



DR NKOSAZANA DLAMINI- ZUMA LOCAL MUNICIPALITY PRESENTS 2021/22 ADJUSTMENT BUDGET

Copies of this document can be viewed at:

- reception
- public library
- www.ndz.gov.za

Table of Contents

Page

1. Purpose of the Report..... 3
2. Basis and Background on the Preparation of Adjustment Budget.....3

PART 1 – ADJUSTMENT BUDGET

1. Mayor’s Report4 - 6
2. Resolutions.....6
3. Executive Summary6-8
4. Adjustments Budget Tables9-23

PART 2 - SUPPORTING DOCUMENTATION

1. Adjustments to Budget Assumptions.....24
2. Adjustments to Budget Funding25-26
3. Adjustments to Expenditure on allocations and grants programmes27- 28
4. Adjustments to allocations and grants made by the municipality.....29
5. Adjustments to Councillor allowances and employee benefits.....29
6. Adjustments to Service Delivery and Budget Implementation Plan.....29 - 30
7. Adjustments to Capital Expenditure.....30-31
8. Other Supporting Documents32
 - 8.1 Operating Revenue.....32
 - 8.2 Operating Expenditure.....32-33
 - 8.3 Financial Modelling and key Planning Drivers.....34
 - 8.4 Overview of alignment of adjustment budget with IDP and SDBIP....34 -35
9. Municipal Manager’s Quality Certificate36

1. PURPOSE OF THE REPORT

The purpose of the report is to revise a budget through an adjustment budget as there have been additional revenues that has become available other than the one anticipated in the original budget in terms of MFMA.

2. BASIS AND BACKGROUND ON THE PREPARATION OF ADJUSTMENT BUDGET

Section 23(3) of MBRR

Section 23(3) of the Municipal Budget Reporting and Regulations, which states that if National or Provincial budget allocates or transfers additional revenues to the municipality, the Mayor of the municipality must, at the next available council meeting but within 60 days of the approval of the relevant National or Provincial adjustment, table adjustment budget referred to in section 28(2)(b) of the Act in municipal council to appropriate these additional revenues.

STOPPING AND RE-ALLOCATION OF GRANTS (GAZETTE 46095)

The stopping and reallocation of conditional grants is done in terms of sections 18 and 19 of the 2021 DoRA against municipalities that reported significant underperformance, non-compliance against conditional grants frameworks and the provisions of the Act against the 2021/22 allocations.

The purpose of sections 18 and 19 of DoRA is to avoid transferring more funds to municipalities that are sitting with unspent transferred funds, avoid fiscal dumping, addresses possibilities of funds misused and support fast moving projects in-year. The stopping however does not imply that projects should stop, rather municipalities should reprioritize in order to accelerate on their committed shovel ready projects. Only projects that are not ready for implementation in the current year are affected by the stopping process as transferring more funds could lead to the misusing of the conditional grants.

As part of re-allocation process the municipality received additional R6 000 000 from MIG and a reduction of R3 020 000 from INEP.

Integrated National Electrification Programme

The Electrification Contractors were appointed in time by the municipality. The electrification designs were submitted to Eskom in October 2021 for approval and the approval was then granted in February 2022 which affected the performance and plans of the municipality.

MUNICIPAL INGRASTRUCTURE GRANT AND INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME

Grant Description	2021/22 Original Budget	Adjustments	2021/2022 Final Adjustment Budget
Municipal Infrastructure Grant	R 36 508 000	R 6 000 000	R 42 508 000
Integrated National Electrification Programme	R 12 720 000	(R 3 020 000)	R 9 720 000

PART 1 – ADJUSTMENT BUDGET

1.1 MAYOR'S REPORT

2021/22 Adjustment budget presentation by her Worship the Mayor Councillor PS. Msomi at Dr Nkosazana Dlamini-Zuma Local Municipality in February 2022.

Honourable Speaker, I am pleased to officially present an overview of 2021/22 Adjustment Budget in terms of MFMA where we report on how the municipality anticipates ensuring that Service delivery priorities, as identified in the Integrated Development Plan (IDP) are funded and implemented. The MFMA states that “a municipality may revise an approved annual budget through an adjustments budget”

(a) Must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;

(b) may appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;

(C) may, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;

(d) May authorise the utilisation of projected savings in one vote towards spending under another vote;

(e) May authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by the council;

(f) May correct any errors made in the annual budget; and

(g) May provide for any other expenditure within a prescribed framework.

The adjustment budget has been prepared considering the provision of the MFMA as stated above and in other sections of the MFMA as well as treasury regulations and circulars.

Our main Objective as the municipality is to ensure that the communities of the Dr Nkosazana Dlamini-Zuma Local Municipality get access to basic services and thus we are confident that this adjustment budget has been compiled to ensure that this happens.

Our adjustment budget for the 2021/2022 financial year, being the second adjustment budget in our term of office, demonstrates Council desire to further the development of infrastructure to provide basic services to all our people despite the negative effects of the Covid-19 pandemic and the heavy rainfall and flooding that have also affected many of the municipal infrastructure projects, especially the road networks. This adjustment budget strives to demonstrate the compassion the Municipality has for its citizens.

Honourable Speaker, this year's adjustment budget underlines the mid-year revenue and expenditure framework of the municipality in the context of a fragile macroeconomic environment and outlook. The global, national and provincial economies have deteriorated further since the outbreak of covid-19. Honourable Members, it is prudent to allude to this house that there were already pre-existing challenges that contributed to the low economic growth in country. Dr Nkosazana Dlamini Zuma Municipality even before the outbreak of covid-19 pandemics, inter-alia are the following: low business confidence, high unemployment rate, a growing of debtor's book and a growing budget deficit due to reduced revenue.

The 2021/22 adjusted medium term expenditure framework, consisting of a R 246, 8million consolidated budget including the additional R 6million for MIG.

As a progressive municipality, 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 fact that this adjustment budget is crafted under tough economic times it is envisaged to steer the municipality through the tough economic environment we operate in and is also underpinned by cost containment measures which will allow a cost conscious spending.

I would also like to thank all the stakeholders who supported the municipality in the past years and current year.

Considering the above explanation, I hereby recommend that the council may approve the 2021/2022 Adjustment Budget.

I thank you.

Honourable Mayor
Councillor PS. Msomi

1.2 RESOLUTIONS

It is recommended that the council:

Notes and adopt the Adjustment Budget for 2021/2022 financial year and supporting documentation.

1.3 EXECUTIVE SUMMARY

The 2021/2022 Adjustments Budget for Dr Nkosazana Dlamini Zuma Municipality has been prepared in terms of the guidelines contained in Section 28(2) of the MFMA and furthermore ensures that the municipality continues to deliver on its core mandate and identified priorities, achieves its strategic goals and entails prioritising all available resources towards addressing the basic needs of its citizens.

The aim for the compilation of the 2021/2022 Adjustments Budget is to align the expenditure to the anticipated revenue and ensure that the budget is adequately funded. Heads of Departments were requested to identify areas where possible savings were identified in order to address those where additional funding was required.

In compiling the Adjustment Budget for the 2021/2022 financial year, the under mentioned principles gave guidance to the compilation of the 2021/2022 adjustment budget;

- The budget must be funded as required by Section 18 of the MFMA, which states that, an annual budget may only be funded from –
 - a) realistically anticipated revenues to be collected;
 - b) cash-backed surpluses from previous years not committed for other purposes; and
 - c) borrowed funds, but only for the capital budget referred to in section 17(2).
- Revenue projections in the budget must be realistic, taking into account –
 - a) projected revenue for the year taking into account collection levels to date; and
 - b) actual revenue collected in the previous financial years.

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

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes to maintain sound financial stewardship. A critical review was also undertaken of expenditures on non-core and 'nice to have' items. This has resulted in savings to the municipality.

The Provincial Treasury's Circular for Adjustment budget and Mid-Year Budget Assessment of 2021/22 was also used to guide the compilation of 2021/22 Adjustment Budget, comments on the 2021/2022 Mid-Year Budget and Performance Assessment report and the following was also taken into consideration;

- a) Revenue Reports on all revenue streams of Dr Nkosazana Dlamini-Zuma Local Municipality / allocation and grant receipts and expenditure for the past six months,
 - i) The Budget Versus Actual Expenditure report on all budgeted votes / budget statement

- ii) Service delivery implementation plan as it sets the service targets and performance indicators for Dr NDZ Municipality
- iii) Section 71 reports as submitted to National and Provincial Treasury which are used by the National Treasury and other stake holders for budget monitoring purposes
- iv) Approved roll overs grant roll

The Operating Revenue is estimated at R 246 ,8million and that is R6million increase when compared to the previous adjustment budget taking into account the projected impact of the Covid -19 pandemic. Following the call by national government to control government spending by implementing the cost containment measures, the expenditure budget has been kept to the bare necessities. The Operating Expenditure is proposed at R 240 ,5million which reflects an increase of R 2 ,2million when compared to the previous adjustment budget.

Capital expenditure is set to increase by 6% from R 91,3million of the previous adjustment budget to R 97 ,3million.

Summarily the budget can be reconciled as reflected in the below table.

EXPENDITURE TYPE	APPROVED BUDGET	TOTAL AMMENDMENTS	ADJUSTMENT BUDGET	% CHANGE
Operating Expenditure	238 272 956		238 272 956	0%
Capital Expenditure	91 311 137	6 000 000	97 311 168	6%
Total Budget	332 027 233	6 000 000	335 584 124	1%

1.1 ADJUSTMENTS BUDGET TABLES

TABLE B 1 ADJUSTMENT BUDGET SUMMARY

Table B1 below is a summary of Adjustment budget tables extracted from B Schedule. For more information on Adjustment Budget Tables, B Schedule version 6.5 extracted from financial system is attached on the report.

KZN436 Dr Nkosazana Dlamini Zuma - Table B1 Adjustments Budget Summary - 21/04/2022

Description	Budget Year 2021/22									Budget Year +1 2022/23	Budget Year +2 2023/24
	Original Budget	Prior Adjusted 1 A1	Accum. Funds 2 B	Multi-year capital 3 C	Unfore. Unavoid. 4 D	Nat. or Prov. Govt 5 E	Other Adjusts. 6 F	Total Adjusts. 7 G	Adjusted Budget 8 H	Adjusted Budget	Adjusted Budget
R thousands	A	1 A1	2 B	3 C	4 D	5 E	6 F	7 G	8 H		
Financial Performance											
Property rates	36 226	36 226	-	-	-	-	-	-	36 226	37 748	39 409
Service charges	4 045	4 045	-	-	-	-	-	-	4 045	4 215	4 400
Investment revenue	6 338	5 338	-	-	-	-	-	-	5 338	8 604	8 983
Transfers recognised - operational	147 721	148 230	-	-	-	-	-	-	148 230	152 252	148 940
Other own revenue	10 450	10 535	-	-	-	-	-	-	10 535	24 543	25 182
Total Revenue (excluding capital transfers and contributions)	204 780	204 374	-	-	-	-	-	-	204 374	227 361	226 914
Employee costs	86 453	85 120	-	-	-	-	-	-	85 120	89 941	93 631
Remuneration of councillors	11 901	11 901	-	-	-	-	-	-	11 901	12 401	12 947
Depreciation & asset impairment	49 362	37 721	-	-	-	-	-	-	37 721	58 394	54 699
Finance charges	303	203	-	-	-	-	-	-	203	316	329
Materials and bulk purchases	4 090	4 504	-	-	-	-	(75)	(75)	4 429	4 262	4 448
Transfers and grants	2 068	1 636	-	-	-	-	-	-	1 636	2 155	2 250
Other expenditure	85 050	97 188	-	-	-	-	75	75	97 263	84 285	87 987
Total Expenditure	239 228	238 273	-	-	-	-	-	-	238 273	251 753	256 290
Surplus/(Deficit)	(34 447)	(33 899)	-	-	-	-	-	-	(33 899)	(24 391)	(29 376)
Transfers recognised - capital	36 508	36 508	-	-	-	-	6 000	6 000	42 508	30 558	31 783
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	2 061	2 609	-	-	-	-	6 000	6 000	8 609	6 167	2 407
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	2 061	2 609	-	-	-	-	6 000	6 000	8 609	6 167	2 407
Capital expenditure & funds sources											
Capital expenditure	92 800	91 311	-	-	-	-	6 000	6 000	97 311	87 495	91 225
Transfers recognised - capital	36 508	36 883	-	-	-	-	6 000	6 000	42 883	30 558	31 783
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	56 292	54 428	-	-	-	-	-	-	54 428	56 937	59 442
Total sources of capital funds	92 800	91 311	-	-	-	-	6 000	6 000	97 311	87 495	91 225
Financial position											
Total current assets	172 970	193 594	-	-	-	-	(726)	(726)	192 868	193 081	192 948
Total non current assets	551 313	517 158	-	-	-	-	6 000	6 000	523 158	589 600	631 917
Total current liabilities	70 440	83 631	-	-	-	-	(726)	(726)	82 906	119 297	162 900
Total non current liabilities	20 554	17 111	-	-	-	-	-	-	17 111	20 554	20 554
Community wealth/Equity	633 288	610 010	-	-	-	-	-	-	610 010	642 830	641 410
Cash flows											
Net cash from (used) operating	81 165	73 140	-	-	-	-	2 980	2 980	76 120	83 897	79 053
Net cash from (used) investing	(83 170)	(81 681)	-	-	-	-	(6 000)	(6 000)	(87 681)	(72 545)	(76 057)
Net cash from (used) financing	(3)	-	-	-	-	-	-	-	-	(20)	(20)
Cash/cash equivalents at the year end	123 415	150 634	-	-	-	-	(3 020)	(3 020)	147 614	116 330	117 347
Cash backing/surplus reconciliation											
Cash and investments available	123 418	150 634	-	-	-	-	(3 020)	(3 020)	147 614	146 908	149 150
Application of cash and investments	18 658	38 497	-	-	-	-	3 201	3 201	41 698	71 696	110 809
Balance - surplus (shortfall)	104 760	112 137	-	-	-	-	(6 221)	(6 221)	105 917	75 212	38 341
Asset Management											
Asset register summary (WDV)	551 313	517 158	-	-	-	-	6 000	6 000	523 158	589 600	631 917
Depreciation & asset impairment	49 362	37 721	-	-	-	-	-	-	37 721	58 394	54 699
Renewal of Existing Assets	10 000	10 069	-	-	-	-	4 564	4 564	14 633	10 420	10 878
Repairs and Maintenance	8 708	15 380	-	-	-	-	-	-	15 380	8 657	9 037
Free services											
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	(18 519)	(18 519)	-	-	-	-	-	-	(18 519)	(19 296)	(20 145)
Households below minimum service level											
Water:	-	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-	-

Table B2 Adjustment Budget Financial Performance (Functional Classification)
This table below provides information on the adjustment of revenue and expenditure by functional classification.

KZN436 Dr Nkosazana Dlamini Zuma - Table B2 Adjustments Budget Financial Performance (functional classification) -

Standard Description	Ref	Budget Year 2021/22									Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget	Prior Adjusted 5 A1	Accum. Funds 6 B	Multi-year capital 7 C	Unfore. Unavoid. 8 D	Nat. or Prov. Govt 9 E	Other Adjusts. 10 F	Total Adjusts. 11 G	Adjusted Budget 12 H	Adjusted Budget	Adjusted Budget
R thousands	1, 4	A	A1	B	C	D	E	F	G	H		
Revenue - Functional												
<i>Governance and administration</i>		192 881	191 994	-	-	-	-	-	-	191 994	217 383	216 497
Executive and council		-	-	-	-	-	-	-	-	-	-	-
Finance and administration		192 881	191 994	-	-	-	-	-	-	191 994	217 383	216 497
Internal audit		-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		5 284	5 435	-	-	-	-	-	-	5 435	5 506	5 747
Community and social services		3 973	3 980	-	-	-	-	-	-	3 980	4 140	4 322
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		1 311	1 455	-	-	-	-	-	-	1 455	1 366	1 425
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		39 079	39 408	-	-	-	-	6 000	6 000	45 408	30 816	32 052
Planning and development		248	577	-	-	-	-	-	-	577	258	269
Road transport		38 831	38 831	-	-	-	-	6 000	6 000	44 831	30 558	31 783
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		4 045	4 045	-	-	-	-	-	-	4 045	4 215	4 400
Energy sources		-	-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		4 045	4 045	-	-	-	-	-	-	4 045	4 215	4 400
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	241 288	240 882	-	-	-	-	6 000	6 000	246 882	257 919	258 697
Expenditure - Functional												
<i>Governance and administration</i>		150 132	141 121	-	-	-	-	(2 219)	(2 219)	138 902	163 253	163 909
Executive and council		23 513	24 802	-	-	-	-	-	-	24 802	24 500	25 578
Finance and administration		124 749	113 165	-	-	-	-	(2 219)	(2 219)	110 946	137 045	136 548
Internal audit		1 870	3 154	-	-	-	-	-	-	3 154	1 708	1 783
<i>Community and public safety</i>		33 341	34 531	-	-	-	-	-	-	34 531	34 699	36 213
Community and social services		17 045	18 280	-	-	-	-	(50)	(50)	18 230	17 761	18 530
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		15 641	15 602	-	-	-	-	50	50	15 652	16 256	16 971
Housing		655	650	-	-	-	-	-	-	650	682	712
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		40 427	49 033	-	-	-	-	-	-	49 033	39 705	41 452
Planning and development		16 680	18 530	-	-	-	-	-	-	18 530	17 380	18 145
Road transport		23 747	30 503	-	-	-	-	-	-	30 503	22 325	23 307
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		11 189	9 549	-	-	-	-	2 219	2 219	11 769	9 784	10 214
Energy sources		1 000	-	-	-	-	-	2 219	2 219	2 219	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		10 189	9 549	-	-	-	-	-	-	9 549	9 784	10 214
<i>Other</i>		4 138	4 038	-	-	-	-	-	-	4 038	4 312	4 502
Total Expenditure - Functional	3	239 228	238 273	-	-	-	-	-	-	238 273	251 753	256 290
Surplus/ (Deficit) for the year		2 061	2 609	-	-	-	-	6 000	6 000	8 609	6 167	2 407

Table B3 presents the same information on the revenue and expenditure as the table above, the difference being that it's by Municipal vote.

KZN436 Dr Nkosazana Dlamini Zuma - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) -

Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2021/22									Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
R thousands												
Revenue by Vote	1											
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury		192 777	191 942	-	-	-	-	-	-	191 942	217 274	216 384
Vote 3 - Corporate Services		105	52	-	-	-	-	-	-	52	109	114
Vote 4 - Community Services		9 329	9 480	-	-	-	-	-	-	9 480	9 721	10 147
Vote 5 - Public Works and Basic Services		38 831	38 831	-	-	-	-	6 000	6 000	44 831	30 558	31 783
Vote 6 - Planning and Development		248	577	-	-	-	-	-	-	577	258	269
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	241 288	240 882	-	-	-	-	6 000	6 000	246 882	257 919	258 697
Expenditure by Vote	1											
Vote 1 - Executive and Council		25 383	27 956	-	-	-	-	-	-	27 956	26 208	27 361
Vote 2 - Budget and Treasury		99 593	81 446	-	-	-	-	(2 219)	(2 219)	79 226	110 832	109 182
Vote 3 - Corporate Services		25 056	31 629	-	-	-	-	-	-	31 629	26 108	27 257
Vote 4 - Community Services		40 929	42 513	-	-	-	-	-	-	42 513	42 606	44 469
Vote 5 - Public Works and Basic Services		41 702	48 165	-	-	-	-	2 219	2 219	50 385	39 158	40 880
Vote 6 - Planning and Development		6 564	6 564	-	-	-	-	-	-	6 564	6 840	7 141
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	239 228	238 273	-	-	-	-	-	-	238 273	251 753	256 290
Surplus/ (Deficit) for the year	2	2 061	2 609	-	-	-	-	6 000	6 000	8 609	6 167	2 407

The table above show the difference between revenue and expenditure by municipal vote when comparing the previous adjustment budget and the current adjustment budget by municipal vote. The total revenue by vote increased from R 240 ,8million to R 246 ,8million and total expenditure by vote has no movement it still sitting at R 238, 2million as per the previous adjustment budget in February.

TABLE B4 ADJUSTMENT BUDGET FINANCIAL PERFORMANCE

This table below provides information on the adjustment revenue by source and adjustment operational expenditures by type.

KZN436 Dr Nkosazana Dlamini Zuma - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -

Description	Ref	Budget Year 2021/22									Budget Year +1 2022/23	Budget Year +2 2023/24
		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	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
Revenue By Source												
Property rates	2	36 226	36 226	-	-	-	-	-	-	36 226	37 748	39 409
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	4 045	4 045	-	-	-	-	-	-	4 045	4 215	4 400
Service charges - other		-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		864	892	-	-	-	-	-	-	892	900	940
Interest earned - external investments		6 338	5 338	-	-	-	-	-	-	5 338	8 604	8 983
Interest earned - outstanding debtors		6 193	5 850	-	-	-	-	-	-	5 850	6 453	6 737
Dividends received		-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		418	745	-	-	-	-	-	-	745	435	455
Licences and permits		664	478	-	-	-	-	-	-	478	692	721
Agency services		340	529	-	-	-	-	-	-	529	354	370
Transfers and subsidies		147 721	148 230	-	-	-	-	-	-	148 230	152 252	148 940
Other revenue	2	729	797	-	-	-	-	-	-	797	759	793
Gains		1 244	1 244	-	-	-	-	-	-	1 244	14 950	15 168
Total Revenue (excluding capital transfers and contributions)		204 780	204 374	-	-	-	-	-	-	204 374	227 361	226 914
Expenditure By Type												
Employee related costs		86 453	85 120	-	-	-	-	-	-	85 120	89 941	93 631
Remuneration of councillors		11 901	11 901	-	-	-	-	-	-	11 901	12 401	12 947
Debt impairment		20 059	15 623	-	-	-	-	(2 219)	(2 219)	13 404	20 901	21 821
Depreciation & asset impairment		49 362	37 721	-	-	-	-	-	-	37 721	58 394	54 699
Finance charges		303	203	-	-	-	-	-	-	203	316	329
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-	-	-
Inventory Consumed		4 090	4 504	-	-	-	-	(75)	(75)	4 429	4 262	4 448
Contracted services		36 858	47 044	-	-	-	-	2 146	2 146	49 190	36 531	38 135
Transfers and subsidies		2 068	1 636	-	-	-	-	-	-	1 636	2 155	2 250
Other expenditure		28 134	34 520	-	-	-	-	148	148	34 668	26 853	28 032
Losses		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		239 228	238 273	-	-	-	-	-	-	238 273	251 753	256 290
Surplus/(Deficit)		(34 447)	(33 899)	-	-	-	-	-	-	(33 899)	(24 391)	(29 376)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		36 508	36 508	-	-	-	-	6 000	6 000	42 508	30 558	31 783
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) before taxation		2 061	2 609	-	-	-	-	6 000	6 000	8 609	6 167	2 407
Taxation		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		2 061	2 609	-	-	-	-	6 000	6 000	8 609	6 167	2 407
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		2 061	2 609	-	-	-	-	6 000	6 000	8 609	6 167	2 407
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		2 061	2 609	-	-	-	-	6 000	6 000	8 609	6 167	2 407

Total Operating Revenue (excluding capital transfers)

The total operating revenue of the municipality has no adjustments when compared to the previous adjustment budget for February 2022(R 204, 3million).

Property Rates

Property rates have not been adjusted, they were sitting at 48% on the first half of the financial year even though it was slightly lower than the straight line projection.

Service Charges

Service charges was not adjusted, the revenue collected was in line with the revenue projected.

Rental of facilities

Rental of facilities has been adjusted upwards from R 850 781 to R 865 660 when compared to original budget, the budget for ad-hoc rentals was underestimated due to unpredicted changes on national lockdown levels.

Licences and Permits

Licences and permit has decrease form R 663 750 to R 477 958 when compared to the original budget due to low demand in bookings for Learners Licenses due to Covid-19.

Agency Services

Agency services has increased from R339 753 to R 529 498 when compared to the original budget, agency services were underestimated in the original budget.

Other Revenue

Other revenue sources have increased from R 728 538 to R 796 815 or by 9% due to increase in insurance refund received other than used for set-off against replacement of movable assets.

Interest Earned on External Investment

Interest earned on external investments has decreased from R 6 ,3million to R 5 ,3 million when compared to the original budget this is caused by the Covid-19 pandemic as the economy has declined and repo rate has decreased.

Operating Expenditure

The overall operating expenditure has no adjustments when compared to the previous adjustment budget for February 2022(R 238, 2million)

Employee Related Costs

Employee related costs has not been adjusted because the recruitment process for certain vacant positions would take place after the adjustment budget is approved.

Councillors Remuneration

It has not been adjusted as the Gazette on the determination of upper limits on remuneration of municipal councillors has not been published as when the adjustment budget was prepared.

Other Materials

An upward adjustment has been made to other materials as they increased from R4 million to R4, 5million when comparing to the original budget.

Contracted Services

Contracted services have increased from R47million to R49 ,1million and that is 4% or R2 ,2million increase when compared to the previous adjustment budget mainly as a result of the electrification projects that are funded internally due to the reduced allocation of the INEP Grant from R 12,7milliom to R 9, 7million and the projects have already kickstarted.

Transfers and Subsidies

Transfers and subsidies decreased from R 2 million to R 1 ,6million when compared to original budget due to low in numbers of indigents purchasing electricity.

Other Expenditure

Other expenditure comprises of various line items relating to the daily operations of the municipality, an upward adjustment of an amount of R6 ,3million was made due to the increase in operations. Operating expenditure increased from R 28, 1million to R34, 5million when compared to the original budget.

Depreciation and Asset Impairment

A downward adjustment has been made, the budget decreased from R49, 3million to R37, 7million when compared to the original budget as a result of a delay in completion of projects that were supposed to be completed in the last financial year, the completion date has been revised to current.

Debt Impairment

A downward adjustment has been made on debt impairment, decreased from R15 ,6million to R13 ,4million when compared to the previous adjustment prepared in February 2022.

Finance charges

Finance charges – a downward adjustment has been made from R302 857 to R202 857 as per the original budget, the ongoing control measures that were introduced to avoid interest on late payments are being monitored and the lease agreement for printing machinery has come into end, the municipality is currently in a process to get into a new contract which will be finalized before the end of the financial year.

TABLE B5 ADJUSTMENT CAPITAL EXPENDITURE BUDGET BY VOTE AND FUNDING

Table B5 below reports on the adjusted capital expenditures by departments (municipal vote) and also by standard classification. The bottom part of the schedule looks at the funding sources of the capital projects.

Capital Expenditure has increased from R 91 ,3million to R97 ,3million or by 6% when compared to the previous adjustment budget for February 2022 because of the additional allocation of R6 million for municipal infrastructure grant.

Dr Nkosazana Dlamini Zuma Municipality Adjustment Budget 2021/22

KZN436 Dr Nkosazana Dlamini Zuma - Table B5 Adjustments Capital Expenditure Budget by vote and funding -

Description	Ref	Budget Year 2021/22									Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjus.	Total Adjus.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
Capital expenditure - Vote												
Multi-year expenditure to be adjusted	2											
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community Services		3 300	100	-	-	-	-	-	-	100	3 439	3 590
Vote 5 - Public Works and Basic Services		20 623	13 689	-	-	-	-	824	824	14 513	14 187	14 811
Vote 6 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	3	23 923	13 789	-	-	-	-	824	824	14 613	17 625	18 401
Single-year expenditure to be adjusted	2											
Vote 1 - Executive and Council		151	231	-	-	-	-	-	-	231	158	165
Vote 2 - Budget and Treasury		803	2 203	-	-	-	-	-	-	2 203	837	874
Vote 3 - Corporate Services		1 708	2 075	-	-	-	-	-	-	2 075	1 103	1 151
Vote 4 - Community Services		7 847	12 859	-	-	-	-	-	-	12 859	8 177	8 536
Vote 5 - Public Works and Basic Services		58 207	59 993	-	-	-	-	5 176	5 176	65 169	59 429	61 924
Vote 6 - Planning and Development		160	160	-	-	-	-	-	-	160	167	174
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		68 877	77 522	-	-	-	-	5 176	5 176	82 698	69 869	72 824
Total Capital Expenditure - Vote		92 800	91 311	-	-	-	-	6 000	6 000	97 311	87 495	91 225
Capital Expenditure - Functional												
Governance and administration		3 213	5 060	-	-	-	-	-	-	5 060	2 670	2 788
Executive and council		151	231	-	-	-	-	-	-	231	158	165
Finance and administration		3 061	4 828	-	-	-	-	-	-	4 828	2 512	2 623
Internal audit		-	-	-	-	-	-	-	-	-	-	-
Community and public safety		11 347	13 314	-	-	-	-	-	-	13 314	11 824	12 344
Community and social services		4 049	2 163	-	-	-	-	-	-	2 163	4 219	4 404
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		7 298	11 152	-	-	-	-	-	-	11 152	7 605	7 939
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		74 740	67 922	-	-	-	-	6 000	6 000	73 922	69 354	72 286
Planning and development		72 153	60 585	-	-	-	-	6 000	6 000	66 585	66 658	69 471
Road transport		2 587	7 337	-	-	-	-	-	-	7 337	2 696	2 814
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		3 500	5 015	-	-	-	-	-	-	5 015	3 647	3 807
Energy sources		-	-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		1 000	1 000	-	-	-	-	-	-	1 000	1 042	1 088
Waste management		2 500	4 015	-	-	-	-	-	-	4 015	2 605	2 720
Other		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	92 800	91 311	-	-	-	-	6 000	6 000	97 311	87 495	91 225
Funded by:												
National Government		36 508	36 508	-	-	-	-	6 000	6 000	42 508	30 558	31 783
Provincial Government		-	375	-	-	-	-	-	-	375	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	36 508	36 883	-	-	-	-	6 000	6 000	42 883	30 558	31 783
Borrowing		-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		56 292	54 428	-	-	-	-	-	-	54 428	56 937	59 442
Total Capital Funding		92 800	91 311	-	-	-	-	6 000	6 000	97 311	87 495	91 225

Table B6 - Budgeted Financial Position

The table below gives an over view of the financial position of the Municipality in the adjustment budget

KZN436 Dr Nkosazana Dlamini Zuma - Table B6 Adjustments Budget Financial Position - 21/04/2022

Description	Ref	Budget Year 2021/22								Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget
R thousands		A	A1	4	5	6	7	8	9	10	
ASSETS											
Current assets											
Cash		39 734	101 636	-	-	-	-	(3 020)	(3 020)	98 616	63 224
Call investment deposits	1	83 684	48 998	-	-	-	-	-	-	48 998	83 684
Consumer debtors	1	45 040	37 503	-	-	-	-	2 219	2 219	39 723	41 928
Other debtors		4 311	5 671	-	-	-	-	-	-	5 671	4 036
Current portion of long-term receivables		-	-	-	-	-	-	-	-	-	-
Inventory		200	(214)	-	-	-	-	75	75	(139)	208
Total current assets		172 970	193 594	-	-	-	-	(726)	(726)	192 868	193 081
Non current assets											
Long-term receivables		-	-	-	-	-	-	-	-	-	-
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		20 411	20 411	-	-	-	-	-	-	20 411	20 411
Investment in Associate		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	1	530 486	496 180	-	-	-	-	6 000	6 000	502 180	568 479
Agricultural		-	-	-	-	-	-	-	-	-	-
Biological		-	-	-	-	-	-	-	-	-	-
Intangible		416	567	-	-	-	-	-	-	567	710
Other non-current assets		-	-	-	-	-	-	-	-	-	-
Total non current assets		551 313	517 158	-	-	-	-	6 000	6 000	523 158	589 600
TOTAL ASSETS		724 282	710 752	-	-	-	-	5 274	5 274	716 026	782 681
LIABILITIES											
Current liabilities											
Bank overdraft		-	-	-	-	-	-	-	-	-	-
Borrowing		(171)	171	-	-	-	-	-	-	171	(171)
Consumer deposits		(20)	2	-	-	-	-	-	-	2	(20)
Trade and other payables		61 013	73 855	-	-	-	-	(726)	(726)	73 129	106 786
Provisions		9 618	9 604	-	-	-	-	-	-	9 604	12 702
Total current liabilities		70 440	83 631	-	-	-	-	(726)	(726)	82 906	119 297
Non current liabilities											
Borrowing	1	-	-	-	-	-	-	-	-	-	-
Provisions	1	20 554	17 111	-	-	-	-	-	-	17 111	20 554
Total non current liabilities		20 554	17 111	-	-	-	-	-	-	17 111	20 554
TOTAL LIABILITIES		90 994	100 743	-	-	-	-	(726)	(726)	100 017	139 851
NET ASSETS	2	633 288	610 010	-	-	-	-	6 000	6 000	616 010	642 830
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		628 049	604 516	-	-	-	-	-	607 907	610 516	637 591
Reserves		5 239	5 493	-	-	-	-	-	-	5 493	5 239
TOTAL COMMUNITY WEALTH/EQUITY		633 288	610 010	-	-	-	-	-	607 907	616 010	642 830

Table B7- Budgeted Cash Flow Statement

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

KZN436 Dr Nkosazana Dlamini Zuma - Table B7 Adjustments Budget Cash Flows -

Description	Ref	Budget Year 2021/22									Budget Year +1 2022/23	Budget Year +2 2023/24
		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		A	A1	B	C	D	E	F	G	H		
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates		26 021	26 021	-	-	-	-	-	-	26 021	27 114	28 307
Service charges		2 911	2 911	-	-	-	-	-	-	2 911	3 039	3 176
Other revenue		17 290	17 376	-	-	-	-	-	-	17 376	18 016	18 808
Government - operating	1	160 441	160 441	-	-	-	-	(3 020)	(3 020)	157 421	161 252	159 940
Government - capital	1	36 508	36 508	-	-	-	-	6 000	6 000	42 508	30 558	31 783
Interest		10 786	9 786	-	-	-	-	-	-	9 786	13 239	13 822
Dividends		-	-	-	-	-	-	-	-	-	-	-
Payments												
Suppliers and employees		(170 421)	(178 064)	-	-	-	-	-	-	(178 064)	(166 851)	(174 204)
Finance charges		(303)	(203)	-	-	-	-	-	-	(203)	(316)	(329)
Transfers and Grants	1	(2 068)	(1 636)	-	-	-	-	-	-	(1 636)	(2 155)	(2 250)
NET CASH FROM/(USED) OPERATING ACTIVITIES		81 165	73 140	-	-	-	-	2 980	2 980	76 120	83 897	79 053
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE		9 630	9 630	-	-	-	-	-	-	9 630	14 950	15 168
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-	-
Payments												
Capital assets		(92 800)	(91 311)	-	-	-	-	(6 000)	(6 000)	(97 311)	(87 495)	(91 225)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(83 170)	(81 681)	-	-	-	-	(6 000)	(6 000)	(87 681)	(72 545)	(76 057)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans		-	-	-	-	-	-	-	-	-	-	-
Borrowing long term refinancing		-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		(3)	-	-	-	-	-	-	-	-	(20)	(20)
Payments												
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(3)	-	-	-	-	-	-	-	-	(20)	(20)
NET INCREASE/(DECREASE) IN CASH HELD		(2 008)	(8 541)	-	-	-	-	(3 020)	(3 020)	(11 561)	11 332	2 976
Cash/cash equivalents at the year begin:	2	125 422	159 176	-	-	-	-	-	-	159 176	104 997	114 370
Cash/cash equivalents at the year end:	2	123 415	150 634	-	-	-	-	(3 020)	(3 020)	147 614	116 330	117 347

Table B8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

KZN436 Dr Nkosazana Dlamini Zuma - Table B8 Cash backed reserves/accumulated surplus reconciliation - 21/04/2022

Description	Ref	Budget Year 2021/22									Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
			3	4	5	6	7	8	9	10		
R thousands		A	A1	B	C	D	E	F	G	H		
Cash and investments available												
Cash/cash equivalents at the year end	1	123 415	150 634	-	-	-	-	(3 020)	(3 020)	147 614	116 330	117 347
Other current investments > 90 days		3	-	-	-	-	-	-	-	-	30 578	31 803
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		123 418	150 634	-	-	-	-	(3 020)	(3 020)	147 614	146 908	149 150
Applications of cash and investments												
Unspent conditional transfers		5 707	5 904	-	-	-	-	-	-	5 904	5 707	5 707
Unspent borrowing		-	-	-	-	-	-	-	-	-	-	-
Statutory requirements		-	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	2	(4 827)	13 504					(4 001)	(4 001)	9 503	44 105	86 977
Other provisions		-	-	-	-	-	-	-	-	-	-	-
Long term investments committed		-	-					-	-	-	-	-
Reserves to be backed by cash/investments		25 793	22 604					2 485	2 485	25 089	21 884	18 124
Total Application of cash and investments:		26 673	42 012	-	-	-	-	(1 517)	(1 517)	40 496	71 696	110 809
Surplus(shortfall)		96 745	108 622	-	-	-	-	(1 503)	(1 503)	107 119	75 212	38 341
Reserves to be backed by cash/investments												
Housing Development Fund		5 239	5 493							5 493	5 239	5 239
Capital replacement												
Self-insurance												
Other reserves												
Compensation for Occupational Injuries and Diseases												
Employee Benefit Reserve		20 554	17 111							5 493	5 239	5 239
Non-current Provisions Reserve									6 000	14 103	11 406	7 646
Valuation Reserve												
Investment in associate account												
Capitalisation Reserve												
Revaluation												
		25 793	22 604	-	-	-	-	-	6 000	25 089	21 884	18 124

Table B9 - Asset Management

Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

KZN436 Dr Nkosazana Dlamini Zuma - Table B9 Asset Management -

Description	Ref	Budget Year 2021/22									Budget Year	Budget Year	B9
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2022/23	+2 2023/24	
		A	7	8	9	10	11	12	13	14			
R thousands			A1	B	C	D	E	F	G	H			
CAPITAL EXPENDITURE													
Total New Assets to be adjusted	1	67 300	70 922	-	-	-	-	1 436	1 436	72 358	61 601	64 192	NEW
Roads Infrastructure		16 500	10 580	-	-	-	-	652	652	11 232	40 978	42 661	2110
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-	2160
Electrical Infrastructure		500	500	-	-	-	-	-	-	500	521	544	2200
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-	2300
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-	2410
Solid Waste Infrastructure		1 600	2 100	-	-	-	-	-	-	2 100	1 667	1 741	2480
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-	2560
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-	2660
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-	2720
Infrastructure		18 600	13 180	-	-	-	-	652	652	13 832	43 166	44 946	Sum
Community Facilities		24 388	22 011	-	-	-	-	1 413	1 413	23 424	1 438	1 501	2780
Sport and Recreation Facilities		8 000	8 310	-	-	-	-	(629)	(629)	7 681	-	-	3010
Community Assets		32 388	30 321	-	-	-	-	784	784	31 105	1 438	1 501	Sum
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-	3050
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-	3120
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-	3150
Investment properties		-	-	-	-	-	-	-	-	-	-	-	Sum
Operational Buildings		11 450	13 353	-	-	-	-	-	-	13 353	11 931	12 456	3190
Housing		-	-	-	-	-	-	-	-	-	-	-	3310
Other Assets	6	11 450	13 353	-	-	-	-	-	-	13 353	11 931	12 456	Sum
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-	3350
Servitudes		-	-	-	-	-	-	-	-	-	-	-	3380
Licences and Rights		499	489	-	-	-	-	-	-	489	520	543	3390
Intangible Assets		499	489	-	-	-	-	-	-	489	520	543	Sum
Computer Equipment		660	715	-	-	-	-	-	-	715	688	718	3460
Furniture and Office Equipment		981	1 843	-	-	-	-	-	-	1 843	1 022	1 067	3480
Machinery and Equipment		2 722	4 321	-	-	-	-	-	-	4 321	2 836	2 961	3500
Transport Assets		-	6 700	-	-	-	-	-	-	6 700	-	-	3520
Land		-	-	-	-	-	-	-	-	-	-	-	3540
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-	3560
Total Renewal of Existing Assets to be adjusted	2	10 000	10 069	-	-	-	-	4 564	4 564	14 633	10 420	10 878	RENEW
Roads Infrastructure		10 000	10 069	-	-	-	-	4 564	4 564	14 633	10 420	10 878	4110
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-	4160
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-	4200
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-	4300
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-	4410
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-	4480
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-	4560
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-	4660
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-	4720
Infrastructure		10 000	10 069	-	-	-	-	4 564	4 564	14 633	10 420	10 878	Sum
Community Facilities		-	-	-	-	-	-	-	-	-	-	-	4780
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	-	5010
Community Assets		-	-	-	-	-	-	-	-	-	-	-	Sum
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-	5050
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-	5120
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-	5150
Investment properties		-	-	-	-	-	-	-	-	-	-	-	Sum
Operational Buildings		-	-	-	-	-	-	-	-	-	-	-	5190
Housing		-	-	-	-	-	-	-	-	-	-	-	5310
Other Assets	6	-	-	-	-	-	-	-	-	-	-	-	Sum
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-	5350
Servitudes		-	-	-	-	-	-	-	-	-	-	-	5380
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-	5390
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	Sum
Computer Equipment		-	-	-	-	-	-	-	-	-	-	-	5460
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-	-	-	5480
Machinery and Equipment		-	-	-	-	-	-	-	-	-	-	-	5500
Transport Assets		-	-	-	-	-	-	-	-	-	-	-	5520
Land		-	-	-	-	-	-	-	-	-	-	-	5540
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-	5560

Table B9 Cont....

Total Upgrading of Existing Assets to be adjusted	2a	15 500	10 321	-	-	-	-	-	-	10 321	15 474	16 155
Roads Infrastructure		13 000	8 331	-	-	-	-	-	-	8 331	13 546	14 142
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		600	540	-	-	-	-	-	-	540	625	653
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		13 600	8 871	-	-	-	-	-	-	8 871	14 171	14 795
Community Facilities		250	250	-	-	-	-	-	-	250	261	272
Sport and Recreation Facilities		1 000	600	-	-	-	-	-	-	600	1 042	1 088
Community Assets		1 250	850	-	-	-	-	-	-	850	1 303	1 360
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets	6	-	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		650	600	-	-	-	-	-	-	600	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure to be adjusted	4	39 500	28 980	-	-	-	-	5 216	5 216	34 195	64 944	67 682
Roads Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Storm water Infrastructure		500	500	-	-	-	-	-	-	500	521	544
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		2 200	2 640	-	-	-	-	-	-	2 640	2 292	2 393
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		42 200	32 120	-	-	-	-	5 216	5 216	37 335	67 757	70 619
Community Facilities		24 638	22 261	-	-	-	-	1 413	1 413	23 674	1 698	1 773
Sport and Recreation Facilities		9 000	8 910	-	-	-	-	(629)	(629)	8 281	1 042	1 088
Community Assets		33 638	31 171	-	-	-	-	784	784	31 955	2 740	2 861
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		11 450	13 353	-	-	-	-	-	-	13 353	11 931	12 456
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets		11 450	13 353	-	-	-	-	-	-	13 353	11 931	12 456
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		499	489	-	-	-	-	-	-	489	520	543
Intangible Assets		499	489	-	-	-	-	-	-	489	520	543
Computer Equipment		660	715	-	-	-	-	-	-	715	688	718
Furniture and Office Equipment		1 631	2 443	-	-	-	-	-	-	2 443	1 022	1 067
Machinery and Equipment		2 722	4 321	-	-	-	-	-	-	4 321	2 836	2 961
Transport Assets		-	6 700	-	-	-	-	-	-	6 700	-	-
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE to be adjusted	4	92 800	91 311	-	-	-	-	6 000	6 000	97 311	87 495	91 225

Table B9 Cont....

ASSET REGISTER SUMMARY - PPE (WDV)	5											
Roads Infrastructure		200 521	182 560	-	-	-	-	5 216	5 216	187 776	218 877	249 133
Storm water Infrastructure		1 000	1 000	-	-	-	-	-	-	1 000	1 042	1 088
Electrical Infrastructure		500	500	-	-	-	-	-	-	500	521	544
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		2 500	3 640	-	-	-	-	-	-	3 640	2 605	2 720
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		204 521	187 700	-	-	-	-	5 216	5 216	192 916	223 045	253 485
Community Assets		216 394	216 054	-	-	-	-	784	784	216 838	217 852	219 374
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		20 411	20 411	-	-	-	-	-	-	20 411	20 411	20 411
Other Assets		78 359	59 216	-	-	-	-	-	-	59 216	89 665	101 468
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		416	567	-	-	-	-	-	-	567	710	1 017
Computer Equipment		3 126	2 299	-	-	-	-	-	-	2 299	3 063	2 997
Furniture and Office Equipment		5 756	4 143	-	-	-	-	-	-	4 143	5 638	5 422
Machinery and Equipment		14 844	10 740	-	-	-	-	-	-	10 740	15 873	17 039
Transport Assets		15 871	24 413	-	-	-	-	-	-	24 413	13 343	10 705
Land		(8 386)	(8 386)	-	-	-	-	-	-	(8 386)	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	551 313	517 158	-	-	-	-	6 000	6 000	523 158	589 600	631 917
EXPENDITURE OTHER ITEMS												
<u>Depreciation & asset impairment</u>		49 362	37 721	-	-	-	-	-	-	37 721	58 394	54 699
<u>Repairs and Maintenance by asset class</u>	3	8 708	15 380	-	-	-	-	-	-	15 380	8 657	9 037
Roads Infrastructure		3 000	7 000	-	-	-	-	-	-	7 000	3 127	3 264
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		3 000	7 000	-	-	-	-	-	-	7 000	3 127	3 264
Community Facilities		2 400	3 352	-	-	-	-	-	-	3 352	2 084	2 176
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	-
Community Assets		2 400	3 352	-	-	-	-	-	-	3 352	2 084	2 176
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		900	1 200	-	-	-	-	-	-	1 200	938	979
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets		900	1 200	-	-	-	-	-	-	1 200	938	979
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-
Computer Equipment		39	39	-	-	-	-	-	-	39	41	42
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment		443	413	-	-	-	-	-	-	413	461	482
Transport Assets		1 926	3 376	-	-	-	-	-	-	3 376	2 007	2 095
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	6	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS to be adjusted		58 070	53 101	-	-	-	-	-	-	53 101	67 051	63 736

Table B10 - Basic Service Delivery Measurement

KZN436 Dr Nkosazana Dlamini Zuma - Table B10 Basic service delivery measurement -

Description	Ref	Budget Year 2021/22									Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
Household service targets	1											
Water:												
Piped water inside dwelling		2 852							-	-	2 852	2 852
Piped water inside yard (but not in dwelling)		26 767							-	-	26 767	26 767
Using public tap (at least min.service level)	2								-	-		
Other water supply (at least min.service level)									-	-		
Minimum Service Level and Above sub-total	3	30	-	-	-	-	-	-	-	-	30	30
Using public tap (< min.service level)	3,4								-	-		
Other water supply (< min.service level)									-	-		
No water supply									-	-		
Below Minimum Service Level sub-total	5	-	-	-	-	-	-	-	-	-	-	-
Total number of households	5	30	-	-	-	-	-	-	-	-	30	30
Sanitation/sewerage:												
Flush toilet (connected to sewerage)									-	-		
Flush toilet (with septic tank)									-	-		
Chemical toilet									-	-		
Pit toilet (ventilated)									-	-		
Other toilet provisions (> min.service level)									-	-		
Minimum Service Level and Above sub-total		-	-	-	-	-	-	-	-	-	-	-
Bucket toilet									-	-		
Other toilet provisions (< min.service level)									-	-		
No toilet provisions									-	-		
Below Minimum Service Level sub-total	5	-	-	-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-	-	-
Energy:												
Electricity (at least min. service level)									-	-		
Electricity - prepaid (> min.service level)		98 658							-	-	98 658	98 658
Minimum Service Level and Above sub-total		98 658	-	-	-	-	-	-	-	-	98 658	98 658
Electricity (< min.service level)									-	-		
Electricity - prepaid (< min. service level)									-	-		
Other energy sources									-	-		
Below Minimum Service Level sub-total	5	-	-	-	-	-	-	-	-	-	-	-
Total number of households	5	98 658	-	-	-	-	-	-	-	-	98 658	98 658
Refuse:												
Removed at least once a week (min.service)		2 927							-	-	3 050	3 185
Minimum Service Level and Above sub-total		2 927	-	-	-	-	-	-	-	-	3 050	3 185
Removed less frequently than once a week									-	-		
Using communal refuse dump									-	-		
Using own refuse dump									-	-		
Other rubbish disposal									-	-		
No rubbish disposal									-	-		
Below Minimum Service Level sub-total	5	-	-	-	-	-	-	-	-	-	-	-
Total number of households	5	2 927	-	-	-	-	-	-	-	-	3 050	3 185
Households receiving Free Basic Service	15											
Water (6 kilolitres per household per month)									-	-		
Sanitation (free minimum level service)									-	-		
Electricity/other energy (50kwh per household per month)		172 333							-	-	179 571	187 742
Refuse (removed at least once a week)		86 853							-	-	90 219	94 189
Cost of Free Basic Services provided (R'000)	16											
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service)		-	-	-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		172	-	-	-	-	-	-	-	-	180	188
Refuse (removed once a week)		87	-	-	-	-	-	-	-	-	90	94
Total cost of FBS provided (minimum social package)		259	-	-	-	-	-	-	-	-	270	282
Highest level of free service provided												
Property rates (R'000 value threshold)									-	-		
Water (kilolitres per household per month)									-	-		
Sanitation (kilolitres per household per month)									-	-		
Sanitation (Rand per household per month)									-	-		
Electricity (kw per household per month)									-	-		
Refuse (average litres per week)		3 085							-	-	3 215	3 356
Revenue cost of free services provided (R'000)	17											
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		-	-	-	-	-	-	-	-	-	-	-
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		18 519		-	-	-	-	-	-	-	19 296	20 145
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided	6	18 519	-	-	-	-	-	-	-	-	19 296	20 145

PART 2 – SUPPORTING DOCUMENTATION

2.1 ADJUSTMENTS TO BUDGET ASSUMPTIONS

Adjustment Budget on Financial Performance (Revenue and Expenditure)

Table below provides a brief summary of the budget adjustment of the municipality in the revenue, operating and capital expenditure. The revenue of the municipality has increased from R240, 8million to R246, 8million in the adjustment budget and that is 2% increase when compared to the previous adjustment budget for February 2022. The contributing factor to this increase in the additional allocation of R6million for municipal infrastructure grant.

The overall operational expenditure has no movement when compared to February adjustment budget of R238 ,2million The overall operating deficit after expenditure is R -33,899million.

The table below shows the budget performance of the Municipality

SUMMARY STATEMENT OF FINAL BUDGET					
DESCRIPTION	2021/22 February Adjustment	Adjustments	2021/22 April Adjustment Budget	2022/23 Budget Year	2023/24 Budget Year
Total Operating Revenue	-204 374 418	-	-204 374 418	-227 361 490	-226 913 881
Total Capital Revenue	-36 508 000	-6 000 000	-42 508 000	-30 558 000	-31 783 000
Operating Expenditure	238 272 956	-	238 272 956	251 752 944	256 290 115
Surplus/(Defecit Before Capital)	-2 609 462	-6 000 000	-8 609 462	-6 166 546	-2 406 766
Capital Expenditue	91 311 169	6 000 000	97 311 169	87 494 549	91 224 757
DESCRIPTION	2021/22 Final Budget	Adjustments	2021/22 Final Adjustment Budget	2022/23 Budget Year	2023/24 Budget Year
Other Grants					
INEP Grant	12 720 000	-3 020 000	9 700 000	9 000 000	11 000 000
Bhidla Housing Grant	311 024	-	-	-	-

2.2 ADJUSTMENTS TO BUDGET FUNDING

For Dr Nkosazana Dlamini Zuma Municipality to continue improving the quality of services provided to its citizens, it needs to generate the required revenue. In these tough economic times, strong revenue and expenditure management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with developed backlogs poverty and high rate of unemployment, heavy rainfall and flooding have also been experienced.

The expenditure to be incurred to address these challenges will inevitably always exceed available funding, hence difficult choices must be made in relation to tariff increase and balancing expenditure against realistically anticipated revenue.

The operational and capital budget is typically funded by Grants as the municipality is grant dependent and less of the revenue generated by the Municipality. The municipality has a total revenue budget of R 246 ,8million. That revenue will be used to fund the operational expenditure of R238 ,2million, Capital expenditure of R97, 3million.The municipality has also used its own reserves to fund the expenditure difference.

KZN436 Dr Nkosazana Dlamini Zuma - Table B8 Cash backed reserves/accumulated surplus reconciliation -

Description	Ref	Budget Year 2021/22									Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
Cash and investments available												
Cash/cash equivalents at the year end	1	123 415	150 634	-	-	-	-	(3 020)	(3 020)	147 614	116 330	117 347
Other current investments > 90 days	3	-	-	-	-	-	-	-	-	-	30 578	31 803
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		123 418	150 634	-	-	-	-	(3 020)	(3 020)	147 614	146 908	149 150
Applications of cash and investments												
Unspent conditional transfers		5 707	5 904	-	-	-	-	-	-	5 904	5 707	5 707
Unspent borrowing		-	-	-	-	-	-	-	-	-	-	-
Statutory requirements		-	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	2	(4 827)	13 504	-	-	-	-	(4 001)	(4 001)	9 503	44 105	86 977
Other provisions		-	-	-	-	-	-	-	-	-	-	-
Long term investments committed		-	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments		17 778	19 089	-	-	-	-	6 000	6 000	25 089	21 884	18 124
Total Application of cash and investments:		18 658	38 497	-	-	-	-	1 999	1 999	40 496	71 696	110 809
Surplus(shortfall)		104 760	112 137	-	-	-	-	(5 019)	(5 019)	107 119	75 212	38 341

Table SB7 below provides details of the Government Grants and Subsidies differentiated between National & Provincial Governments.

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SB7 Adjustments Budget - transfers and grant receipts -									
Description	Budget Year 2021/22							Budget Year +1 2022/23	Budget Year +2 2023/24
	Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	7 A1	8 B	9 C	10 D	11 E	12 F		
RECEIPTS:									
Operating Transfers and Grants									
National Government:	156 469	156 469	-	-	(3 020)	(3 020)	153 449	157 113	155 619
Operational Revenue:General Revenue:Equitable Share	139 476	139 476	-	-	-	-	139 476	146 163	142 669
Operational:Revenue:General Revenue:Fuel Levy	-	-	-	-	-	-	-	-	-
Energy Efficiency and Demand-side [Schedule 5B]	-	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	2 323	2 323	-	-	-	-	2 323	-	-
Khayelitsha Urban Renewal	-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant [Schedule 5B]	1 950	1 950	-	-	-	-	1 950	1 950	1 950
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Municipal Restructuring Grant	12 720	12 720	-	-	(3 020)	(3 020)	9 700	9 000	11 000
Regional Bulk Infrastructure Grant	-	-	-	-	-	-	-	-	-
Municipal Emergency Housing Grant	-	-	-	-	-	-	-	-	-
Metro Informal Settlements Partnership Grant	-	-	-	-	-	-	-	-	-
Provincial Government:	3 972	3 972	-	-	-	-	3 972	4 139	4 321
Capacity Building	-	-	-	-	-	-	-	-	-
Provincialisation of Libraries	2 806	2 806	-	-	-	-	2 806	2 924	3 053
Community Library Service Grant	1 166	1 166	-	-	-	-	1 166	1 215	1 268
Health	-	-	-	-	-	-	-	-	-
Parent Municipality / Entity	-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	160 441	160 441	-	-	(3 020)	(3 020)	157 421	161 252	159 940
Capital Transfers and Grants									
National Government:	36 508	36 508	-	-	6 000	6 000	42 508	30 558	31 783
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant [Schedule 5B]	36 508	36 508	-	-	6 000	6 000	42 508	30 558	31 783
Municipal Water Infrastructure Grant [Schedule 5B]	-	-	-	-	-	-	-	-	-
Transfer from Operational Revenue	-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	36 508	36 508	-	-	6 000	6 000	42 508	30 558	31 783
TOTAL RECEIPTS OF TRANSFERS & GRANTS	196 949	196 949	-	-	2 980	2 980	199 929	191 810	191 723

2.3 ADJUSTMENTS TO EXPENDITURE ON ALLOCATIONS AND GRANTS PROGRAMMES

The following tables indicates the municipality's adjustment on allocation and grants programmes.

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SB7 Adjustments Budget - transfers and grant receipts -									
Description	Budget Year 2021/22							Budget Year +1 2022/23	Budget Year +2 2023/24
	Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	7	8	9	10	11	12		
	A	A1	B	C	D	E	F		
RECEIPTS:									
Operating Transfers and Grants									
National Government:	156 469	156 469	-	-	(3 020)	(3 020)	153 449	157 113	155 619
Operational Revenue:General Revenue:Equitable Share	139 476	139 476	-	-	-	-	139 476	146 163	142 669
Operational:Revenue:General Revenue:Fuel Levy	-	-	-	-	-	-	-	-	-
Energy Efficiency and Demand-side [Schedule 5B]	-	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	2 323	2 323	-	-	-	-	2 323	-	-
HIV and Aids	-	-	-	-	-	-	-	-	-
Housing Accreditation	-	-	-	-	-	-	-	-	-
Housing Top structure	-	-	-	-	-	-	-	-	-
Infrastructure Skills Development Grant [Schedule 5B]	-	-	-	-	-	-	-	-	-
Integrated City Development Grant	-	-	-	-	-	-	-	-	-
Khayelitsha Urban Renewal	-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant [Schedule 5B]	1 950	1 950	-	-	-	-	1 950	1 950	1 950
Mitchell's Plain Urban Renewal	-	-	-	-	-	-	-	-	-
Municipal Demarcation and Transition Grant [Schedule 5B]	-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Municipal Restructuring Grant	12 720	12 720	-	-	(3 020)	(3 020)	9 700	9 000	11 000
Regional Bulk Infrastructure Grant	-	-	-	-	-	-	-	-	-
Municipal Emergency Housing Grant	-	-	-	-	-	-	-	-	-
Metro Informal Settlements Partnership Grant	-	-	-	-	-	-	-	-	-
Provincial Government:	3 972	3 972	-	-	-	-	3 972	4 139	4 321
Capacity Building	-	-	-	-	-	-	-	-	-
Provincialisation of Libraries	2 806	2 806	-	-	-	-	2 806	2 924	3 053
Community Library Service Grant	1 166	1 166	-	-	-	-	1 166	1 215	1 268
Health	-	-	-	-	-	-	-	-	-
Parent Municipality / Entity	-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	160 441	160 441	-	-	(3 020)	(3 020)	157 421	161 252	159 940
Capital Transfers and Grants									
National Government:	36 508	36 508	-	-	6 000	6 000	42 508	30 558	31 783
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant [Schedule 5B]	36 508	36 508	-	-	6 000	6 000	42 508	30 558	31 783
Municipal Water Infrastructure Grant [Schedule 5B]	-	-	-	-	-	-	-	-	-
Transfer from Operational Revenue	-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	36 508	36 508	-	-	6 000	6 000	42 508	30 558	31 783
TOTAL RECEIPTS OF TRANSFERS & GRANTS	196 949	196 949	-	-	2 980	2 980	199 929	191 810	191 723

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SB8 Adjustments Budget - expenditure on transfers and grant programme -

Description	Budget Year 2021/22							Budget Year +1 2022/23	Budget Year +2 2023/24
	Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	2 A1	3 B	4 C	5 D	6 E	7 F		
EXPENDITURE ON TRANSFERS AND GRANT PROGRAM:									
<u>Operating expenditure of Transfers and Grants</u>									
National Government:	156 469	176 812	-	-	(3 020)	(3 020)	173 792	157 113	155 619
Operational Revenue:General Revenue:Equitable Share	139 476	159 819	-	-	-	-	159 819	146 163	142 669
Operational:Revenue:General Revenue:Fuel Levy	-	-	-	-	-	-	-	-	-
Energy Efficiency and Demand-side [Schedule 5B]	-	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	2 323	2 323	-	-	-	-	2 323	-	-
HIV and Aids	-	-	-	-	-	-	-	-	-
Housing Accreditation	-	-	-	-	-	-	-	-	-
Housing Top structure	-	-	-	-	-	-	-	-	-
Infrastructure Skills Development Grant [Schedule 5B]	-	-	-	-	-	-	-	-	-
Integrated City Development Grant	-	-	-	-	-	-	-	-	-
Khayelitsha Urban Renewal	-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant [Schedule 5B]	1 950	1 950	-	-	-	-	1 950	1 950	1 950
Mitchell's Plain Urban Renewal	-	-	-	-	-	-	-	-	-
Department of Water and Sanitation Smart Living Handbook	-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant	12 720	12 720	-	-	(3 020)	(3 020)	9 700	9 000	11 000
Municipal Restructuring Grant	-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant	-	-	-	-	-	-	-	-	-
Municipal Emergency Housing Grant	-	-	-	-	-	-	-	-	-
Metro Informal Settlements Partnership Grant	-	-	-	-	-	-	-	-	-
Provincial Government:	3 972	4 105	-	-	-	-	4 105	4 139	4 321
Capacity Building	-	133	-	-	-	-	133	-	-
Provincialisation of Libraries	2 806	2 806	-	-	-	-	2 806	2 924	3 053
Community Library Service Grant	1 166	1 166	-	-	-	-	1 166	1 215	1 268
Health	-	-	-	-	-	-	-	-	-
Parent Municipality / Entity	-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	160 441	180 917	-	-	(3 020)	(3 020)	177 897	161 252	159 940
<u>Capital Transfers and Grants</u>									
National Government:	36 508	36 508	-	-	6 000	6 000	42 508	30 558	31 783
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant [Schedule 5B]	36 508	36 508	-	-	6 000	6 000	42 508	30 558	31 783
Municipal Water Infrastructure Grant [Schedule 5B]	-	-	-	-	-	-	-	-	-
Metro Informal Settlements Partnership Grant	-	-	-	-	-	-	-	-	-
Provincial Government:	-	375	-	-	-	-	375	-	-
Capacity Building	-	-	-	-	-	-	-	-	-
Capacity Building and Other	-	375	-	-	-	-	375	-	-
Disaster and Emergency Services	-	-	-	-	-	-	-	-	-
Transfer from Operational Revenue	-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	36 508	36 883	-	-	6 000	6 000	42 883	30 558	31 783
TOTAL EXPENDITURE OF TRANSFERS & GRANTS	196 949	217 800	-	-	2 980	2 980	220 780	191 810	191 723

The expenditure on transfers and grant has increased from R217 ,8million to R220 ,7million when compared to the previous adjustment budget for February.

2.4 ADJUSTMENTS TO ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY

The municipality does not have any grants transfers or allocations made to another municipality or institutions. The amount of R1 ,6million appearing on Table B4 as Transfers and subsidies is for Free Basic Electricity paid to Eskom for indigents.

2.5 ADJUSTMENT TO COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS

The remuneration for councillors has not been adjusted as the Gazette on the determination of upper limits on remuneration of municipal councillors has not been published as when the adjustment budget was prepared.

Employee related costs has not been adjusted because the recruitment process for certain vacant positions would take place after the adjustment budget is approved.

2.6 ADJUSTMENTS TO SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

The SDBIP is aligned with both the revised budget and the Integrated Development Plan (IDP) for 2021/22 financial year. This section provides details regarding the proposed adjustment on the main 2021/22 SDBIP scorecard per department where requested.

The following table shows that there are no changes in terms additional or reductions of indicators/ targets in the second adjustments: April 2022

NAME OF THE DEPARTMENT	NO OF INDICATORS IN THE ORIGINAL SDBIP	NO. OF INDICATORS IN THE ADJUSTED SDBIP	NO OF INDICATORS IN THE 2ND ADJUSTED SDBIP
PWBS	22	25	25
CSS	25	26	26
OMM	18	18	18
CORP	14	16	16
BTO	16	19	19
TOTAL NO OF INDICATORS	96	104	104

The revised SDBIP is the one that is going to be audited by the Auditor General. For more information, Service Delivery and Budget Implementation Plan Report will provide more details.

2.7 ADJUSTMENTS TO CAPITAL EXPENDITURE

Table B5 below indicates the summary of the municipality's adjustments budget on capital expenditure. The municipalities capital expenditure has been adjusted upwards by an overall of R6 million in the adjustment budget when compare to the previous adjustment budget that was approved in February 2022, that is from R91 ,3million to R97,3million. The adjustment is as a result of the additional R6 million allocation of municipal infrastructure grant.

KZN436 Dr Nkosazana Dlamini Zuma - Table B5 Adjustments Capital Expenditure Budget by vote and funding -

Description	Ref	Budget Year 2021/22									Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
Capital expenditure - Vote												
Multi-year expenditure to be adjusted	2											
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community Services		3 300	100	-	-	-	-	-	-	100	3 439	3 590
Vote 5 - Public Works and Basic Services		20 623	13 689	-	-	-	-	824	824	14 513	14 187	14 811
Vote 6 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	3	23 923	13 789	-	-	-	-	824	824	14 613	17 625	18 401
Single-year expenditure to be adjusted	2											
Vote 1 - Executive and Council		151	231	-	-	-	-	-	-	231	158	165
Vote 2 - Budget and Treasury		803	2 203	-	-	-	-	-	-	2 203	837	874
Vote 3 - Corporate Services		1 708	2 075	-	-	-	-	-	-	2 075	1 103	1 151
Vote 4 - Community Services		7 847	12 859	-	-	-	-	-	-	12 859	8 177	8 536
Vote 5 - Public Works and Basic Services		58 207	59 993	-	-	-	-	5 176	5 176	65 169	59 429	61 924
Vote 6 - Planning and Development		160	160	-	-	-	-	-	-	160	167	174
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		68 877	77 522	-	-	-	-	5 176	5 176	82 698	69 869	72 824
Total Capital Expenditure - Vote		92 800	91 311	-	-	-	-	6 000	6 000	97 311	87 495	91 225

Table 5 Cont...

Capital Expenditure - Functional													
Governance and administration		3 213	5 060	-	-	-	-	-	-	5 060	2 670	2 788	
Executive and council		151	231	-	-	-	-	-	-	231	158	165	
Finance and administration		3 061	4 828	-	-	-	-	-	-	4 828	2 512	2 623	
Internal audit		-	-	-	-	-	-	-	-	-	-	-	
Community and public safety		11 347	13 314	-	-	-	-	-	-	13 314	11 824	12 344	
Community and social services		4 049	2 163	-	-	-	-	-	-	2 163	4 219	4 404	
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	
Public safety		7 298	11 152	-	-	-	-	-	-	11 152	7 605	7 939	
Housing		-	-	-	-	-	-	-	-	-	-	-	
Health		-	-	-	-	-	-	-	-	-	-	-	
Economic and environmental services		74 740	67 922	-	-	-	-	6 000	6 000	73 922	69 354	72 286	
Planning and development		72 153	60 585	-	-	-	-	6 000	6 000	66 585	66 658	69 471	
Road transport		2 587	7 337	-	-	-	-	-	-	7 337	2 696	2 814	
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	
Trading services		3 500	5 015	-	-	-	-	-	-	5 015	3 647	3 807	
Energy sources		-	-	-	-	-	-	-	-	-	-	-	
Water management		-	-	-	-	-	-	-	-	-	-	-	
Waste water management		1 000	1 000	-	-	-	-	-	-	1 000	1 042	1 088	
Waste management		2 500	4 015	-	-	-	-	-	-	4 015	2 605	2 720	
Other		-	-	-	-	-	-	-	-	-	-	-	
Total Capital Expenditure - Functional	3	92 800	91 311	-	-	-	-	6 000	6 000	97 311	87 495	91 225	
Funded by:													
National Government		36 508	36 508	-	-	-	-	6 000	6 000	42 508	30 558	31 783	
Provincial Government		-	375	-	-	-	-	-	-	375	-	-	
District Municipality		-	-	-	-	-	-	-	-	-	-	-	
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	
Transfers recognised - capital	4	36 508	36 883	-	-	-	-	6 000	6 000	42 883	30 558	31 783	
Borrowing		-	-	-	-	-	-	-	-	-	-	-	
Internally generated funds		56 292	54 428	-	-	-	-	-	-	54 428	56 937	59 442	
Total Capital Funding		92 800	91 311	-	-	-	-	6 000	6 000	97 311	87 495	91 225	

Integrated National Electrification Programme

There is a reduction of R 3million from INEP, reduced from R12,7million to R 9, 7million. The Electrification Contractors were appointed in time by the municipality. The electrification designs were submitted to Eskom in October 2021 for approval and the approval was then granted in February 2022 which affected the performance and plans of the municipality. Dr Nkosazana Dlamini Zuma Municipality is acting as an agent in the capacity of Eskom as per Service Level Agreement between the Municipality and Eskom, there for the expenditure is not recorded as capital expenditure in table A5 the budgeted capital expenditure by vote. The expenditure is only recorded in table B7 the budgeted cash flows, SB7 transfers and grants receipts and SB8 expenditure on transfers and grants.

Bhidla Housing Project

Dr Nkosazana Dlamini Zuma Municipality is acting as an agent in the capacity of Department of Human Settlement as per Service Level Agreement between the Municipality and Department of Human Settlement, there for the expenditure is not

recorded as capital expenditure in table A5 the budgeted capital expenditure by vote. municipality does not receive the money upfront from the department, money is deposited as the amount invoiced for the work done by service provider.

2.8 OTHER SUPPORTING DOCUMENTS

2.8.1 Operating revenue

The major contributing to the revenue of Dr NDZ Municipality are grants; the municipality has a low collection on rates, refuse, traffic fines, and other revenue. This is an indication that the municipality is highly dependent on grants, the contributing factor on this dependence is that most of Dr NDZ Municipal communities are in rural areas as a result the municipality is not generating any revenue from them. The increase in low collection is also caused by Covid-19 as some business and individuals do not have any source of income and they are unable to pay rates and taxes especially those in the Tourism & Hospitality sector.

The Municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed to the municipality. Furthermore, the Municipality has undertaken various customer care initiatives to ensure that the municipality truly involves all citizens in the process of ensuring a people lead government. Amongst other things that the municipality has done is that of strengthening the municipality's debt collection unit. The collection unit is following up on customer with the collection process mostly on customers where they have been no payment to account for a number of months, which we have seen responses with customer settling their account in full and other coming forward to make arrangements. The municipality is doing everything in its powers to collect the outstanding debts from customers and to decreasing the aging debt. The municipality has appointed attorneys to assist in debt collection and is also planning to recover cash in terms of a debt collection strategy from consumers to ensure sufficient cash is available to meet daily requirements.

2.8.2 Operating Expenditure

The Municipality's expenditure framework for the 2021/22 adjustment budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan and
- Operational gains and efficiencies will be directed to funding the capital budget and other core services.

2.8.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2021/22 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2021/22 MTREF:

- Municipal 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 2021/22 budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor Payment Levels
- Loan and Investment Possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and Sustainable Service Delivery

2.8.4 Overview of Alignment of Adjustment Budget with IDP and SDBIP

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

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

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

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

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

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

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

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP but must also conduct its affairs in a manner which is consistent with its IDP.

2.9 MUNICIPAL MANAGER'S QUALITY CERTIFICATE

I, N.C Vezi Municipal Manager of Dr Nkosazana Dlamini Zuma Municipality hereby certify that the Adjustment Budget for the year 2021/22 and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the act. And that the Adjustment Budget and supporting documents are consistence with the Integrated Development Plan of the Municipality.

Print Name: N.C Vezi

Municipal Manager of Dr Nkosazana Dlamini Zuma Municipality, KZN436

Signature: _____

Date: _____