

# MEDIUM TERM EXPENDITURE AND REVENUE ADJUSTMENT BUDGET REPORT 2019/2020



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## 1. MAYOR'S REPORT

As a Water Services Authority, we are mandated to provide uninterrupted water supply and access to sanitation to all our 6 Local Municipalities within our District. As Council we have adopted the Ten Point Plan as our strategic compass that will elevate and enhance our service delivery through to our 2021 vision.

Our budget for the 2019/2020 financial year demonstrates the positive achievements of the past 16 years of local government transformation and continues to lay a firm foundation for the future of the District.

The 2019/20 medium term expenditure framework, consisting of a **R1.062 Billion** consolidated budget, has been developed in order to accelerate transformation towards an inclusive economy and participation by all. Through this we also aim to give hope to our youth through skills based training, provide economic opportunities and an enabling environment for businesses to flourish. Despite the tough economic times this adjustment budget will steer the district through the drought crisis and is also underpinned by cost containment measures which will allow a cost conscious spending.

As the District we have had challenges upgrading our old and frail infrastructure thus experiencing large volumes of water losses. The municipality together with stakeholders such as the Department of Water Affairs & Sanitation and Umgeni Water have invested resources in ensuring 100% access to basic services is accomplished. This includes projects such as uMshwathi Bulk Water Project, which will see over 50 000 households accessing uninterrupted water supply.

Our plans and strategies are linked with the National Development Plan, and Vision 2030. We are forging ahead to ensure that we serve our citizens with quality services, while cognisance of our external environment (such as rising costs of petrol, tariff increases, drought, unemployment, etc.).

Our focus will be to aggressively collect revenue through households and businesses who owe the Municipality. We also encourage our citizens to be responsible citizens who pay for services rendered and/received to further re-invest to other municipal projects. We also encourage qualifying citizens to apply for indigent support through the Indigent Register Programme, as this tremendously assists the district in identifying households who cannot afford the services provided and thus provide relief.

The past six financial year record speaks volumes. The municipality continues with the record of acquiring clean audits and practicing sound financial management. This was made possible by the past Political Leadership, Administration and staff that led diligently, transparent, with honour and accountability.

The Mandela Day Marathon which is the champion programme of the district, has grown in leaps & bounds over the year with 2018 seeing over 10 000 participants. The race is indeed one of the fastest growing marathons in Africa drawing international attention, and the district prides itself for the social cohesion, tourism and economic impact it has on not only the district but beyond.

## 2. EXECUTIVE SUMMARY

Operating income has been adjusted downwards **2.65%**. The change in operating income is mainly due to a decrease of **7%** in service charges to provide for the effects of the COVID19 pandemic on our revenue streams. This has significantly influenced the sustenance of income even though there has been a significant reduction in other funding sources of the budget such as the reduction in financial management grant by R250 000 with national treasury phasing out the grant.

Of the operating revenue, **37%** will be funded from service charges which is an increase from 34% in 2019/20 original budget. This shows a shift in grant dependency with grants contributing **62%** of operating income from 66% as per adjusted budget 2019/20 original budget.

The operating expenditure proposed is **R807.211 Million** that reflects an decrease of 0.76% from the normal adjusted budget 2019/20. There will be no changes to the capital expenditure in the 2019/20 special adjustment budget and no borrowings will be utilised to finance the capital investment programme. However, in order to provide clean and safe drinking water to our communities during the COVID19 pandemic, some projects have been brought forward necessitating the reallocation of the funding received. A total of **18.3%** of the budget will be spent on the capital investment programme which is a proposition in line with the treasury guide of at least 10%-20% of capital expenditure to total expenditure.



Summarily the budget can be reconciled as reflected in the below table. It must be noted that Council has in the prior years utilised reserves to fast track implementation of the capital investment programme.

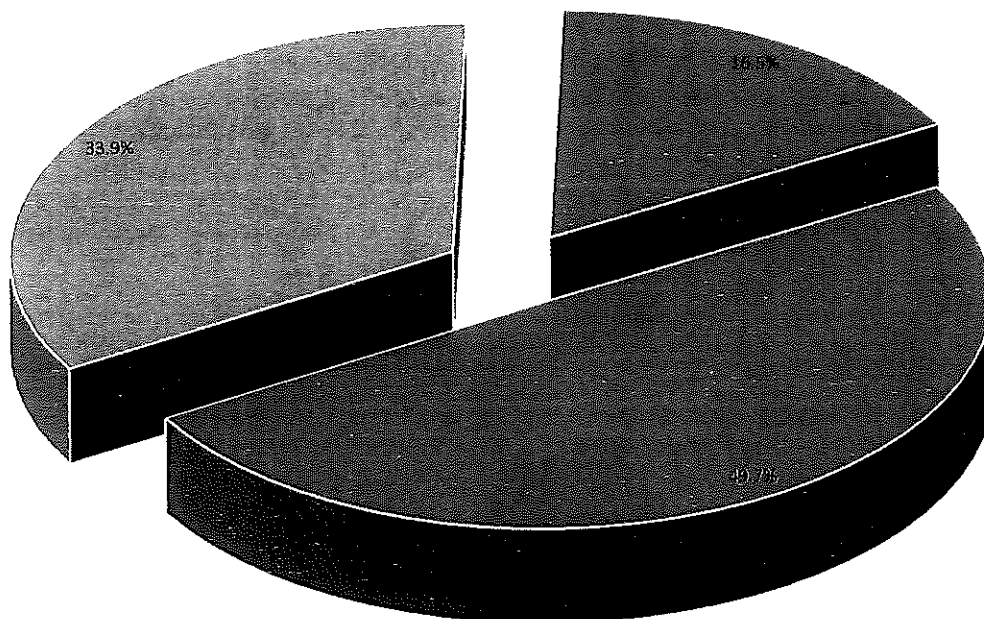
The proposed budget has limited capital expenditure to **R184.625 Million** of which **100%** of capital expenditure will be funded from grants. The projection beyond 2019/20 if the cost reflective tariff increase would be a net cash position of R74 million and R118 million provided the operating costs are maintained with only CPI increases and capital expenditure being maintained within grant allocations.

**TABLE 2: EXECUTIVE SUMMARY BUDGET ESTIMATES**

2019/20 MTREF						
	<u>Original Budget</u> <u>2019/20</u>	<u>Special ADJ</u> <u>Budget 2019/20</u>	<u>Normal ADJ</u> <u>Budget 2019/20</u>	<u>Forecast 2019/20</u>	<u>YTD Actual</u>	<u>Special Normal ADJ</u> <u>Budget 2019/20</u>
Operating Revenue	936 086 078	936 086 078	900 921 399	718 675 511	659 122 882	877 021 926
Operating Expenditure	913 303 867	814 753 867	813 392 918	677 807 454	621 323 499	807 176 907
<b>Operating Surplus / (Deficit)</b>	<b>22 782 211</b>	<b>121 332 211</b>	<b>87 528 481</b>	<b>40 868 057</b>	<b>37 799 383</b>	<b>69 845 019</b>
Capital Transfers Recognized	184 625 000	184 625 000	184 625 000	140 552 770	128 840 039	184 625 000
<b>Surplus / (Deficit) for the year</b>	<b>207 407 211</b>	<b>305 957 211</b>	<b>272 153 481</b>	<b>181 420 827</b>	<b>166 639 422</b>	<b>254 470 019</b>
<b>Capital Funding</b>	<b>184 625 000</b>	<b>184 625 000</b>	<b>184 625 000</b>	<b>-</b>	<b>128 840 039</b>	<b>184 625 000</b>
Capital Transfers	184 625 000	184 625 000	184 625 000	-	128 840 039	184 625 000
Reserves	-	-	-	-	-	-
<b>LESS: Capital Expenditure</b>	<b>184 625 000</b>	<b>184 625 000</b>	<b>184 625 000</b>	<b>-</b>	<b>128 840 039</b>	<b>184 625 000</b>
<b>Budget Cash Surplus</b>	<b>22 782 211</b>	<b>121 332 211</b>	<b>87 528 481</b>	<b>181 420 827</b>	<b>37 799 383</b>	<b>69 845 019</b>
<b>ADD: Non-Cash Items</b>	<b>150 089 069</b>	<b>92 589 069</b>	<b>108 500 000</b>	<b>83 016 375</b>	<b>76 098 344</b>	<b>110 500 000</b>
<b>Net Budget Cash Position</b>	<b>172 871 280</b>	<b>213 921 280</b>	<b>196 028 481</b>	<b>264 437 202</b>	<b>113 897 727</b>	<b>180 345 019</b>

Below is an illustration of the funding elements to the budget which reflects 66.1% contribution from grants and 33.9% from internally generated funding.

**UMGUNGUNDLOVU DISTRICT MUNICIPALITY**  
**2019/20 Budget Funding Matrix**



\* Capital Grant Funding   \* Operational Grant Funding   \* Internally Generated Funding

### 3. BUDGET ASSUMPTIONS

The Municipality concluded that the following assumptions be made when compiling the Adjustment Budget Estimates for the 2019/2020 MTREF period:

1. At least a 65% collection rate will be maintained for the water and sanitation billings;
2. The salaries budget increase to be limited to recruitment of operations and maintenance staff and revenue staff to aid in the improvement in service and collection;
3. Increase in staff salaries of 7,5% estimated based on the negotiations at hand;
4. Councillors allowances budget be adjusted with 5.5% to allow for a cost of living adjustment;
5. The operational expenditure budget will limit and minimise increases due to cost cutting measures and only expenditure items critical to service delivery will be provided for;
6. Contracts to be reviewed to ensure efficiency of services and costs;
7. Funding for capital programme to be limited to grants as there are no reserves to fund capital expenditure;
8. The SDBIP targets with financial implications to be deferred to after first quarter to relieve pressure on the budget and also measure performance against the first quarter before expenditure is engaged.
9. 21% increase in bulk water cost from uMgeni Water.
10. Projected 7.2% increase in electricity charges.
11. No increases in the number of water tankers to be hired.

Other factors that have been considered in the preparation of the adjustment budget are:

- The slow economic growth conditions,
- Aged infrastructure and the lack of resources to replace and maintain the infrastructure.

#### 4. OPERATING REVENUE FRAMEWORK

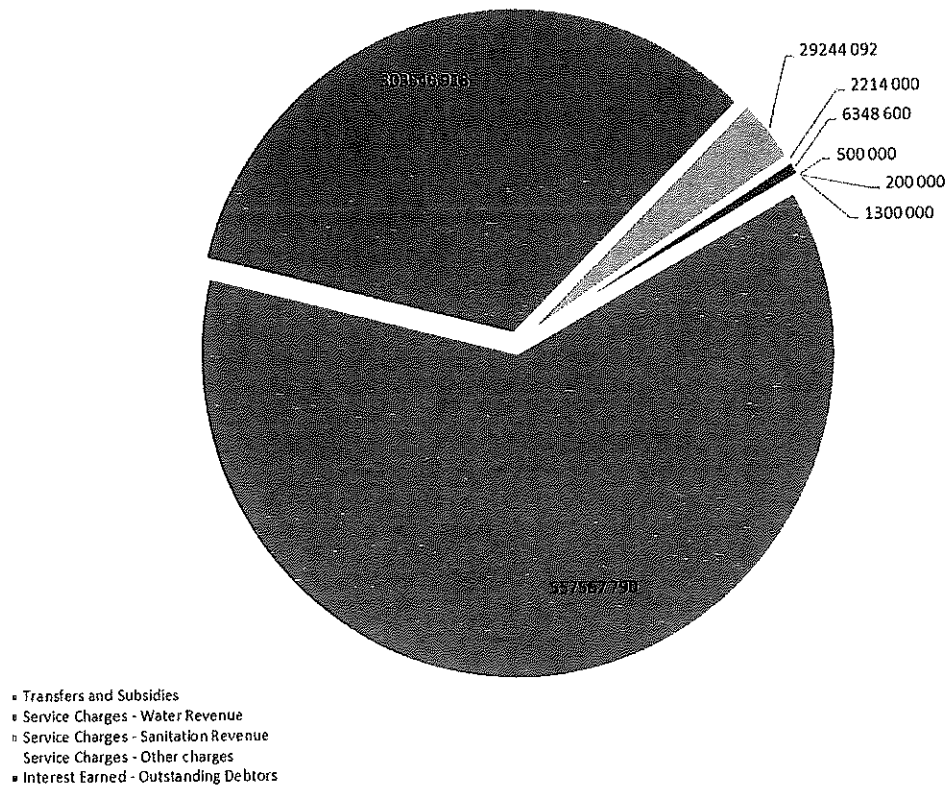
The total operating revenue for the 2019/20 financial year is estimated to be **R877.056 Million** as reflected in Table 3. Internally generated revenue is expected to provide **40.5%** of operating revenue (2018/19: **40%**) with service charges representing **39.8%** of operating income. Equitable share and RSC levy replacement grant and other operating grants will contribute **59.5%** of total operating revenue (2018/19: **60%**). Other income is derived from investment income, interest on late payments, other service charges and other revenue as reflected in Table 3.

**TABLE 3: OPERATING REVENUE ESTIMATES**

Description	Ref	Budget Year 2019/20									Budget Year +1 2020/21	Budget Year +2 2021/22
		Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands	1	A	A1	B	C	D	E	F	G	H		
<b>Revenue By Source</b>												
Property rates	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	337 274	-	-	-	-	-	-	-	337 274	406 810	495 519
Service charges - sanitation revenue	2	32 493	-	-	-	-	-	-	-	32 493	39 385	47 739
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		200								200	211	223
Interest earned - external investments		500								500	528	557
Interest earned - outstanding debtors		5 291								5 291	8 571	10 801
Dividends received												
Fines, penalties and forfeits		2 460								2 460	2 595	2 738
Licences and permits												
Agency services												
Transfers and subsidies		566 568								566 568	585 208	628 990
Other revenue	2	1 300	-	-	-	-	-	-	-	1 300	1 372	1 447
Gains on disposal of PPE												
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>936 086</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>936 086</b>	<b>1 046 686</b>	<b>1 188 003</b>



**UMGUNGUNDLOVU DISTRICT MUNICIPALITY  
2019/20 Operating Revenue (R '000)**



The municipality is in the process of implementing cost reflective tariffs for its services and strives to uplift its operations from being grant reliant to be self-funding and self-reliant.

It is prudent budgeting and financial practise to charge a cost reflective tariff for a service rendered in order to be able to recover the costs of providing the service, taking into account the all costs incurred such as the cost of bulk services, cost of asset renewal & replacement, to allow for the growth of the service and a tariff that promotes conservative consumption.

As part of the revenue enhancement strategy, the Municipality had to revisit its tariff structure and propose the phasing in of a cost reflective tariff.

The tariff structure as adopted by Council in May 2019 is not proposed to change.

**TABLE 4. PROPOSED WATER TARIFF INCREASES, DOMESTIC AND BUSINESS**UMGUNGUNDLOVU DISTRICT MUNICIPALITY TARIFF STRUCTURE 2019/2020Water Supply Tariffs

Household/Domestic				
	2018/2019	2019/2020	Consumption	Rand Value 2019/2020
0 - 6	11.37	13.08	329 029	4 302 218.69
7 - 15	21.78	25.26	958 614	24 219 190.99
16 - 25	25.81	30.20	905 592	27 346 795.54
26 - 35	35.53	41.93	383 059	16 059 901.80
36 - 60	49.01	58.81	469 243	27 597 119.32
60 +	59.74	72.29	1 206 610	87 220 286.49
				<b>186 745 512.82</b>
Basic charge	33.42	38.433	31 292	14 431 745.23
Fiat rate	209.4	240.81	3 952	11 420 173.44

Business /Commercial	2018/2019	2019/2020		Rand Value 2019/2020
0 - 999999	29.62	35.84	4 200 000	150 528 840.00
Builder/Construction Sites	53.53			-
NGO's (Public benefit)	14.09	16.2035	41 292	669 074.92
WSA	Bulk Cost per kl plus admin fee	Bulk Cost per kl plus admin fee		-
Basic charge	55.83	64.2	1 569	1 208 757.60

Percentage
15%
16%
17%
18%
20%
21%
15%
15%
21%
15%
15%

<u>Total Water</u>	Total Water Billing Revenue	8 526 300	<b>365 004 104.02</b>
	LESS: Revenue Foregone		0.00
	Total Water Service Charges		<b>365 004 104.02</b>



Description	Ref	Budget Year 2019/20									Budget Year +1 2020/21	Budget Year +2 2021/22
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1	A	A1	B	C	D	E	F	G	H		
<b>Expenditure By Type</b>												
Employee related costs		283 677	-	-	-	-	-	(22 100)	(22 100)	261 577	299 279	315 739
Remuneration of councilors		12 941								12 941	13 653	14 404
Debt impairment		107 589						(57 500)	(57 500)	50 089	128 891	162 540
Depreciation & asset impairment		42 500	-	-	-	-	-	-	-	42 500	44 838	47 304
Finance charges		27 550						(1 498)	(1 498)	26 052	27 550	27 550
Bulk purchases		142 500	-	-	-	-	-	-	-	142 500	150 338	158 606
Other materials												
Contracted services		204 857	-	-	-	-	-	(11 500)	(11 500)	193 357	211 967	215 165
Transfers and subsidies		5 084								5 084	6 500	7 000
Other expenditure		86 607	-	-	-	-	-	(8 399)	(8 399)	78 208	89 021	106 552
Loss on disposal of PPE												
<b>Total Expenditure</b>		<b>913 304</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(100 987)</b>	<b>(100 987)</b>	<b>812 307</b>	<b>972 037</b>	<b>1 054 860</b>

Overall, the operational adjustment budget increased by 0.55% from the 2019/20 adjustment budget, a rate which is below the inflation rate even though some items have increased above the 6.1% CPI projection such as salaries at 7.5% and the repayment of R 22 million interest due for servicing the DBSA Loan, bulk water purchases at 21% and general operational and maintenance costs. The proposed budget also addresses anomalies which were not considered when the adjustment budget was prepared.

The main expenditure categories for the operational expenditure budget are Employee costs & councilor remuneration taking an allocation of 32.5%, followed by contracted services at 22.4%, bulk water purchases at 15.6% then provision for doubtful debt and impairment at 11.8%. These costs collectively represent **82.3%** of total operational expenditure budget. The Municipality is exploring other avenues on reducing its contracted services in efforts to reduce unnecessary and over provision of some services which may lead to wastages.

#### **Contracted services & operations and maintenance**

The contracted services will make up **20.5%** of the operating expenditure budget which is above the norm as set by treasury of at least 5%, however is reduced from the prior year figure of 27% contribution.

In the prior year contracted services represented 27% of the budget and this is mainly because of the nature of services provided by the district. If contracted services were converted to employee costs it would equally increase the employee costs threshold above the norm of 25%-40%.

#### **Salaries and Councilors allowances**

Salaries are at **29.02%** of the operational budget, combined with Councilor remuneration, the salaries budget is at **30.34%** which is within the norm of 25%-40% of salaries to total operating

expenditure. The salaries budget will make way for the employment of staff within Technical Services operational and maintenance support and in the Revenue office to ensure that the water business is fully supported internally with capacity to respond to its basic requirements such as meter reading, restrictions and disconnections and further responding to burst pipes and water service emergencies.

## 6. CAPITAL EXPENDITURE

The commitment by the municipality to invest in the provision of quality services can be identified by the allocation of funds to the essential service – which is water provision.

93.1% of the capital budget is directed to water infrastructure, 5.4% towards sanitation, 1.5% for rural road asset management system. The capital investment is responsive to the municipalities core functions.

**TABLE 6: CAPITAL EXPENDITURE PROGRAMME**

CAPITAL EXPENDITURE PROGRAMME FOR THE 2019/20 MTREF PERIOD

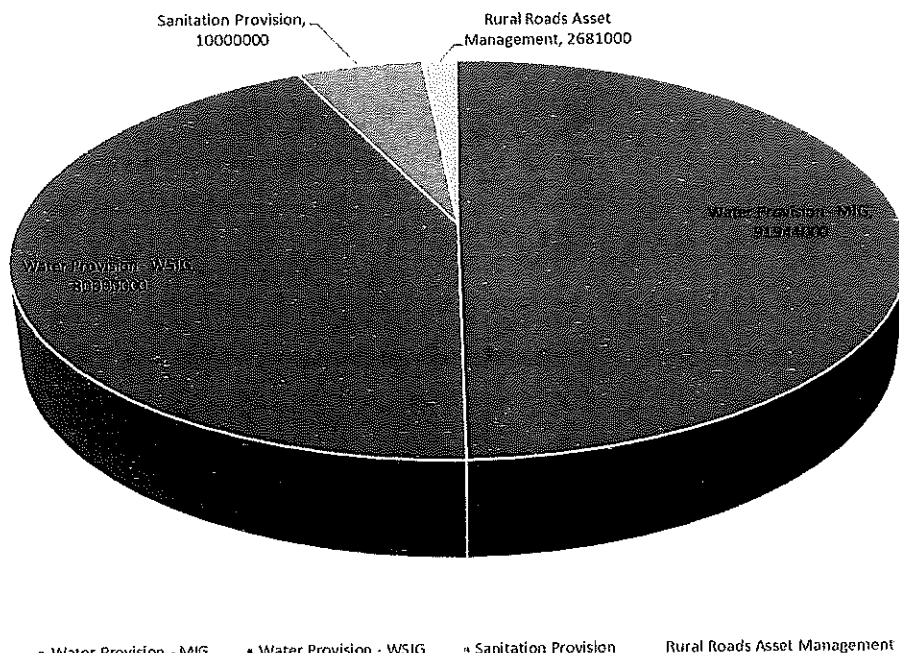
Project Name	Funding Source	2019/20 MTREF			Special Normal ADJ Budget 2019/20
		Budget 2019/20	Adjustment Budget 2019/20	YTD Actual 2019/20	
CAPEX Summary					
Projects					
Water Provision - MIG	MIG	91 944 000.00	91 944 002.00	59 616 918.00	95 444 000.00
Water Provision - WSIG	WSIG	80 000 000.00	80 000 000.00	67 347 361.00	80 000 000.00
Sanitation Provision	MIG	10 000 000.00	10 000 000.00	-	6 500 000.00
Rural Roads Asset Management	RRAMS	2 681 000.00	2 681 000.00	1 875 758.00	2 681 000.00
Energy Efficiency and Demand Side Management	EEDSM				
		184 625 000.00	184 625 002.00	128 840 037.00	184 625 000.00
Funding					
Municipal Infrastructure Grant (MIG)		101 944 000.00	101 944 000.00	101 944 000.00	101 944 000.00
Water Services Infrastructure Grant (WSIG)		80 000 000.00	80 000 000.00	80 000 000.00	80 000 000.00
RRAMS		2 681 000.00	2 681 000.00	2 681 000.00	2 681 000.00
Energy Efficiency and Demand Side Management					
		184 625 000.00	184 625 000.00	184 625 000.00	184 625 000.00

The capital expenditure program is proposed to be allocated to the following projects over the 2019/20 MTREF period:

## CAPITAL EXPENDITURE PROGRAMME FOR THE 2019/20 MTREF PERIOD

Project Name	Funding Source	2019/20 MTREF			Special Normal ADJ Budget 2019/20
		Budget 2019/20	Adjustment Budget 2019/20	YTD Actual 2019/20	
<b>Water Provision</b>					
Nkanyezini Water	MIG	32 560 276.00	13 919 241.00		4 900 000.00
Manzamyama Water	MIG	34 383 724.00	32 904 602.00		43 122 071.21
Mpolweni, Thokozani, Claridge	MIG	5 000 000.00	13 897 860.00		10 317 481.66
Trust Feeds Phase 1	MIG	20 000 000.00	12 616 679.00		3 400 000.00
Maqonqo Water	MIG	-	5 214 482.00		8 258 212.51
Manyavu Water	MIG	-	6 634 149.00		17 289 246.56
Hilton AC	MIG	-	4 721 355.00		4 721 354.54
Merrivale AC	MIG	-	2 035 634.00		2 035 633.52
Enguga Entshayabantu & Macksam CWSS Phase 5	MIG	-	-		500 000.00
Mbhava & Mpethu Swayimane Water Supply Phase 2	MIG	-	-		500 000.00
KwaMathwanya Water Reticulation	MIG	-	-		400 000.00
		<b>91 944 000.00</b>	<b>91 944 002.00</b>	<b>59 616 918.00</b>	<b>95 444 000.00</b>
<b>Water Provision</b>					
Nadi - Efaye Phase 2(uMshwathi Regional Bulk )	WSIG	41 878 808.80	41 878 808.80		49 000 000.00
Mtutwa & Mt. Alias Phase 3A (uMshwathi Regional Bulk )	WSIG	1 696 474.20	1 696 474.20		1 200 000.00
Nadi to Ekhamanzi Phase 3B	WSIG	36 424 717.00	36 424 717.00		27 000 000.00
Montobello & Harburg	WSIG	-	-		2 800 000.00
Greater Efaye	WSIG	-	-		
Ozwathini	WSIG	-	-		
		<b>80 000 000.00</b>	<b>80 000 000.00</b>	<b>67 347 361.00</b>	<b>80 000 000.00</b>
<b>Sanitation Provision</b>					
uMshwathi VIP Backlog Toilets	MIG	2 000 000.00	2 000 000.00		1 500 000.00
Impendle VIP Backlog Toilets	MIG	1 000 000.00	1 000 000.00		1 000 000.00
Mkhambathini VIP Backlog Toilet	MIG	2 000 000.00	2 000 000.00		1 000 000.00
Umgweni VIP Backlog Toilets	MIG	2 000 000.00	2 000 000.00		1 000 000.00
Richmond VIP Backlog Toilets	MIG	2 000 000.00	2 000 000.00		1 000 000.00
Mpofana VIP Backlog Toilet	MIG	1 000 000.00	1 000 000.00		1 000 000.00
		<b>10 000 000.00</b>	<b>10 000 000.00</b>	<b>-</b>	<b>6 600 000.00</b>
<b>Rural Roads Asset Management</b>					
Planning of Rural Roads Maintenance	RRAMS	2 681 000.00	2 681 000.00	1 875 758.00	2 681 000.00
		<b>2 681 000.00</b>	<b>2 681 000.00</b>	<b>1 875 758.00</b>	<b>2 681 000.00</b>

## CAPITAL EXPENDITURE PROGRAMME - 2019/20



• Water Provision - MIG    • Water Provision - WSIG    • Sanitation Provision    Rural Roads Asset Management

## 7. RESOLUTIONS

1. Council considers the proposed special adjustment budget estimates for the 2019/20 MTREF period as follows:
  - a) The proposed budget funding of **R1 061 680 926** be approved to be funded from the following:
 

Operating Revenue	R877 055 926
Grant Funding	R184 625 000
  - b) The proposed expenditure appropriations of **R991 845 019** be approved and be allocated as follows:
 

Operating Expenditure	R807 210 907
Capital Programme	R184 625 000
  - c) The capital expenditure programme of **R184 625 000** be approved and funded from the following sources:
 

MIG	R101 944 000
WSIG	R 80 000 000
RRAMS	R 2 681 000
  - d) The funding allocation for UMEDA be approved at R5 083 500 for the 2019/20 financial year;
  - e) The tariff charges for water and sanitation will remain as adopted by Council in the original budget;
2. The approved special adjustment budget estimates be made public in the manner envisaged by Chapter 4 of the Local Government: Municipal Systems Act;
3. The Accounting Officer submit the special adjustment budget as well as all supporting schedules and documentation as required by Sec 17(3) of the MFMA to both the Provincial and National Treasuries.

## PART 2 - SUPPORTING DOCUMENTATION

### 2.1 BUDGET ASSUMPTIONS AND KEY BUDGET FACTORS

The following key factors were considered in the preparation of the proposed budget:

1. At least a 65% collection rate will be maintained for the water and sanitation billings;
2. The salaries budget increase to be limited to recruitment of operations and maintenance staff and revenue staff to aid in the improvement in service and collection;
3. Increase in staff salaries of 7,5% estimated based on the negotiations at hand;
4. Councillors allowances budget be adjusted with 5.5% to allow for a cost of living adjustment;
5. The operational expenditure budget will limit and minimise increases due to cost cutting measures and only expenditure items critical to service delivery will be provided for;
6. Contracts to be reviewed to ensure efficiency of services and costs;
7. Funding for capital programme to be limited to grants as there are no reserves to fund capital expenditure;
8. The SDBIP targets with financial implications to be deferred to after first quarter to relieve pressure on the budget and also measure performance against the first quarter before expenditure is engaged.
9. 21% increase in bulk water cost from uMngeni Water.
10. Projected 7.2% increase in electricity charges.
11. No increases in the number of water tankers to be hired.

Other factors that have been considered in the preparation of the budget are:

- The slow economic growth conditions,
- Aged infrastructure and the lack of resources to replace and maintain the infrastructure.

## 2.2 LEGISLATION COMPLIANCE STATUS

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

### **In year reporting and Statutory returns**

Reporting to National and Provincial Treasuries in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the Municipality's website. The municipality has also submitted all statutory returns as per MFMA and MSCOA and at submission of this budget for council consideration the submissions on the treasury portal were reflecting a successfully uploaded.

### **Internship programme**

The Municipality is participating in the Municipal Financial Management Internship programme. Due to resignations and contract expiry the municipality is in the process to fill the vacancies of interns. The programme is intended to empower graduates with on the job training and also build capacity for the local government sector.

### **Budget and Treasury Office**

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

### **Service Delivery and Implementation Plan**



The detail SDBIP document is at a draft stage and will be finalised after approval of the 2019/20 MTREF in May 2019.

### Annual Report

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

### MFMA Training

Various managers and staff have completed the MFMA training and the training will continue in line with the skills development plan. The managers who have not fully met the minimum competency requirements have signed performance agreement which includes milestones for the completion of the outstanding unit standards.

## 2.3 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP

The following key factors and planning strategies have informed the compilation of the 2019/20 MTREF:

- Growth of the District
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2018/2019 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases to achieve cost reflection versus the ability of the community to pay for services;
- Improved and sustainable service delivery

### IDP Strategic Objectives / Budget Priority Areas

2018/19 MTREF	2019/20 MTREF
1. Provision of quality basic services and infrastructure	1. Provision of quality basic services and infrastructure
2. Economic growth and development that leads to sustainable job creation	2. Economic growth and development that leads to sustainable job creation
3.1 Fight poverty and build clean, healthy, safe and sustainable communities 3.2 Integrated Social Services for empowered and sustainable communities	3.1 Fight poverty and build clean, healthy, safe and sustainable communities 3.2 Integrated Social Services for empowered and sustainable communities
4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service	4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service
5.1 Promote sound governance 5.2 Ensure financial sustainability	5.1 Promote sound governance 5.2 Ensure financial sustainability

5.3 Optimal institutional transformation to ensure capacity to achieve set objectives	5.3 Optimal institutional transformation to ensure capacity to achieve set objectives
5.4 Financial Sustainability	5.4 Financial Sustainability

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

Within the uMgungundlovu District, the priorities of providing sustainable, good quality water and decent sanitation services were identified as part of the IDP review process and budget allocation which is directly aligned to that of the national and provincial priorities.

Further the municipality identified the following priorities:

- Establishment of the uMgungundlovu Economic Development Agency
- Fight poverty and build clean, healthy, safe and sustainable communities – Allocation for Environmental Health and Environmental Services.
- Integrated Social Services for empowered and sustainable communities -, Special Communities such as Children, Elderly, People with Disabilities etc.
- Promote sound governance and transparency
- Ensure financial sustainability through reviewing the use of contracted services, implementation of cost cutting measures and continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan

## Municipal Manager's Quality Certificate

I Dr RMB Ngcobo, Municipal Manager of uMgungundlovu District Municipality, hereby certify that the Medium term revenue and expenditure budget and Documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Print Name    Raymond M B Ngcobo

Signature

A handwritten signature in black ink, appearing to read 'RMB Ngcobo', is written over a horizontal line. The signature is stylized with a large loop at the beginning and a cross at the end.

Date

10 JUNE 2020

# UMGUNGUNDLOVU DISTRICT MUNICIPALITY

## SPECIAL ADJUSTMENT BUDGET ESTIMATES FOR THE 2019/20 MTREF PERIOD

2019/20					
	<u>Original Budget</u> <u>2019/20</u>	<u>Special ADJ</u> <u>Budget 2019/20</u>	<u>Normal ADJ</u> <u>Budget 2019/20</u>	<u>YTD Actual</u>	<u>Special Normal</u> <u>ADJ Budget</u> <u>2019/20</u>
<b>REVENUE</b>					
Operating Grants & Transfers Received	556 567 790.00	556 567 790.00	557 567 790.00	375 149 191.55	558 811 790.00
<b>National</b>	<b>530 399 000.00</b>	<b>530 399 000.00</b>	<b>530 399 000.00</b>	<b>373 058 534.55</b>	<b>531 643 000.00</b>
Equitable Share	261 569 000.00	261 569 000.00	261 569 000.00	368 221 400.00	261 569 000.00
Levy Replacement Grant	264 462 000.00	264 462 000.00	264 462 000.00	-	264 462 000.00
Finance Management Grant	1 000 000.00	1 000 000.00	1 000 000.00	1 000 000.00	1 000 000.00
EPWP Incentive Grant	3 368 000.00	3 368 000.00	3 368 000.00	3 500 137.55	3 368 000.00
Municipal Disaster Management Grant	-	-	-	-	894 000.00
LG SETA Discretionary Grant	-	-	-	336 997.00	350 000.00
<b>Provincial</b>	<b>26 168 790.00</b>	<b>26 168 790.00</b>	<b>27 168 790.00</b>	<b>2 090 657.00</b>	<b>27 168 790.00</b>
Development Planning and Shared Services	550 000.00	550 000.00	550 000.00	550 000.00	550 000.00
Spatial Development Framework Support	-	-	1 000 000.00	-	1 000 000.00
Geospatial Database Development	1 500 000.00	1 500 000.00	1 500 000.00	-	1 500 000.00
Mandela Day Sponsorship	-	-	-	-	-
EDTEA: Pietermaritzburg Airport	24 118 790.00	24 118 790.00	24 118 790.00	1 540 657.00	24 118 790.00
Umgenti Resilience	-	-	-	-	-
<b>Capital Grants and Transfers Received</b>	<b>184 625 000.00</b>	<b>184 625 000.00</b>	<b>184 625 000.00</b>	<b>128 840 038.86</b>	<b>184 625 000.00</b>
<b>National</b>	<b>184 625 000.00</b>	<b>184 625 000.00</b>	<b>184 625 000.00</b>	<b>128 840 038.86</b>	<b>184 625 000.00</b>
Municipal Infrastructure Grant (MIG)	101 944 000.00	101 944 000.00	101 944 000.00	59 616 918.46	101 944 000.00
Water Services Infrastructure Grant (WSIG)	80 000 000.00	80 000 000.00	80 000 000.00	67 347 361.67	80 000 000.00
Rural Roads Asset Management System Grant (RRAMS)	2 681 000.00	2 681 000.00	2 681 000.00	1 875 758.73	2 681 000.00
Energy Efficiency and Demand Side Management Grant (EEDSM)	-	-	-	-	-
<b>TOTAL GRANTS &amp; TRANSFERS</b>	<b>741 192 790.00</b>	<b>741 192 790.00</b>	<b>742 192 790.00</b>	<b>503 989 230.41</b>	<b>743 436 790.00</b>
<b>Internally Generated Revenue</b>	<b>379 518 287.92</b>	<b>379 518 287.92</b>	<b>343 353 609.13</b>	<b>283 973 690.55</b>	<b>318 244 136.00</b>
Service Charges - Water Revenue	337 274 352.82	337 274 352.82	303 546 917.54	250 527 436.00	280 527 436.00
Service Charges - Sanitation Revenue	32 493 435.09	32 493 435.09	29 244 091.58	22 686 779.10	25 244 100.00
Service Charges - Other charges	2 460 000.00	2 460 000.00	2 214 000.00	804 223.00	1 104 000.00
Interest Earned - Outstanding Debtors	5 290 500.00	5 290 500.00	6 348 600.00	5 592 619.45	6 348 600.00
Interest Earned - External Investments	500 000.00	500 000.00	500 000.00	24 658.00	500 000.00
Rental of Facilities	200 000.00	200 000.00	200 000.00	11 169.00	20 000.00
Other Revenue	1 300 000.00	1 300 000.00	1 300 000.00	4 326 806.00	4 500 000.00
<b>OPERATING REVENUE FRAMEWORK</b>	<b>1 120 711 077.92</b>	<b>1 120 711 077.92</b>	<b>1 085 546 399.13</b>	<b>787 962 920.96</b>	<b>1 061 680 926.00</b>
	<b>936 086 077.92</b>	<b>936 086 077.92</b>	<b>900 921 399.13</b>	<b>659 122 882.10</b>	<b>877 055 926.00</b>

# SPECIAL ADJUSTMENT BUDGET ESTIMATES FOR THE 2019/20 MTREF PERIOD

	2019/20				
	<u>Original Budget</u> <u>2019/20</u>	<u>Special ADJ</u> <u>Budget 2019/20</u>	<u>Normal ADJ</u> <u>Budget 2019/20</u>	<u>YTD Actual</u>	<u>Special Normal</u> <u>ADJ Budget</u> <u>2019/20</u>
<b>EXPENDITURE</b>					
<b>CAPITAL EXPENDITURE PROGRAMME</b>	<b>184 625 000.00</b>	<b>184 625 000.00</b>	<b>184 625 000.00</b>	<b>128 840 038.86</b>	<b>184 625 000.00</b>
Municipal Infrastructure Grant (MiG)	101 944 000.00	101 944 000.00	101 944 000.00	59 616 918.46	101 944 000.00
Water Services Infrastructure Grant (WSIG)	80 000 000.00	80 000 000.00	80 000 000.00	67 347 361.67	80 000 000.00
RRAMS	2 681 000.00	2 681 000.00	2 681 000.00	1 875 758.73	2 681 000.00
Energy Efficiency and Demand Side Management Grant (EEDSM)	-	-	-	-	-
<b>OPERATING EXPENDITURE PROGRAMME</b>	<b>913 303 867.07</b>	<b>814 763 867.07</b>	<b>813 392 918.00</b>	<b>621 323 499.08</b>	<b>807 210 907.00</b>
<b>Employee Related Costs</b>	<b>283 676 828.00</b>	<b>261 576 828.00</b>	<b>252 281 065.00</b>	<b>205 787 474.90</b>	<b>234 215 004.00</b>
Medical Aid Contributions	12 126 182.00	12 126 182.00	11 426 182.00	10 440 318.00	11 426 182.00
Pension Fund Contributions	33 050 089.00	33 050 089.00	30 450 089.00	25 381 217.00	28 450 089.00
Unemployment Insurance Fund	932 393.00	932 393.00	932 393.00	758 016.00	832 393.00
Leave Gratuity Contributions	-	-	-	-	-
Long Service Awards	1 948 644.00	1 948 644.00	1 952 621.00	3 367 285.00	3 652 621.00
Cellular and Telephone Allowances	1 944 600.00	1 944 600.00	894 600.00	794 665.00	864 600.00
Travelling Allowances	23 113 183.00	8 013 183.00	19 113 183.00	18 956 973.00	20 713 183.00
Overtime	10 594 020.00	10 594 020.00	9 978 900.00	-	-
Housing Benefits	1 173 182.00	1 173 182.00	1 173 182.00	863 531.00	973 182.00
Rental Subsidies	207 600.00	207 600.00	207 600.00	104 500.00	117 600.00
Acting and Post Related Allowances	1 153 692.00	1 153 692.00	2 035 851.00	173 007.00	235 851.00
Standby Allowances	4 275 875.00	2 275 875.00	5 674 566.00	6 276 650.90	6 874 566.00
Tool Allowances	-	-	120 000.00	1 247 080.00	1 440 000.00
Uniforms	136 749.00	136 749.00	131 279.00	73 709.00	93 000.00
Non-Structured Allowances	7 265 882.00	2 265 882.00	185 882.00	6 162 622.00	6 730 000.00
Basic Salaries	163 201 495.00	163 201 495.00	147 701 495.00	118 170 270.00	131 701 495.00
Bonuses	13 682 962.00	13 682 962.00	11 432 962.00	11 201 995.00	11 232 962.00
Bargaining Council	61 635.00	61 635.00	61 635.00	49 015.00	61 635.00
Post-Retirement Benefits	6 885 408.00	6 885 408.00	6 885 408.00	-	6 885 408.00
Skills Development Levy	1 923 237.00	1 923 237.00	1 923 237.00	1 766 421.00	1 930 237.00
Remuneration of Councillors	12 941 083.65	12 941 083.65	12 941 100.00	9 691 841.00	10 641 100.00
Debt Impairment Contributions	107 589 069.42	50 089 069.42	65 000 000.00	33 750 497.00	65 000 000.00
Depreciation and Asset Impairment	42 500 000.00	42 500 000.00	43 500 000.00	42 347 847.00	45 500 000.00
Finance Charges [Interest Paid]	27 550 000.00	27 550 000.00	27 550 000.00	18 707 196.00	27 550 000.00
Bulk Water Purchases	142 500 000.00	142 500 000.00	165 325 000.00	175 747 713.10	195 325 000.00
Transfers and Grants	5 083 500.00	5 083 500.00	5 083 500.00	-	5 083 500.00
CAPEX Expensed	-	-	-	-	-
<b>Grant Funded Projects / Programmes</b>	<b>29 536 790.00</b>	<b>29 536 790.00</b>	<b>30 536 790.00</b>	<b>5 590 794.55</b>	<b>31 430 790.00</b>
EPWP incentive Grant	3 368 000.00	3 368 000.00	3 368 000.00	3 500 137.55	3 368 000.00
Municipal Disaster Management Grant	-	-	-	-	894 000.00
Development Planning and Shared Services	550 000.00	550 000.00	550 000.00	550 000.00	550 000.00
Spatial Development Framework Support	-	-	1 000 000.00	-	1 000 000.00
Geospatial Database Development	1 500 000.00	1 500 000.00	1 500 000.00	-	1 500 000.00
Mandela Day Sponsorship	-	-	-	-	-
EDTEA: Pietermaritzburg Airport	-	-	-	-	-
Umgeni Resilience Programme (URP)	24 118 790.00	24 118 790.00	24 118 790.00	1 540 657.00	24 118 790.00
<b>Contracted Services</b>	<b>204 856 583.00</b>	<b>199 356 583.00</b>	<b>181 895 000.00</b>	<b>110 819 384.80</b>	<b>165 870 500.00</b>
Water Tanker Hire	65 531 297.00	65 531 297.00	60 000 000.00	49 282 665.00	60 000 000.00
Motor Vehicle Hire and Running Costs	15 585 000.00	12 585 000.00	12 585 000.00	11 055 885.00	12 585 000.00
Water Quality Process Management	2 090 000.00	2 090 000.00	2 390 000.00	2 570 880.00	2 810 000.00
ICT Consultant Fees	2 045 000.00	2 045 000.00	600 000.00	242 926.03	600 000.00
Security Services	15 365 543.00	15 365 543.00	15 000 000.00	6 369 053.29	15 000 000.00
Water & Sanitation Operations & Maintenance	65 140 000.00	65 140 000.00	60 140 000.00	22 109 643.00	45 140 000.00
Telecommunications	2 650 000.00	2 150 000.00	2 150 000.00	1 696 293.00	1 950 000.00
Licence Fees	2 500 000.00	2 500 000.00	2 100 000.00	553 753.00	1 100 000.00
Insurance - General	800 000.00	800 000.00	800 000.00	696 872.61	800 000.00
Insurance - Group Life	2 210 000.00	2 210 000.00	2 150 000.00	2 350 580.00	2 600 000.00
Municipal Services (Water & Electricity)	4 180 000.00	4 180 000.00	2 800 000.00	1 813 535.00	2 100 000.00
Fire & Rescue Services	1 400 000.00	1 400 000.00	1 500 000.00	115 408.87	1 500 000.00
Meter Reading Services	3 452 110.00	1 452 110.00	-	5 500.00	5 500.00
Materials (PPE & Repairs & Maintenance)	21 907 633.00	21 907 633.00	19 680 000.00	11 956 390.00	19 680 000.00

# SPECIAL ADJUSTMENT BUDGET ESTIMATES FOR THE 2019/20 MTREF PERIOD

2019/20					
	<u>Original Budget</u> <u>2019/20</u>	<u>Special ADJ</u> <u>Budget 2019/20</u>	<u>Normal ADJ</u> <u>Budget 2019/20</u>	<u>YTD Actual</u>	<u>Special Normal</u> <u>ADJ Budget</u> <u>2019/20</u>
Operational Cost - Other Expenditure	57 070 013.00	43 620 013.00	29 280 463.00	18 880 750.73	26 595 013.00
SALGA Affiliation Fee	2 995 013.00	2 995 013.00	2 995 013.00	2 929 403.94	2 995 013.00
Audit Fees & Audit Committee	2 150 000.00	2 150 000.00	2 500 000.00	459 165.22	1 500 000.00
Sports Promotion	3 250 000.00	3 250 000.00	1 600 000.00	765 293.46	800 000.00
Mandela Day Marathon	5 000 000.00	5 000 000.00	6 200 000.00	6 899 200.00	6 900 000.00
Personnel Protective Clothing (PPE)	3 525 000.00	3 525 000.00	2 870 000.00	2 868 251.00	3 700 000.00
CAPEX - Expensed	2 650 000.00	1 050 000.00	1 050 000.00	-	1 050 000.00
Legal Fees	3 000 000.00	3 000 000.00	2 500 000.00	2 173 128.05	2 500 000.00
Environmental Health	2 500 000.00	2 500 000.00	500 000.00	53 730.65	500 000.00
Disaster Management & Environ Management	12 500 000.00	11 000 000.00	2 500 000.00	242 473.66	1 600 000.00
Printing and Stationery	1 800 000.00	1 000 000.00	1 200 000.00	676 369.18	1 000 000.00
Cleaning Material	1 500 000.00	1 500 000.00	715 450.00	35 358.08	500 000.00
Public Participation	800 000.00	300 000.00	300 000.00	-	-
Bursary & Placement fees	-	-	-	-	-
Travel Local	-	-	-	-	-
Bank charges	-	-	-	-	-
Fuel & Oil	-	-	-	-	-
Hire	-	-	-	-	-
Rental of Premises	1 100 000.00	1 100 000.00	950 000.00	670 800.00	950 000.00
Occupational Health & Safety	2 000 000.00	2 000 000.00	800 000.00	351 796.00	500 000.00
Training & Development	600 000.00	600 000.00	600 000.00	72 567.31	300 000.00
Advertisement	300 000.00	300 000.00	300 000.00	66 222.18	100 000.00
Postage	850 000.00	850 000.00	700 000.00	616 992.00	700 000.00
Special Programmes	3 000 000.00	1 500 000.00	1 000 000.00	-	-
General Expenses	7 650 000.00	-	-	-	1 000 000.00
	13.40	-	-	-	-
<b>TOTAL EXPENDITURE</b>	<b>1 097 928 867.07</b>	<b>999 378 867.07</b>	<b>998 017 918.00</b>	<b>750 163 537.94</b>	<b>991 835 907.00</b>
<b>BUDGET SURPLUS / (DEFICIT)</b>	<b>22 782 210.85</b>	<b>121 332 210.85</b>	<b>87 528 481.13</b>	<b>37 799 383.02</b>	<b>69 845 019.00</b>

# UMGUNGUNDLOVU DISTRICT MUNICIPALITY

## BUDGET ESTIMATES FOR THE 2019/20 MTREF PERIOD

2019/20 MTREF						
	<u>Original Budget 2019/20</u>	<u>Special ADJ. Budget 2019/20</u>	<u>Normal ADJ Budget 2019/20</u>	<u>Forecast 2019/20</u>	<u>YTD Actual</u>	<u>Special Normal ADJ Budget 2019/20</u>
Operating Revenue	936 086 078	936 086 078	900 921 399	718 675 511	659 122 882	877 055 926
Operating Expenditure	913 303 867	814 753 867	813 392 918	677 807 454	621 323 499	807 210 907
Operating Surplus / (Deficit)	22 782 211	121 332 211	87 528 481	40 868 057	37 799 383	69 845 019
Capital Transfers Recognized	184 625 000	184 625 000	184 625 000	140 552 770	128 840 039	184 625 000
Surplus / (Deficit) for the year	207 407 211	305 957 211	272 153 481	181 420 827	166 639 422	254 470 019
Capital Funding	184 625 000	184 625 000	184 625 000	-	128 840 039	184 625 000
Capital Transfers Reserves	184 625 000	184 625 000	184 625 000	-	128 840 039	184 625 000
LESS: Capital Expenditure	184 625 000	184 625 000	184 625 000	-	128 840 039	184 625 000
Budget Cash Surplus	22 782 211	121 332 211	87 528 481	181 420 827	37 799 383	69 845 019
ADD: Non-Cash Items	150 089 069	92 589 069	108 500 000	83 016 375	76 098 344	110 500 000
Net Budget Cash Position	172 871 280	213 921 280	196 028 481	264 437 202	113 897 727	180 345 019

## BUDGET FUNDING ESTIMATES FOR THE 2019/20 TO 2021/22 MTREF PERIOD

2019/20 MTREF						
	<u>Original Budget 2019/20</u>	<u>Special ADJ Budget 2019/20</u>	<u>Normal ADJ Budget 2019/20</u>	<u>Forecast 2019/20</u>	<u>YTD Actual</u>	<u>Special Normal ADJ Budget 2019/20</u>
Capital Grant Funding	184 625 000	184 625 000	184 625 000	-	119 877 000	200 631 000
Operational Grant Funding	556 567 790	556 567 790	557 567 790	-	237 450 043	585 208 346
Internally Generated Funding	379 518 288	379 518 288	306 130 830	-	173 333 145	461 325 336
TOTAL BUDGET FUNDING	1 120 711 078	1 120 711 078	1 048 323 620	-	530 660 188	1 247 164 682
FUNDING MATRIX						
Capital Grant Funding	16.5%	16.5%	17.6%	0.0%	22.6%	16.1%
Operational Grant Funding	49.7%	49.7%	53.2%	0.0%	44.7%	46.9%
Internally Generated Funding	33.9%	33.9%	29.2%	0.0%	32.7%	37.0%
	100.0%	100.0%	100.0%	0.0%	100.0%	100.0%

## UMGUNGUNDLOVU DISTRICT MUNICIPALITY

## CAPITAL EXPENDITURE PROGRAMME FOR THE 2019/20 MTREF PERIOD

Project Name	Funding Source	2019/20 MTREF			Special Normal ADJ Budget 2019/20
		Budget 2019/20	Adjustment Budget 2019/20	YTD Actual 2019/20	
<b>Water Provision</b>					
Nkanyezini Water	MIG	32 560 276.00	13 919 241.00		4 900 000.00
Manzamnyama Water	MIG	34 383 724.00	32 904 602.00		43 122 071.21
Mpolweni, Thokozani, Claridge	MIG	5 000 000.00	13 897 860.00		10 317 481.66
Trust Feeds Phase 1	MIG	20 000 000.00	12 616 679.00		3 400 000.00
Maqonqo Water	MIG	-	5 214 482.00		8 258 212.51
Manyavu Water	MIG	-	6 634 149.00		17 289 246.56
Hilton AC	MIG	-	4 721 355.00		4 721 354.54
Merrivale AC	MIG	-	2 035 634.00		2 035 633.52
Enguga Entshayabantu & Macksam CWSS Phase 5	MIG	-	-		500 000.00
Mbhava & Mpethu Swayimane Water Supply Phase 2	MIG	-	-		500 000.00
KwaMathwanya Water Reticulation	MIG	-	-		400 000.00
		91 944 000.00	91 944 002.00	59 616 918.00	95 444 000.00
<b>Water Provision</b>					
Nadi - Efaye Phase 2(uMshwathi Regional Bulk )	WSIG	41 878 808.80	41 878 808.80		49 000 000.00
Mlulwa & Mt. Alias Phase 3A (uMshwathi Regional Bulk )	WSIG	1 696 474.20	1 696 474.20		1 200 000.00
Nadi to Ekhamanzi Phase 3B	WSIG	36 424 717.00	36 424 717.00		27 000 000.00
Montobello & Harburg	WSIG				
Greater Efaye	WSIG	-			2 800 000.00
Ozwathini	WSIG				
		80 000 000.00	80 000 000.00	67 347 361.00	80 000 000.00
<b>Sanitation Provision</b>					
uMshwathi VIP Backlog Toilets	MIG	2 000 000.00	2 000 000.00		1 500 000.00
Impendle VIP Backlog Toilets	MIG	1 000 000.00	1 000 000.00		1 000 000.00
Mkhambathini VIP Backlog Toilet	MIG	2 000 000.00	2 000 000.00		1 000 000.00
Umgengi VIP Backlog Toilets	MIG	2 000 000.00	2 000 000.00		1 000 000.00
Richmond VIP Backlog Toilets	MIG	2 000 000.00	2 000 000.00		1 000 000.00
Mpofana VIP Backlog Toilet	MIG	1 000 000.00	1 000 000.00		1 000 000.00
		10 000 000.00	10 000 000.00	-	6 500 000.00
<b>Rural Roads Asset Management</b>					
Planning of Rural Roads Maintenance	RRAMS	2 681 000.00	2 681 000.00	1 875 758.00	2 681 000.00
		2 681 000.00	2 681 000.00	1 875 758.00	2 681 000.00
<b>CAPEX Summary</b>					
<b>Projects</b>					
Water Provision - MIG	MIG	91 944 000.00	91 944 002.00	59 616 918.00	95 444 000.00
Water Provision - WSIG	WSIG	80 000 000.00	80 000 000.00	67 347 361.00	80 000 000.00
Sanitation Provision	MIG	10 000 000.00	10 000 000.00	-	6 500 000.00
Rural Roads Asset Management	RRAMS	2 681 000.00	2 681 000.00	1 875 758.00	2 681 000.00
Energy Efficiency and Demand Side Management	EEDSM				
		184 625 000.00	184 625 002.00	128 840 037.00	184 625 000.00
<b>Funding</b>					
Municipal Infrastructure Grant (MIG)		101 944 000.00	101 944 000.00	101 944 000.00	101 944 000.00
Water Services Infrastructure Grant (WSIG)		80 000 000.00	80 000 000.00	80 000 000.00	80 000 000.00
RRAMS		2 681 000.00	2 681 000.00	2 681 000.00	2 681 000.00
Energy Efficiency and Demand Side Management					
		184 625 000.00	184 625 000.00	184 625 000.00	184 625 000.00