



**DR NKOSAZANA DLAMINI-ZUMA
LOCAL MUNICIPALITY
PRESENTS
2020/21 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 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.

Application and Approval of Additional Funding – Integrated National Electrification programme

An application of additional funding was made by the municipality to the Department of Mineral Resources and Energy to be used in the project of electrification of Greater Stepmore and Greater Ngwagwane. Approval was granted to the Municipality, an additional funding of R2, 4 million was deposited to the municipal bank account on the 29th April 2021.

Additional Funding – Greenest Municipality Award

Last year the municipality entered the competition for the Greenest Municipality Award and was awarded with an amount of R 375 000 for complying with all prescripts for Waste Management. In Harry Gwala District only NDZ and Greater Kokstad Municipality that got the awards for Greenest Municipality.

In terms of the conditions of the competition the municipality submitted a Business Plan to the department for consideration and release of the award. The business plan for the purchase of a branded vehicle for the waste management to promote recycling. The amount for the grant was deposited to the municipality's bank account on the 15 April 2021. The effect of the approval of inclusion of this amount in the adjustment budget would be an increase in revenue by R 375 000 and a reduction on internally funded procurement of vehicles by R 375 000 which would not have any effect in the Total Capital Expenditure.

PART 1 – ADJUSTMENT BUDGET

1.1 MAYOR'S REPORT

2020/21 Adjustment budget presentation by her Worship the Mayor Councilor P.N Mncwabe at Dr Nkosazana Dlamini-Zuma Local Municipality in April 2021.

Honorable Speaker, I am pleased to officially present an overview of 2020/21 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.

Considering the above explanation, I hereby recommend that the council may approve the 2020/2021 adjustment budget.

I thank you.

Honourable Mayor
Councillor P.N Mncwabe

1.2 RESOLUTIONS

It is recommended that the council:

Notes and adopt the Adjustment Budget (29 April 2021 for inclusion of additional grant funding) for 2020/2021 financial year

1.3 EXECUTIVE SUMMARY

The 2020/2021 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 2020/2021 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 2020/2021 financial year, the under mentioned principles gave guidance to the compilation of the 2020/2021 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 2020/21 was also used to guide the compilation of 2020/21 Adjustment Budget, comments on the 2020/2021 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

1.4 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 6.4 extracted from financial system is attached on the report.

KZN436 Dr Nkosazana Dlamini Zuma - Table B1 Adjustments Budget Summary - 30/04/2021

Description	Budget Year 2020/21									Budget Year +1 2021/22	Budget Year +2 2022/23
	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	34 425	28 649	-	-	-	-	-	-	28 649	36 009	37 665
Service charges	3 608	3 893	-	-	-	-	-	-	3 893	3 774	3 947
Investment revenue	8 090	6 100	-	-	-	-	-	-	6 100	8 462	8 851
Transfers recognised - operational	143 638	168 944	-	-	-	-	-	-	168 944	149 268	157 121
Other own revenue	14 221	7 547	-	-	-	-	-	-	7 547	5 899	6 170
Total Revenue (excluding capital transfers and contributions)	203 982	215 134	-	-	-	-	-	-	215 134	203 412	213 755
Employee costs	70 219	70 219	-	-	-	-	-	-	70 219	73 455	76 828
Remuneration of councillors	11 901	11 901	-	-	-	-	-	-	11 901	12 449	13 021
Depreciation & asset impairment	41 625	34 752	-	-	-	-	-	-	34 752	32 291	35 439
Finance charges	291	291	-	-	-	-	-	-	291	305	319
Materials and bulk purchases	3 998	5 895	-	-	-	-	(100)	(100)	5 795	3 869	4 047
Transfers and grants	1 990	2 987	-	-	-	-	-	-	2 987	2 082	2 178
Other expenditure	73 251	79 471	-	-	-	-	100	100	79 571	74 175	77 137
Total Expenditure	203 276	205 516	-	-	-	-	-	-	205 516	198 625	208 968
Surplus/(Deficit)	706	9 617	-	-	-	-	-	-	9 617	4 787	4 787
Transfers recognised - capital	26 989	29 067	-	-	-	-	375	375	29 442	29 050	30 559
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	27 695	38 684	-	-	-	-	375	375	39 059	33 837	35 346
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	27 695	38 684	-	-	-	-	375	375	39 059	33 837	35 346
Capital expenditure & funds sources											
Capital expenditure	101 077	119 608	-	-	-	-	-	-	119 608	41 203	43 272
Transfers recognised - capital	27 074	29 067	-	-	-	-	375	375	29 442	29 050	30 559
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	74 003	90 541	-	-	-	-	(375)	(375)	90 166	12 153	12 713
Total sources of capital funds	101 077	119 608	-	-	-	-	-	-	119 608	41 203	43 272
Financial position											
Total current assets	96 446	116 681	-	-	-	-	3 145	3 145	119 825	164 682	162 694
Total non current assets	503 685	515 170	-	-	-	-	-	-	515 170	472 517	474 586
Total current liabilities	51 123	53 225	-	-	-	-	2 770	2 770	55 994	97 257	97 338
Total non current liabilities	17 397	18 212	-	-	-	-	-	-	18 212	18 212	18 212
Community wealth/Equity	531 610	560 745	-	-	-	-	39 059	39 059	599 805	521 730	521 730

Table B1 Cont.....

Cash flows												
Net cash from (used) operating	66 006	72 429	-	-	-	-	2 775	2 775	75 204	69 234	73 482	
Net cash from (used) investing	(92 496)	(118 408)	-	-	-	-	-	-	(118 408)	(41 203)	(43 272)	
Net cash from (used) financing	(678)	(370)	-	-	-	-	370	370	-	-	-	
Cash/cash equivalents at the year end	62 183	77 855	-	-	-	-	3 145	3 145	81 000	109 031	139 241	
Cash backing/surplus reconciliation												
Cash and investments available	62 183	77 855	-	-	-	-	3 145	3 145	81 000	115 741	115 352	
Application of cash and investments	560 068	588 074	-	-	-	-	2 814	2 814	590 888	75 038	76 151	
Balance - surplus (shortfall)	(497 885)	(510 219)	-	-	-	-	331	331	(509 888)	40 704	39 201	
Asset Management												
Asset register summary (WDV)	503 685	550 922	-	-	-	-	(35 752)	(35 752)	515 170	472 517	474 586	
Depreciation & asset impairment	41 625	34 752	-	-	-	-	-	-	34 752	32 291	35 439	
Renewal of Existing Assets	15 320	29 475	-	-	-	-	-	-	29 475	-	-	
Repairs and Maintenance	11 918	11 798	-	-	-	-	-	-	11 798	12 467	13 113	
Free services												
Cost of Free Basic Services provided	(83)	(83)	-	-	-	-	-	-	(83)	(88)	(93)	
Revenue cost of free services provided	(19 364)	(25 140)	-	-	-	-	-	-	(25 140)	(20 255)	(21 186)	
Households below minimum service level												
Water:	-	-	-	-	-	-	-	-	-	-	-	
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-	-	
Energy:	-	-	-	-	-	-	-	-	-	-	-	
Refuse:	-	-	-	-	-	-	-	-	-	-	-	

References



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) - 30/04/2021

Standard Description	Ref	Budget Year 2020/21									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 2021/22	+2 2022/23
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>		191 341	202 564	-	-	-	-	-	-	202 564	194 062	203 961
Executive and council		-	-	-	-	-	-	-	-	-	-	-
Finance and administration		191 341	202 564	-	-	-	-	-	-	202 564	194 062	203 961
Internal audit		-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		6 397	7 949	-	-	-	-	-	-	7 949	5 447	5 712
Community and social services		3 804	6 213	-	-	-	-	-	-	6 213	3 973	4 170
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		2 154	1 536	-	-	-	-	-	-	1 536	1 474	1 542
Housing		439	200	-	-	-	-	-	-	200	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		29 625	29 794	-	-	-	-	-	-	29 794	29 179	30 694
Planning and development		123	623	-	-	-	-	-	-	623	129	135
Road transport		29 502	29 171	-	-	-	-	-	-	29 171	29 050	30 559
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		3 608	3 893	-	-	-	-	375	375	4 268	3 774	3 947
Energy sources		-	-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		3 608	3 893	-	-	-	-	375	375	4 268	3 774	3 947
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	230 971	244 201	-	-	-	-	375	375	244 576	232 462	244 314
Expenditure - Functional												
<i>Governance and administration</i>		125 209	119 938	-	-	-	-	-	-	119 938	120 216	126 958
Executive and council		22 265	22 519	-	-	-	-	-	-	22 519	23 290	24 361
Finance and administration		101 411	95 715	-	-	-	-	-	-	95 715	95 324	100 921
Internal audit		1 532	1 704	-	-	-	-	-	-	1 704	1 603	1 676
<i>Community and public safety</i>		27 265	27 465	-	-	-	-	100	100	27 565	27 375	28 629
Community and social services		16 336	16 731	-	-	-	-	100	100	16 831	17 088	17 874
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		10 169	9 961	-	-	-	-	-	-	9 961	9 952	10 404
Housing		760	521	-	-	-	-	-	-	521	335	351
Health		-	252	-	-	-	-	-	-	252	-	-
<i>Economic and environmental services</i>		39 982	39 848	-	-	-	-	(100)	(100)	39 748	39 715	41 542
Planning and development		17 661	17 406	-	-	-	-	(100)	(100)	17 306	18 997	19 871
Road transport		22 320	22 442	-	-	-	-	-	-	22 442	20 718	21 671
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		6 711	13 511	-	-	-	-	-	-	13 511	7 019	7 342
Energy sources		-	6 000	-	-	-	-	-	-	6 000	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		6 711	7 511	-	-	-	-	-	-	7 511	7 019	7 342
<i>Other</i>		4 110	4 755	-	-	-	-	-	-	4 755	4 299	4 496
Total Expenditure - Functional	3	203 276	205 516	-	-	-	-	-	-	205 516	198 625	208 968
Surplus/ (Deficit) for the year		27 695	38 684	-	-	-	-	375	375	39 059	33 837	35 346

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) - 30/04/2021

Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2020/21									Budget Year +1 2021/22
		Original Budget	Prior Adjusted	Accum Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H	
Revenue by Vote	1										
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury		191 236	202 460	-	-	-	-	-	-	202 460	193 953
Vote 3 - Corporate Services		105	105	-	-	-	-	-	-	105	109
Vote 4 - Community Services		9 566	9 233	-	-	-	-	-	-	9 233	9 221
Vote 5 - Public Works and Basic Services		29 941	31 780	-	-	-	-	375	375	32 155	29 050
Vote 6 - Planning and Development		123	623	-	-	-	-	-	-	623	129
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	230 971	244 201	-	-	-	-	375	375	244 576	232 462
Expenditure by Vote	1										
Vote 1 - Executive and Council		23 798	24 223	-	-	-	-	-	-	24 223	24 892
Vote 2 - Budget and Treasury		77 154	71 528	-	-	-	-	-	-	71 528	69 455
Vote 3 - Corporate Services		24 257	24 087	-	-	-	-	-	-	24 087	25 868
Vote 4 - Community Services		34 292	34 881	-	-	-	-	-	-	34 881	35 708
Vote 5 - Public Works and Basic Services		38 939	45 502	-	-	-	-	-	-	45 502	37 643
Vote 6 - Planning and Development		4 835	5 295	-	-	-	-	-	-	5 295	5 058
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	203 276	205 516	-	-	-	-	-	-	205 516	198 625
Surplus/ (Deficit) for the year	2	27 695	38 684	-	-	-	-	375	375	39 059	33 837

The table above show the difference between revenue and expenditure by municipal vote when comparing the special adjustment budget and adjustment budget by municipal vote. The total revenue by vote increased from R 244 ,2million to R 244 ,5million and no adjustment made on total expenditure of R 205, 5million when compared to the adjustment budget for February 2021.

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 Zurma - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 30/04/2021

Description	Ref	Budget Year 2020/21									Budget Year +1 2021/22	Budget Year +2 2022/23
		Original Budget	Prior Adjusted	Accum Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjustis.	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	34 425	28 649	-	-	-	-	-	-	28 649	36 009	37 665
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	3 608	3 893	-	-	-	-	-	-	3 893	3 774	3 947
Service charges - other		-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		831	831	-	-	-	-	-	-	831	870	910
Interest earned - external investments		8 090	6 100	-	-	-	-	-	-	6 100	8 462	8 851
Interest earned - outstanding debtors		2 294	4 283	-	-	-	-	-	-	4 283	2 399	2 509
Dividends received		-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		726	726	-	-	-	-	-	-	726	759	794
Licences and permits		753	503	-	-	-	-	-	-	503	787	823
Agency services		32	409	-	-	-	-	-	-	409	34	35
Transfers and subsidies		143 638	168 944	-	-	-	-	-	-	168 944	149 268	157 121
Other revenue	2	1 004	595	-	-	-	-	-	-	595	1 050	1 098
Gains on disposal of PPE		8 581	200	-	-	-	-	-	-	200	-	-
Total Revenue (excluding capital transfers and contributions)		203 982	215 134	-	-	-	-	-	-	215 134	203 412	213 755
Expenditure By Type												
Employee related costs		70 219	70 219	-	-	-	-	-	-	70 219	73 455	76 828
Remuneration of councillors		11 901	11 901	-	-	-	-	-	-	11 901	12 449	13 021
Debt impairment		11 060	11 060	-	-	-	-	-	-	11 060	11 569	12 101
Depreciation & asset impairment		41 625	34 752	-	-	-	-	-	-	34 752	32 291	35 439
Finance charges		291	291	-	-	-	-	-	-	291	305	319
Bulk purchases		-	-	-	-	-	-	-	-	-	-	-
Other materials		3 998	5 895	-	-	-	-	(100)	(100)	5 795	3 869	4 047
Contracted services		33 860	39 700	-	-	-	-	35	35	39 735	35 866	37 066
Transfers and subsidies		1 990	2 987	-	-	-	-	-	-	2 987	2 082	2 178
Other expenditure		28 331	28 711	-	-	-	-	65	65	28 776	26 740	27 970
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		203 276	205 516	-	-	-	-	-	-	205 516	198 625	208 968
Surplus/(Deficit)												
		706	9 617	-	-	-	-	-	-	9 617	4 787	4 787
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		26 989	29 067	-	-	-	-	375	375	29 442	29 050	30 559
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporators, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) before taxation		27 695	38 684	-	-	-	-	375	375	39 059	33 837	35 346
Taxation		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		27 695	38 684	-	-	-	-	375	375	39 059	33 837	35 346
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		27 695	38 684	-	-	-	-	375	375	39 059	33 837	35 346
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		27 695	38 684	-	-	-	-	375	375	39 059	33 837	35 346

Operating Revenue – No adjustment made to operating revenue, the figures reflect information as per the adjustment budget for February 2021.

The revenue of the municipality has no adjustment when compared to R215 ,1million in the adjustment budget for February 2021

Property Rates

Property rates have not been adjusted due to Covid-19 pandemic as some of business and individuals do not have income and could not pay rates during the nationwide lockdown and after it as some businesses are still recovering especially those in the Tourism & Hospitality sector.

Service Charges

Service charges has increased from R 3 ,6million to R 3 ,8million when compared to special adjustment budget due to new property developments.

Rental of facilities

Rental of facilities has not been adjusted as there might be a decrease in demand of renting of community facilities due to Covid-19 pandemic as the country is being alarm of Covid-19 wave three.

Licences and Permits

Licences and permit has decrease form R 753 549 to R 502 549 when compared to the special adjustment budget due to the decrease in the number of people making bookings for Learners Licenses due to Covid-19 as people are still avoiding activities that will need them to meet with people from different areas.

Agency Fee

Agency fee has increased from R32 249 to R 409 386 when compared to the special adjustment budget, upon investigation about the line item it was discovered that it was under budgeted in the original budget.

Other Revenue

Other revenue sources have decrease from R 1million to R 594 621 there has been reviewed as the actuals for the past six months are not the same as the anticipated revenue collection and the Covid-19 pandemic which make people use online

downloads of tender documents thereby decreasing sales of hard copies of tender documents and building plan submissions.

Interest Earned on External Investment

Interest on investments has decreased from R 8 million to R 6, 1million 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 – No adjustment made to operating expenditure

The overall operating expenditure has decreased from R207 ,5million to R205 ,5 million in the adjustment budget and that is R 2million decrease when compared to the special adjustment budget, when checking per line items that decreased. The contributing factors are as follows:

Employee Related

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

Councilors Remuneration

It has not been adjusted as the Gazette on the determination of upper limits on remuneration of municipal councilors 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 R3,6million to R 5, 8million when comparing to the special adjustment budget.

Contracted Services

Contracted services have increased from R38, 1million to R 39, 6million the increase as a resulted from the inclusion of the expenditure of rollover grants.

Transfers and Subsidies

Transfers and subsidies increased from R 1, 9million to R 2 ,9 million the increase is mainly as a result of the electrification projects that are funded internally due to the low allocation of the INEP Grant and the projects have already kickstarted.

Other Expenditure

Other expenditure comprises of various line items relating to the daily operations of the municipality, an upward adjustment of an amount of R247 204 was made due to the increase in operations. Operating expenditure increased from R 28, 5million to R 28, 8million when compared to the special adjustment budget.

Depreciation and Asset Impairment

A downward adjustment has been made, the budget decreased from R 41, 6million to R 34, 7million when compared to the special adjustment 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 - no adjustment has been made it is still sitting at R 294 489 as per the original budget, the ongoing control measures that were introduced to avoid interest on late payments are being monitored.

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.

No adjustment made in the overall capital expenditure of R119 608 million in the adjustment budget prepared in April when compared to the special adjustment budget for February 2021 as the effect of the approval of inclusion of the greenest municipality award amount in the adjustment budget would be an increase in revenue by R 375 000 and a reduction on internally funded capital expenditure will be made for procurement of vehicles which would not have any effect in the Total Capital Expenditure. This has been applied after considering the total actuals in capital expenditure as at the end of March 2021 which gives an indication that the municipality might spend less than hundred percent of the total capital budget by 30 June 2021, therefore increasing capital expenditure by the additional funding to procure vehicles will not be a good idea.

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

Description	Ref	Budget Year 2020/21									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 2021/22	+2 2022/23
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		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community Services		-	7 000	-	-	-	-	(1 750)	(1 750)	5 250	-	-
Vote 5 - Public Works and Basic Services		19 313	34 395	-	-	-	-	(2 000)	(2 000)	32 395	29 050	30 559
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	19 313	41 395	-	-	-	-	(3 750)	(3 750)	37 645	29 050	30 559
Single-year expenditure to be adjusted												
Vote 1 - Executive and Council	2	577	632	-	-	-	-	100	100	732	604	631
Vote 2 - Budget and Treasury		360	426	-	-	-	-	-	-	426	376	394
Vote 3 - Corporate Services		691	1 061	-	-	-	-	-	-	1 061	723	756
Vote 4 - Community Services		10 276	6 909	-	-	-	-	3 750	3 750	10 659	10 315	10 789
Vote 5 - Public Works and Basic Services		61 367	69 015	-	-	-	-	(100)	(100)	68 915	-	-
Vote 6 - Planning and Development		130	170	-	-	-	-	-	-	170	136	143
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		73 401	78 213	-	-	-	-	3 750	3 750	81 963	12 153	12 713
Total Capital Expenditure - Vote		92 714	119 608	-	-	-	-	-	-	119 608	41 203	43 272
Capital Expenditure - Functional												
Governance and administration												
Executive and council		577	632	-	-	-	-	100	100	732	604	631
Finance and administration		1 799	2 235	-	-	-	-	-	-	2 235	1 099	1 150
Internal audit		-	-	-	-	-	-	-	-	-	-	-
Community and public safety		10 826	14 459	-	-	-	-	2 000	2 000	16 459	10 315	10 789
Community and social services		1 816	1 816	-	-	-	-	-	-	1 816	979	1 024
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		9 010	12 643	-	-	-	-	2 000	2 000	14 643	9 335	9 765
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		87 876	99 766	-	-	-	-	(2 994)	(2 994)	96 772	29 186	30 702
Planning and development		83 384	95 299	-	-	-	-	(2 994)	(2 994)	92 305	29 186	30 702
Road transport		4 491	4 467	-	-	-	-	-	-	4 467	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		-	2 516	-	-	-	-	894	894	3 409	-	-
Energy sources		-	-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	2 516	-	-	-	-	-	-	2 516	-	-
Waste management		-	-	-	-	-	-	894	894	894	-	-
Other		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	101 077	119 608	-	-	-	-	-	-	119 608	41 203	43 272
Funded by:												
National Government		26 989	26 658	-	-	-	-	-	-	26 658	29 050	30 559
Provincial Government		85	2 409	-	-	-	-	375	375	2 784	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	27 074	29 067	-	-	-	-	375	375	29 442	29 050	30 559
Public contributions & donations		-	-	-	-	-	-	-	-	-	-	-
Borrowing		-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		74 003	90 541	-	-	-	-	(375)	(375)	90 166	12 153	12 713
Total Capital Funding		101 077	119 608	-	-	-	-	-	-	119 608	41 203	43 272

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 Zumra - Table B6 Adjustments Budget Financial Position - 30/04/2021

Description	Ref	Budget Year 2020/21								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	4	5	6	7	8	9	10		
ASSETS												
Current assets												
Cash		5 822	14 985	-	-	-	-	3 145	3 145	18 129	32 871	32 482
Call investment deposits	1	56 361	62 870	-	-	-	-	-	-	62 870	82 870	82 870
Consumer debtors	1	30 058	35 309	-	-	-	-	(0)	(0)	35 309	46 294	44 711
Other debtors		4 205	3 517	-	-	-	-	-	-	3 517	2 646	2 631
Current portion of long-term receivables		-	-	-	-	-	-	-	-	-	-	-
Inventory		-	-	-	-	-	-	-	-	-	-	-
Total current assets		96 446	116 681	-	-	-	-	3 145	3 145	119 825	164 682	162 694
Non current assets												
Long-term receivables		-	-	-	-	-	-	-	-	-	-	-
Investments		-	-	-	-	-	-	-	-	-	-	-
Investment property		20 300	20 411	-	-	-	-	-	-	20 411	20 411	20 411
Investment in Associate		-	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	1	483 291	494 550	-	-	-	-	-	-	494 550	451 984	454 049
Agricultural		-	-	-	-	-	-	-	-	-	-	-
Biological		-	-	-	-	-	-	-	-	-	-	-
Intangible		35	210	-	-	-	-	-	-	210	122	126
Other non-current assets		60	-	-	-	-	-	-	-	-	-	-
Total non current assets		503 685	515 170	-	-	-	-	-	-	515 170	472 517	474 586
TOTAL ASSETS		600 131	631 851	-	-	-	-	3 145	3 145	634 995	637 199	637 280
LIABILITIES												
Current liabilities												
Bank overdraft		-	-	-	-	-	-	-	-	-	-	-
Borrowing		678	0	-	-	-	-	-	-	0	370	370
Consumer deposits		6	(17)	-	-	-	-	-	-	(17)	(17)	(17)
Trade and other payables		44 027	45 983	-	-	-	-	2 770	2 770	48 753	90 151	90 232
Provisions		6 412	7 258	-	-	-	-	-	-	7 258	6 753	6 753
Total current liabilities		51 123	53 225	-	-	-	-	2 770	2 770	55 994	97 257	97 338
Non current liabilities												
Borrowing	1	540	171	-	-	-	-	-	-	171	171	171
Provisions	1	16 857	18 041	-	-	-	-	-	-	18 041	18 041	18 041
Total non current liabilities		17 397	18 212	-	-	-	-	-	-	18 212	18 212	18 212
TOTAL LIABILITIES		68 521	71 437	-	-	-	-	2 770	2 770	74 206	115 469	115 550
NET ASSETS	2	531 610	560 414	-	-	-	-	375	375	560 789	521 730	521 730
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		526 783	555 517	-	-	-	-	39 059	44	555 561	516 501	516 501
Reserves		4 827	5 228	-	-	-	-	-	-	5 228	5 228	5 228
Minorities' interests		-	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY		531 610	560 745	-	-	-	-	39 059	44	560 789	521 730	521 730

Table B7- Budgeted Cash Flow Statement

The 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 Zurma - Table B7 Adjustments Budget Cash Flows - 30/04/2021

Description	Ref	Budget Year 2020/21									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 2021/22	+2 2022/23
R thousands		A	A1	B	C	D	E	F	G	H		
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates		24 575	20 054	-	-	-	-	-	-	20 054	20 977	21 942
Service charges		2 706	2 789	-	-	-	-	-	-	2 789	2 917	3 051
Other revenue		3 164	2 752	-	-	-	-	-	-	2 752	2 878	3 011
Government - operating	1	150 568	174 273	-	-	-	-	2 400	2 400	176 673	161 268	169 121
Government - capital	1	26 989	26 668	-	-	-	-	375	375	27 033	29 050	30 559
Interest		8 090	6 100	-	-	-	-	-	-	6 100	6 381	6 674
Dividends		-	-	-	-	-	-	-	-	-	-	-
Payments												
Suppliers and employees		(147 804)	(156 918)	-	-	-	-	-	-	(156 918)	(151 850)	(158 379)
Finance charges		-	(291)	-	-	-	-	-	-	(291)	(305)	(319)
Transfers and Grants	1	(1 930)	(2 987)	-	-	-	-	-	-	(2 987)	(2 082)	(2 178)
NET CASH FROM/(USED) OPERATING ACTIVITIES		66 006	72 429	-	-	-	-	2 775	2 775	75 204	69 234	73 482
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE		8 581	1 200	-	-	-	-	-	-	1 200	-	-
Decrease (increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-	-
Payments												
Capital assets		(101 077)	(119 608)	-	-	-	-	-	-	(119 608)	(41 203)	(43 272)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(92 496)	(118 408)	-	-	-	-	-	-	(118 408)	(41 203)	(43 272)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans		-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-	-
Payments												
Repayment of borrowing		(678)	(370)	-	-	-	-	370	370	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(678)	(370)	-	-	-	-	370	370	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		(27 168)	(46 348)	-	-	-	-	3 145	3 145	(43 204)	28 031	30 210
Cash/cash equivalents at the year begin:	2	89 350	124 203	-	-	-	-	-	-	124 203	81 000	109 031
Cash/cash equivalents at the year end:	2	62 183	77 855	-	-	-	-	3 145	3 145	81 000	109 031	139 241

Table B8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

KZN436 Dr Nkosazana Dlamini Zurma - Table B8 Cash backed reserves/accumulated surplus reconciliation - 30/04/2021

Description	Ref	Budget Year 2020/21									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 2021/22	+2 2022/23
R thousands		A	A1	B	C	D	E	F	G	H		
Cash and investments available												
Cash/cash equivalents at the year end	1	62 183	77 855	-	-	-	-	3 145	3 145	81 000	109 031	139 241
Other current investments > 90 days		0	-	-	-	-	-	-	-	-	6 711	(23 889)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		62 183	77 855	-	-	-	-	3 145	3 145	81 000	115 741	115 352
Applications of cash and investments												
Unspent conditional transfers		(745)	3 215	-	-	-	-	-	-	3 215	41 317	43 023
Unspent borrowing		-	(171)	-	-	-	-	-	-	(171)	(171)	(171)
Statutory requirements		-	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	2	19 701	13 828	-	-	-	-	2 770	2 770	16 598	18 206	17 613
Other provisions		-	-	-	-	-	-	-	-	-	-	-
Long term investments committed		-	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments		541 112	571 202	-	-	-	-	44	44	571 246	15 685	15 685
Total Application of cash and investments:		560 068	588 074	-	-	-	-	2 814	2 814	590 888	75 038	76 151
Surplus(shortfall)		(497 885)	(510 219)	-	-	-	-	331	331	(509 888)	40 704	39 201

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 - 30/04/2021

Description	Ref	Budget Year 2020/21									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	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	71 627	57 627	-	-	-	-	2 000	2 000	59 627	41 203	43 272
Roads Infrastructure		25 494	23 783	-	-	-	-	(994)	(994)	22 789	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		25 494	23 783	-	-	-	-	(994)	(994)	22 789	-	-
Community Facilities		19 653	15 823	-	-	-	-	(1 750)	(1 750)	14 073	29 625	31 161
Sport and Recreation Facilities		8 613	2 969	-	-	-	-	-	-	2 969	-	-
Community Assets		28 266	18 792	-	-	-	-	(1 750)	(1 750)	17 042	29 625	31 161
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		8 248	3 418	-	-	-	-	-	-	3 418	7 322	7 659
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets	6	8 248	3 418	-	-	-	-	-	-	3 418	7 322	7 659
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		122	365	-	-	-	-	-	-	365	102	106
Intangible Assets		122	365	-	-	-	-	-	-	365	102	106
Computer Equipment		1 219	1 227	-	-	-	-	(400)	(400)	827	1 212	1 268
Furniture and Office Equipment		2 363	2 383	-	-	-	-	-	-	2 383	939	983
Machinery and Equipment		4 915	5 563	-	-	-	-	-	-	5 563	957	1 001
Transport Assets		1 000	2 095	-	-	-	-	5 144	5 144	7 239	1 046	1 094
Libraries		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-

Total Upgrading of Existing Assets to be adjusted	2a	14 131	32 506	-	-	-	-	(2 000)	(2 000)	30 506	-	-
Roads Infrastructure		7 104	25 519	-	-	-	-	(2 000)	(2 000)	23 519	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		7 104	25 519	-	-	-	-	(2 000)	(2 000)	23 519	-	-
Community Facilities		7 027	6 987	-	-	-	-	-	-	6 987	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	-
Community Assets		7 027	6 987	-	-	-	-	-	-	6 987	-	-
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		-	-	-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure to be adjusted	4	47 918	78 778	-	-	-	-	(2 994)	(2 994)	75 784	-	-
Roads Infrastructure		47 918	78 778	-	-	-	-	(2 994)	(2 994)	75 784	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		47 918	78 778	-	-	-	-	(2 994)	(2 994)	75 784	-	-
Community Facilities		26 680	22 810	-	-	-	-	(1 750)	(1 750)	21 060	29 625	31 161
Sport and Recreation Facilities		8 613	2 969	-	-	-	-	-	-	2 969	-	-
Community Assets		35 293	25 779	-	-	-	-	(1 750)	(1 750)	24 029	29 625	31 161
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		8 248	3 418	-	-	-	-	-	-	3 418	7 322	7 659
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets		8 248	3 418	-	-	-	-	-	-	3 418	7 322	7 659
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		122	365	-	-	-	-	-	-	365	102	106
Intangible Assets		122	365	-	-	-	-	-	-	365	102	106
Computer Equipment		1 219	1 227	-	-	-	-	(400)	(400)	827	1 212	1 268
Furniture and Office Equipment		2 363	2 383	-	-	-	-	-	-	2 383	939	983
Machinery and Equipment		4 915	5 563	-	-	-	-	-	-	5 563	957	1 001
Transport Assets		1 000	2 095	-	-	-	-	5 144	5 144	7 239	1 046	1 094
Libraries		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE to be adjusted	4	101 077	119 608	-	-	-	-	-	-	119 608	41 203	43 272

ASSET REGISTER SUMMARY - PPE (WDV)												
	5											
Roads Infrastructure		154 288	214 868	-	-	-	-	(26 043)	(26 043)	188 825	138 605	138 605
Storm water Infrastructure		3 000	2 516	-	-	-	-	-	-	2 516	-	-
Electrical Infrastructure		1 700	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		158 988	217 383	-	-	-	-	(26 043)	(26 043)	191 340	138 605	138 605
Community Assets		222 886	194 130	-	-	-	-	(5 640)	(5 640)	188 490	204 979	206 517
Heritage Assets		60	-	-	-	-	-	-	-	-	-	-
Investment properties		20 300	20 411	-	-	-	-	-	-	20 411	20 411	20 411
Other Assets		58 036	71 225	-	-	-	-	(1 750)	(1 750)	69 475	68 130	68 467
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		35	387	-	-	-	-	(177)	(177)	210	122	126
Computer Equipment		3 369	3 916	-	-	-	-	(734)	(734)	3 182	3 907	3 967
Furniture and Office Equipment		6 496	7 048	-	-	-	-	(1 054)	(1 054)	5 994	5 598	5 635
Machinery and Equipment		13 518	14 553	-	-	-	-	(1 135)	(1 135)	13 418	9 947	9 991
Transport Assets		19 999	21 868	-	-	-	-	1 782	1 782	23 650	20 818	20 866
Libraries		-	-	-	-	-	-	(1 000)	(1 000)	(1 000)	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	503 685	550 922	-	-	-	-	(35 752)	(35 752)	515 170	472 517	474 586
EXPENDITURE OTHER ITEMS												
<u>Depreciation & asset impairment</u>		41 625	34 752	-	-	-	-	-	-	34 752	32 291	35 439
<u>Repairs and Maintenance by asset class</u>	3	11 918	11 798	-	-	-	-	-	-	11 798	12 467	13 113
Roads Infrastructure		3 000	3 000	-	-	-	-	-	-	3 000	3 138	3 282
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		3 000	3 000	-	-	-	-	-	-	3 000	3 138	3 282
Community Facilities		4 000	3 880	-	-	-	-	-	-	3 880	4 184	4 376
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	-
Community Assets		4 000	3 880	-	-	-	-	-	-	3 880	4 184	4 376
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		2 350	2 350	-	-	-	-	-	-	2 350	2 458	2 571
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets		2 350	2 350	-	-	-	-	-	-	2 350	2 458	2 571
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-
Computer Equipment		52	37	-	-	-	-	-	-	37	55	57
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment		651	651	-	-	-	-	-	-	651	681	712
Transport Assets		1 865	1 880	-	-	-	-	-	-	1 880	1 951	2 114
Libraries		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS to be adjusted	6	53 543	46 550	-	-	-	-	-	-	46 550	44 758	48 552

Table B10 - Basic Service Delivery Measurement

KZN436 Dr Nkosazana Dlamini Zuma - Table B10 Basic service delivery measurement - 28/02/2021

Description	Ref	Budget Year 2020/21									Budget Year +1 2021/22	Budget Year +2 2022/23
		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		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)		98658,3	98658,3							98 658	98658,3	98658,3
Electricity - prepaid (> min.service level)												
<i>Minimum Service Level and Above sub-total</i>		98 658	98 658							98 658	98 658	98 658
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	98 658	98 658							98 658	98 658	98 658
Refuse:												
Removed at least once a week (min.service)		2969,645	2969,645							2 970	3130,0583	3130,0583
<i>Minimum Service Level and Above sub-total</i>		2 970	2 970							2 970	3 130	3 130
Removed less frequently than once a week												
Using communal refuse dump												
Using own refuse dump												
Other rubbish disposal												
No rubbish disposal												
<i>Below Minimum Service Level sub-total</i>												
Total number of households	5	2 970	2 970							2 970	3 130	3 130
Households receiving Free Basic Service	15											
Water (6 kilolitres per household per month)												
Sanitation (free minimum level service)		158721,83	158721,83							158 722	167292,83	176326,67
Electricity/other energy (50kwh per household per month)		83333	83333							83 333	87833	92576,33
Refuse (removed at least once a week)												
Cost of Free Basic Services provided (R'000)	16											
Water (6 kilolitres per household per month)												
Sanitation (free sanitation service)		159	159							159	167	176
Electricity/other energy (50kwh per household per month)		83	83							83	88	93
Refuse (removed once a week)												
Total cost of FBS provided (minimum social package)		242	242							242	255	269
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)		2969,645	2969,645							2 970	3130,0583	3130,0583
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)		(19 364)	(25 140)							(25 140)	(20 255)	(21 186)
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	(19 364)	(25 140)							(25 140)	(20 255)	(21 186)

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. There been no adjustment on the operating revenue of R215, 1million when compared to the adjustment budget for February 2021, the capital revenue increased by R375 000.

There was no adjustment on the operational expenditure of R205 ,5million in the when compared to the adjustment budget for February 2021.

Electrification expenditure has increase from R 6 million to R8 ,4 million when compared to the adjustment budget for February 2021 as a result of the additional funding provided by department of energy. The overall surplus after operating expenditure is R39,059million.

SUMMARY STATEMENT OF ADJUSTMENT BUDGET					
DESCRIPTION	2020/2021 Original Budget	2020/21 Special Amended Budget	Adjustment Budget 2020/2021 - (February)	Adjustments	Adjustment Budget 2020/2021 - (April)
Total Operating Revenue	-203 982 155	-214 459 365	-215 133 703	-	-215 133 703
Total Capital Revenue	-26 989 000	-26 989 000	-29 067 050	-375 000	-29 442 050
Operating Expenditure	203 276 033	207 541 154	205 516 313	-	205 516 313
Surplus/(Defecit Before Capital)	-27 695 122	-33 907 211	-38 684 440	-	-39 059 440
Capital Expenditue	101 077 478	119 670 887	119 607 887	-	119 607 887
Other Grants					
INEP Grant	-6 930 000	-6 000 000	-6 000 000	-2 400 000	-8 400 000
Bhidla Housing Grant	-25 795 078	-25 795 078	-25 795 078	-	-25 795 078

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 and poverty.

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 budget of R 205 ,5million .That revenue will be used to fund the operational expenditure of R205 ,5million, Capital expenditure of R119 ,6million and Electrification projects of R8 ,4 million. The municipality has also used its own accumulated surplus to fund the expenditure difference

KZN436 Dr Nkosazana Dlamini Zuma - Table B8 Cash backed reserves/accumulated surplus reconciliation - 30/04/2021

Description	Ref	Budget Year 2020/21									Budget Year	Budget Year
		Original	Prior	Accum	Multi-year	Unfore.	Nat. or Prov.	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
		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	62 183	77 855	-	-	-	-	3 145	3 145	81 000	109 031	139 241
Other current investments >90 days		0	-	-	-	-	-	-	-	-	6 711	(23 889)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		62 183	77 855	-	-	-	-	3 145	3 145	81 000	115 741	115 352
Applications of cash and investments												
Unspent conditional transfers		(745)	3 215	-	-	-	-	-	-	3 215	41 317	43 023
Unspent borrowing		-	(171)	-	-	-	-	-	-	(171)	(171)	(171)
Statutory requirements		-	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	2	19 701	13 828	-	-	-	-	2 770	2 770	16 598	18 206	17 613
Other provisions		-	-	-	-	-	-	-	-	-	-	-
Long term investments committed		-	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments		541 112	571 202	-	-	-	-	44	44	571 246	15 685	15 685
Total Application of cash and investments:		560 068	588 074	-	-	-	-	2 814	2 814	590 888	75 038	76 151
Surplus(shortfall)		(497 885)	(510 219)	-	-	-	-	331	331	(509 888)	40 704	39 201

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 2020/21							Budget Year +1 2021/22	Budget Year +2 2022/23
	Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		7	8	9	10	11	12		
R thousands	A	A1	B	C	D	E	F		
RECEIPTS:									
Operating Transfers and Grants									
National Government:	145 581	170 270	-	-	2 400	2 400	172 670	145 296	152 952
Operational Revenue:General Revenue:Equitable Share	134 138	159 757	-	-	-	-	159 757	143 296	150 952
Operational:Revenue:General Revenue:Fuel Levy	-	-	-	-	-	-	-	-	-
Energy Efficiency and Demand-side [Schedule 5B]	-	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	2 513	2 513	-	-	-	-	2 513	-	-
Khayelitsha Urban Renewal	-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant [Schedule 5B]	2 000	2 000	-	-	-	-	2 000	2 000	2 000
Mitchell's Plain Urban Renewal	-	-	-	-	-	-	-	-	-
Department of Water and Sanitation Smart Living Handbook	-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant	6 930	6 000	-	-	2 400	2 400	8 400	-	-
Municipal Restructuring Grant	-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant	-	-	-	-	-	-	-	-	-
Municipal Emergency Housing Grant	-	-	-	-	-	-	-	-	-
Metro Informal Settlements Partnership Grant	-	-	-	-	-	-	-	-	-
Provincial Government:	4 987	4 003	-	-	-	-	4 003	3 972	4 169
Capacity Building	-	-	-	-	-	-	-	-	-
Capacity Building and Other	4 987	4 003	-	-	-	-	4 003	3 972	4 169
Water Supply Infrastructure - Maintenance	-	-	-	-	-	-	-	-	-
Higher Educational Institutions	-	-	-	-	-	-	-	-	-
Parent Municipality / Entity	-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	150 568	174 273	-	-	2 400	2 400	176 673	149 268	157 121
Capital Transfers and Grants									
National Government:	26 989	26 658	-	-	-	-	26 658	29 050	30 559
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant [Schedule 5B]	26 989	26 658	-	-	-	-	26 658	29 050	30 559
Municipal Water Infrastructure Grant [Schedule 5B]	-	-	-	-	-	-	-	-	-
Metro Informal Settlements Partnership Grant	-	-	-	-	-	-	-	-	-
Provincial Government:	-	-	-	-	375	375	375	-	-
Capacity Building	-	-	-	-	-	-	-	-	-
Capacity Building and Other	-	-	-	-	375	375	375	-	-
Transfer from Operational Revenue	-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	26 989	26 658	-	-	375	375	27 033	29 050	30 559
TOTAL RECEIPTS OF TRANSFERS & GRANTS	177 557	200 931	-	-	2 775	2 775	203 706	178 318	187 680

2.3 ADJUSTMENTS TO EXPENDITURE ON ALLOCATIONS AND GRANTS PROGRAMMES

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

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SB8 Adjustments Budget - expenditure on transfers and grant programme -									
Description	Budget Year 2020/21							Budget Year +1 2021/22	Budget Year +2 2022/23
	Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
	A	2	3	4	5	6	7		
R thousands	A1	B	C	D	E	F			
EXPENDITURE ON TRANSFERS AND GRANT PROGRAM:									
Operating expenditure of Transfers and Grants									
National Government:	145 581	170 270	-	-	2 400	2 400	172 670	134 641	140 626
Operational Revenue:General Revenue:Equitable Share	134 138	159 757	-	-	-	-	159 757	126 549	132 438
Operational:Revenue:General Revenue:Fuel Levy	-	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	2 513	2 513	-	-	-	-	2 513	-	-
Khayelitsha Urban Renewal	-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant [Schedule 5B]	2 000	2 000	-	-	-	-	2 000	2 092	2 188
Michell's Plain Urban Renewal	-	-	-	-	-	-	-	-	-
Department of Water and Sanitation Smart Living Handbook	-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant	6 000	6 000	-	-	2 400	2 400	8 400	6 000	6 000
Municipal Restructuring Grant	-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant	-	-	-	-	-	-	-	-	-
Municipal Emergency Housing Grant	-	-	-	-	-	-	-	-	-
Metro Informal Settlements Partnership Grant	-	-	-	-	-	-	-	-	-
Provincial Government:	4 987	4 674	-	-	-	-	4 674	7 904	8 281
Capacity Building	-	-	-	-	-	-	-	-	-
Capacity Building and Other	-	671	-	-	-	-	671	3 932	4 112
Disaster and Emergency Services	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Libraries, Archives and Museums	2 714	2 714	-	-	-	-	2 714	2 806	2 946
Other	1 089	1 089	-	-	-	-	1 089	1 166	1 223
Public Transport	1 184	200	-	-	-	-	200	-	-
Higher Educational Institutions	-	-	-	-	-	-	-	-	-
Parent Municipality / Entity	-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	150 568	174 944	-	-	2 400	2 400	177 344	142 545	148 907
Capital Transfers and Grants									
National Government:	26 989	26 658	-	-	-	-	26 658	29 050	30 559
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant [Schedule 5B]	26 989	26 658	-	-	-	-	26 658	29 050	30 559
Municipal Water Infrastructure Grant [Schedule 5B]	-	-	-	-	-	-	-	-	-
Metro Informal Settlements Partnership Grant	-	-	-	-	-	-	-	-	-
Provincial Government:	-	2 409	-	-	375	375	2 784	-	-
Capacity Building	-	-	-	-	-	-	-	-	-
Capacity Building and Other	-	-	-	-	375	375	375	-	-
Disaster and Emergency Services	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Libraries, Archives and Museums	-	2 409	-	-	-	-	2 409	-	-
Other	-	-	-	-	-	-	-	-	-
Public Transport	-	-	-	-	-	-	-	-	-
Transfer from Operational Revenue	-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	26 989	29 067	-	-	375	375	29 442	29 050	30 559
TOTAL EXPENDITURE OF TRANSFERS & GRANTS	177 557	204 011	-	-	2 775	2 775	206 786	171 595	179 466

The municipality has one adjustment in the capital allocation of grants for 2020/2021, The capital allocation grants increased from R 26 ,9million to R 29 ,4million when compared to the adjustment budget for February 2021. The increase is as a result of the greenest municipality award allocation of R 375 000.

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 R 2 ,9million appearing on Table B4 as Transfers and subsidies is for Free Basic Electricity paid to Eskom for indigents.

ADJUSTMENT TO COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS –

No adjustment made to councillor allowances and employee benefit; the figures reflect information as per the adjustment budget for February 2021.

The remuneration for councilors has not been adjusted as the Gazette on the determination of upper limits on remuneration of municipal councilors 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.

2.5 ADJUSTMENTS TO SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

In order for the municipality to stick to its mandate of providing service delivery to its communities the municipality had to adjust its budget and targets on municipal programmes downwards and increase on capital projects/ service delivery related projects. This SDBIP is aligned with both the revised budget and the Integrated Development Plan (IDP) for 2020/21 financial year. All departments have revised their 2020/21 budgets and SDBIP plans as most plans were disturbed by Covid-19 pandemic and taking into consideration the importance of reporting on the strategic indicators and operational indicators to be reported and monitored at a departmental level. 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 is Attached.

2.6 ADJUSTMENTS TO CAPITAL EXPENDITURE

No adjustment made in the overall capital expenditure of R119 608 million in the adjustment budget prepared in April when compared to the special adjustment budget for February 2021 as the effect of the approval of inclusion of the greenest municipality award amount in the adjustment budget would be an increase in revenue by R 375 000 and a reduction on internally funded capital expenditure will be made for procurement of vehicles which would not have any effect in the Total Capital Expenditure. This has been applied after considering the total actuals in capital expenditure as at the end of March 2021 which gives an indication

that the municipality might spend less than hundred percent of the total capital budget by 30 June 2021, therefore increasing capital expenditure by the additional funding to procure vehicles will not be a good idea.

KZN436 Dr Nkosazana Dlamini Zuma - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 30/04/2021

Description	Ref	Budget Year 2020/21									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	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H	+1 2021/22	+2 2022/23
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		-	7 000	-	-	-	-	(1 750)	(1 750)	5 250	-	-
Vote 5 - Public Works and Basic Services		19 313	34 395	-	-	-	-	(2 000)	(2 000)	32 395	29 050	30 559
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	19 313	41 395	-	-	-	-	(3 750)	(3 750)	37 645	29 050	30 559
Single-year expenditure to be adjusted	2											
Vote 1 - Executive and Council		577	632	-	-	-	-	100	100	732	604	631
Vote 2 - Budget and Treasury		360	426	-	-	-	-	-	-	426	376	394
Vote 3 - Corporate Services		691	1 061	-	-	-	-	-	-	1 061	723	756
Vote 4 - Community Services		10 276	6 909	-	-	-	-	3 750	3 750	10 659	10 315	10 789
Vote 5 - Public Works and Basic Services		69 730	69 015	-	-	-	-	(100)	(100)	68 915	-	-
Vote 6 - Planning and Development		130	170	-	-	-	-	-	-	170	136	143
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		81 764	78 213	-	-	-	-	3 750	3 750	81 963	12 153	12 713
Total Capital Expenditure - Vote		101 077	119 608	-	-	-	-	-	-	119 608	41 203	43 272
Capital Expenditure - Functional												
Governance and administration		2 376	2 867	-	-	-	-	100	100	2 967	1 703	1 781
Executive and council		577	632	-	-	-	-	100	100	732	604	631
Finance and administration		1 799	2 235	-	-	-	-	-	-	2 235	1 099	1 150
Internal audit		-	-	-	-	-	-	-	-	-	-	-
Community and public safety		10 826	14 459	-	-	-	-	2 000	2 000	16 459	10 315	10 789
Community and social services		1 816	1 816	-	-	-	-	-	-	1 816	979	1 024
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		9 010	12 643	-	-	-	-	2 000	2 000	14 643	9 335	9 765
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		87 876	99 766	-	-	-	-	(2 994)	(2 994)	96 772	29 186	30 702
Planning and development		83 384	95 299	-	-	-	-	(2 994)	(2 994)	92 305	29 186	30 702
Road transport		4 491	4 467	-	-	-	-	-	-	4 467	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		-	2 516	-	-	-	-	894	894	3 409	-	-
Energy sources		-	-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	2 516	-	-	-	-	-	-	2 516	-	-
Waste management		-	-	-	-	-	-	894	894	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	101 077	119 608	-	-	-	-	-	-	119 608	41 203	43 272
Funded by:												
National Government		26 989	26 658	-	-	-	-	-	-	26 658	29 050	30 559
Provincial Government		85	2 409	-	-	-	-	375	375	2 784	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	27 074	29 067	-	-	-	-	375	375	29 442	29 050	30 559
Public contributions & donations		-	-	-	-	-	-	-	-	-	-	-
Borrowing		-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		74 003	90 541	-	-	-	-	(375)	(375)	90 166	12 153	12 713
Total Capital Funding		101 077	119 608	-	-	-	-	-	-	119 608	41 203	43 272

Electrification projects

Capital expenditure of Dr NDZ municipality does not include Electrification projects although the municipality does receive an allocation for INEP project. The reason for that is that the municipality is not an electricity Service Provider and does not have a license to provide electricity to its residents, it acts as an agent when it comes to electrification project.

Bhidla Housing project

The municipality received a letter from the Department of Human settlement in 2018/2019 financial year notifying the municipality will receive funds to fund the Bhidla housing project that is in progress in the municipality. Because of the accounting treatment and some regulation, the municipality is not including that money on its budget as they will be not owning these housing at the end of the project but they will be owned by the department of human settlement the municipality is only acting as an agent in this project and the municipality is not receiving the money upfront as other funding like MIG and Electrification but the funding is based on the invoices for the work done by the service provider.

2.7 OTHER SUPPORTING DOCUMENTS

2.7.1 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 pay rates and taxis 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 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.

2.7.2 Operating Expenditure

The Municipality's expenditure framework for the 2020/21 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.

2.7.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2019/20 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 2019/20 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 2019/20 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

2.7.4 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.

2.8 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 2020/21 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: _____