



**DR NKOSAZANA DLAMINI-
ZUMA LOCAL MUNICIPALITY
PRESENTS
2022/23 ADJUSTMENT BUDGET**

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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 that was anticipated in the original budget.

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 conditional grants (gazette 48327)

The stopping and re-allocation of conditional grants is done in terms of sections 18 and 19 of the 2022 DoRAA against municipalities that reported significant underperformance, and non-compliance against conditional grants frameworks and the provisions of the Act against the 2022/23 allocations.

The purpose of sections 18 and 19 of the 2022 DoRAA 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 to accelerate against their committed 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.

The stopping and re-allocation process provides that municipalities that are showing improved performance could be considered for additional funding and the ones that are under performing could have their funds stopped in the current year. These municipalities will be supported in future when their performance improves.

As part of re-allocation on conditional grants process the municipality received an additional R2,1million from INEP.

INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME

Grant Description	2022/23 Original Budget	Adjustments	2022/2023 Final Adjustment Budget
Integrated National Electrification Programme	R 6 352 000	(R 2 100 000)	R 8 452 000

The municipality is acting as an agent capacity in terms of the service level agreement (SLA) and thus the respective grant revenue cannot be recognised on table A4 and A5. The cash inflow and outflow are captured in table A7.

PROGRESS TO DATE

The municipality budgeted R 6 ,3million for electrification projects funded from INEP and added R 2 ,5million from internal funding in the 2022/2023 adjustment budget as a top up because allocation from grant was not enough for cover all the expenditure on the electrification programme. The municipality has appointed a panel of Electrification Contractors and Consultants on a 3 years' contract to reduce operational risks of our projects.

PART 1 – ADJUSTMENT BUDGET**1.1 MAYOR'S REPORT**

2022/23 Adjustment budget presentation by her Worship the Mayor Councillor PS. Msomi at Dr Nkosazana Dlamini-Zuma Local Municipality in February 2023.

Honourable Speaker, I am pleased to officially present an overview of 2022/23 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 2022/2023 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. 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 2022/23 adjusted medium term expenditure framework, consisting of a R 261, 5million consolidated budget, 2022/23 financial year adjustment budget will positively impact on the ability of this municipality to respond to the basic needs of the community and by providing critical infrastructure to our community.

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, your dedication has led to an unqualified audit opinion in the past years as well as in 2022/2023 as included in the Annual Report.

Considering the above explanation, I hereby recommend that the council may approve the 2022/2023 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 2022/2023 financial year and supporting documentation.

1.3 EXECUTIVE SUMMARY

The 2022/2023 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 2022/2023 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 2022/2023 financial year, the under mentioned principles gave guidance to the compilation of the 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 2022/23 was also used to guide the compilation of 2022/23 Adjustment

Budget, comments on the 2022/2023 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

The Operating Revenue is estimated at R 231 million and that is R10, 6million increase when compared to original budget. 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 together with contracted services is proposed at R 261 ,5million which reflects an increase of R 24 ,3million to the original budget due to unavoidable municipal running costs such wet fuel following high increase of loadshedding stages currently being implemented, security services provision and repairs and maintenance after the heavy rains that destroyed many on our road infrastructure.

Capital expenditure is set to decrease by 1% from R 94 ,9million of the original budget to R 93 ,2million.

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

EXPENDITURE TYPE	APPROVED BUDGET	TOTAL AMMENDMENTS	ADJUSTMENT BUDGET	% CHANGE
Operating Expenditure	237 208 571	24 277 321	261 485 892	9%
Capital Expenditure	94 890 098	1 716 449	93 173 649	2%
Total Budget	332 098 669	22 560 872	355 059 542	6%

Overview of budget Policies and budget funding

Budget Related Policies

Adjustments are on Supply chain management policy following the Constitutional Court and Supreme Court of Appeal (SCA) declared that the Preferential Procurement Regulations issued by the Minister of Finance in 2017 were invalid, this therefore meant that the policies governing the municipal procurement were also invalid as they were prepared based on these regulations and a new policy or amendments to the existing policy is urgently required.

There are no changes to the budget policies proposed in the adjustments Budget.

Budget Funding

The adjustments budget is cash – funded which is an indicator of a “credible” budget. Funding levels are acceptable (inclusive of the Reserve balances), which is remarkable in these economic times, and is sufficient to cover all requirements of the funding and reserves policy.

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 - 28/02/2023

Description	Budget Year 2022/23									Budget Year +1 2023/24	Budget Year +2 2024/25
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H		
Financial Performance											
Property rates	37,833	37,833	-	-	-	-	3,400	3,400	41,233	39,498	41,275
Service charges	3,547	3,547	-	-	-	-	648	648	4,195	3,703	3,870
Investment revenue	5,594	5,594	-	-	-	-	5,318	5,318	10,913	5,840	6,097
Transfers recognised - operational	162,061	162,061	-	-	-	-	254	254	162,315	167,635	177,767
Other own revenue	11,352	11,352	-	-	-	-	952	952	12,304	11,851	12,373
Total Revenue (excluding capital transfers and contributions)	220,387	220,387	-	-	-	-	10,572	10,572	230,960	228,528	241,382
Employee costs	86,553	86,553	-	-	-	-	-	-	86,553	90,661	94,337
Remuneration of councillors	11,557	11,557	-	-	-	-	288	288	11,844	12,065	12,596
Depreciation & asset impairment	56,111	56,111	-	-	-	-	-	-	56,111	61,580	64,289
Finance charges	133	133	-	-	-	-	1,486	1,486	1,618	138	145
Inventory consumed and bulk purchases	3,587	3,427	-	-	-	-	1,058	1,058	4,485	2,701	2,820
Transfers and grants	1,061	1,011	-	-	-	-	800	800	1,811	1,108	1,156
Other expenditure	78,208	78,418	-	-	-	-	20,646	20,646	99,064	79,047	82,523
Total Expenditure	237,209	237,209	-	-	-	-	24,277	24,277	261,486	247,300	257,866
Surplus/(Deficit)	(16,821)	(16,821)	-	-	-	-	(13,705)	(13,705)	(30,526)	(18,773)	(16,484)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	43,758	43,758	-	-	-	-	(8,000)	(8,000)	35,758	31,783	33,086
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) after capital transfers & contributions	26,937	26,937	-	-	-	-	(21,705)	(21,705)	5,232	13,010	16,602
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	26,937	26,937	-	-	-	-	(21,705)	(21,705)	5,232	13,010	16,602
Capital expenditure & funds sources											
Capital expenditure	94,890	94,890	-	-	-	-	(1,716)	(1,716)	93,174	52,496	54,598
Transfers recognised - capital	43,758	43,758	-	-	-	-	(8,000)	(8,000)	35,758	31,783	33,086
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	51,132	51,132	-	-	-	-	6,284	6,284	57,416	20,713	21,512
Total sources of capital funds	94,890	94,890	-	-	-	-	(1,716)	(1,716)	93,174	52,496	54,598

Table B1 Cont....

Financial position												
Total current assets	182,215	182,375	-	-	-	-	(17,407)	(17,407)	164,968	204,385	245,231	
Total non current assets	557,181	557,181	-	-	-	-	(1,716)	(1,716)	555,465	549,397	541,062	
Total current liabilities	86,032	86,192	-	-	-	-	2,582	2,582	88,774	87,407	103,316	
Total non current liabilities	17,111	17,111	-	-	-	-	-	-	17,111	17,111	17,111	
Community wealth/Equity	636,253	636,253	-	-	-	-	(21,615)	(21,615)	614,638	649,264	665,866	
Cash flows												
Net cash from (used) operating	92,299	92,299	-	-	-	-	(37,363)	(37,363)	54,935	84,064	105,494	
Net cash from (used) investing	(93,646)	(93,646)	-	-	-	-	1,716	1,716	(91,930)	1,299	1,356	
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-	-	
Cash/cash equivalents at the year end	149,287	149,287	-	-	-	-	(35,647)	(35,647)	113,640	234,649	289,003	
Cash backing/surplus reconciliation												
Cash and investments available	149,287	149,287	-	-	-	-	(35,647)	(35,647)	113,640	182,153	234,405	
Application of cash and investments	667,133	667,343	-	-	-	-	(42,446)	(42,446)	624,897	692,422	734,430	
Balance - surplus (shortfall)	(517,847)	(518,057)	-	-	-	-	6,800	6,800	(511,257)	(510,268)	(500,026)	
Asset Management												
Asset register summary (WDV)	557,181	557,181	-	-	-	-	(1,716)	(1,716)	555,465	549,397	541,062	
Depreciation	56,111	56,111	-	-	-	-	-	-	56,111	61,580	64,289	
Renewal and Upgrading of Existing Assets	6,750	6,750	-	-	-	-	-	-	6,750	-	-	
Repairs and Maintenance	11,555	11,555	-	-	-	-	6,397	6,397	17,952	12,064	12,595	
Free services												
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-	-	
Revenue cost of free services provided	(19,763)	(19,763)	-	-	-	-	(161)	(161)	(19,923)	(20,632)	(21,561)	
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) - 01/08/2022

Standard Description	Ref	Budget Year 2022/23									Budget Year	Budget Year	
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or Prov.	Other	Total	Adjusted	Adjusted		
		Budget	Adjusted	Funds	capital	Unavoid.	Govt	Adjus.	Adjus.	Budget	Budget		
R thousands	1, 4	A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H			
Revenue - Functional													
<i>Governance and administration</i>		207,805	207,805	-	-	-	-	9,271	9,271	217,076	219,204	231,645	
Executive and council		-	-	-	-	-	-	-	-	-	-	-	
Finance and administration		207,805	207,805	-	-	-	-	9,271	9,271	217,076	219,204	231,645	
Internal audit		-	-	-	-	-	-	-	-	-	-	-	
<i>Community and public safety</i>		13,354	13,354	-	-	-	-	(7,346)	(7,346)	6,008	5,406	5,644	
Community and social services		4,178	4,178	-	-	-	-	254	254	4,432	4,178	4,361	
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	
Public safety		9,176	9,176	-	-	-	-	(7,600)	(7,600)	1,576	1,228	1,282	
Housing		-	-	-	-	-	-	-	-	-	-	-	
Health		-	-	-	-	-	-	-	-	-	-	-	
<i>Economic and environmental services</i>		39,439	39,439	-	-	-	-	-	-	39,439	31,997	33,309	
Planning and development		1,205	1,205	-	-	-	-	-	-	1,205	214	223	
Road transport		38,234	38,234	-	-	-	-	-	-	38,234	31,783	33,086	
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	
<i>Trading services</i>		3,547	3,547	-	-	-	-	648	648	4,195	3,703	3,870	
Energy sources		-	-	-	-	-	-	-	-	-	-	-	
Water management		-	-	-	-	-	-	-	-	-	-	-	
Waste water management		-	-	-	-	-	-	-	-	-	-	-	
Waste management		3,547	3,547	-	-	-	-	648	648	4,195	3,703	3,870	
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	
Total Revenue - Functional	2	264,145	264,145	-	-	-	-	2,572	2,572	266,718	260,311	274,468	
Expenditure - Functional													
<i>Governance and administration</i>		153,382	153,339	-	-	-	-	5,516	5,516	158,855	163,124	170,289	
Executive and council		25,103	25,103	-	-	-	-	371	371	25,475	26,202	27,361	
Finance and administration		125,481	125,438	-	-	-	-	5,144	5,144	130,582	134,002	139,899	
Internal audit		2,798	2,798	-	-	-	-	-	-	2,798	2,921	3,030	
<i>Community and public safety</i>		30,055	30,043	-	-	-	-	260	260	30,302	31,677	32,758	
Community and social services		15,243	15,223	-	-	-	-	379	379	15,601	16,214	16,614	
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	
Public safety		14,211	14,275	-	-	-	-	(119)	(119)	14,156	14,837	15,489	
Housing		600	545	-	-	-	-	-	-	545	627	654	
Health		-	-	-	-	-	-	-	-	-	-	-	
<i>Economic and environmental services</i>		44,101	44,681	-	-	-	-	14,073	14,073	58,754	42,403	44,279	
Planning and development		22,299	22,065	-	-	-	-	215	215	22,280	22,235	23,215	
Road transport		21,802	22,616	-	-	-	-	13,858	13,858	36,474	20,167	21,064	
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	
<i>Trading services</i>		8,876	8,351	-	-	-	-	4,674	4,674	13,025	9,266	9,674	
Energy sources		-	-	-	-	-	-	2,500	2,500	2,500	-	-	
Water management		-	-	-	-	-	-	-	-	-	-	-	
Waste water management		-	-	-	-	-	-	-	-	-	-	-	
Waste management		8,876	8,351	-	-	-	-	2,174	2,174	10,525	9,266	9,674	
<i>Other</i>		795	795	-	-	-	-	(245)	(245)	550	830	866	
Total Expenditure - Functional	3	237,209	237,209	-	-	-	-	24,277	24,277	261,486	247,300	257,866	
Surplus/ (Deficit) for the year		26,937	26,937	-	-	-	-	(21,705)	(21,705)	5,232	13,010	16,602	

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) - 01/08/2022

Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2022/23								Budget Year	Budget Year	
		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	A1	B	C	D	E	F	G	H	+1 2023/24	+2 2024/25
R thousands												
Revenue by Vote	1											
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - BUDGET AND TREASURY		207,753	207,753	-	-	-	-	9,271	9,271	217,023	219,150	231,588
Vote 3 - CORPORATE SERVICES		38,234	38,234	-	-	-	-	-	-	38,234	31,783	33,086
Vote 4 - COMMUNITY SERVICES		52	52	-	-	-	-	-	-	52	55	57
Vote 5 - PUBLIC WORKS AND BASIC SERVICES		16,901	16,901	-	-	-	-	(6,698)	(6,698)	10,203	9,109	9,514
Vote 6 - PLANNING AND DEVELOPMNT		1,205	1,205	-	-	-	-	-	-	1,205	214	223
Vote 7 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
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	264,145	264,145	-	-	-	-	2,572	2,572	266,718	260,311	274,468
Expenditure by Vote	1											
Vote 1 - EXECUTIVE AND COUNCIL		27,901	27,901	-	-	-	-	371	371	28,272	29,123	30,391
Vote 2 - BUDGET AND TREASURY		102,134	102,134	-	-	-	-	(6,672)	(6,672)	95,462	109,627	114,451
Vote 3 - CORPORATE SERVICES		38,858	38,858	-	-	-	-	18,502	18,502	57,361	37,974	39,655
Vote 4 - COMMUNITY SERVICES		23,248	23,248	-	-	-	-	11,823	11,823	35,070	24,270	25,339
Vote 5 - PUBLIC WORKS AND BASIC SERVICES		33,876	33,876	-	-	-	-	491	491	34,367	34,623	35,833
Vote 6 - PLANNING AND DEVELOPMNT		11,192	11,192	-	-	-	-	(238)	(238)	10,954	11,683	12,198
Vote 7 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
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	237,209	237,209	-	-	-	-	24,277	24,277	261,486	247,300	257,866
Surplus/ (Deficit) for the year	2	26,937	26,937	-	-	-	-	(21,705)	(21,705)	5,232	13,010	16,602

The table above show the difference between revenue and expenditure by municipal vote when comparing the original budget and adjustment budget by municipal vote. The total revenue by vote increased from R 264 ,1million to R 266 ,7million and total expenditure by vote increased from R 237 ,2million to R 261 , 5million when compared to the original budget.

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) - 01/08/2022

Description	Ref	Budget Year 2022/23									Budget Year	Budget Year
		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		
Revenue By Source												
Property rates	2	37,833	37,833	-	-	-	-	3,400	3,400	41,233	39,498	41,275
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	3,547	3,547	-	-	-	-	648	648	4,195	3,703	3,870
Service charges - other		-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		935	935	-	-	-	-	498	498	1,433	976	1,019
Interest earned - external investments		5,594	5,594	-	-	-	-	5,318	5,318	10,913	5,840	6,097
Interest earned - outstanding debtors		5,850	5,850	-	-	-	-	-	-	5,850	6,107	6,376
Dividends received		-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		632	632	-	-	-	-	200	200	832	660	689
Licences and permits		503	503	-	-	-	-	(100)	(100)	403	526	549
Agency services		353	353	-	-	-	-	300	300	653	369	385
Transfers and subsidies		162,061	162,061	-	-	-	-	254	254	162,315	167,635	177,767
Other revenue	2	590	590	-	-	-	-	54	54	644	616	644
Gains		2,488	2,488	-	-	-	-	-	-	2,488	2,597	2,712
Total Revenue (excluding capital transfers and contributions)		220,387	220,387	-	-	-	-	10,572	10,572	230,960	228,528	241,382
Expenditure By Type												
Employee related costs		86,553	86,553	-	-	-	-	-	-	86,553	90,661	94,337
Remuneration of councillors		11,557	11,557	-	-	-	-	288	288	11,844	12,065	12,596
Debt impairment		20,059	20,059	-	-	-	-	(12,619)	(12,619)	7,440	20,941	21,863
Depreciation & asset impairment		56,111	56,111	-	-	-	-	-	-	56,111	61,580	64,289
Finance charges		133	133	-	-	-	-	1,486	1,486	1,618	138	145
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-	-	-
Inventory Consumed		3,587	3,427	-	-	-	-	1,058	1,058	4,485	2,701	2,820
Contracted services		35,397	34,887	-	-	-	-	19,962	19,962	54,849	36,945	38,581
Transfers and subsidies		1,061	1,011	-	-	-	-	800	800	1,811	1,108	1,156
Other expenditure		22,752	23,472	-	-	-	-	13,303	13,303	36,774	21,161	22,079
Losses		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		237,209	237,209	-	-	-	-	24,277	24,277	261,486	247,300	257,866
Surplus/(Deficit)												
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		43,758	43,758	-	-	-	-	(8,000)	(8,000)	35,758	31,783	33,086
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		26,937	26,937	-	-	-	-	(21,705)	(21,705)	5,232	13,010	16,602
Taxation		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		26,937	26,937	-	-	-	-	(21,705)	(21,705)	5,232	13,010	16,602
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		26,937	26,937	-	-	-	-	(21,705)	(21,705)	5,232	13,010	16,602
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		26,937	26,937	-	-	-	-	(21,705)	(21,705)	5,232	13,010	16,602

Operating Revenue

The revenue of the municipality has increase from R220 ,4million to R231 million in the adjustment budget and that is R10 5milliom increase when compared to the original budget. The contributing factors to this increase is the increase in revenue sources such as interest on external investments, service charges – refuse removal and licences and permits.

Property Rates

Property rates were sitting at 54.3 percent at mid-year which is higher than the straight-line projection, the property rates original budget was based on the draft valuation roll, an increase of R 4,3 million has been effected in line with the final valuation roll.

Service Charges

Service charges has been adjusted upwards from R 3, 5 million to R4, 2 million due to new properties identified during the property valuation review identified for refuse billing.

Rental of facilities

Rental of facilities has been adjusted upwards from R 934 957 to R 1, 4 million when compared to original budget, the budget for ad-hoc rentals was underestimated due to unpredicted changes on national lockdown levels.

Licences and Permits

Licenses and permit have decrease form R 503 411 to R 403 411 when compared to the original budget due to low demand in bookings for Learners Licenses and after considering the actual performance for the past six months.

Agency Services

Agency services has increased from R 353 343 to R 653 343 when compared to the original budget due to the arrival of previously delayed DOT cheque for the municipality for the agency services provided.

Other Revenue

Other revenue sources were sitting at 41.9 percent at mid-year and under generation was due to low revenue sales on items such tender documents, the sales will begin again and continue after a pause or interruptions that were caused by covid-19, therefore the budget was not adjusted downwards.

Interest Earned on External Investment

Interest earned on external investments has increase from R 5 ,6million to R 10 ,9million when compared to the original budget this is due to the estimated repo rate increase and funds available for investing for the balance of the year.

Operating Expenditure

The overall operating expenditure has increase from R 237 ,2million to R261 ,5 million in the adjustment budget and that is 9% increase when compared to the original budget, when checking per line items that increase. The contributing factors the unavoidable municipal running costs such wet fuel following high increase of loadshedding stages currently being implemented, security services provision.

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 been adjusted upwards from R11, 5 million to R11, 8million as per the Gazette on the determination of upper limits on remuneration of municipal councillors that was issued by the minister of Cooperative Governance and Traditional Affairs.

Other Materials

An upward adjustment has been made to other materials as they increased from R3, 5million to R4, 5million when comparing to the original budget.

Contracted Services

Contracted services have increase from R35, 4million to R54, 8million and that is R19 ,5million increase when compared to the original budget. The increase is as a result in the increase in items such as security services due to the demand in provision of security services to municipal properties and municipal council. Insurance for municipal properties and vehicles, the projects were budgeted for in the original budget but slightly under estimated.

Transfers and Subsidies

Transfers and subsidies increased from R 1,1million to R 1 ,5million when compared to original budget, due more 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 R14 million was made due to the increase in operations that were unavoidable. Operating expenditure increased from R 22, 8million to R36, 8million when compared to the original budget.

Depreciation and Asset Impairment

Depreciation and Asset Impairment no adjustment has been made, the 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.

Finance charges

Finance charges – an upwards adjustment has been made from R 132 637 to R 1,6million when compared to the original budget due notional interest charge for landfill site and employee cost provisions for the passage of time, this was identified through quality control of AFS preparation but post budget preparation.

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 decreased from R 94 ,9million to R93 ,2million or by 2% when compared to the original budget because of the withdrawn grant funding of R 8 million from Cooperative Government and Traditional Affairs. The grant was gazzeted but later on the municipality received a letter from the departments saying that the funds

were re-prioritized following the recent unprecedented floods experienced in the KZN province.

KZN436 Dr Nkosazana Dlamini Zuma - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 01/08/2022

Description	Ref	Budget Year 2022/23									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2023/24	+2 2024/25
R thousands		A	A1	B	C	D	E	F	G	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		31,050	31,050	-	-	-	-	2,526	2,526	33,576	7,099	7,297
Vote 4 - COMMUNITY SERVICES		456	456	-	-	-	-	-	-	456	163	170
Vote 5 - PUBLIC WORKS AND BASIC SERVICES		2,300	2,300	-	-	-	-	(1,800)	(1,800)	500	2,401	2,506
Vote 6 - PLANNING AND DEVELOPMNT		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
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	33,806	33,806	-	-	-	-	726	726	34,532	9,663	9,973
Single-year expenditure to be adjusted	2											
Vote 1 - EXECUTIVE AND COUNCIL		60	60	-	-	-	-	1,880	1,880	1,940	63	65
Vote 2 - BUDGET AND TREASURY		5,483	5,483	-	-	-	-	(1,810)	(1,810)	3,673	295	308
Vote 3 - CORPORATE SERVICES		35,838	35,838	-	-	-	-	1,380	1,380	37,218	36,646	38,165
Vote 4 - COMMUNITY SERVICES		1,996	1,996	-	-	-	-	400	400	2,396	1,176	1,228
Vote 5 - PUBLIC WORKS AND BASIC SERVICES		17,187	17,187	-	-	-	-	(5,115)	(5,115)	12,072	4,110	4,291
Vote 6 - PLANNING AND DEVELOPMNT		520	520	-	-	-	-	823	823	1,343	543	567
Vote 7 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
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		61,084	61,084	-	-	-	-	(2,442)	(2,442)	58,642	42,833	44,625
Total Capital Expenditure - Vote		94,890	94,890	-	-	-	-	(1,716)	(1,716)	93,174	52,496	54,598
Capital Expenditure - Functional												
Governance and administration		8,295	8,295	-	-	-	-	470	470	8,765	2,010	2,099
Executive and council		60	60	-	-	-	-	1,880	1,880	1,940	63	65
Finance and administration		8,235	8,235	-	-	-	-	(1,410)	(1,410)	6,825	1,947	2,034
Internal audit		-	-	-	-	-	-	-	-	-	-	-
Community and public safety		19,487	19,487	-	-	-	-	(6,915)	(6,915)	12,572	6,512	6,797
Community and social services		4,221	4,221	-	-	-	-	(2,683)	(2,683)	1,538	4,406	4,599
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		15,266	15,266	-	-	-	-	(4,232)	(4,232)	11,034	2,105	2,198
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		64,908	64,908	-	-	-	-	6,629	6,629	71,537	42,200	43,849
Planning and development		55,298	55,298	-	-	-	-	7,838	7,838	63,136	41,354	42,966
Road transport		9,610	9,610	-	-	-	-	(1,209)	(1,209)	8,401	846	883
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		2,200	2,200	-	-	-	-	(1,900)	(1,900)	300	1,775	1,853
Energy sources		-	-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		500	500	-	-	-	-	(450)	(450)	50	522	545
Waste management		1,700	1,700	-	-	-	-	(1,450)	(1,450)	250	1,253	1,308
Other		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	94,890	94,890	-	-	-	-	(1,716)	(1,716)	93,174	52,496	54,598
Funded by:												
National Government		30,558	30,558	-	-	-	-	-	-	30,558	31,783	33,086
Provincial Government		13,200	13,200	-	-	-	-	(8,000)	(8,000)	5,200	-	-
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	43,758	43,758	-	-	-	-	(8,000)	(8,000)	35,758	31,783	33,086
Borrowing		-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		51,132	51,132	-	-	-	-	6,284	6,284	57,416	20,713	21,512
Total Capital Funding		94,890	94,890	-	-	-	-	(1,716)	(1,716)	93,174	52,496	54,598

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 - 28/02/2023

Description	Ref	Budget Year 2022/23								Budget Year +1	Budget Year +2	
		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		
ASSETS												
Current assets												
Cash		100,288	100,288	-	-	-	-	(35,647)	(35,647)	64,642	133,155	185,406
Call investment deposits	1	48,998	48,998	-	-	-	-	-	-	48,998	48,998	48,998
Consumer debtors	1	26,688	26,688	-	-	-	-	18,200	18,200	44,888	15,397	3,617
Other debtors		6,240	6,240	-	-	-	-	200	200	6,440	6,834	7,209
Current portion of long-term receivables		-	-	-	-	-	-	-	-	-	-	-
Inventory		-	160	-	-	-	-	(160)	(160)	-	-	-
Total current assets		182,215	182,375	-	-	-	-	(17,407)	(17,407)	164,968	204,385	245,231
Non current assets												
Long-term receivables		-	-	-	-	-	-	-	-	-	-	-
Investments		-	-	-	-	-	-	-	-	-	-	-
Investment property		12,025	12,025	-	-	-	-	-	-	12,025	12,025	12,025
Investment in Associate		-	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	1	543,739	543,799	-	-	-	-	(1,667)	(1,667)	542,131	535,380	526,444
Agricultural		-	-	-	-	-	-	-	-	-	-	-
Biological		-	-	-	-	-	-	-	-	-	-	-
Intangible		1,418	1,358	-	-	-	-	(49)	(49)	1,309	1,992	2,593
Other non-current assets		-	-	-	-	-	-	-	-	-	-	-
Total non current assets		557,181	557,181	-	-	-	-	(1,716)	(1,716)	555,465	549,397	541,062
TOTAL ASSETS		739,396	739,556	-	-	-	-	(19,123)	(19,123)	720,433	753,781	786,293
LIABILITIES												
Current liabilities												
Bank overdraft		-	-	-	-	-	-	-	-	-	-	-
Borrowing		171	171	-	-	-	-	-	-	171	171	171
Consumer deposits		2	2	-	-	-	-	-	-	2	2	2
Trade and other payables		73,373	73,533	-	-	-	-	2,582	2,582	76,114	71,737	84,504
Provisions		12,487	12,487	-	-	-	-	-	-	12,487	15,497	18,639
Total current liabilities		86,032	86,192	-	-	-	-	2,582	2,582	88,774	87,407	103,316
Non current liabilities												
Borrowing	1	-	-	-	-	-	-	-	-	-	-	-
Provisions	1	17,111	17,111	-	-	-	-	-	-	17,111	17,111	17,111
Total non current liabilities		17,111	17,111	-	-	-	-	-	-	17,111	17,111	17,111
TOTAL LIABILITIES		103,143	103,303	-	-	-	-	2,582	2,582	105,885	104,518	120,427
NET ASSETS	2	636,253	636,253	-	-	-	-	(21,705)	(21,705)	614,548	649,264	665,866
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		630,760	630,760	-	-	-	-	(21,615)	(21,705)	609,055	643,771	660,372
Reserves		5,493	5,493	-	-	-	-	-	-	5,493	5,493	5,493
TOTAL COMMUNITY WEALTH/EQUITY		636,253	636,253	-	-	-	-	(21,615)	(21,705)	614,548	649,264	665,866

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 - 11/05/2023

Description	Ref	Budget Year 2022/23									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates		30,985	33,776	-	-	-	-	-	-	33,776	36,623	38,267
Service charges		3,546	3,650	-	-	-	-	-	-	3,650	3,702	3,869
Other revenue		25,258	29,792	-	-	-	-	-	-	29,792	18,838	19,778
Transfers and Subsidies - Operational	1	168,413	168,667	-	-	-	-	2,100	2,100	170,767	175,635	189,261
Transfers and Subsidies - Capital	1	43,758	35,758	-	-	-	-	-	-	35,758	31,783	33,086
Interest		9,689	10,913	-	-	-	-	-	-	10,913	5,840	6,097
Dividends		-	-	-	-	-	-	-	-	-	-	-
Payments												
Suppliers and employees		(188,157)	(224,191)	-	-	-	-	(2,100)	(2,100)	(226,291)	(187,112)	(183,564)
Finance charges		(133)	(1,618)	-	-	-	-	-	-	(1,618)	(138)	(145)
Transfers and Grants	1	(1,061)	(1,811)	-	-	-	-	-	-	(1,811)	(1,108)	(1,156)
NET CASH FROM/(USED) OPERATING ACTIVITIES		92,299	54,935	-	-	-	-	-	-	54,935	84,064	105,494
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE		1,244	1,244	-	-	-	-	-	-	1,244	1,299	1,356
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-	-
Payments												
Capital assets		(94,890)	(93,174)	-	-	-	-	-	-	(93,174)	-	-
NET CASH FROM/(USED) INVESTING ACTIVITIES		(93,646)	(91,930)	-	-	-	-	-	-	(91,930)	1,299	1,356
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans		-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/financing		-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-	-
Payments												
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		(1,348)	(36,994)	-	-	-	-	-	-	(36,994)	85,363	106,850
Cash/cash equivalents at the year begin:	2	150,634	150,634	-	-	-	-	-	-	150,634	149,287	182,153
Cash/cash equivalents at the year end:	2	149,287	113,640	-	-	-	-	-	-	113,640	234,649	289,003

Table B8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

KZN436 Dr Nkosazana Dlamini Zuma - Table B8 Cash backed reserves/accumulated surplus reconciliation - 11/05/2023

Description	Ref	Budget Year 2022/23									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
Cash and investments available												
Cash/cash equivalents at the year end	1	149,287	113,640	-	-	-	-	-	-	113,640	234,649	289,003
Other current investments > 90 days		-	-	-	-	-	-	-	-	-	(52,496)	(54,598)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		149,287	113,640	-	-	-	-	-	-	113,640	182,153	234,405
Applications of cash and investments												
Unspent conditional transfers		5,904	5,904	-	-	-	-	-	-	5,904	5,904	5,904
Unspent borrowing		-	-	-	-	-	-	-	-	-	-	-
Statutory requirements		-	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	2	13,990	(6,242)	-	-	-	-	-	-	(6,242)	26,268	51,674
Other provisions		-	-	-	-	-	-	-	-	-	-	-
Long term investments committed		-	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments		647,240	625,535	-	-	-	-	-	-	625,535	660,250	676,852
Total Application of cash and investments:		667,133	625,197	-	-	-	-	-	-	625,197	692,422	734,430
Surplus(shortfall)		(517,847)	(511,557)	-	-	-	-	-	-	(511,557)	(510,268)	(500,026)
Reserves to be backed by cash/investments												
Housing Development Fund		5,493	5,493	-	-	-	-	-	-	5,493	5,493	5,493
Capital replacement		-	-	-	-	-	-	-	-	-	-	-
Self-insurance		-	-	-	-	-	-	-	-	-	-	-
Other reserves		-	-	-	-	-	-	-	-	-	-	-
Compensation for Occupational Injuries and Diseases		-	-	-	-	-	-	-	-	-	-	-
Employee Benefit Reserve		5,493	5,493	-	-	-	-	-	-	5,493	5,493	5,493
Non-current Provisions Reserve		636,253	636,253	-	-	-	-	(21,705)	(21,705)	614,548	649,264	665,866
Valuation Reserve		-	-	-	-	-	-	-	-	-	-	-
Investment in associate account		-	-	-	-	-	-	-	-	-	-	-
Capitalisation Reserve		-	-	-	-	-	-	-	-	-	-	-
Revaluation		-	-	-	-	-	-	-	-	-	-	-
		647,240	647,240	-	-	-	-	(21,705)	(21,705)	625,535	660,250	676,852

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 - 01/08/2022

Description	Ref	Budget Year 2022/23									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjus.	Total Adjus.	Adjusted Budget	+1 2023/24	+2 2024/25
		A	A1	8	9	10	11	12	13	14	Adjusted Budget	Adjusted Budget
R thousands												
CAPITAL EXPENDITURE												
Total New Assets to be adjusted	1	70,164	70,164	-	-	-	-	(2,186)	(2,186)	67,978	46,466	48,417
Roads Infrastructure		8,128	8,128	-	-	-	-	878	878	9,006	32,305	33,631
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		500	500	-	-	-	-	-	-	500	522	545
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		1,300	1,300	-	-	-	-	(1,300)	(1,300)	-	835	872
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		9,928	9,928	-	-	-	-	(422)	(422)	9,506	33,662	35,048
Community Facilities		14,146	14,146	-	-	-	-	1,420	1,420	15,566	3,358	3,505
Sport and Recreation Facilities		8,000	8,000	-	-	-	-	-	-	8,000	-	-
Community Assets		22,146	22,146	-	-	-	-	1,420	1,420	23,566	3,358	3,505
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		16,420	16,420	-	-	-	-	(1,582)	(1,582)	14,838	2,662	2,779
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets	6	16,420	16,420	-	-	-	-	(1,582)	(1,582)	14,838	2,662	2,779
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		1,043	983	-	-	-	-	(49)	(49)	934	776	811
Intangible Assets		1,043	983	-	-	-	-	(49)	(49)	934	776	811
Computer Equipment		386	386	-	-	-	-	373	373	759	403	421
Furniture and Office Equipment		1,812	1,812	-	-	-	-	(300)	(300)	1,512	1,401	1,463
Machinery and Equipment		2,729	2,789	-	-	-	-	(291)	(291)	2,497	2,742	2,866
Transport Assets		15,700	15,700	-	-	-	-	(1,335)	(1,335)	14,365	1,462	1,525
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets to be adjusted	2	6,750	6,750	-	-	-	-	-	-	6,750	-	-
Roads Infrastructure		6,750	6,750	-	-	-	-	-	-	6,750	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		6,750	6,750	-	-	-	-	-	-	6,750	-	-
Community Facilities		-	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets	6	-	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-

Table B9 Cont....

Total Upgrading of Existing Assets to be adjusted	2a	17,976	17,976	-	-	-	-	470	470	18,446	6,030	6,181
<i>Roads Infrastructure</i>		16,000	16,000	-	-	-	-	(1,400)	(1,400)	14,600	3,967	4,027
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		400	400	-	-	-	-	(150)	(150)	250	418	436
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		16,400	16,400	-	-	-	-	(1,550)	(1,550)	14,850	4,385	4,463
<i>Community Facilities</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Sport and Recreation Facilities</i>		1,500	1,500	-	-	-	-	1,770	1,770	3,270	1,566	1,635
Community Assets		1,500	1,500	-	-	-	-	1,770	1,770	3,270	1,566	1,635
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
<i>Revenue Generating</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Non-revenue Generating</i>		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
<i>Operational Buildings</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Housing</i>		-	-	-	-	-	-	-	-	-	-	-
Other Assets	6	-	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
<i>Servitudes</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>		-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-
<i>Computer Equipment</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Furniture and Office Equipment</i>		76	76	-	-	-	-	250	250	326	79	83
<i>Machinery and Equipment</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Transport Assets</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Land</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Zoo's, Marine and Non-biological Animals</i>		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure to be adjusted	4	30,878	30,878	-	-	-	-	(522)	(522)	30,356	36,272	37,658
<i>Roads Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>		500	500	-	-	-	-	-	-	500	522	545
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		1,700	1,700	-	-	-	-	(1,450)	(1,450)	250	1,253	1,308
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		33,078	33,078	-	-	-	-	(1,972)	(1,972)	31,106	38,047	39,511
<i>Community Facilities</i>		14,146	14,146	-	-	-	-	1,420	1,420	15,566	3,358	3,505
<i>Sport and Recreation Facilities</i>		9,500	9,500	-	-	-	-	1,770	1,770	11,270	1,566	1,635
Community Assets		23,646	23,646	-	-	-	-	3,190	3,190	26,836	4,924	5,140
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
<i>Revenue Generating</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Non-revenue Generating</i>		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
<i>Operational Buildings</i>		16,420	16,420	-	-	-	-	(1,582)	(1,582)	14,838	2,662	2,779
<i>Housing</i>		-	-	-	-	-	-	-	-	-	-	-
Other Assets		16,420	16,420	-	-	-	-	(1,582)	(1,582)	14,838	2,662	2,779
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
<i>Servitudes</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>		1,043	983	-	-	-	-	(49)	(49)	934	776	811
Intangible Assets		1,043	983	-	-	-	-	(49)	(49)	934	776	811
<i>Computer Equipment</i>		386	386	-	-	-	-	373	373	759	403	421
<i>Furniture and Office Equipment</i>		1,888	1,888	-	-	-	-	(50)	(50)	1,838	1,480	1,546
<i>Machinery and Equipment</i>		2,729	2,789	-	-	-	-	(291)	(291)	2,497	2,742	2,866
<i>Transport Assets</i>		15,700	15,700	-	-	-	-	(1,335)	(1,335)	14,365	1,462	1,525
<i>Land</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Zoo's, Marine and Non-biological Animals</i>		-	-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE to be adjusted	4	94,890	94,890	-	-	-	-	(1,716)	(1,716)	93,174	52,496	54,598

Table B9 Cont....

ASSET REGISTER SUMMARY - PPE (WDV)	5													
<i>Roads Infrastructure</i>		170,831	170,831	-	-	-	-	690	690	171,521	163,797	156,244		
<i>Storm water Infrastructure</i>		1,500	1,500	-	-	-	-	(450)	(450)	1,050	2,022	2,567		
<i>Electrical Infrastructure</i>		1,000	1,000	-	-	-	-	-	-	1,000	1,522	2,067		
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-		
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-		
<i>Solid Waste Infrastructure</i>		5,340	5,340	-	-	-	-	(1,450)	(1,450)	3,890	6,593	7,901		
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-		
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-		
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-		
Infrastructure		178,671	178,671	-	-	-	-	(1,210)	(1,210)	177,461	173,934	168,779		
Community Assets		234,397	234,397	-	-	-	-	1,878	1,878	236,275	229,608	224,608		
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-		
Investment properties		12,025	12,025	-	-	-	-	-	-	12,025	12,025	12,025		
Other Assets		74,486	74,486	-	-	-	-	(632)	(632)	73,854	75,948	77,473		
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-		
Intangible Assets		1,418	1,358	-	-	-	-	(49)	(49)	1,309	1,992	2,593		
Computer Equipment		1,894	1,894	-	-	-	-	373	373	2,267	1,471	1,029		
Furniture and Office Equipment		4,295	4,295	-	-	-	-	(50)	(50)	4,245	3,964	3,617		
Machinery and Equipment		12,144	12,204	-	-	-	-	(291)	(291)	11,913	13,503	14,924		
Transport Assets		36,608	36,608	-	-	-	-	(1,735)	(1,735)	34,873	34,410	32,115		
Land		1,244	1,244	-	-	-	-	-	-	1,244	2,543	3,899		
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-		
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	557,181	557,181	-	-	-	-	(1,716)	(1,716)	555,465	549,397	541,062		
EXPENDITURE OTHER ITEMS														
Depreciation & asset impairment		56,111	56,111	-	-	-	-	-	-	56,111	61,580	64,289		
Repairs and Maintenance by asset class	3	11,555	11,555	-	-	-	-	6,397	6,397	17,952	12,064	12,595		
<i>Roads Infrastructure</i>		3,000	3,234	-	-	-	-	6,600	6,600	9,834	3,132	3,270		
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-		
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-		
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-		
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-		
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-		
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-		
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-		
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-		
Infrastructure		3,000	3,234	-	-	-	-	6,600	6,600	9,834	3,132	3,270		
Community Facilities		3,157	2,923	-	-	-	-	(855)	(855)	2,068	3,296	3,441		
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	-		
Community Assets		3,157	2,923	-	-	-	-	(855)	(855)	2,068	3,296	3,441		
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-		
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-		
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-		
Investment properties		-	-	-	-	-	-	-	-	-	-	-		
Operational Buildings		1,700	1,700	-	-	-	-	700	700	2,400	1,775	1,853		
Housing		-	-	-	-	-	-	-	-	-	-	-		
Other Assets		1,700	1,700	-	-	-	-	700	700	2,400	1,775	1,853		
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-		
Servitudes		-	-	-	-	-	-	-	-	-	-	-		
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-		
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-		
Computer Equipment		40	40	-	-	-	-	-	-	40	42	44		
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-	-	-		
Machinery and Equipment		415	415	-	-	-	-	(40)	(40)	375	433	452		
Transport Assets		3,243	3,243	-	-	-	-	(8)	(8)	3,235	3,386	3,535		
Land		-	-	-	-	-	-	-	-	-	-	-		
Zoo's, Marine and Non-biological Animals	6	-	-	-	-	-	-	-	-	-	-	-		
TOTAL EXPENDITURE OTHER ITEMS to be adjusted		67,666	67,666	-	-	-	-	6,397	6,397	74,063	73,643	76,884		
Renewal and upgrading of Existing Assets as % of total capex		26.1%	26.1%							27.0%	11.5%	11.3%		
Renewal and upgrading of Existing Assets as % of deprecn"		44.1%	44.1%							44.9%	9.8%	9.6%		
R&M as a % of PPE		2.1%	2.1%							3.2%	2.2%	2.3%		
Renewal and upgrading and R&M as a % of PPE		6.5%	6.5%							7.8%	3.3%	3.5%		

Table B10 - Basic Service Delivery Measurement

KZN436 Dr Nkosazana Dlamini Zuma - Table B10 Basic service delivery measurement - 28/02/2023

Description	Ref	Budget Year 2022/23									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2023/24	+2 2024/25
		A	7	8	9	10	11	12	13	14	Adjusted Budget	Adjusted Budget
Household service targets	1											
Water:												
Piped water inside dwelling		2852.31	2852.31							3	2852.31	2852.31
Piped water inside yard (but not in dwelling)		26766.69	26766.69							27	26766.69	26766.69
Using public tap (at least min.service level)	2											
Other water supply (at least min.service level)												
<i>Minimum Service Level and Above sub-total</i>		30	30							30	30	30
Using public tap (< min.service level)	3											
Other water supply (< min.service level)	3,4											
No water supply												
<i>Below Minimum Service Level sub-total</i>												
Total number of households	5	30	30							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)												
<i>Minimum Service Level and Above sub-total</i>												
Bucket toilet												
Other toilet provisions (< min.service level)												
No toilet provisions												
<i>Below Minimum Service Level sub-total</i>												
Total number of households	5											
Energy:												
Electricity (at least min. service level)												
Electricity - prepaid (> min.service level)												
<i>Minimum Service Level and Above sub-total</i>												
Electricity (< min.service level)												
Electricity - prepaid (< min. service level)												
Other energy sources												
<i>Below Minimum Service Level sub-total</i>												
Total number of households	5											
Refuse:												
Removed at least once a week (min.service)		2364.6	2364.6							2,365	2364.6	2364.6
<i>Minimum Service Level and Above sub-total</i>		2,365	2,365							2,365	2,365	2,365
Removed less frequently than once a week		40297	40297							40,297	40297	40297
Using communal refuse dump												
Using own refuse dump												
Other rubbish disposal												
No rubbish disposal												
<i>Below Minimum Service Level sub-total</i>		40,297	40,297							40,297	40,297	40,297
Total number of households	5	42,662	42,662							42,662	42,662	42,662
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)												
Refuse (removed at least once a week)												
Cost of Free Basic Services provided (R'000)	16											
Water (6 kilolitres per indigent household per month)												
Sanitation (free sanitation service to indigent households)												
Electricity/other energy (50kwh per indigent household per month)				(159)					(159)	(159)	(159)	(159)
Refuse (removed once a week for indigent households)												
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)												
Total cost of FBS provided				(159)					(159)	(159)	(159)	(159)
Highest level of free service provided												
Property rates (R'000 value threshold)		295000	295000							295,000	295000	295000
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)												
Revenue cost of free services provided (R'000)	17											
Property rates (brief adjustment) (impermissible values per section 17 of MPRA)												
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		(19,763)	(19,763)						(161)	(161)	(19,923)	(21,561)
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	(19,763)	(19,763)						(161)	(161)	(19,923)	(21,561)

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 increase from R264, 1million to R266, 7million in the adjustment budget and that is 10% increase when compared to the original budget. The contributing factor to this is the increase in items such as interest on external investments and service charges – refuse removal.

Operational expenditure has increase from R237 ,2million to R261 ,5million in the adjustment budget and that is 9% increase when compared to the original budget. The overall operating deficit is R -30,5million.

The table below shows the budget statement performance of the Municipality

SUMMARY STATEMENT OF ADJUSTMENT BUDGET					
DESCRIPTION	2022/2023 Original Budget	Adjustments	2022/2023 Adjustment Budget	2023/24 Budget Year	2024/25 Budget Year
Total Operating Revenue	- 220,387,363	- 10,572,324	- 230,959,687	- 228,527,725	- 241,382,203
Total Capital Revenue	- 43,758,000	8,000,000	- 35,758,000	- 31,783,000	- 33,086,000
Total Operating Expenditure	237,208,571	24,277,321	261,485,892	247,300,243	257,866,181
Surplus/(Deficit Before Capital)	- 26,936,792	21,704,997	- 5,231,795	- 13,010,482	- 16,602,022
Capital Expenditure	94,890,098	- 1,716,449	93,173,649	52,496,149	54,598,177
Other Grants					
Electrification Grant	6,352,000	-	6,352,000	8,000,000	11,494,000

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.

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 266 ,7million. That revenue will be used to fund the operational expenditure of R264 ,5million, Capital expenditure of R94, 9million.The municipality has also used its own reserves to fund the expenditure difference.

Table B8 below provides a reconciliation of the cash reserves or accumulated surplus in the adjustment budget.

KZN436 Dr Nkosazana Dlamini Zuma - Table B8 Cash backed reserves/accumulated surplus reconciliation - 01/08/2022

Description	Ref	Budget Year 2022/23									Budget Year	Budget Year
		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	A1	B	C	D	E	F	G	H	+1 2023/24	+2 2024/25
R thousands												
Cash and investments available												
Cash/cash equivalents at the year end	1	149,287	149,287	-	-	-	-	(35,647)	(35,647)	113,640	234,649	289,003
Other current investments > 90 days		-	-	-	-	-	-	-	-	-	(52,496)	(54,598)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		149,287	149,287	-	-	-	-	(35,647)	(35,647)	113,640	182,153	234,405
Applications of cash and investments												
Unspent conditional transfers		5,904	5,904	-	-	-	-	-	-	5,904	5,904	5,904
Unspent borrowing		-	-	-	-	-	-	-	-	-	-	-
Statutory requirements		-	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	2	13,990	14,200	-	-	-	-	(20,741)	(20,741)	(6,542)	26,268	51,674
Other provisions		-	-	-	-	-	-	-	-	-	-	-
Long term investments committed		-	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments		647,240	647,240	-	-	-	-	(21,705)	(21,705)	625,535	660,250	676,852
Total Application of cash and investments:		667,133	667,343	-	-	-	-	(42,446)	(42,446)	624,897	692,422	734,430
Surplus(shortfall)		(517,847)	(518,057)	-	-	-	-	6,800	6,800	(511,257)	(510,268)	(500,026)

2.3 ADJUSTMENT TO EXPENDITURE ON ALLOCATIONS AND GRANTS PROGRAMMES

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

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SB7 Adjustments Budget - transfers and grant receipts - 28/02/2023

Description	Ref	Budget Year 2022/23							Budget Year	Budget Year
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2023/24	+2 2024/25
R thousands		A	7 A1	8 B	9 C	10 D	11 E	12 F		
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		163,244	163,244	-	-	2,100	2,100	165,344	171,466	184,909
Operational Revenue:General Revenue:Equitable Share		152,466	152,466	-	-	-	-	152,466	161,516	171,465
Operational Revenue:General Revenue:Fuel Levy	3	-	-	-	-	-	-	-	-	-
Department of Water Affairs and Sanitation Masibambane		-	-	-	-	-	-	-	-	-
Emergency Medical Service		-	-	-	-	-	-	-	-	-
Energy Efficiency and Demand-side [Schedule 5B]		-	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		2,476	2,476	-	-	-	-	2,476	-	-
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]		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Traditional Leaders - Imbizon		-	-	-	-	-	-	-	-	-
Department of Water and Sanitation Smart Living Handbook		-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant		6,352	6,352	-	-	2,100	2,100	8,452	8,000	11,494
Municipal Restructuring Grant		-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant		-	-	-	-	-	-	-	-	-
Municipal Emergency Housing Grant		-	-	-	-	-	-	-	-	-
Metro Informal Settlements Partnership Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		5,169	5,169	-	-	254	254	5,423	4,169	4,352
Capacity Building		1,000	1,000	-	-	-	-	1,000	-	-
Provincialisation of Libraries		2,946	2,946	-	-	-	-	2,946	2,946	3,075
Community Library Service Grant		1,223	1,223	-	-	254	254	1,477	1,223	1,277
Health		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Sports and Recreation		-	-	-	-	-	-	-	-	-
Waste Water Infrastructure - Maintenance		-	-	-	-	-	-	-	-	-
Higher Educational Institutions		-	-	-	-	-	-	-	-	-
Parent Municipality / Entity		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	6	168,413	168,413	-	-	2,354	2,354	170,767	175,635	189,261
Capital Transfers and Grants										
National Government:		30,558	30,558	-	-	-	-	30,558	31,783	33,086
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant [Schedule 5B]		30,558	30,558	-	-	-	-	30,558	31,783	33,086
Municipal Water Infrastructure Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Public Transport Infrastructure Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Municipal Emergency Housing Grant		-	-	-	-	-	-	-	-	-
Metro Informal Settlements Partnership Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		13,200	13,200	-	-	(8,000)	(8,000)	5,200	-	-
Capacity Building		-	-	-	-	-	-	-	-	-
Capacity Building and Other		-	-	-	-	-	-	-	-	-
Disaster and Emergency Services		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Infrastructure		13,200	13,200	-	-	(8,000)	(8,000)	5,200	-	-
Libraries, Archives and Museums		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Public Transport		-	-	-	-	-	-	-	-	-
Higher Educational Institutions		-	-	-	-	-	-	-	-	-
Parent Municipality / Entity		-	-	-	-	-	-	-	-	-
Transfer from Operational Revenue		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	6	43,758	43,758	-	-	(8,000)	(8,000)	35,758	31,783	33,086
TOTAL RECEIPTS OF TRANSFERS & GRANTS		212,171	212,171	-	-	(5,646)	(5,646)	206,525	207,418	222,347

The following table indicates the municipality's adjustment for expenditure on transfers and programmes.

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SB8 Adjustments Budget - expenditure on transfers and grant programme - 28/02/2023

Description	Ref	Budget Year 2022/23						Budget Year	Budget Year	
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	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:	1									
Operating expenditure of Transfers and Grants										
National Government:		163,244	163,244	-	-	2,100	2,100	165,344	171,466	184,909
Operational Revenue:General Revenue:Equitable Share	3	152,466	152,466	-	-	-	-	152,466	161,516	171,465
Operational:Revenue:General Revenue:Fuel Levy		-	-	-	-	-	-	-	-	-
Emergency Medical Service		-	-	-	-	-	-	-	-	-
Energy Efficiency and Demand-side [Schedule 5B]		-	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		2,476	2,476	-	-	-	-	2,476	-	-
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]		-	-	-	-	-	-	-	-	-
WiFi Grant [Department of Telecommunications and Postal Services		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Traditional Leaders - Imbizion		-	-	-	-	-	-	-	-	-
Department of Water and Sanitation Smart Living Handbook		-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant		6,352	6,352	-	-	2,100	2,100	8,452	8,000	11,494
Municipal Restructuring Grant		-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant		-	-	-	-	-	-	-	-	-
Municipal Emergency Housing Grant		-	-	-	-	-	-	-	-	-
Metro Informal Settlements Partnership Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		5,169	5,169	-	-	254	254	5,423	4,169	4,352
Capacity Building		1,000	1,000	-	-	-	-	1,000	-	-
Provincialisation of Libraries		2,946	2,946	-	-	-	-	2,946	2,946	3,075
Community Library Service Grant		1,223	1,223	-	-	254	254	1,477	1,223	1,277
Health		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Higher Educational Institutions		-	-	-	-	-	-	-	-	-
Parent Municipality / Entity		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	6	168,413	168,413	-	-	2,354	2,354	170,767	175,635	189,261
Capital Transfers and Grants										
National Government:		30,558	30,558	-	-	-	-	30,558	31,783	33,086
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant [Schedule 5B]		30,558	30,558	-	-	-	-	30,558	31,783	33,086
Municipal Water Infrastructure Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Emergency Housing Grant		-	-	-	-	-	-	-	-	-
Metro Informal Settlements Partnership Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		13,200	13,200	-	-	(8,000)	(8,000)	5,200	-	-
Capacity Building		-	-	-	-	-	-	-	-	-
Capacity Building and Other		-	-	-	-	-	-	-	-	-
Disaster and Emergency Services		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Infrastructure		13,200	13,200	-	-	(8,000)	(8,000)	5,200	-	-
Libraries, Archives and Museums		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Parent Municipality / Entity		-	-	-	-	-	-	-	-	-
Transfer from Operational Revenue		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	6	43,758	43,758	-	-	(8,000)	(8,000)	35,758	31,783	33,086
TOTAL EXPENDITURE OF TRANSFERS & GRANTS		212,171	212,171	-	-	(5,646)	(5,646)	206,525	207,418	222,347

The expenditure on transfers and grant has decreased from R212 ,2million to R206 ,5million when compared to the original budget and has increase from R204,4million to R206, 5 million when compared to the February adjustment budget.

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 ,5million 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 been adjusted upwards as per the Gazette on the determination of upper limits on remuneration of municipal councillors that was issued by the minister of Cooperative Governance and Traditional Affairs.

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 2022/23 financial year. This section provides details regarding the proposed adjustment on the main 2022/23 SDBIP scorecard per department where requested.

This section provides details regarding the proposed adjustment on the main 2022/23 SDBIP scorecard per department where requested.

There has been a number of indicators on which the targets have been reduced mainly due to slow project implementation and which are affected by the adjustment to the Budget. These relate to the services departments. Annexure "A" attached to the report contains all the details and reasons for the proposed adjustment.

The following table shows the summary of the Adjustment

NAME OF THE DEPARTMENT	NO. OF INDICATORS IN THE ORIGINAL 2022/2023 SDBIP	NO. OF INDICATORS IN THE 2022/2023 ADJUSTED SDBIP
PWBS	25	23
CSS	25	23
OMM	11	12
CORP	16	16
BTO	19	20

DTPS	14	18
TOTAL NO OF INDICATORS	110	112

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 downwards by an overall of R 1 ,7million in the adjustment budget when compare to the original budget that was approved in May last year, that is from R94 ,9million to R93,2million. The adjusted funds were directed towards repairs and maintenance of infrastructure assets affected by the heavy rains within the municipal area. The municipality funded a portion of capital expenditure by accumulated surplus from 2022/23 financial year and other savings that the municipality has made from cutting down on some items in operating expenditure as the municipality's received allocation for 2022/23 financial year was not sufficient for the municipality to render services to its communities.

KZN436 Dr Nkosazana Dlamini Zuma - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 01/08/2022

Description	Ref	Budget Year 2022/23									Budget Year	Budget Year
		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	A1	B	C	D	E	F	G	H	+1 2023/24	+2 2024/25
R thousands												
Capital expenditure - Vote												
Multi-year expenditure to be adjusted												
Vote 1 - EXECUTIVE AND COUNCIL	2	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - BUDGET AND TREASURY		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		31,050	31,050	-	-	-	-	2,526	2,526	33,576	7,099	7,297
Vote 4 - COMMUNITY SERVICES		456	456	-	-	-	-	-	-	456	163	170
Vote 5 - PUBLIC WORKS AND BASIC SERVICES		2,300	2,300	-	-	-	-	(1,800)	(1,800)	500	2,401	2,506
Vote 6 - PLANNING AND DEVELOPMINT		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
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	33,806	33,806	-	-	-	-	726	726	34,532	9,663	9,973
Single-year expenditure to be adjusted												
Vote 1 - EXECUTIVE AND COUNCIL	2	60	60	-	-	-	-	1,880	1,880	1,940	63	65
Vote 2 - BUDGET AND TREASURY		5,483	5,483	-	-	-	-	(1,810)	(1,810)	3,673	295	308
Vote 3 - CORPORATE SERVICES		35,838	35,838	-	-	-	-	1,380	1,380	37,218	36,646	38,165
Vote 4 - COMMUNITY SERVICES		1,996	1,996	-	-	-	-	400	400	2,396	1,176	1,228
Vote 5 - PUBLIC WORKS AND BASIC SERVICES		17,187	17,187	-	-	-	-	(5,115)	(5,115)	12,072	4,110	4,291
Vote 6 - PLANNING AND DEVELOPMINT		520	520	-	-	-	-	823	823	1,343	543	567
Vote 7 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
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		61,084	61,084	-	-	-	-	(2,442)	(2,442)	58,642	42,833	44,625
Total Capital Expenditure - Vote		94,890	94,890	-	-	-	-	(1,716)	(1,716)	93,174	52,496	54,598

Table 5 Cont...

Capital Expenditure - Functional													
Governance and administration		8,295	8,295	-	-	-	-	470	470	8,765	2,010	2,099	
Executive and council		60	60	-	-	-	-	1,880	1,880	1,940	63	65	
Finance and administration		8,235	8,235	-	-	-	-	(1,410)	(1,410)	6,825	1,947	2,034	
Internal audit		-	-	-	-	-	-	-	-	-	-	-	
Community and public safety		19,487	19,487	-	-	-	-	(6,915)	(6,915)	12,572	6,512	6,797	
Community and social services		4,221	4,221	-	-	-	-	(2,683)	(2,683)	1,538	4,406	4,599	
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	
Public safety		15,266	15,266	-	-	-	-	(4,232)	(4,232)	11,034	2,105	2,198	
Housing		-	-	-	-	-	-	-	-	-	-	-	
Health		-	-	-	-	-	-	-	-	-	-	-	
Economic and environmental services		64,908	64,908	-	-	-	-	6,629	6,629	71,537	42,200	43,849	
Planning and development		55,298	55,298	-	-	-	-	7,838	7,838	63,136	41,354	42,966	
Road transport		9,610	9,610	-	-	-	-	(1,209)	(1,209)	8,401	846	883	
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	
Trading services		2,200	2,200	-	-	-	-	(1,900)	(1,900)	300	1,775	1,853	
Energy sources		-	-	-	-	-	-	-	-	-	-	-	
Water management		-	-	-	-	-	-	-	-	-	-	-	
Waste water management		500	500	-	-	-	-	(450)	(450)	50	522	545	
Waste management		1,700	1,700	-	-	-	-	(1,450)	(1,450)	250	1,253	1,308	
Other		-	-	-	-	-	-	-	-	-	-	-	
Total Capital Expenditure - Functional	3	94,890	94,890	-	-	-	-	(1,716)	(1,716)	93,174	52,496	54,598	
Funded by:													
National Government		30,558	30,558	-	-	-	-	-	-	30,558	31,783	33,086	
Provincial Government		13,200	13,200	-	-	-	-	(8,000)	(8,000)	5,200	-	-	
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	43,758	43,758	-	-	-	-	(8,000)	(8,000)	35,758	31,783	33,086	
Borrowing		-	-	-	-	-	-	-	-	-	-	-	
Internally generated funds		51,132	51,132	-	-	-	-	6,284	6,284	57,416	20,713	21,512	
Total Capital Funding		94,890	94,890	-	-	-	-	(1,716)	(1,716)	93,174	52,496	54,598	

Integrated National Electrification Programme (INEP) R 8, 5 Million

An additional funding of R2, 1million has been allocated to the Dr Nkosazana Dlamini Zuma Municipality. The 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.

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 arears as a result the municipality is not generating any revenue from them.

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 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 2022/23 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 2022/23

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.