b>        | <b>-</b>           | <b>-</b>          | <b>-</b>                                            | <b>-</b>               | <b>-</b>               |
| <b>Total Capital Expenditure - Functional</b>     | <b>3</b> | <b>33 624</b>   | <b>34 242</b>   | <b>-</b>        | <b>36 339</b>        | <b>37 565</b>   | <b>37 565</b>      | <b>-</b>          | <b>36 158</b>                                       | <b>32 430</b>          | <b>30 971</b>          |
| <b>Funded by:</b>                                 |          |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| National Government                               |          | 20 904          | 27 399          | -               | 32 749               | 32 749          | 32 749             | -                 | 33 033                                              | 32 430                 | 30 971                 |
| Provincial Government                             |          | -               | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| District Municipality                             |          | -               | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| Other transfers and grants                        |          | -               | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| <b>Transfers recognised - capital</b>             | <b>4</b> | <b>20 904</b>   | <b>27 399</b>   | <b>-</b>        | <b>32 749</b>        | <b>32 749</b>   | <b>32 749</b>      | <b>-</b>          | <b>33 033</b>                                       | <b>32 430</b>          | <b>30 971</b>          |
| <b>Borrowing</b>                                  | <b>6</b> |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Internally generated funds                        |          | 12 720          | 6 843           | -               | 3 590                | 4 816           | 4 816              | -                 | 3 125                                               | -                      | -                      |
| <b>Total Capital Funding</b>                      | <b>7</b> | <b>33 624</b>   | <b>34 242</b>   | <b>-</b>        | <b>36 339</b>        | <b>37 565</b>   | <b>37 565</b>      | <b>-</b>          | <b>36 158</b>                                       | <b>32 430</b>          | <b>30 971</b>          |



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

1. Table A5 is a breakdown of the capital programs in relation to capital expenditure by municipal vote (multi – year and single – year appropriations); capital expenditure by standard classification; and funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. Mthonjaneni Municipality capital budget is set at R 36.1 million in order to address backlogs of electricity in some other wards that are within the jurisdiction of Mthonjaneni Local Municipality and also to address the infrastructure backlogs.
3. The capital programs of Mthonjaneni Municipality is funded mainly from national & provincial grants and subsidies and a small portion from internally generated funds.

**Table 10: MBRR Table A6 – Budgeted Financial Position**

KZN285 Mthonjaneni - Table A6 Budgeted Financial Position

| Description                              | Ref | 2015/16         | 2016/17         | 2017/18         | Current Year 2018/19 |                 |                    |                   | 2019/20 Medium Term Revenue & Expenditure Framework |                        |                        |
|------------------------------------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|-----------------------------------------------------|------------------------|------------------------|
|                                          |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2019/20                                 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| <b>R thousand</b>                        |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>ASSETS</b>                            |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Current assets</b>                    |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Cash                                     |     | 1,827           | 30,000          | 1,529           | 9,473                | 9,473           | 9,473              |                   | 7,961                                               | 17,468                 | 27,650                 |
| Call investment deposits                 | 1   | 40,644          | 25,500          | 2,151           | 16,524               | 16,524          | 16,524             | –                 | 2,151                                               | 2,151                  | 2,151                  |
| Consumer debtors                         | 1   | 4,435           | 46,128          | 5,573           | 4,283                | 4,283           | 4,283              | –                 | 8,712                                               | 12,210                 | 15,888                 |
| Other debtors                            |     | 19,944          | 21,068          | 41,461          | 26,594               | 26,594          | 26,594             |                   | 33,940                                              | 36,058                 | 38,303                 |
| Current portion of long-term receivables |     | –               | –               | –               | –                    | –               | –                  |                   | –                                                   | –                      | –                      |
| Inventory                                | 2   | 460             | 336             | 544             | 419                  | 419             | 419                |                   | –                                                   | –                      | –                      |
| <b>Total current assets</b>              |     | <b>67,309</b>   | <b>123,032</b>  | <b>51,258</b>   | <b>57,293</b>        | <b>57,293</b>   | <b>57,293</b>      | <b>–</b>          | <b>52,764</b>                                       | <b>67,887</b>          | <b>83,992</b>          |
| <b>Non current assets</b>                |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Long-term receivables                    |     | –               | –               | –               | –                    | –               | –                  |                   | –                                                   | –                      | –                      |
| Investments                              |     | –               | –               | –               | –                    | –               | –                  |                   | –                                                   | –                      | –                      |
| Investment property                      |     | 2,368           | 2,510           | 112             | 2,327                | 2,327           | 2,327              |                   | 112                                                 | 112                    | 112                    |
| Investment in Associate                  |     | –               | –               | –               | –                    | –               | –                  |                   | –                                                   | –                      | –                      |
| Property, plant and equipment            | 3   | 187,606         | 187,715         | 351,367         | 281,254              | 281,254         | 281,254            | –                 | 413,719                                             | 402,529                | 391,299                |
| Biological                               |     | 2,662           | 5,136           | 1,506           | 2,793                | 2,793           | 2,793              |                   | 1,506                                               | 1,506                  | 1,506                  |
| Intangible                               |     | 99              | 98              | 35              | 81                   | 81              | 81                 |                   | 35                                                  | 35                     | 35                     |
| Other non-current assets                 |     | 1               | –               | 1               | 1                    | 1               | 1                  |                   | 1                                                   | 1                      | 1                      |
| <b>Total non current assets</b>          |     | <b>192,735</b>  | <b>195,458</b>  | <b>353,020</b>  | <b>286,456</b>       | <b>286,456</b>  | <b>286,456</b>     | <b>–</b>          | <b>415,373</b>                                      | <b>404,183</b>         | <b>392,953</b>         |
| <b>TOTAL ASSETS</b>                      |     | <b>260,044</b>  | <b>318,490</b>  | <b>404,278</b>  | <b>343,749</b>       | <b>343,749</b>  | <b>343,749</b>     | <b>–</b>          | <b>468,137</b>                                      | <b>472,069</b>         | <b>476,945</b>         |
| <b>LIABILITIES</b>                       |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Current liabilities</b>               |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Bank overdraft                           | 1   | –               | –               | –               | –                    | –               | –                  |                   | –                                                   | –                      | –                      |
| Borrowing                                | 4   | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| Consumer deposits                        |     | 1,026           | 1,216           | 1,081           | 1,052                | 1,052           | 1,052              |                   | 1,081                                               | 1,081                  | 1,081                  |
| Trade and other payables                 | 4   | 8,768           | 2,804           | 12,759          | 12,922               | 12,922          | 12,922             | –                 | 12,759                                              | 12,759                 | 12,759                 |
| Provisions                               |     | 409             | 21,624          | 3,261           | 579                  | 579             | 579                |                   | 3,261                                               | 3,261                  | 3,261                  |
| <b>Total current liabilities</b>         |     | <b>10,203</b>   | <b>25,643</b>   | <b>17,101</b>   | <b>14,553</b>        | <b>14,553</b>   | <b>14,553</b>      | <b>–</b>          | <b>17,101</b>                                       | <b>17,101</b>          | <b>17,101</b>          |
| <b>Non current liabilities</b>           |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Borrowing                                |     | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| Provisions                               |     | 4,946           | 2,746           | 7,868           | 7,379                | 7,379           | 7,379              | –                 | 7,868                                               | 7,868                  | 7,868                  |
| <b>Total non current liabilities</b>     |     | <b>4,946</b>    | <b>2,746</b>    | <b>7,868</b>    | <b>7,379</b>         | <b>7,379</b>    | <b>7,379</b>       | <b>–</b>          | <b>7,868</b>                                        | <b>7,868</b>           | <b>7,868</b>           |
| <b>TOTAL LIABILITIES</b>                 |     | <b>15,149</b>   | <b>28,390</b>   | <b>24,969</b>   | <b>21,932</b>        | <b>21,932</b>   | <b>21,932</b>      | <b>–</b>          | <b>24,969</b>                                       | <b>24,969</b>          | <b>24,969</b>          |
| <b>NET ASSETS</b>                        | 5   | <b>244,895</b>  | <b>290,100</b>  | <b>379,310</b>  | <b>321,817</b>       | <b>321,817</b>  | <b>321,817</b>     | <b>–</b>          | <b>426,068</b>                                      | <b>447,101</b>         | <b>451,976</b>         |
| <b>COMMUNITY WEALTH/EQUITY</b>           |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Accumulated Surplus/(Deficit)            |     | 244,895         | 290,100         | 379,310         | 321,817              | 321,817         | 321,817            |                   | 426,068                                             | 447,101                | 451,976                |
| Reserves                                 | 4   | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| <b>TOTAL COMMUNITY WEALTH/EQUITY</b>     | 5   | <b>244,895</b>  | <b>290,100</b>  | <b>379,310</b>  | <b>321,817</b>       | <b>321,817</b>  | <b>321,817</b>     | <b>–</b>          | <b>426,068</b>                                      | <b>447,101</b>         | <b>451,976</b>         |

### Explanatory notes to Table A6 – Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councillors and management of the impact of the budget on the statement of financial position (balance sheet)
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets ready converted to cash, or liabilities immediately required to be met from cash, appear first.
3. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
4. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budget Financial Position.

**Table 11: MBRR Table A7 – Budgeted Cash Flow Statement**

KZN285 Mthonjaneni - Table A7 Budgeted Cash Flows

| Description                                       | Ref | 2015/16         | 2016/17         | 2017/18         | Current Year 2018/19 |                 |                    |                   | 2019/20 Medium Term Revenue & Expenditure Framework |                        |                        |
|---------------------------------------------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                   |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2019/20                                 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| <b>R thousand</b>                                 |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>        |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Receipts</b>                                   |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Property rates                                    |     | 6 331           | 9 901           | 12 590          | 8 310                | 8 310           | 8 310              | –                 | 17 983                                              | 19 062                 | 20 205                 |
| Service charges                                   |     | 22 331          | 23 788          | 23 294          | 23 487               | 23 487          | 23 487             | –                 | 29 699                                              | 31 480                 | 33 100                 |
| Other revenue                                     |     |                 | 24 918          | –               | 9 185                | 9 185           | 9 185              | –                 | 5 869                                               | 6 221                  | 6 688                  |
| Government - operating                            | 1   | 44 680          | 77 172          | 79 370          | 79 371               | 79 371          | 79 371             | –                 | 85 379                                              | 88 010                 | 93 115                 |
| Government - capital                              | 1   | 45 867          | 27 399          | 32 278          | 32 749               | 32 749          | 32 749             | –                 | 33 033                                              | 33 820                 | 34 951                 |
| Interest                                          |     | 3 284           | 3 146           | 1 367           | 1 200                | 750             | 750                | –                 | 750                                                 | 795                    | 855                    |
| Dividends                                         |     |                 |                 | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| <b>Payments</b>                                   |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Suppliers and employees                           |     | (95 654)        | (126 581)       | (123 766)       | (117 015)            | (133 928)       | (133 928)          | –                 | (127 657)                                           | (137 452)              | (147 760)              |
| Finance charges                                   |     | –               | (11 130)        | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| Transfers and Grants                              | 1   | –               | (1 189)         | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| <b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>  |     | <b>26 839</b>   | <b>27 424</b>   | <b>25 133</b>   | <b>37 287</b>        | <b>19 924</b>   | <b>19 924</b>      | <b>–</b>          | <b>45 055</b>                                       | <b>41 937</b>          | <b>41 153</b>          |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>       |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Receipts</b>                                   |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Proceeds on disposal of PPE                       |     |                 |                 |                 |                      |                 |                    |                   | –                                                   | –                      | –                      |
| Decrease (Increase) in non-current debtors        |     |                 |                 |                 | 8 500                | 8 500           | 8 500              | –                 | –                                                   | –                      | –                      |
| Decrease (increase) other non-current receivables |     |                 |                 |                 |                      |                 |                    |                   | –                                                   | –                      | –                      |
| Decrease (increase) in non-current investments    |     |                 |                 |                 |                      |                 |                    |                   | –                                                   | –                      | –                      |
| <b>Payments</b>                                   |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Capital assets                                    |     | (33 628)        | (34 242)        | (41 735)        | (36 339)             | (37 565)        | (37 565)           | –                 | (36 158)                                            | (32 430)               | (30 971)               |
| <b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>  |     | <b>(33 628)</b> | <b>(34 242)</b> | <b>(41 735)</b> | <b>(27 839)</b>      | <b>(29 065)</b> | <b>(29 065)</b>    | <b>–</b>          | <b>(36 158)</b>                                     | <b>(32 430)</b>        | <b>(30 971)</b>        |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>       |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Receipts</b>                                   |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Short term loans                                  |     |                 |                 |                 |                      |                 |                    |                   | –                                                   | –                      | –                      |
| Borrowing long term/refinancing                   |     |                 |                 |                 |                      |                 |                    |                   | –                                                   | –                      | –                      |
| Increase (decrease) in consumer deposits          |     |                 |                 |                 |                      |                 |                    |                   | –                                                   | –                      | –                      |
| <b>Payments</b>                                   |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Repayment of borrowing                            |     |                 |                 |                 |                      |                 |                    |                   | –                                                   | –                      | –                      |
| <b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>  |     | <b>–</b>        | <b>–</b>        | <b>–</b>        | <b>–</b>             | <b>–</b>        | <b>–</b>           | <b>–</b>          | <b>–</b>                                            | <b>–</b>               | <b>–</b>               |
| <b>NET INCREASE/ (DECREASE) IN CASH HELD</b>      |     | <b>(6 789)</b>  | <b>(6 818)</b>  | <b>(16 602)</b> | <b>9 448</b>         | <b>(9 142)</b>  | <b>(9 142)</b>     | <b>–</b>          | <b>8 897</b>                                        | <b>9 507</b>           | <b>10 182</b>          |
| Cash/cash equivalents at the year begin:          | 2   | 49 259          | 42 470          | 20 282          | (6 551)              | 3 680           | 3 680              | –                 | 1 215                                               | 10 112                 | 19 619                 |
| Cash/cash equivalents at the year end:            | 2   | 42 470          | 35 652          | 3 680           | 2 897                | (5 462)         | (5 462)            | –                 | 10 112                                              | 19 619                 | 29 801                 |

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

KZN285 Mthonjaneni - Table A8 Cash backed reserves/accumulated surplus reconciliation

| Description                                       | Ref | 2015/16         | 2016/17         | 2017/18         | Current Year 2018/19 |                 |                    |                   | 2019/20 Medium Term Revenue & Expenditure Framework |                        |                        |
|---------------------------------------------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                   |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2019/20                                 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| <b>Cash and investments available</b>             |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Cash/cash equivalents at the year end             | 1   | 42 470          | 35 652          | 3 680           | 2 897                | (5 462)         | (5 462)            | –                 | 10 112                                              | 19 619                 | 29 801                 |
| Other current investments > 90 days               |     | 0               | 19 848          | –               | 23 101               | 31 459          | 31 459             | –                 | (6 432)                                             | (15 939)               | (26 121)               |
| Non current assets - Investments                  | 1   | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| <b>Cash and investments available:</b>            |     | <b>42 470</b>   | <b>55 500</b>   | <b>3 680</b>    | <b>25 997</b>        | <b>25 997</b>   | <b>25 997</b>      | <b>–</b>          | <b>3 680</b>                                        | <b>3 680</b>           | <b>3 680</b>           |
| <b>Application of cash and investments</b>        |     |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Unspent conditional transfers                     |     | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| Unspent borrowing                                 |     | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| Statutory requirements                            | 2   |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Other working capital requirements                | 3   | (2 575)         | (55 223)        | (23 502)        | (12 211)             | (6 074)         | (6 074)            | –                 | (30 041)                                            | (30 041)               | (30 049)               |
| Other provisions                                  |     | 16 240          | 16 113          |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Long term investments committed                   | 4   | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| Reserves to be backed by cash/investments         | 5   |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Total Application of cash and investments:</b> |     | <b>13 665</b>   | <b>(39 110)</b> | <b>(23 502)</b> | <b>(12 211)</b>      | <b>(6 074)</b>  | <b>(6 074)</b>     | <b>–</b>          | <b>(30 041)</b>                                     | <b>(30 041)</b>        | <b>(30 049)</b>        |
| <b>Surplus(shortfall)</b>                         |     | <b>28 805</b>   | <b>94 610</b>   | <b>27 182</b>   | <b>38 209</b>        | <b>32 072</b>   | <b>32 072</b>      | <b>–</b>          | <b>33 721</b>                                       | <b>33 721</b>          | <b>33 729</b>          |

### Explanatory notes to Table A7 – Budgeted Cash Flow Statement

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

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

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.

**Table 13: MBRR Table A9 – Asset Management**

|                                                     |   |                |                |          |              |              |              |               |               |               |
|-----------------------------------------------------|---|----------------|----------------|----------|--------------|--------------|--------------|---------------|---------------|---------------|
| <b>ASSET REGISTER SUMMARY - PPE (WDV)</b>           | 5 | 192 533        | 222 292        | –        | –            | –            | –            | 36 158        | 32 430        | 30 971        |
| <i>Roads Infrastructure</i>                         |   | 51 623         | 55 527         |          |              |              |              | 18 283        | 18 820        | 19 951        |
| <i>Storm water Infrastructure</i>                   |   | 44 841         | 59 082         |          |              |              |              |               |               |               |
| <i>Electrical Infrastructure</i>                    |   |                |                |          |              |              |              | 15 230        | 12 000        | 9 500         |
| <i>Water Supply Infrastructure</i>                  |   |                |                |          |              |              |              |               |               |               |
| <i>Sanitation Infrastructure</i>                    |   |                |                |          |              |              |              |               |               |               |
| <i>Solid Waste Infrastructure</i>                   |   |                |                |          |              |              |              | 250           | 150           | 200           |
| <i>Rail Infrastructure</i>                          |   |                |                |          |              |              |              |               |               |               |
| <i>Coastal Infrastructure</i>                       |   |                |                |          |              |              |              |               |               |               |
| <i>Information and Communication Infrastructure</i> |   | 90 940         | 99 940         |          |              |              |              |               |               |               |
| <b>Infrastructure</b>                               |   | <b>187 403</b> | <b>214 549</b> | <b>–</b> | <b>–</b>     | <b>–</b>     | <b>–</b>     | <b>33 763</b> | <b>30 970</b> | <b>29 651</b> |
| <b>Community Assets</b>                             |   |                |                |          |              |              |              |               |               |               |
| <b>Heritage Assets</b>                              |   |                |                |          |              |              |              |               |               |               |
| <b>Investment properties</b>                        |   | 2 368          | 2 510          |          |              |              |              |               |               |               |
| <b>Other Assets</b>                                 |   |                |                |          |              |              |              | 100           |               |               |
| <b>Biological or Cultivated Assets</b>              |   | 2 762          | 5 234          |          |              |              |              |               |               |               |
| <b>Intangible Assets</b>                            |   |                |                |          |              |              |              |               |               |               |
| <b>Computer Equipment</b>                           |   |                |                |          |              |              |              | 120           | 80            | 100           |
| <b>Furniture and Office Equipment</b>               |   |                |                |          |              |              |              | 145           | 100           | 120           |
| <b>Machinery and Equipment</b>                      |   |                |                |          |              |              |              | 230           | 80            | 100           |
| <b>Transport Assets</b>                             |   |                |                |          |              |              |              | 1 800         | 1 200         | 1 000         |
| <b>Land</b>                                         |   |                |                |          |              |              |              |               |               |               |
| <b>Zoo's, Marine and Non-biological Animals</b>     |   |                |                |          |              |              |              |               |               |               |
| <b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>     | 5 | <b>192 533</b> | <b>222 292</b> | <b>–</b> | <b>–</b>     | <b>–</b>     | <b>–</b>     | <b>36 158</b> | <b>32 430</b> | <b>30 971</b> |
| <b>EXPENDITURE OTHER ITEMS</b>                      |   | <b>8 857</b>   | <b>10 522</b>  | <b>–</b> | <b>8 495</b> | <b>5 252</b> | <b>5 252</b> | <b>13 609</b> | <b>14 312</b> | <b>15 385</b> |
| <b>Depreciation</b>                                 | 7 | 5 809          | 3 700          | –        | 5 252        | 5 252        | 5 252        | 10 144        | 10 587        | 11 381        |
| <b>Repairs and Maintenance by Asset Class</b>       | 3 | <b>3 048</b>   | <b>6 822</b>   | <b>–</b> | <b>3 243</b> | <b>–</b>     | <b>–</b>     | <b>3 465</b>  | <b>3 725</b>  | <b>4 004</b>  |
| <i>Roads Infrastructure</i>                         |   | 465            | 3 655          | –        | 800          | –            | –            | 1 000         | 1 075         | 1 156         |
| <i>Storm water Infrastructure</i>                   |   | –              | –              | –        | –            | –            | –            | –             | –             | –             |
| <i>Electrical Infrastructure</i>                    |   | –              | –              | –        | –            | –            | –            | 100           | 108           | 116           |
| <i>Water Supply Infrastructure</i>                  |   | –              | –              | –        | –            | –            | –            | –             | –             | –             |
| <i>Sanitation Infrastructure</i>                    |   | –              | –              | –        | –            | –            | –            | –             | –             | –             |
| <i>Solid Waste Infrastructure</i>                   |   | 400            | 400            | –        | –            | –            | –            | –             | –             | –             |
| <i>Rail Infrastructure</i>                          |   | –              | –              | –        | –            | –            | –            | –             | –             | –             |
| <i>Coastal Infrastructure</i>                       |   | –              | –              | –        | –            | –            | –            | –             | –             | –             |
| <i>Information and Communication Infrastructure</i> |   | –              | –              | –        | –            | –            | –            | –             | –             | –             |
| <b>Infrastructure</b>                               |   | <b>865</b>     | <b>4 055</b>   | <b>–</b> | <b>800</b>   | <b>–</b>     | <b>–</b>     | <b>1 100</b>  | <b>1 183</b>  | <b>1 271</b>  |
| <b>Community Facilities</b>                         |   | 48             | 90             | –        | –            | –            | –            | –             | –             | –             |
| <b>Sport and Recreation Facilities</b>              |   | 50             | –              | –        | –            | –            | –            | –             | –             | –             |
| <b>Community Assets</b>                             |   | <b>98</b>      | <b>90</b>      | <b>–</b> | <b>–</b>     | <b>–</b>     | <b>–</b>     | <b>–</b>      | <b>–</b>      | <b>–</b>      |
| <b>Heritage Assets</b>                              |   | –              | –              | –        | –            | –            | –            | –             | –             | –             |
| <b>Revenue Generating</b>                           |   | –              | –              | –        | –            | –            | –            | –             | –             | –             |
| <b>Non-revenue Generating</b>                       |   | –              | –              | –        | –            | –            | –            | –             | –             | –             |
| <b>Investment properties</b>                        |   | –              | –              | –        | –            | –            | –            | –             | –             | –             |
| <b>Operational Buildings</b>                        |   | 751            | 1 293          | –        | 1 165        | –            | –            | 1 015         | 1 091         | 1 173         |
| <b>Housing</b>                                      |   | –              | –              | –        | –            | –            | –            | –             | –             | –             |
| <b>Other Assets</b>                                 |   | <b>751</b>     | <b>1 293</b>   | <b>–</b> | <b>1 165</b> | <b>–</b>     | <b>–</b>     | <b>1 015</b>  | <b>1 091</b>  | <b>1 173</b>  |
| <b>Biological or Cultivated Assets</b>              |   | –              | –              | –        | –            | –            | –            | –             | –             | –             |
| <b>Servitudes</b>                                   |   | –              | –              | –        | –            | –            | –            | –             | –             | –             |
| <b>Licences and Rights</b>                          |   | –              | –              | –        | –            | –            | –            | –             | –             | –             |
| <b>Intangible Assets</b>                            |   | –              | –              | –        | –            | –            | –            | –             | –             | –             |
| <b>Computer Equipment</b>                           |   | –              | –              | –        | 53           | –            | –            | 20            | 22            | 23            |
| <b>Furniture and Office Equipment</b>               |   | 45             | 10             | –        | 140          | –            | –            | –             | –             | –             |
| <b>Machinery and Equipment</b>                      |   | 504            | 531            | –        | 210          | –            | –            | 365           | 392           | 422           |
| <b>Transport Assets</b>                             |   | 785            | 843            | –        | 875          | –            | –            | 965           | 1 037         | 1 115         |
| <b>Land</b>                                         |   | –              | –              | –        | –            | –            | –            | –             | –             | –             |
| <b>Zoo's, Marine and Non-biological Animals</b>     |   | –              | –              | –        | –            | –            | –            | –             | –             | –             |
| <b>TOTAL EXPENDITURE OTHER ITEMS</b>                |   | <b>8 857</b>   | <b>10 522</b>  | <b>–</b> | <b>8 495</b> | <b>5 252</b> | <b>5 252</b> | <b>13 609</b> | <b>14 312</b> | <b>15 385</b> |

**Table 14: MBRR Table A10 – Basic service delivery measurement**

KZN285 Mthonjaneni - Table A10 Basic service delivery measurement

| Description                                      | Ref | 2015/16       | 2016/17       | 2017/18       | Current Year 2018/19 |                 |                    | 2019/20 Medium Term Revenue & Expenditure Framework |                        |                        |
|--------------------------------------------------|-----|---------------|---------------|---------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                  |     | Outcome       | Outcome       | Outcome       | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2019/20                                 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| <b>Total number of households</b>                | 5   | –             | –             | –             | –                    | –               | –                  | –                                                   | –                      | –                      |
| <b>Energy:</b>                                   |     |               |               |               |                      |                 |                    |                                                     |                        |                        |
| Electricity (at least min.service level)         |     | 772           | 772           | 386           | 772                  | 772             | 772                | 772                                                 | 772                    | 772                    |
| Electricity - prepaid (min.service level)        |     | 26 824        | 26 824        | 13 412        | 26 824               | 26 824          | 26 824             | 26 824                                              | 26 824                 | 26 824                 |
| <i>Minimum Service Level and Above sub-total</i> |     | 27 596        | 27 596        | 13 798        | 27 596               | 27 596          | 27 596             | 27 596                                              | 27 596                 | 27 596                 |
| Electricity (< min.service level)                |     | 630           | 630           | 315           | 630                  | 630             | 630                | 630                                                 | 630                    | 630                    |
| Electricity - prepaid (< min. service level)     |     | –             | –             | –             | –                    | –               | –                  | –                                                   | –                      | –                      |
| Other energy sources                             |     | 156           | 156           | 78            | 156                  | 156             | 156                | 156                                                 | 156                    | 156                    |
| <i>Below Minimum Service Level sub-total</i>     |     | 786           | 786           | 393           | 786                  | 786             | 786                | 786                                                 | 786                    | 786                    |
| <b>Total number of households</b>                | 5   | <b>28 382</b> | <b>28 382</b> | <b>14 191</b> | <b>28 382</b>        | <b>28 382</b>   | <b>28 382</b>      | <b>28 382</b>                                       | <b>28 382</b>          | <b>28 382</b>          |
| <b>Refuse:</b>                                   |     |               |               |               |                      |                 |                    |                                                     |                        |                        |
| Removed at least once a week                     |     | 6 546         | 6 546         | 3 273         | 6 546                | 6 546           | 6 546              | 6 546                                               | 6 546                  | 6 546                  |
| <i>Minimum Service Level and Above sub-total</i> |     | 6 546         | 6 546         | 3 273         | 6 546                | 6 546           | 6 546              | 6 546                                               | 6 546                  | 6 546                  |
| Removed less frequently than once a week         |     | 116           | 116           | 58            | 116                  | 116             | 116                | 116                                                 | 116                    | 116                    |
| Using communal refuse dump                       |     | 2 834         | 2 834         | 1 417         | 2 834                | 2 834           | 2 834              | 2 834                                               | 2 834                  | 2 834                  |
| Using own refuse dump                            |     | 22 294        | 22 294        | 11 147        | 22 294               | 22 294          | 22 294             | 22 294                                              | 22 294                 | 22 294                 |
| Other rubbish disposal                           |     | 290           | 290           | 145           | 290                  | 290             | 290                | 290                                                 | 290                    | 290                    |
| No rubbish disposal                              |     | –             | –             | –             | –                    | –               | –                  | –                                                   | –                      | –                      |
| <i>Below Minimum Service Level sub-total</i>     |     | 25 534        | 25 534        | 12 767        | 25 534               | 25 534          | 25 534             | 25 534                                              | 25 534                 | 25 534                 |
| <b>Total number of households</b>                | 5   | <b>32 080</b> | <b>32 080</b> | <b>16 040</b> | <b>32 080</b>        | <b>32 080</b>   | <b>32 080</b>      | <b>32 080</b>                                       | <b>32 080</b>          | <b>32 080</b>          |

## **PART 2 – SUPPORTING DOCUMENTATION**

### **2.1 OVERVIEW OF THE ANNUAL BUDGET PROCESS**

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

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

The primary aims of the Budget Steering Committees is to ensure:

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

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

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

The Mayor tabled in Council the required IDP and budget time schedule in August 2018. Key dates applicable to the process were:

- August 2018 – Joint strategic planning session of the Mayoral Committee and Executive Management. Aim to review past performance trends of the capital and operating budgets, the economic realities and to set the prioritization criteria for the compilation of the 2019/20 MTREF;
- November 2018 – Detail departmental budget proposals (capital and operating) submitted to the Budget and Treasury Office for consolidation and assessment against the financial planning guidelines;
- January 2019 – Review of the financial strategy and key economic and financial planning assumptions by the Budget Steering Committee. This included financial forecasting and scenario considerations;

- January 2019 – Multi-year budget proposals are submitted to the Mayoral Committee for endorsement;
- 25 January 2019 – Council consider the 2018/19 Mid-year Review and Adjustments Budget;
- February 2019 – Recommendations of the Mayoral Committee are communicated to the Budget steering Committee, and on the respective departments.
- March 2019 – Tabling in Council of the Draft 2019/20 IDP and 2019/20 MTREF for public consultation;
- April 2019 – Public consultation;
- May 2019 – closing date for written comments;
- May 2019 – finalization of the IDP and MTREF, taking into consideration comments received from the public, comments from Provincial Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and
- May 2019 – tabling of the 2019/20 MTREF before Council for consideration and approval.

## **2.1.2 Community Consultation**

The draft budget 2019/20 MTREF as tabled before Council in March 2019 for community consultation will be published on the municipality's website, and hard copies will be made available at customer care offices, municipal notice boards and the municipal library.

All documents in the appropriate format (electronic and printed) were provided to National Treasury and Provincial Treasury in accordance with section 23 of the MFMA, to provide opportunity for them to make inputs.

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

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

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

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



#### **2.1.4 Financial Modeling and Key Planning Drivers**

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

- Municipality growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends ( i.e. inflation, Eskom increases, household debt, migration patterns )
- Performance trends
- The approved 2018/19 adjustments budget and performance against the SDBIP
- Debtor payment levels
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

## **2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP**

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

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

Integrated development planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area.

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

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy
- National and Provincial spatial development perspectives;

## **2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS**

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

## **2.4 OVERVIEW OF BUDGET RELATED-POLICIES**

### **Banking and Investment Policy**

The policy is aimed at gaining the highest possible return on investment, without incurring undue risks, during those periods when cash revenues are not needed for capital or operational purposes. The effectiveness of the investment policy is dependent on the accuracy of the municipality's cash management programme, which must identify the amounts surplus to the municipality's needs, as well as the time when and period for which such revenues are surplus.

### **Rates Policy**

The purpose of this policy is to:

- Comply with the provisions of section 3 of the Municipal Property Rates Act, (Act No. 6 of 2004)
- Give effect to the principles outlined above;
- Determine the methodology and to prescribe procedures for the implementation of the Act;
- Determine criteria to be applied for the levying of differential rates for different categories of properties

### **Supply Chain Management Policy**

Mthonjaneni Local Municipality may not act otherwise than in accordance with this supply chain management policy when –

- a) procuring goods or services;
- b) disposing of goods no longer needed;
- c) selecting contractors to provide assistance in the provision of municipal services otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies; or
- d) selecting external mechanism referred to in section 80 (1) (b) of the Municipal Systems Act for the provision of municipal services in circumstances contemplated in section 83 of that Act.

## **2.5 OVERVIEW OF BUDGET ASSUMPTIONS**

### **2.5.1 External factors**

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

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

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

- National Government macro economics targets;
- The general inflationary outlook and the impact on municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity; and
- The increase in the cost of remuneration of councillors and employees.

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

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

The rate revenue collection is currently expressed as a percentage (90 per cent) of annual billings. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

### **2.5.4 Salary increases**

The salary increase of 6.5% has been factored into the annual budget for 2019/20. This is in accordance with the current salary and wage collective agreement where it is stated that the increase for 2019/20 will be an inflation outlook as announced by the Reserve Bank's Monetary Policy Committee in its January 2019 report, plus 1.5%

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

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

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

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

## **2.6 OVERVIEW OF BUDGET FUNDING**

Mthonjaneni Local Municipality's budget is funded in accordance with section 18 of the Municipal Finance Management Act, (Act No. 56 of 2003) which states that:

- (1) An annual budget may only be funded from –
  - a) realistically anticipated revenues to be collected;
  - b) Cash-backed accumulated funds from previous years' surpluses not committed for other purposes; and
  - c) borrowed funds, but only for the capital budget referred to in section 17 (2)
- (2) Revenue projections in the budget must be realistic, taking into account –
  - a) Projected revenue for the current year based on collection levels to date; and
  - b) Actual revenue collected in previous financial years.

## 2.7 ANNUAL BUDGETS AND SDBIPS – INTERNAL DEPARTMENTS

| OFFICE OF THE MUNICIPAL MANAGER                                                                  |                                                        |                                         |                                                                                                                                                                                  |                                                                                                                                                                            |                                                                             |                                                                                                                                                                                                                                                       |                   |                                                                         |                                                         |                                                              |                                                        |                                                              |
|--------------------------------------------------------------------------------------------------|--------------------------------------------------------|-----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------------------------------------------------------------|---------------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------------|
| COMPONENT 3 - QUARTERLY PROJECTIONS OF SERVICE DELIVERY AND PERFORMANCE INDICATORS FOR EACH VOTE |                                                        |                                         |                                                                                                                                                                                  |                                                                                                                                                                            |                                                                             |                                                                                                                                                                                                                                                       |                   |                                                                         |                                                         |                                                              |                                                        |                                                              |
| IDP Indicator No.                                                                                | National Key Performance Area                          | Mthonjaneni Development Goals           | Strategies                                                                                                                                                                       | Performance Indicator                                                                                                                                                      | Unit of Measure                                                             | Budget                                                                                                                                                                                                                                                | Source of Funding | IDP 2019/2020                                                           |                                                         |                                                              |                                                        |                                                              |
|                                                                                                  |                                                        |                                         |                                                                                                                                                                                  |                                                                                                                                                                            |                                                                             |                                                                                                                                                                                                                                                       |                   | Annual Target                                                           | Target Quarter                                          | Target Quarter 2                                             | Target Quarter 3                                       | Target Quarter                                               |
| 1.1                                                                                              |                                                        |                                         | Maintenance of rural roads                                                                                                                                                       | Ensure the construction and 100% completion of Nozophiva Gravel road in ward 10 by 30 June 2020                                                                            | Number of kilometers completed                                              | R6 896 699.40                                                                                                                                                                                                                                         |                   | 3.3km of rural roads to be constructed 30 June 2020.                    | Advertise tender and appoint service provider.          | 1.3km of rural roads to be regavelled in the second quarter. | 2km of rural roads to be regavelled by 31 March 2020). |                                                              |
| 1.2                                                                                              |                                                        |                                         | Maintenance of urban roads                                                                                                                                                       | Ensure the upgrade and rehabilitation of 2.5 km of Thubalethu Urban road in ward 2 by 30 June 2020                                                                         | Number of kilometers completed                                              | R4 142 962.92                                                                                                                                                                                                                                         |                   | 2.5 kilometers of urban roads to be rehabilitated by 30 June 2020       | Advertise tender and appoint service provider.          | Site establishment and construction of foundation. (30%)     | 1km of urban road to be rehabilitated                  | 1.5km of urban road to be rehabilitated                      |
| 1.3                                                                                              |                                                        |                                         | Infrastructure development                                                                                                                                                       | Ensure the construction and 100% completion of Mehlamasha community hall in ward 6 by 30 June 2020.                                                                        | Percentage of budgeted connections completed                                | R 3 682 930.70                                                                                                                                                                                                                                        |                   | 100% completion of Construction of hall by 30 June 2020                 | Advertise tender and appoint service provider.          | Site establishment and construction of foundation. (30%)     | Construction of walls, abutment block and roofing(60%) | Wall plaster, windows and fencing of the hall (100%)         |
| 1.4                                                                                              |                                                        |                                         | Infrastructure development                                                                                                                                                       | Ensure the eradication of electrification backlogs in Mthonjaneni by providing 500 new connections to households in Thubalethu Township for the first time by 30 June 2020 | Number of electricity connections                                           | R15 000 000.00                                                                                                                                                                                                                                        |                   | 500 connections completed by 30 June 2020                               | Pre-market and design                                   | 100 connections                                              | 100 connections                                        | 300 connections                                              |
| 1.5                                                                                              |                                                        |                                         | Infrastructure development                                                                                                                                                       | Ensure the construction and 100% completion of Sangoyana Sports Field by 30 June 2020                                                                                      | Percentage of construction completed                                        | R 7 443 718.92                                                                                                                                                                                                                                        |                   | 100% completion of construction of sports field by 30 June 2020         | Advertise tender and appoint service provider.          | (30%) Completion of site clearance and ground works.         | (60%) Completion of slab, walls, stadium and roofing.  | (100%) completion of paving and electrification.             |
| 1.6                                                                                              |                                                        |                                         | Maintenance of gravel roads infrastructure                                                                                                                                       | Ensure the 100% spending and 100% completion of gravel roads infrastructure maintenance by 30 June 2020                                                                    | Rand value of budgeted amount spent on maintenance                          | R1 000 000.00                                                                                                                                                                                                                                         |                   | 100% completion of maintenance of Council buildings by 30 June 2020     | Advertising and appointment of Service provider.        | 50% completion of maintenance of gravel roads                | 70% completion of maintenance of gravel roads.         | 100% completion of all maintenance of roads.                 |
| 2.1                                                                                              | MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT | Providing a safe and secure environment | Training & development of staff in accordance to Skills Development Plan by ensuring that staff are trained by 30 June 2020 and submit reports to portfolio on a quarterly bases | Prepare and submit the Skills Development Plan to Council for approval by 30 April 2020                                                                                    | Council resolution for adoption                                             | no.00                                                                                                                                                                                                                                                 |                   | Skills Development Plan                                                 | -                                                       | -                                                            | -                                                      | Skills development Plan approved by Council by 30 April 2020 |
| 2.2                                                                                              |                                                        |                                         | Implement approved municipal organogram                                                                                                                                          | Ensure the implementation of the approved municipal organogram by ensuring that 4 critical positions are filled by 30 December 2020.                                       | Number of critical positions filled                                         | As per each incident                                                                                                                                                                                                                                  |                   | 2 Critical position                                                     | 2 critical positions to be filled by 30 September 2019. | -                                                            | -                                                      | -                                                            |
| 3.1                                                                                              | FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT           | Providing service excellence            |                                                                                                                                                                                  |                                                                                                                                                                            | Total operating revenue received (operating grants) / Debt service payments | no                                                                                                                                                                                                                                                    |                   | 1.50 : 1.00                                                             | 1.50 : 1.01                                             | 1.50 : 1.00                                                  |                                                        | 1.50 : 1.00                                                  |
| 3.2                                                                                              |                                                        |                                         |                                                                                                                                                                                  |                                                                                                                                                                            | Outstanding service debtors / revenue actually received for services        | no                                                                                                                                                                                                                                                    |                   | 0.50 : 1.00                                                             | -                                                       |                                                              |                                                        | 0.50 : 1.00                                                  |
| 3.3                                                                                              |                                                        |                                         |                                                                                                                                                                                  |                                                                                                                                                                            | Manage finances in line with required legislation                           | [(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment] / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets) |                   | 2 months                                                                | 2 months                                                | 2 months                                                     | 2 months                                               | 2 months                                                     |
| 3.4                                                                                              |                                                        |                                         | Prepare and submit quarterly report to MANCO on the Financial Viability of Mthonjaneni LM and the achievement of 65% debtors collection target. 4 reports by 30 June 2020        | Ensure 100% expenditure of grants and subsidies by 30 June 2020.                                                                                                           | Percentage                                                                  | no                                                                                                                                                                                                                                                    |                   | 100% expenditure on all grants and subsidies by 30 June 2020.           | 20% spent during this quarter                           | 60% spent during this quarter                                | 80% spent during this quarter.                         | 100% spent by the end of the financial year.                 |
| 3.5                                                                                              |                                                        |                                         |                                                                                                                                                                                  | Submission of Quarterly reports to MANCO                                                                                                                                   | Number of reports submitted.                                                | no                                                                                                                                                                                                                                                    |                   | 65% debtor collection and 4 reports submitted to MANCO by 30 June 2020. | 65% Collection                                          | 65% Collection                                               | 65% Collection                                         | 65% Collection                                               |
| 3.4                                                                                              |                                                        |                                         |                                                                                                                                                                                  | Monitor the payment of creditors and salaries by submitting monthly reports MANCO.                                                                                         | submission of monthly reports to MANCO                                      | Number of reports to MANCO                                                                                                                                                                                                                            | no                | 12                                                                      | 3                                                       | 3                                                            | 3                                                      | 3                                                            |

|     |                                                                      |                                            |                                                                                                                  |                                                                                                                                                                                                                                                 |                                                                                                                                             |                                                                                                                                    |                                                                                                                                                    |                                                                 |                                                                               |                                                       |                                                            |                                                        |                                                                       |
|-----|----------------------------------------------------------------------|--------------------------------------------|------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------|------------------------------------------------------------|--------------------------------------------------------|-----------------------------------------------------------------------|
| 4.1 | GOOD GOVERNANCE AND COMMUNITY PARTICIPATION                          | Good governance                            | Ensure effective municipal structures i.e. Council, EXCO and ward committees                                     | Ensure effective municipal structures and communication both externally and internally by facilitating 4 Council meetings, 11 EXCO, 33 Portfolio and 04 joint ward committee meetings by 30 June 2020 as per the approved schedule of meetings. | Number                                                                                                                                      | R0                                                                                                                                 |                                                                                                                                                    | 4 Council meetings by 30 June 2020.                             | 1 meeting                                                                     | 1 meeting                                             | 1 meeting                                                  | 1 meeting                                              |                                                                       |
|     |                                                                      |                                            |                                                                                                                  |                                                                                                                                                                                                                                                 | Number                                                                                                                                      | R0                                                                                                                                 |                                                                                                                                                    | 11 EXCO meetings by 30 June 2020.                               | 3 meetings                                                                    | 2                                                     | 3 meetings                                                 | 3 meeting                                              |                                                                       |
|     |                                                                      |                                            |                                                                                                                  |                                                                                                                                                                                                                                                 | Number                                                                                                                                      | R0                                                                                                                                 |                                                                                                                                                    | 33 Portfolio committee meetings by 30 June 2020.                | 9 meetings                                                                    | 6                                                     | 9 meetings                                                 | 9 meeting                                              |                                                                       |
|     |                                                                      |                                            |                                                                                                                  |                                                                                                                                                                                                                                                 | Number                                                                                                                                      | R0                                                                                                                                 |                                                                                                                                                    | 04 MPAC meetings by 30 June 2020.                               | 1                                                                             | 1                                                     | 1                                                          | 1                                                      |                                                                       |
| 4.2 |                                                                      | Implement the Performance Framework Policy | Prepare and submit the final 2019/2020 OPMS scorecard to Council by 30 June 2019.                                | Date                                                                                                                                                                                                                                            | R0                                                                                                                                          |                                                                                                                                    | Approved 2019/2020 scorecard by Council by 2019-06-30                                                                                              | -                                                               | -                                                                             | -                                                     | -                                                          |                                                        |                                                                       |
| 4.3 |                                                                      |                                            |                                                                                                                  | Ensure the submission of the Annual Performance report to Auditor General by 31 August 2019.                                                                                                                                                    | Date                                                                                                                                        | R0                                                                                                                                 |                                                                                                                                                    | APR submitted to AG by 2019-08-30                               | Submit APR by 2019/08/30 to AG.                                               | -                                                     | -                                                          | -                                                      |                                                                       |
| 4.4 |                                                                      |                                            |                                                                                                                  |                                                                                                                                                                                                                                                 | Ensure that all senior managers sign performance agreement for the 2019/2020 financial year by 31 July 2019.                                | Number                                                                                                                             | R0                                                                                                                                                 |                                                                 | 5 Performance agreements signed by 31 July 2019.                              | 5 Performance agreements signed by 31 July 2019.      | -                                                          | -                                                      | -                                                                     |
| 4.5 |                                                                      |                                            |                                                                                                                  |                                                                                                                                                                                                                                                 |                                                                                                                                             | Ensure that performance reviews of Senior managers takes place on a quarterly bases and a total of 5 to be held by 30 June 2019.   | Number                                                                                                                                             | R0                                                              |                                                                               | 5 performance evaluations to be held by 30 June 2020. | 1 evaluation meeting during the first quarter.             | 1 evaluation meeting during the second quarter.        | 1 evaluation meeting during the third quarter.                        |
| 4.6 |                                                                      |                                            |                                                                                                                  |                                                                                                                                                                                                                                                 | Ensure approval of Annual Report                                                                                                            |                                                                                                                                    | Ensure the drafting and submission of the draft 2018/2019 Annual Report to Council for approval by 31 January 2020. Submit the final Annual Report | Date                                                            | R0                                                                            |                                                       | Final 2018/2019 Annual Report approved by Council by 2020- | -                                                      | Draft 2018/2019 Annual Report approved by Council on 28 January 2020. |
| 5.1 |                                                                      |                                            |                                                                                                                  | LOCAL ECONOMIC DEVELOPMENT                                                                                                                                                                                                                      |                                                                                                                                             | Providing opportunities for all to aspire to a better future                                                                       |                                                                                                                                                    | Create job opportunities through poverty alleviation programmes | Ensure poverty alleviation through the creation of 80 EPWP by 15 August 2019. | Number                                                | R                                                          |                                                        | 80 EPWP jobs created by 15 August 2019.                               |
|     |                                                                      |                                            |                                                                                                                  |                                                                                                                                                                                                                                                 |                                                                                                                                             |                                                                                                                                    |                                                                                                                                                    |                                                                 |                                                                               |                                                       |                                                            |                                                        |                                                                       |
| 6.1 |                                                                      | CROSS CUTTING INTERVENTIONS                | Encouraging community participation in service delivery                                                          | Preparation of an IDP within the legal guidelines                                                                                                                                                                                               | Prepare and submit the final 2020/2021 IDP to Council for approval by 30 June 2020.                                                         | Date                                                                                                                               | R0                                                                                                                                                 |                                                                 | 30-Jun-20                                                                     | -                                                     | -                                                          | Approval of the Draft IDP by Council by 30 March 2020. | Approval of the Final IDP by Council by 2020-06-30                    |
| 6.2 |                                                                      |                                            |                                                                                                                  | Effective community participation as promulgated in terms of Chapter 4 of the MSA no 27 of 2000                                                                                                                                                 | Ensure public participation during the IDP process by ensuring a total of 15 IDP/Budget roadshows takes by 30 June 2020                     | Number                                                                                                                             | R0                                                                                                                                                 |                                                                 | 15 IDP/Budget roadshows by 30 June 2020.                                      | -                                                     | 13 IDP MEETINGS by 31 December 2020.                       | -                                                      | 2 IDP Meetings by 30 June 2020.                                       |
| 6.3 |                                                                      |                                            | Supporting the poor and vulnerable groups                                                                        | Ensure effective gender, disabled and senior citizens structures                                                                                                                                                                                | Ensure the effectiveness of marginalised group structures within the municipality by ensuring 1 meeting per marginalised group per quarter. | Number of Men's Forum meetings held                                                                                                | R 1 200 000                                                                                                                                        |                                                                 | 4                                                                             | 1 meeting                                             | 1 meeting                                                  | 1 meeting                                              | 1 meeting                                                             |
|     | Number of Women's Forum meetings held                                |                                            |                                                                                                                  |                                                                                                                                                                                                                                                 |                                                                                                                                             |                                                                                                                                    |                                                                                                                                                    | 4                                                               | 1 meeting                                                                     | 1 meeting                                             | 1 meeting                                                  | 1 meeting                                              |                                                                       |
|     | Number of Youth Council meetings held                                |                                            |                                                                                                                  |                                                                                                                                                                                                                                                 |                                                                                                                                             |                                                                                                                                    |                                                                                                                                                    | 4                                                               | 1 meeting                                                                     | 1 meeting                                             | 1 meeting                                                  | 1 meeting                                              |                                                                       |
|     | Implement Operation Sukuma Sakhe programmes                          |                                            | Implimentation of the HIV Strategy by ensuring the sittings of marginalised group meetings on a quarterly bases. | Number of LAC meetings                                                                                                                                                                                                                          |                                                                                                                                             |                                                                                                                                    | Monthly and war room meetings                                                                                                                      | 4 LAC Meeting                                                   | 1 meeting                                                                     | 1 meeting                                             | 1 meeting                                                  |                                                        |                                                                       |
| 6.4 |                                                                      |                                            |                                                                                                                  | Ensure community safety and security                                                                                                                                                                                                            | Implement traffic management                                                                                                                | Ensure efficient and effective examination of all vehicles brought to the testing station and the issuing of CRW's by 30 June 2020 | Number of CWR issued                                                                                                                               | R1 600 000.00                                                   |                                                                               | 80 CRW to be issued by 30 June 2020                   | 20                                                         | 20                                                     | 20                                                                    |
|     | Ensure that 1440 drivers licences bookings are done by 30 June 2020. |                                            | Number of drivers licence bookings                                                                               |                                                                                                                                                                                                                                                 |                                                                                                                                             |                                                                                                                                    | 1440 drivers licences bookings done by 30 June 2020.                                                                                               |                                                                 | 360 bookings                                                                  | 360 bookings                                          | 360 bookings                                               | 360 bookings                                           |                                                                       |

| DEPARTMENT OF THE CORPORATE SERVICES        |                                                          |                                                                                       |                                                                                                                                                                                                                                                                               |                                                                     |                      |                                     |                                                  |                               |                                          |                           |                          |
|---------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|----------------------|-------------------------------------|--------------------------------------------------|-------------------------------|------------------------------------------|---------------------------|--------------------------|
|                                             |                                                          |                                                                                       |                                                                                                                                                                                                                                                                               |                                                                     |                      |                                     |                                                  |                               |                                          |                           |                          |
|                                             | NATIONAL KPA                                             | STRATEGIC OBJECTIVE                                                                   | PERFORMANCE TARGET                                                                                                                                                                                                                                                            | UNIT OF MEASUREMENT                                                 | BUDGET               | SOURCE OF FUNDING                   | ANNUAL TARGET                                    | QUARTER ENDING 30 SEPT        | QUARTER ENDING 31 DEC                    | QUARTER ENDING 31 MARCH   | QUARTER ENDING 30 JUNE   |
|                                             |                                                          |                                                                                       |                                                                                                                                                                                                                                                                               |                                                                     |                      |                                     |                                                  | TARGET                        | TARGET                                   | TARGET                    | TARGET                   |
| COUNCIL SUPPORT AND ADMINISTRATION SERVICES |                                                          |                                                                                       |                                                                                                                                                                                                                                                                               |                                                                     |                      |                                     |                                                  |                               |                                          |                           |                          |
|                                             | Good Governance and public participation                 | To provide sound external and internal communication                                  | Ensure effective and functional municipal structures and communication by coordinating and facilitating 04 Council meetings, 11 EXCO meetings, 33 Portfolio Committee meetings and 04 Joint ward committee meetings by 30 June 2020 as per the approved schedule of meetings. | Number of Council meetings                                          | R 0                  |                                     | 4                                                | 1                             | 1                                        | 1                         | 1                        |
|                                             |                                                          |                                                                                       |                                                                                                                                                                                                                                                                               | Number of EXCO meetings                                             |                      |                                     | 11                                               | 3                             | 2                                        | 3                         | 3                        |
|                                             |                                                          |                                                                                       |                                                                                                                                                                                                                                                                               | Number of Portfolio meetings                                        |                      |                                     | 33                                               | 9                             | 6                                        | 9                         | 9                        |
|                                             |                                                          |                                                                                       |                                                                                                                                                                                                                                                                               | Number of MPAC Meetings                                             |                      |                                     | 4                                                | 1                             | 1                                        | 1                         | 1                        |
|                                             |                                                          |                                                                                       |                                                                                                                                                                                                                                                                               | Number of reports on tracking attendance of meetings by Councillors |                      |                                     | 4                                                | 1 report by 30 September 2019 | 1 report by 31 December 2019             | 1 report by 31 March 2020 | 1 report by 30 June 2020 |
|                                             | Institutional Development and Municipal Transformation   | To create a viable and sustainable work environment                                   | Ensure the implementation of the approved municipal organogram by ensuring that 5 critical positions are filled by 30 September 2019.                                                                                                                                         | Number of critical positions filled                                 | As per each incident |                                     | 2 critical positions filled by 30 September 2019 |                               |                                          |                           |                          |
|                                             | Institutional Development and Municipal Transformation   |                                                                                       | Ensure incident are reported immediately to Supervisors and that the incident investigations are conducted within 7 days                                                                                                                                                      | Report on incidents and incidents reports to Council                |                      |                                     |                                                  |                               |                                          |                           |                          |
|                                             |                                                          |                                                                                       | Ensure effective sitting of Safety Reps Committee meetings                                                                                                                                                                                                                    | Report to Management Committee                                      |                      |                                     | 4                                                | 1                             | 1                                        | 1                         | 1                        |
|                                             | Institutional Development and Municipal Transformation   |                                                                                       | Prepare and submit the Skills Development Plan to Council for approval by 30 April 2020 as well as the Annual Training Report and Workplace Skills Plan for approval to Council by 30 June 2019 and submit to LGSETA by 30 June 2020.                                         | Skills Development Plan, Annual Training Report and WSP             | R 200 000            |                                     | 30-Apr-20                                        | -                             | -                                        | -                         | -                        |
| 1.3                                         |                                                          |                                                                                       |                                                                                                                                                                                                                                                                               | Council Resolution                                                  | R 0                  |                                     | 30-Jun-20                                        | -                             | -                                        | -                         | -                        |
|                                             | Institutional Development and Municipal Transformation   |                                                                                       | Ensure the implementation of qualification verification. Medical testing to revery newly appointed employees. And also conduct staff wellness programme by 30 June 2020                                                                                                       | Qualification Verification Report per newly appointed employee      | R 25 000             |                                     |                                                  |                               |                                          |                           |                          |
|                                             |                                                          |                                                                                       |                                                                                                                                                                                                                                                                               | Medical Test report for newly appointed employee by 30 June 2020    | R 40 000             |                                     | 9                                                |                               |                                          |                           |                          |
|                                             |                                                          |                                                                                       |                                                                                                                                                                                                                                                                               | Staff Wellness Campaign for all employees by 30 June 2020           | R 250 000            |                                     | 30-Jun-20                                        |                               |                                          |                           |                          |
|                                             | Institutional Development and Municipal Transformation   |                                                                                       | Training and development of Staff in accordance to Skills Development Plan by ensuring that staff are trained by 30 June 2020 and submit reports to portfolio on a quarterly bases.                                                                                           | Report on the number of staff trained                               | R 350 000            |                                     | 4                                                | 1                             | 1                                        | 1                         | 1                        |
| 2                                           | INFORMATION TECHNOLOGY                                   |                                                                                       |                                                                                                                                                                                                                                                                               |                                                                     |                      |                                     |                                                  |                               |                                          |                           |                          |
|                                             |                                                          | To ensure sitting of IT Steering Committee Meetings and effective IT Policy awareness | Ensure the Effective sitting of 4 IT Steering committee meetings by 30 June 2020.                                                                                                                                                                                             | Number of Meetings                                                  |                      |                                     | 4                                                | 1                             | 1                                        | 1                         | 1                        |
|                                             |                                                          |                                                                                       | Ensure 2 IT Policy awareness by 30 June 2020.                                                                                                                                                                                                                                 | Number of Policy Awareness Workshops                                |                      |                                     | 2                                                |                               | 1                                        |                           | 1                        |
| PUBLIC PARTICIPATION and WARD COMMITTEES    |                                                          |                                                                                       |                                                                                                                                                                                                                                                                               |                                                                     |                      |                                     |                                                  |                               |                                          |                           |                          |
|                                             | Good Governance and Participation                        | To encourage public participation and take care of indigent households                | Ensure the sitting of monthly ward committee meetings for all municipal wards.                                                                                                                                                                                                | Number of ward committee meetings                                   | R2 163 540.00        |                                     | 156                                              | 39                            | 39                                       | 39                        | 39                       |
|                                             |                                                          |                                                                                       | Ensure 100% spending of the ward committee stipend vote by 30 June 2020.                                                                                                                                                                                                      | percentage spent                                                    |                      |                                     |                                                  |                               |                                          |                           |                          |
|                                             |                                                          |                                                                                       | Conduct 4 Joint Ward Committee Meetings by 30 June 2020                                                                                                                                                                                                                       | Number of joint ward committee meetings held                        | R80 000.00           | 4                                   | 1                                                | 1                             | 1                                        | 1                         |                          |
|                                             |                                                          |                                                                                       | Ensure the effective provision of Burial to indigent households by ensuring 100% spending of the pauper burial vote by 30 June 2020.                                                                                                                                          | percentage spent                                                    | R910 000.00          | 100% spent by 30 June 2020.         | 30%                                              | 50%                           | 75%                                      | 100%                      |                          |
| LIBRARY SERVICES                            |                                                          |                                                                                       |                                                                                                                                                                                                                                                                               |                                                                     |                      |                                     |                                                  |                               |                                          |                           |                          |
|                                             | Community and Social services/Cross cutting intervention | To improve the use of library services                                                | Ensure effective and functional library services for the community by conducting 8 library activities or programmes as per the national plan by the Department of Art & Culture by 30 June 2020.                                                                              | Date of Mother Tongue Day held                                      | R 30 000             |                                     |                                                  | 25-10-2019                    |                                          |                           |                          |
|                                             |                                                          |                                                                                       |                                                                                                                                                                                                                                                                               | Date of World Book Day held                                         |                      |                                     |                                                  |                               | 23/04/2020                               |                           |                          |
|                                             |                                                          |                                                                                       |                                                                                                                                                                                                                                                                               | Date Literacy Day held                                              |                      |                                     |                                                  | 19-Sep-09                     |                                          |                           |                          |
|                                             |                                                          |                                                                                       |                                                                                                                                                                                                                                                                               | Date World Read Aloud Day held                                      |                      |                                     |                                                  | 19-09-2019                    |                                          |                           |                          |
|                                             |                                                          |                                                                                       |                                                                                                                                                                                                                                                                               | Date of World Play Day held                                         |                      |                                     |                                                  |                               | 24/05/2020                               |                           |                          |
|                                             |                                                          |                                                                                       |                                                                                                                                                                                                                                                                               | Date of International day of the Elders held                        |                      |                                     |                                                  | 02-Oct-19                     |                                          |                           |                          |
|                                             |                                                          |                                                                                       |                                                                                                                                                                                                                                                                               | Date of World Aids Day held                                         |                      |                                     |                                                  | 01-Dec-19                     |                                          |                           |                          |
|                                             |                                                          |                                                                                       |                                                                                                                                                                                                                                                                               | Date of Library Week held                                           |                      |                                     |                                                  | 18/03/20 to 23/03/202         |                                          |                           |                          |
|                                             |                                                          |                                                                                       | Conduct Schools outreach program in 2 schools per quarter                                                                                                                                                                                                                     | Number of Schools Outreach program per quarter.                     |                      | 8 outreach program by 30 June 2019. | 2                                                | 2                             | 2                                        | 2                         |                          |
| REGISTRY                                    |                                                          |                                                                                       |                                                                                                                                                                                                                                                                               |                                                                     |                      |                                     |                                                  |                               |                                          |                           |                          |
|                                             | Institutional Development and Municipal Transformation   |                                                                                       | Installation of the Datasor System by Metro File                                                                                                                                                                                                                              | System up and running                                               | R 180 000            |                                     | 30-Sep-19                                        | 30-Sep-19                     |                                          |                           |                          |
|                                             |                                                          |                                                                                       | Allocation of Disposal Systems to the approved file plan                                                                                                                                                                                                                      |                                                                     |                      | 30-Jun-20                           |                                                  |                               |                                          | 30-Jun-20                 |                          |
|                                             |                                                          |                                                                                       | Application of standing disposal Authority                                                                                                                                                                                                                                    |                                                                     |                      |                                     |                                                  |                               |                                          |                           |                          |
|                                             |                                                          |                                                                                       | To ensure transparency in Records Management by developing a PAIA Manual by 31 December 2020.                                                                                                                                                                                 | Approval of the PAIA Manual                                         |                      |                                     | Approved PAIA Manual by 31 December 2019         |                               | Approved PAIA Manual by 31 December 2019 |                           |                          |

| LEGAL SERVICES/LABOUR RELATIONS                 |                                                        |                                      |                                                                                     |                                                                                                                         |                                                                                           |       |                                                                  |                                  |                                  |                                  |                                              |
|-------------------------------------------------|--------------------------------------------------------|--------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|-------|------------------------------------------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------------------|
|                                                 | Good governance and Public participation               |                                      | Ensure the developemnt and review of Municipal By-Laws by 30 June 2020              | Date of approval                                                                                                        | R0.00                                                                                     |       | Developed HR Policies approved by Council by 30 JUNE 2020.       |                                  |                                  |                                  | Approval of HR Policies                      |
|                                                 |                                                        |                                      |                                                                                     |                                                                                                                         | R0.00                                                                                     |       | Developed Municipal By laws approved by Council by 30 June 2020. |                                  |                                  |                                  | Council approval of By Laws                  |
|                                                 |                                                        |                                      |                                                                                     |                                                                                                                         | R0.00                                                                                     |       | Reviewed Policies approved by Council by 30 June 2020            |                                  |                                  |                                  | Council approval of Reviewed policies        |
|                                                 |                                                        |                                      |                                                                                     | Labour Relations: Ensure the training of staff on municipal HR policies on a quarterly bases.                           | Number of workshops                                                                       | R0.00 |                                                                  | 1 workshops by 2020/03/31        |                                  |                                  | 31-Mar-20                                    |
|                                                 |                                                        |                                      |                                                                                     | Ensuring training of all new employees on Code of Conduct and municipal structures. And also signing of Code of conduct | Training of all new employees on Code of Conduct and municipal structures by 30 June 2020 | R0.00 |                                                                  | As per appointment               |                                  |                                  |                                              |
|                                                 |                                                        |                                      | Signing of Code of Conduct by new employees                                         |                                                                                                                         | R0.00                                                                                     |       | As per appointment                                               |                                  |                                  |                                  |                                              |
| DEPARTMENTAL MANAGEMENT                         |                                                        |                                      |                                                                                     |                                                                                                                         |                                                                                           |       |                                                                  |                                  |                                  |                                  |                                              |
|                                                 | Institutional Development and Municipal Transformation | To ensure departmental management    | Ensure that 4 Departmental Staff meetings are held by 30 June 2020.                 | Nunmer of meetings                                                                                                      | R 0                                                                                       |       | 04 Meetings by 30 June 2020                                      | 1                                | 1                                | 1                                | 1                                            |
|                                                 |                                                        |                                      | Ensure that 11 Section Heads meetings are held by 30 June 2020.                     | Number of meetings                                                                                                      | R 0                                                                                       |       | 4 meetings by 30 June 2020                                       | 1                                | 1                                | 1                                | 1                                            |
| DEPARTMENTAL BUDGETING AND FINANCIAL MANAGEMENT |                                                        |                                      |                                                                                     |                                                                                                                         |                                                                                           |       |                                                                  |                                  |                                  |                                  |                                              |
|                                                 | FINANCIAL MANAGEMENT AND FINANCIAL VIABILITY           | To ensure sound financial management | Ensure the submission of the 2018/19 adjustment budget to CFO by 15 January 2020    | Adjustment budget submitted by 15 January 2020.                                                                         | R 0                                                                                       |       | 15-Jan-20                                                        |                                  |                                  |                                  |                                              |
|                                                 |                                                        |                                      | Ensure the submission of the 2018/19 draft budget proposals to CFO by 15 March 2020 | Draft budget submitted by 15 March 2020.                                                                                | R 0                                                                                       |       | 15-Mar-20                                                        |                                  |                                  |                                  | Submit draft budget to CFO by 15 March 2020. |
|                                                 |                                                        |                                      | Ensure of the submission of montly budget variances on a monity bases to the CFO    | Variances submitted to the CFO on a monthly bases to the CFO                                                            | R 0                                                                                       |       | On a monthly bases                                               | 3 budget variances               | 3 budget variances               | 3 budget variances               | 3 budget variances                           |
| BACK TO BASICS                                  |                                                        |                                      |                                                                                     |                                                                                                                         |                                                                                           |       |                                                                  |                                  |                                  |                                  |                                              |
|                                                 | Institutional Development and Municipal Transformation |                                      | Ensure the submission of 4 quartely report to MANCO by 30 June 2020.                | Number of B2B reports submitted to MANCO                                                                                | R 0                                                                                       |       | 4 Reports submitted to MANCO by 30 June 2019                     | 1 B2B report submitted to MANCO. | 1 B2B report submitted to MANCO. | 1 B2B report submitted to MANCO. | 1 B2B report submitted to MANCO.             |



| DEPARTMENT OF THE COMMUNITY SERVICES                   |                                                                                            |                                                                                                                                                              |                                                                                                                                                                |                                     |                        |                                                                   |                                                                                        |                                                |                                                     |                                                              |                                       |
|--------------------------------------------------------|--------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|------------------------|-------------------------------------------------------------------|----------------------------------------------------------------------------------------|------------------------------------------------|-----------------------------------------------------|--------------------------------------------------------------|---------------------------------------|
| NATIONAL KPA                                           | STRATEGIC OBJECTIVE                                                                        | PERFORMANCE TARGET                                                                                                                                           | UNIT OF MEASUREMENT                                                                                                                                            | BUDGET                              | SOURCE OF FUNDING      | ANNUAL TARGET                                                     | QUARTER ENDING 30 SEPT                                                                 | QUARTER ENDING 31 DEC                          | QUARTER ENDING 31 MARCH                             | QUARTER ENDING 30 JUNE                                       |                                       |
|                                                        |                                                                                            |                                                                                                                                                              |                                                                                                                                                                |                                     |                        |                                                                   | TARGET                                                                                 | TARGET                                         | TARGET                                              | TARGET                                                       |                                       |
|                                                        | To ensure the community safety and security                                                | Ensure implementation of the Disaster management Plan by ensuring 4 disaster forum meetings are held by 30 June 2020                                         | Number Disaster Forums Meetings held                                                                                                                           | R 1 500 000                         |                        | 4                                                                 | 1                                                                                      | 1                                              | 1                                                   | 1                                                            |                                       |
|                                                        |                                                                                            | Ensure that 8 Awareness Campaigns are held by 30 June 2020.                                                                                                  | Number of Disaster Awareness initiatives held                                                                                                                  |                                     | 8                      | 2                                                                 | 2                                                                                      | 2                                              | 2                                                   |                                                              |                                       |
|                                                        |                                                                                            | Ensure that all disaster reported incidents are submitted to MANCO on a quarterly basis.                                                                     | Disaster incidents report submitted to MANCO                                                                                                                   |                                     | 4 reports              | 1                                                                 | 1                                                                                      | 1                                              | 1                                                   |                                                              |                                       |
| Community & Social Development Services                | To build vibrant communities                                                               | Ensure the implementation of Cultural Programmes by conducting Zulu Dance, Maskandi Festival and Gospel and Prayer Day by 30 June 2019.                      | Date of zulu dance                                                                                                                                             | R 160 000                           |                        | Zulu dance to be held by 2019/12/31                               | –                                                                                      | Zulu dance to be held by 2019/12/31            | –                                                   | –                                                            |                                       |
|                                                        |                                                                                            |                                                                                                                                                              | Date of Gospel and Prayer day                                                                                                                                  | R 200 000                           |                        | Gospel and prayer day to be held by 2019/12/31                    | –                                                                                      | Gospel and prayer day to be held by 2019/12/31 | –                                                   | –                                                            |                                       |
|                                                        |                                                                                            |                                                                                                                                                              |                                                                                                                                                                |                                     |                        |                                                                   |                                                                                        |                                                |                                                     |                                                              |                                       |
| Community & Social Development Services                | To reduce incidents of HIV/AIDS infections and promote dependency in our communities       | HIV/ Aid Awareness Campaign by 30 June 2020                                                                                                                  |                                                                                                                                                                |                                     |                        | 30-Jun-20                                                         | –                                                                                      | –                                              | –                                                   | 30-Jun-20                                                    |                                       |
|                                                        |                                                                                            | Ensure the implementation of Operation Sukuma Sakhe (OSS) Programme by conducting War Rooms Meetings and OSS Monthly Meetings and read dance by 30 June 2020 | 13 War Room Meetings to be held by 30 June 2020                                                                                                                |                                     |                        | 4                                                                 | 1                                                                                      | 1                                              | 1                                                   | 1                                                            |                                       |
|                                                        |                                                                                            |                                                                                                                                                              | Monthly OSS / LTT / Meetings                                                                                                                                   |                                     |                        | 12                                                                | 3                                                                                      | 3                                              | 3                                                   | 3                                                            |                                       |
| Community & Social Development Services                |                                                                                            | Read Dance to be held by 30 September 2019                                                                                                                   |                                                                                                                                                                |                                     |                        | 30-Sep-19                                                         | 30-Sep-19                                                                              | –                                              | –                                                   | –                                                            |                                       |
|                                                        |                                                                                            | Ensure that the world AIDS day is held on 1 December 2019                                                                                                    | World Aids Day to be held on 1 December 2019.                                                                                                                  | R 1 200 000                         |                        | 01-Dec-19                                                         | –                                                                                      | 01-Dec-19                                      | –                                                   | –                                                            |                                       |
| Community & Social Development Services                | Providing opportunities for our community to aspire to a better future                     | Implementation of the HIV Strategy by ensuring the sittings of marginalised group meetings on a quarterly                                                    | Implementation of HIV Strategy by 30 June 2020                                                                                                                 |                                     |                        | 4 LAC Meeting                                                     | 1                                                                                      | 1                                              | 1                                                   | 1                                                            |                                       |
|                                                        |                                                                                            | Number of meetings                                                                                                                                           |                                                                                                                                                                |                                     | Women's forum meetings | 1                                                                 | 1                                                                                      | 1                                              | 1                                                   |                                                              |                                       |
|                                                        |                                                                                            | Number of meetings                                                                                                                                           |                                                                                                                                                                |                                     | Mens Forum meetings    | 1                                                                 | 1                                                                                      | 1                                              | 1                                                   |                                                              |                                       |
|                                                        |                                                                                            | Implementation of the Youth Council Development Strategy                                                                                                     | Mayoral Drivers license Program                                                                                                                                |                                     |                        | Launched of Mayoral Drivers License Program                       |                                                                                        | 31-Dec-19                                      |                                                     |                                                              |                                       |
|                                                        |                                                                                            |                                                                                                                                                              | Mayoral Bussary Scheme                                                                                                                                         |                                     |                        | Launched Mayoral Bursary Scheme                                   |                                                                                        |                                                | 31-Jan-20                                           |                                                              |                                       |
|                                                        |                                                                                            |                                                                                                                                                              | Number of youth council meetings                                                                                                                               |                                     |                        | 4 Youth Council Meetings                                          | 1                                                                                      | 1                                              | 1                                                   | 1                                                            |                                       |
| LOCAL ECONOMIC DEVELOPMENT                             |                                                                                            |                                                                                                                                                              |                                                                                                                                                                |                                     |                        |                                                                   |                                                                                        |                                                |                                                     |                                                              |                                       |
| Local Economic Development                             | To ensure Local Economic Development in the municipality and create economic opportunities | Ensure final approval of the establishes LED/Tourism strategy by 30 September 2019                                                                           | Review and adoption of LED strategy by 30 September 2019                                                                                                       | R 1 800 000                         |                        | Approved LED strategy by 2019/09/30                               | –                                                                                      |                                                |                                                     | Approved Final LED/Tourism strategy by Council by 2019/09/30 |                                       |
| Local Economic Development                             |                                                                                            |                                                                                                                                                              | Ensure the implementation of all LED Initiative Programmes by ensuring 4 consultative meetings with LED structures by 30 June 2020                             | Number of meetings                  |                        | 4 Consultative meetings to be held by 30 June 2020                | 1                                                                                      | 1                                              | 1                                                   | 1                                                            |                                       |
| Local Economic Development                             |                                                                                            |                                                                                                                                                              | Assist 16 Businesses within Mthonjaneni Municipality in obtaining Business Licences by 30 June 2020                                                            | Issued business certificates        |                        | 16 business certificate                                           | 4                                                                                      | 4                                              | 4                                                   | 4                                                            |                                       |
| Local Economic Development                             | To ensure the informal sector and uplifting of local small businesses                      | Ensure that 4 business compliance meetings are held by 30 June 2020                                                                                          | Compliance Meeting                                                                                                                                             | R 10 000                            |                        | 4                                                                 | 1                                                                                      | 1                                              | 1                                                   | 1                                                            |                                       |
| Local Economic Development                             |                                                                                            |                                                                                                                                                              | Ensure that 30 Informal Traders are in possession of a legal permits through the completion of the informal trader database by 30 June 2020                    | Number of permits is sued           |                        | 30 permits to be issued                                           | –                                                                                      | –                                              | –                                                   | 30                                                           |                                       |
| Local Economic Development                             |                                                                                            |                                                                                                                                                              | Ensure the registering of 20 new cooperatives to get accreditation certificate by 30 June 2020                                                                 | Number of Cooperatives registered   |                        | 20 cooperatives registered                                        | –                                                                                      | –                                              | 10                                                  | 10                                                           |                                       |
|                                                        |                                                                                            |                                                                                                                                                              |                                                                                                                                                                |                                     |                        |                                                                   |                                                                                        |                                                |                                                     |                                                              |                                       |
| Community & Social Development Services                | To implement traffic management services and protection of our communities                 | Ensuring crime prevention by attending 4 community crime prevention meetings on behalf of the municipality                                                   | Number of CFP meetings attended                                                                                                                                |                                     |                        | 4                                                                 | 1                                                                                      | 1                                              | 1                                                   | 1                                                            |                                       |
| Community & Social Development Services                |                                                                                            |                                                                                                                                                              | Ensure efficient and effective examination of all vehicles brought to the testing station and the issuing of CRW's by 30 June 2020                             | Number of CWR issued                |                        | CRW to be issued by 30 June 2020                                  | 20                                                                                     | 20                                             | 20                                                  | 20                                                           |                                       |
| Community & Social Development Services                |                                                                                            |                                                                                                                                                              |                                                                                                                                                                | Number of vehicles examined         |                        | 160                                                               | 40                                                                                     | 40                                             | 40                                                  | 40                                                           |                                       |
| Community & Social Development Services                |                                                                                            |                                                                                                                                                              | Ensure that a minimum of 200 learners licences bookings are done by 30 June 2020                                                                               | Number of learners licence bookings | R1 600 000.00          |                                                                   | Ensure that 200 learners licences bookings are done by 30 June 2020                    | 50 bookings                                    | 50 bookings                                         | 50 bookings                                                  | 50 bookings                           |
| Community & Social Development Services                |                                                                                            |                                                                                                                                                              | Ensure that 1440 drivers licences bookings are done by 30 June 2020.                                                                                           | Number of drivers licence bookings  |                        |                                                                   | Ensure that 1440 drivers licences bookings are done by 30 June 2020                    | 360 bookings                                   | 360 bookings                                        | 360 bookings                                                 | 360 bookings                          |
| Community & Social Development Services                |                                                                                            |                                                                                                                                                              | Ensure implementation of effective traffic management through atleast 2520 camera operating hours and the issuing of 1500 hand written tickets by 30 June 2020 | Number of ticket issued             |                        |                                                                   | 1500 hand written tickets to be issued by 30 June 2020                                 | 375 hand written Tickets to be issued          | 375 hand written Tickets to be issued               | 375 hand written Tickets to be issued                        | 375 hand written Tickets to be issued |
|                                                        |                                                                                            |                                                                                                                                                              |                                                                                                                                                                |                                     |                        |                                                                   |                                                                                        |                                                |                                                     |                                                              |                                       |
| INSTITUTIONAL DEVELOPMENT AND MUNICIPAL TRANSFORMATION |                                                                                            | Ensure the submission of 4 quarterly report to MANCO by 30 June 2020.                                                                                        | Number of B2B reports submitted to MANCO                                                                                                                       | R 0                                 |                        | 4 Reports submitted to MANCO by 30 June 2020                      | 1 B2B report submitted to MANCO.                                                       | 1 B2B report submitted to MANCO                | 1 B2B report submitted to MANCO.                    | 1 B2B report submitted to MANCO.                             |                                       |
|                                                        |                                                                                            |                                                                                                                                                              |                                                                                                                                                                |                                     |                        |                                                                   |                                                                                        |                                                |                                                     |                                                              |                                       |
| FINANCIAL MANAGEMENT AND FINANCIAL VIABILITY           | To ensure the financial management within the department                                   | Ensure the submission of the 2018/19 adjustment budget to CFO by 15 January 2020                                                                             | Adjustment budget submitted by 15 January 2020.                                                                                                                | R 0                                 |                        | 15-Jan-20                                                         | –                                                                                      | –                                              | Submit adjustment budget to CFO by 15 January 2020. |                                                              |                                       |
|                                                        |                                                                                            | Ensure the submission of the 2020/2021 draft budget proposals to CFO by 15 March 2020                                                                        | Draft budget submitted by 15 March 2020.                                                                                                                       | R 0                                 |                        | 15-Mar-20                                                         | –                                                                                      | –                                              | Submit draft budget to CFO by 15 March 2020.        |                                                              |                                       |
| Institutional Development and Municipal Transformation | To ensure departmental management                                                          | Ensure that 11 Departmental Staff meetings are held by 30 June 2020. (1 meeting per month)                                                                   | Holding general staff meetings on a monthly bases                                                                                                              | R 0                                 |                        | 12 Meetings by 30 June 2020                                       | 3                                                                                      | 3                                              | 3                                                   | 2                                                            |                                       |
|                                                        |                                                                                            | Ensure that 11 Section Heads meetings are held by 30 June 2020. (1 meeting per month)                                                                        | Holding Section Heads meetings on a monthly bases.                                                                                                             | R 0                                 |                        | 11 Meetings by 30 June 2020                                       | 3                                                                                      | 3                                              | 3                                                   | 3                                                            |                                       |
| SPORT AND RECREATION                                   |                                                                                            |                                                                                                                                                              |                                                                                                                                                                |                                     |                        |                                                                   |                                                                                        |                                                |                                                     |                                                              |                                       |
| Community & Social Development Services                | To encourage community participation in Sports                                             | Ensure the participation of the Municipality in the District Indigenous games on 31 August 2019                                                              | Date of participation                                                                                                                                          | R 100 000                           |                        | Successful participation in the indigent games by 31 August 2019. | Selection of participants and participation in the indigenous games by 31 August 2019. | –                                              | –                                                   | –                                                            |                                       |
|                                                        |                                                                                            | Ensure the holding of the Mayoral cup by 30 September 2019                                                                                                   | Date of holding of Mayoral cup                                                                                                                                 | R 600 000                           |                        | Ensure the holding of the Mayoral cup by 30 Sept 2019.            | –                                                                                      | 30-Sep                                         | –                                                   | –                                                            |                                       |
| YOUTH                                                  |                                                                                            |                                                                                                                                                              |                                                                                                                                                                |                                     |                        |                                                                   |                                                                                        |                                                |                                                     |                                                              |                                       |
| Community & Social Development Services                | To equip our youth with sustainable information                                            | Ensure that one Youth Summit is held by 30 June 2020                                                                                                         | Number of Youth Summit held                                                                                                                                    | 200 000.00                          |                        | 30-Jun-20                                                         |                                                                                        | –                                              | –                                                   | –                                                            |                                       |
| TOURISM                                                |                                                                                            |                                                                                                                                                              |                                                                                                                                                                |                                     |                        |                                                                   |                                                                                        |                                                |                                                     |                                                              |                                       |
| Community & Social Development Services                | To improve tourism within Mthonjaneni                                                      | Ensure that four CTO meeting are held by 30 June 2020                                                                                                        | Number of meetings                                                                                                                                             |                                     |                        | 4                                                                 | 1                                                                                      | 1                                              | 1                                                   | 1                                                            |                                       |
|                                                        |                                                                                            | Ensure that all Mthonjaneni Tourism establishments are visited by 30 June 2020                                                                               | Number of tourism establishments visited                                                                                                                       |                                     |                        | By end of June 2020                                               |                                                                                        |                                                |                                                     |                                                              |                                       |

| TECHNICAL AND DEVELOPMENT PLANNING SERVICES DEPARTMENT                    |                                                        |                                                                                             |                                                                                                                                                                           |                                                    |                |                   |                                                                           |                                                                    |                                                                                      |                                                                                      |                                                                                      |
|---------------------------------------------------------------------------|--------------------------------------------------------|---------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|----------------|-------------------|---------------------------------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| 2019/2020 - SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN                   |                                                        |                                                                                             |                                                                                                                                                                           |                                                    |                |                   |                                                                           |                                                                    |                                                                                      |                                                                                      |                                                                                      |
| No:                                                                       | NATIONAL KPA                                           | STRATEGIC OBJECTIVE                                                                         | PERFORMANCE TARGET                                                                                                                                                        | UNIT OF MEASUREMENT                                | BUDGET         | SOURCE OF FUNDING | ANNUAL TARGET                                                             | QUARTER ENDING 30 SEPT                                             | QUARTER ENDING 31 DEC                                                                | QUARTER ENDING 31 MARCH                                                              | QUARTER ENDING 30 JUNE                                                               |
|                                                                           |                                                        |                                                                                             |                                                                                                                                                                           |                                                    |                |                   |                                                                           | TARGET                                                             | TARGET                                                                               | TARGET                                                                               | TARGET                                                                               |
| 1                                                                         |                                                        |                                                                                             |                                                                                                                                                                           |                                                    |                |                   |                                                                           |                                                                    |                                                                                      |                                                                                      |                                                                                      |
| DEPARTMENTAL BUDGETING, FINANCIAL MANAGEMENT AND ENSURING MSCOA COMPLIANT |                                                        |                                                                                             |                                                                                                                                                                           |                                                    |                |                   |                                                                           |                                                                    |                                                                                      |                                                                                      |                                                                                      |
| 1.1                                                                       | FINANCIAL MANAGEMENT AND FINANCIAL VIABILITY           | To provide electricity / energy within Mthorjani and ensure sound financial management      | Ensure 100% spending on MIG annual expenditure programmes with no over-expenditure by 30 June 2020.                                                                       | Percentage of budgeted amount spent on MIG         | R22 165 411.94 |                   | 100% MIG spent by 30 June 2020                                            | 30%                                                                | 60%                                                                                  | 80%                                                                                  | 100%                                                                                 |
| 1.2                                                                       |                                                        |                                                                                             | Ensure 100% spending on INEP grant with no over-expenditure by 30 June 2020.                                                                                              | Percentage of budgeted INEP grant spent.           | R15 000 000.00 |                   | 100% of INE P grant to be spent by 30 June 2020.                          | 30%                                                                | 60%                                                                                  | 80%                                                                                  | 100%                                                                                 |
| 1.3                                                                       |                                                        |                                                                                             | Ensure the submission of the 2019/20 adjustment budget to CFO by 15 January 2020.                                                                                         | Adjustment budget submitted by 15 January 2020.    | R 0            |                   | Submit adjustment budget by 15 January 2020.                              | -                                                                  | -                                                                                    | Submit adjustment budget to CFO by 15 January 2020.                                  | -                                                                                    |
| 1.4                                                                       |                                                        |                                                                                             | Ensure the submission of the 2020/2021 draft budget proposals to CFO by 15 March 2020.                                                                                    | Draft budget submitted by 15 March 2020            | R 0            |                   | Submit draft 2019/2020 to CFO by 15 March 2020.                           | -                                                                  | -                                                                                    | Submit draft budget to CFO by 15 March 2020                                          | -                                                                                    |
| 2                                                                         |                                                        |                                                                                             |                                                                                                                                                                           |                                                    |                |                   |                                                                           |                                                                    |                                                                                      |                                                                                      |                                                                                      |
| DEPARTMENTAL MANAGEMENT                                                   |                                                        |                                                                                             |                                                                                                                                                                           |                                                    |                |                   |                                                                           |                                                                    |                                                                                      |                                                                                      |                                                                                      |
| 2.1                                                                       | GOOD GOVERNANCE AND PUBLIC PARTICIPATION               | To ensure proper departmental management and create job opportunities for indigent families | Submit 4 reports to the Technical Services Portfolio Committee on the Performance of Contractors under the control of the Technical Department by 30 June 2020.           | Number of reports                                  | R 0            |                   | 4 report on Contractors submitted to technical portfolio by 30 June 2020. | 1 report                                                           | 1 report                                                                             | 1 report                                                                             | 1 report                                                                             |
| 2.2                                                                       | GOOD GOVERNANCE AND PUBLIC PARTICIPATION               |                                                                                             | Conduct 11 departmental meetings by 30 June 2020 with all Technical Services supervisors and maintain register of meeting minutes.                                        | Number of meetings                                 | R 0            |                   | 11 meetings held by 30 June 2020.                                         | 2 meetings                                                         | 2 meetings                                                                           | 2 meetings                                                                           | 2 meetings                                                                           |
| 2.3                                                                       | COMMUNITY AND SOCIAL DEVELOPMENT                       |                                                                                             | Ensure poverty alleviation by creating new 80 EPWP contract jobs by 15 August 2019.                                                                                       | Number of new EPWP jobs created by 15 August 2019  | R 2 026 000.00 |                   | 80 EPWP jobs created by 15 August 2019                                    | Employ 80 EPWP contract workers.                                   | -                                                                                    | -                                                                                    | -                                                                                    |
| 2.3                                                                       | SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT        |                                                                                             | Ensure the purchasing of Printer by end of 31 September 2019                                                                                                              | Number of Printer by end of 31 September 2019      | R 400 000.00   |                   | Ensure the purchasing of printer by end of 31 September 2019              | Supply and Deliver by end of 31 September 2019                     | -                                                                                    | -                                                                                    | -                                                                                    |
| 3                                                                         |                                                        |                                                                                             |                                                                                                                                                                           |                                                    |                |                   |                                                                           |                                                                    |                                                                                      |                                                                                      |                                                                                      |
| BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENTS                    |                                                        |                                                                                             |                                                                                                                                                                           |                                                    |                |                   |                                                                           |                                                                    |                                                                                      |                                                                                      |                                                                                      |
| 3.1                                                                       | SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT        | To ensure that capital budget is spent on capital projects                                  | Ensure the construction and 100% completion of 3.3 kmNozophia Gravel Road Ward 10.                                                                                        | Percentage of construction completed               | R 6 896 699.40 |                   | 100% Construction of the Gravel Road by 30 June 2020.                     | Advertise tender and appoint service provider                      | 1.3km of rural roads to be regravelled in the second quarter.                        | 2km of rural road to be regravelled in the third quarter                             | -                                                                                    |
| 3.2                                                                       | SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT        |                                                                                             | Ensure the construction and 100% completion of Mkhomashu Community Hall Ward 6 by 30 June 2020.                                                                           | Percentage of construction completed               | R 3 682 030.70 |                   | 100% completion of construction of Hall.                                  | Advertise tender and appoint service provider                      | Site establishment and construction of foundation. (30%)                             | Construction of walls, abutment block and roofing (60%)                              | Wall plaster, windows and fencing of the Hall(100%)                                  |
| 3.3                                                                       | SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT        |                                                                                             | Ensure the construction and 100% completion of Sanganyane Sport Field by 30 June 2020.                                                                                    | percentage of construction completed.              | R 7 443 718.92 |                   | 100% completion of construction of Sport field.                           | Advertise tender and appoint service provider                      | (30%) Completion of site clearance and ground works.                                 | (60%) Completion of slab, walls, stadium and roofing.                                | 100% completion of paving and electrification.                                       |
| 3.4                                                                       | SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT        |                                                                                             | Ensure the Upgrade and Rehabilitation 2.8km of Thubalethu Urban Road in ward 2 by 30 June 2020.                                                                           | Number of kilometers completed                     | R 4 142 962.92 |                   | 2.8km urban roads to be constructed by 30 June 2020.                      | Advertise tender and appoint service provider                      | 1km of Urban roads to be constructed in the second quarter.                          | 1.5km of urban road to be constructed in the third quarter                           | -                                                                                    |
| 4                                                                         |                                                        |                                                                                             |                                                                                                                                                                           |                                                    |                |                   |                                                                           |                                                                    |                                                                                      |                                                                                      |                                                                                      |
| OPERATION AND MAINTENANCE (BUILDINGS AND ROADS)                           |                                                        |                                                                                             |                                                                                                                                                                           |                                                    |                |                   |                                                                           |                                                                    |                                                                                      |                                                                                      |                                                                                      |
| 4.1                                                                       | SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT        | To maintain council (removable property) / assets                                           | Ensure the 100% completion of maintenance projects of Council buildings by 30 June 2020.                                                                                  | Rand value of budgeted amount spent on maintenance | R800 000.00    |                   | 100% completion of maintenance of council buildings by 30 June 2020.      | 30% completion                                                     | 50% completion                                                                       | 70% completion                                                                       | 100% completion                                                                      |
| 4.2                                                                       | SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT        |                                                                                             | Ensure the 100% spending and 100% completion of road infrastructure maintenance by 30 June 2020.                                                                          | Rand value of budgeted amount spent on maintenance | R 1 000 000.00 |                   | 100% completion of maintenance of road infrastructure by 30 June 2020.    | Advertise and appoint service provider.                            | 50% completion of maintenance of roads                                               | 70% completion of maintenance of roads                                               | 100% completion of all maintenance of roads projects                                 |
| 4.3                                                                       | SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT        |                                                                                             | Ensure the purchasing of NEW VEHICLES BY END OF 31 DECEMBER 2019                                                                                                          | Number of new vehicles purchased                   | R 3 000 000.00 |                   | Ensure the purchasing of NEW VEHICLES BY END OF 31 DECEMBER 2019          | Appoint service provider                                           | Ensure the supply and delivery of New vehicles by 31 December 2019                   | -                                                                                    | -                                                                                    |
| 4.5                                                                       | SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT        |                                                                                             | Ensuring the purchase of mowing tractor by end of 30 June 2020                                                                                                            | Number of mowing tractor purchased                 | R 500 000.00   |                   | Ensure the purchasing of new mowing tractor by the end of 30 June 2020    | -                                                                  | Advertise and appoint service provider.                                              | Ensure the purchasing of new mowing tractor by the end of 30 June 2020               | Supply and Deliver by end of 31 June 2020                                            |
| 4.6                                                                       | SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT        |                                                                                             | Ensuring the purchase of rider on mowing by end of 30 June 2020                                                                                                           | Number of ride on mowing purchased                 | R 60 000.00    |                   | Ensure the purchasing of new ride on mowing by end of 30 June 2020        | -                                                                  | Advertise and appoint service provider.                                              | Ensure the purchasing of new ride on mowing by end of 30 June 2020                   | Supply and Deliver by end of 31 June 2020                                            |
| 5                                                                         |                                                        |                                                                                             |                                                                                                                                                                           |                                                    |                |                   |                                                                           |                                                                    |                                                                                      |                                                                                      |                                                                                      |
| WASTE MANAGEMENT                                                          |                                                        |                                                                                             |                                                                                                                                                                           |                                                    |                |                   |                                                                           |                                                                    |                                                                                      |                                                                                      |                                                                                      |
| 5.1                                                                       | SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT        | To provide waste management services within Mthorjani                                       | Ensure the appointment of a service provider to transfer of waste from the municipal transfer station to a registered land fill site by 31 December 2020                  | Date service provider appointed                    | R460 000.00    |                   | Appoint service provider by 31 December 2020.                             | Advertise tender and appoint service provider by 31 December 2020. | Transfer of waste from the municipal transfer station to a registered land fill site | Transfer of waste from the municipal transfer station to a registered land fill site | Transfer of waste from the municipal transfer station to a registered land fill site |
| 5.2                                                                       | SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT        |                                                                                             | Ensure the purchasing of 50000 refuse bags by 30 June 2020.                                                                                                               | Number of refused bags purchased.                  | R190 000.00    |                   | Ensure the purchasing of 50000 refuse bags by 30 June 2020.               | Purchase 12500 refuse bags by 30 September 2020                    | Purchase 12500 refuse bags by 31 December 2019                                       | Purchase 12500 refuse bags by 31 March 2020                                          | Purchase 12500 refuse bags by 30 June 2020                                           |
| 5.3                                                                       | SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT        |                                                                                             | Ensure the purchasing of protective clothing by 31 December 2019                                                                                                          | Date of purchase                                   | R150 000.00    |                   | Purchase protective clothing                                              | Advertise and appoint service provider                             | Purchase protective clothing.                                                        | -                                                                                    | -                                                                                    |
| 5.4                                                                       | SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT        |                                                                                             | Ensuring the purchasing REFUSE BINS AND SKIP TRAILER BY END OF 30 June 2020.                                                                                              | Number of skips and waste bins purchased           | R 700 000.00   |                   | Purchasing of REFUSE BINS AND SKIP TRAILER BY END OF 30 June 2020         | -                                                                  | -                                                                                    | Advertise and appoint service provider.                                              | Ensure the supply and delivery of 6 refuse skips and waste bins by 30 June 2020      |
| 6                                                                         |                                                        |                                                                                             |                                                                                                                                                                           |                                                    |                |                   |                                                                           |                                                                    |                                                                                      |                                                                                      |                                                                                      |
| ELECTRICAL PROJECTS AND ELECTRICAL MAINTENANCE                            |                                                        |                                                                                             |                                                                                                                                                                           |                                                    |                |                   |                                                                           |                                                                    |                                                                                      |                                                                                      |                                                                                      |
| 6.2                                                                       | SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT        | To ensure new connections in our urban area                                                 | Ensure the eradication of electrification backlogs in Mthorjani by providing 500 new connections to households in Thubalethu Township, for the first time by 30 June 2020 | Number of new electricity connections completed    | R15 000 000.00 |                   | 500 connections completed by 30 June 2020.                                | Pre-market and designs                                             | 100 Connections                                                                      | 100 Connections                                                                      | 300 Connections                                                                      |
| 7                                                                         |                                                        |                                                                                             |                                                                                                                                                                           |                                                    |                |                   |                                                                           |                                                                    |                                                                                      |                                                                                      |                                                                                      |
| BACK TO BASICS                                                            |                                                        |                                                                                             |                                                                                                                                                                           |                                                    |                |                   |                                                                           |                                                                    |                                                                                      |                                                                                      |                                                                                      |
| 7.1                                                                       | INSTITUTIONAL DEVELOPMENT AND MUNICIPAL TRANSFORMATION |                                                                                             | Ensure the submission of 4 quarterly report to MANCO by 30 June 2020.                                                                                                     | Number of B2B reports submitted to MANCO           | R 0            |                   | 4 Reports submitted to MANCO by 30 June 2020                              | 1 B2B report submitted to MANCO.                                   | 1 B2B report submitted to MANCO.                                                     | 1 B2B report submitted to MANCO.                                                     | 1 B2B report submitted to MANCO.                                                     |
| 9                                                                         |                                                        |                                                                                             |                                                                                                                                                                           |                                                    |                |                   |                                                                           |                                                                    |                                                                                      |                                                                                      |                                                                                      |
| POLICY DEVELOPMENT                                                        |                                                        |                                                                                             |                                                                                                                                                                           |                                                    |                |                   |                                                                           |                                                                    |                                                                                      |                                                                                      |                                                                                      |
| 9.1                                                                       | INSTITUTIONAL DEVELOPMENT AND MUNICIPAL TRANSFORMATION | To ensure policy development                                                                | Ensure the development and approval of the consolidated operations and Maintenance Plan by 31 December 2019                                                               | Date of approval of Operation and Maintenance Plan | R500 000.00    |                   | Approved policy by 31 June 2020                                           | Advertise and appoint service provider in the first quarter.       | Appointment of service provider                                                      | Draft Maintenance plan and policy                                                    | Final maintenance plan and policy and approval by council                            |

## 2.8 CAPITAL EXPENDITURE DETAILS

The following table present details of the Municipality's capital expenditure programme, over the Medium Term.

| 2019/20 BUDGET - CAPITAL PROJECTS |                                                                     |                    |                      |                      |                      |
|-----------------------------------|---------------------------------------------------------------------|--------------------|----------------------|----------------------|----------------------|
| WARD                              | NAME OF PROJECT                                                     | PROJECT NUMBER     | 2019/2020            | 2020/2021            | 2021/2022            |
| 11                                | Gobihlahla Creche Ward 11                                           | 2018MIGFK285290918 | 848,108.24           |                      |                      |
| 9                                 | Mpevu Community Hall Ward 9                                         | 2018MIGFK285301897 | 619,538.96           |                      |                      |
| 12                                | Ntombokazi Community Hall Ward 1                                    | 2016MIGFK283240926 | 450,151.08           |                      |                      |
| 3                                 | Urban Roads Upgrade & Rehabilitation Phase 5 - Tow                  | 2016MIGFK285257212 | 4,514,534.50         | 4,661,447.53         |                      |
| 1                                 | Nungwini Gravel Road - Ward 1                                       | 2018MIGFK285284067 | 3,092,579.16         | 1,112,107.31         |                      |
| 4                                 | Mfule Gravel Road - Ward 4                                          | 2018MIGFK285284080 | 1,175,873.18         | 541,360.03           |                      |
| 5                                 | Manzawayo Gravel Road - Ward 5                                      | 2018MIGFK285284003 | 1,677,189.81         | 669,286.65           |                      |
| 11                                | Hawai Gravel Road Ward 11                                           | 2016MIGFK285257214 | 165,396.58           |                      |                      |
| 6 & 13                            | Nkakhwini Sangoyana Gravel Road                                     | 2016MIGFK285257214 | 209,040.47           |                      |                      |
| 2                                 | Urban Roads Upgrade & Rehabilitation Phase 5 - Thubalethu Extension | 2016MIGFK285257212 |                      |                      | 4,221,370.46         |
| 6                                 | Mehlamasha Community Hall                                           | 2018MIGFK285288817 | 1,852,048.00         | 380,106.78           |                      |
| 10                                | Noziphiya Gravel Road                                               | 2018MIGFK285287857 | 3,428,540.02         | 947,321.78           |                      |
| 13                                | Sangonyama Sports Field- WARD 13                                    | 2019MIGFK285284084 |                      | 10,508,369.92        | 480,432.08           |
| 11                                | Mbiza Gravel Road Ward 11                                           | 2018MIGFK285288966 |                      |                      | 5,512,387.00         |
| 2                                 | Urban Roads Upgrade & Rehabilitation Phase 5 - Thubalethu Township  | 2016MIGFK285257212 |                      |                      | 9,736,810.46         |
| 2                                 | Thubalethu Extension Electrification                                |                    | 15,000,000.00        |                      |                      |
|                                   |                                                                     |                    | <b>18,033,000.00</b> | <b>18,820,000.00</b> | <b>19,951,000.00</b> |

## **2.9 LEGISLATION COMPLIANCE STATUS**

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

- In year reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Mayor has progressively improved and includes monthly published financial performance on the municipality's website
- Budget and Treasury Office has been established in accordance with the MFMA
- Audit Committee has been established and is fully functional
- Annual report is compiled in terms of the MFMA and National Treasury requirements,
- Annual budget, Adjustments budgets and In- Year reports are prepared in terms of the MFMA and MBRR Regulations,

## 2.10 OTHER SUPPORTING DOCUMENTS

**Table 15: Draft Expenditure on allocations and grant programmes**

KZN285 Mthonjaneni - Supporting Table SA19 Expenditure on transfers and grant programme

| Description                                                | Ref | 2015/16         | 2016/17         | 2017/18         | Current Year 2018/19 |                 |                    | 2019/20 Medium Term Revenue & Expenditure Framework |                        |                        |
|------------------------------------------------------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                            |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2019/20                                 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| <b>EXPENDITURE:</b>                                        | 1   |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Operating expenditure of Transfers and Grants</b>       |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>National Government:</b>                                |     | 36 783          | 45 814          | 78 599          | 75 637               | 75 637          | 75 637             | 85 379                                              | 88 010                 | 93 115                 |
| Local Government Equitable Share                           |     | 31 674          | 38 963          | 67 317          | 70 979               | 70 979          | 70 979             | 79 412                                              | 84 010                 | 89 048                 |
| Finance Management                                         |     | 1 800           | 1 800           | 2 850           | 2 850                | 2 850           | 2 850              | 2 850                                               | 2 850                  | 2 850                  |
| Municipal Systems Improvement                              |     | 934             | 930             | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| EPWP Incentive                                             |     | 2 375           | 2 264           | 2 222           | 1 808                | 1 808           | 1 808              | 2 026                                               | –                      | –                      |
| <b>Library Grant</b>                                       |     |                 | 1 857           | 6 210           | –                    | –               | –                  | 1 091                                               | 1 150                  | 1 217                  |
| <b>Provincial Government:</b>                              |     | 661             | 723             | 771             | 1 035                | 1 035           | 1 035              | 1 091                                               | 1 150                  | 1 217                  |
| <b>Library Grant</b>                                       |     | 661             | 723             | 771             | 1 035                | 1 035           | 1 035              | 1 091                                               | 1 150                  | 1 217                  |
| <b>District Municipality:</b>                              |     | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| <i>[insert description]</i>                                |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Other grant providers:</b>                              |     | 500             | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| <i>[insert description]</i>                                |     | 500             |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Total operating expenditure of Transfers and Grants</b> |     | 37 944          | 46 537          | 79 370          | 76 672               | 76 672          | 76 672             | 86 470                                              | 89 160                 | 94 332                 |
| <b>Capital expenditure of Transfers and Grants</b>         |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>National Government:</b>                                |     | 15 610          | 20 904          | 32 278          | 32 749               | 32 749          | 32 749             | 33 033                                              | 33 820                 | 34 951                 |
| Municipal Infrastructure Grant (MIG)                       |     | 12 610          | 12 904          | 24 278          | 17 749               | 17 749          | 17 749             | 18 033                                              | 18 820                 | 19 951                 |
| <b>integrated national electrification grant (INEG)</b>    |     | 3 000           | 8 000           | 8 000           | 15 000               | 15 000          | 15 000             | 15 000                                              | 15 000                 | 15 000                 |
| <b>Provincial Government:</b>                              |     | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Other capital transfers/grants <i>[insert description]</i> |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>District Municipality:</b>                              |     | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| <i>[insert description]</i>                                |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Other grant providers:</b>                              |     | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| <i>[insert description]</i>                                |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Total capital expenditure of Transfers and Grants</b>   |     | 15 610          | 20 904          | 32 278          | 32 749               | 32 749          | 32 749             | 33 033                                              | 33 820                 | 34 951                 |
| <b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>           |     | 53 554          | 67 441          | 111 648         | 109 421              | 109 421         | 109 421            | 119 503                                             | 122 980                | 129 283                |

**Table 16: Draft budget to councilor allowances and employee benefits**

**KZN285 Mthonjaneni - Supporting Table SA22 Summary councillor and staff benefits**

| Summary of Employee and Councillor remuneration          | Ref | 2015/16         | 2016/17         | 2017/18         | Current Year 2018/19 |                 |                    | 2019/20 Medium Term Revenue & Expenditure Framework |                        |                        |
|----------------------------------------------------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                          |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2019/20                                 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| R thousand                                               |     | A               | B               | C               | D                    | E               | F                  | G                                                   | H                      | I                      |
| <b>Councillors (Political Office Bearers plus Other)</b> | 1   |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Basic Salaries and Wages                                 |     | 2 085           | 1 898           |                 | 4 436                | 4 953           | 4 953              | 5 442                                               | 5 850                  | 6 289                  |
| Pension and UIF Contributions                            |     | 314             | 333             |                 | 634                  | 766             | 766                | 766                                                 | 824                    | 886                    |
| Medical Aid Contributions                                |     | 43              | 44              |                 | 65                   | 86              | 86                 | 86                                                  | 92                     | 99                     |
| Motor Vehicle Allowance                                  |     | 403             | 734             |                 | 1 641                | 1 894           | 1 894              | 1 894                                               | 2 036                  | 2 189                  |
| Cellphone Allowance                                      |     | 259             | 316             |                 | 1 020                | 1 020           | 1 020              | 1 020                                               | 1 097                  | 1 179                  |
| Housing Allowances                                       |     |                 |                 |                 | –                    | –               | –                  | –                                                   | –                      | –                      |
| Other benefits and allowances                            |     | 40              | 42              |                 | 90                   | 90              | 90                 | 90                                                  | 97                     | 104                    |
| <b>Sub Total - Councillors</b>                           |     | <b>3 143</b>    | <b>3 366</b>    | <b>–</b>        | <b>7 886</b>         | <b>8 810</b>    | <b>8 810</b>       | <b>9 299</b>                                        | <b>9 996</b>           | <b>10 746</b>          |
| <b>% increase</b>                                        | 4   |                 | <b>7.1%</b>     | <b>(100.0%)</b> | <b>–</b>             | <b>11.7%</b>    | <b>–</b>           | <b>5.6%</b>                                         | <b>7.5%</b>            | <b>7.5%</b>            |
| <b>Senior Managers of the Municipality</b>               | 2   |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Basic Salaries and Wages                                 |     | 2 875           | 2 721           |                 | 3 456                | 2 361           | 2 361              | 2 538                                               | 2 729                  | 2 933                  |
| Pension and UIF Contributions                            |     | 43              |                 |                 | 9                    | 7               | 7                  | 7                                                   | 7                      | 8                      |
| Medical Aid Contributions                                |     |                 |                 |                 | –                    | –               | –                  | –                                                   | –                      | –                      |
| Overtime                                                 |     |                 |                 |                 | –                    | –               | –                  | –                                                   | –                      | –                      |
| Performance Bonus                                        |     | 252             | 525             |                 | 482                  | 367             | 367                | 376                                                 | 404                    | 435                    |
| Motor Vehicle Allowance                                  | 3   |                 | 686             |                 | 902                  | 515             | 515                | 480                                                 | 516                    | 555                    |
| Cellphone Allowance                                      | 3   |                 | 24              |                 | 18                   | 18              | 18                 | 18                                                  | 19                     | 21                     |
| Housing Allowances                                       | 3   |                 |                 |                 | 72                   | 72              | 72                 | 72                                                  | 77                     | 83                     |
| Other benefits and allowances                            | 3   | 591             | 4               |                 | 173                  | 113             | 113                | 118                                                 | 127                    | 136                    |
| Payments in lieu of leave                                |     |                 |                 |                 | –                    | –               | –                  | –                                                   | –                      | –                      |
| Long service awards                                      |     |                 |                 |                 | –                    | –               | –                  | –                                                   | –                      | –                      |
| Post-retirement benefit obligations                      | 6   |                 |                 |                 | –                    | –               | –                  | –                                                   | –                      | –                      |
| <b>Sub Total - Senior Managers of Municipality</b>       |     | <b>3 761</b>    | <b>3 959</b>    | <b>–</b>        | <b>5 113</b>         | <b>3 453</b>    | <b>3 453</b>       | <b>3 609</b>                                        | <b>3 880</b>           | <b>4 171</b>           |
| <b>% increase</b>                                        | 4   |                 | <b>5.3%</b>     | <b>(100.0%)</b> | <b>–</b>             | <b>(32.5%)</b>  | <b>–</b>           | <b>4.5%</b>                                         | <b>7.5%</b>            | <b>7.5%</b>            |
| <b>Other Municipal Staff</b>                             |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Basic Salaries and Wages                                 |     | 14 443          | 17 098          |                 | 27 363               | 32 163          | 32 163             | 33 689                                              | 36 216                 | 38 932                 |
| Pension and UIF Contributions                            |     | 1 945           | 2 279           |                 | 3 844                | 4 017           | 4 017              | 4 006                                               | 4 307                  | 4 630                  |
| Medical Aid Contributions                                |     | 980             | 1 231           |                 | 2 179                | 2 128           | 2 128              | 2 127                                               | 2 287                  | 2 458                  |
| Overtime                                                 |     | 1 017           | 1 157           |                 | 1 273                | 1 469           | 1 469              | 1 576                                               | 1 694                  | 1 821                  |
| Performance Bonus                                        |     | 140             |                 |                 | 2 253                | 2 197           | 2 197              | 2 432                                               | 2 615                  | 2 811                  |
| Motor Vehicle Allowance                                  | 3   | 629             | 660             |                 | 3 337                | 3 315           | 3 315              | 3 390                                               | 3 644                  | 3 917                  |
| Cellphone Allowance                                      | 3   |                 |                 |                 | 167                  | 203             | 203                | 210                                                 | 226                    | 243                    |
| Housing Allowances                                       | 3   | 47              |                 |                 | 31                   | 31              | 31                 | 33                                                  | 35                     | 38                     |
| Other benefits and allowances                            | 3   | 724             | 931             |                 | 3 020                | 3 380           | 3 380              | 2 346                                               | 2 522                  | 2 711                  |
| Payments in lieu of leave                                |     |                 |                 |                 | –                    | –               | –                  | –                                                   | –                      | –                      |
| Long service awards                                      |     | 37              | 250             |                 | –                    | –               | –                  | –                                                   | –                      | –                      |
| Post-retirement benefit obligations                      | 6   |                 | 100             |                 | –                    | –               | –                  | –                                                   | –                      | –                      |
| <b>Sub Total - Other Municipal Staff</b>                 |     | <b>19 961</b>   | <b>23 706</b>   | <b>–</b>        | <b>43 467</b>        | <b>48 903</b>   | <b>48 903</b>      | <b>49 809</b>                                       | <b>53 544</b>          | <b>57 560</b>          |
| <b>% increase</b>                                        | 4   |                 | <b>18.8%</b>    | <b>(100.0%)</b> | <b>–</b>             | <b>12.5%</b>    | <b>–</b>           | <b>1.9%</b>                                         | <b>7.5%</b>            | <b>7.5%</b>            |
| <b>Total Parent Municipality</b>                         |     | <b>26 865</b>   | <b>31 031</b>   | <b>–</b>        | <b>56 466</b>        | <b>61 165</b>   | <b>61 165</b>      | <b>62 716</b>                                       | <b>67 420</b>          | <b>72 477</b>          |

## 2.11 MUNICIPAL MANAGER'S QUALITY CERTIFICATE

I, ....., the municipal manager of Mthonjaneni Local Municipality, hereby certify that the annual budget and supporting documentation for the 2019/20 financial year have been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act, and that the annual budget and supporting documentation are consistent with the Integrated Development Plan of the municipality.

Print name \_\_\_\_\_

Municipal manager of Mthonjaneni Local Municipality KZN285

Signature \_\_\_\_\_

Date \_\_\_\_\_