



DR NKOSAZANA DLAMINI- ZUMA LOCAL MUNICIPALITY PRESENTS 2023/24 ADJUSTMENT BUDGET

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1. PURPOSE OF THE REPORT

The purpose of the report is to present the revised approved annual budget through an adjustment budget as there have been changes on anticipated revenue and expenditure in terms of MFMA.

2. BASIS AND BACKGROUND ON THE PREPARATION OF ADJUSTMENT BUDGET

(a). The Mid-Year Budget and Performance Assessment report (section 72 report) was prepared for Dr Nkosazana Dlamini Zuma municipality and presented to Council on the 25 January 2024 and after that process of the Mid-Year Budget and Performance Assessment report a decision for Adjustment budget preparation was taken.

The 2023/2024 Adjustments budget is prepared in accordance with Municipal budget and regulations, promulgated in government gazette No. 32141 dated 17 April 2009, MFMA, Act No. 56 of 2003 and guidelines and assumptions outlined on Treasury Circular for Mid-Year Assessment and Adjustment Budget of 2022/23, taking into consideration the following aspects;

- National budget assumptions, guidelines and projections;
- Alignment with national and provincial priorities;
- Headline inflation and gross domestic products forecasts; and
- Revenue assumptions with regard to grants allocation in terms of DORA.
- Municipal budget underlying assumptions, guidelines and projections;
- Anticipated own revenue from rates and services charge, sundry charges and other revenues and affordability of ratepayers and consumers of services;
- The ability of municipality to collect revenue (payment level);
- Operating expenditure cost drivers and growth thereof;
- Capital budget funding model;
- Protecting the poor by ensuring access to basic services

According to the Mid-Year Budget and Performance assessment report presented to Council it was recommended to Council that the 2023/2024 annual budget be amended to revise projections for revenue and expenditure amongst the different votes because the actual expenditure and actual revenue for the past six months were not the same as anticipated. The heavy rains have affected many of our infrastructure projects, especially our road networks. Shifting of funds from non-essential activities to infrastructure maintenance has been considered as well.

PART 1 – ADJUSTMENT BUDGET

1.1 MAYOR'S REPORT

2023/2024 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 2023/2024 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 2023/2024 financial year, being the third 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.

Honorable 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 R277, 9million consolidated budget, 2023/24 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 2023/2024 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 2023/2024 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 2023/2024 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 2023/2024 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 2023/24 was also used to guide the compilation of 2023/24 Adjustment Budget, comments on the 2023/2024 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 R255, 8million and that is R4, 4 million 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 R277, 9million which reflects an increase of R 13,2million 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 8% from R 91,7million of the original budget to R84,7 million.

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

EXPENDITURE TYPE	APPROVED BUDGET	TOTAL AMMENDMENTS	ADJUSTMENT BUDGET	% CHANGE
Operating Expenditure	264 792 946	14 389 294	279 182 240	5%
Capital Expenditure	91 794 000	-7 132 813	84 661 187	-8%
Total Budget	356 586 946	7 256 484	363 843 427	2%

Overview of budget Policies and budget funding

Budget Related Policies

Adjustments are on Supply chain management policy following the 14th of December 2023, where the Minister of Finance has, acting with concurrence of the Minister of Cooperative Governance and Traditional Affairs, in terms of section 168(1) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), made amendments to the Regulations published under General Notice No. 868 of 30 May 2005, as amended by Government Notice No. R.31 of 20 January 2017, regarding supply chain management.

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 6.7 extracted from financial system is attached on the report.

KZN436 Dr Nkosazana Dlamini Zuma - Table B1 Adjustments Budget Summary - 28/02/2024

Description	Budget Year 2023/24									Budget Year +1 2024/25	Budget Year +2 2025/26
	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	1 A1	2 B	3 C	4 D	5 E	6 F	7 G	8 H		
R thousands											
Financial Performance											
Property rates	45,404	45,404	-	-	-	-	(3,075)	(3,075)	42,329	47,629	49,868
Service charges	4,421	4,421	-	-	-	-	-	-	4,421	4,638	4,856
Investment revenue	11,491	11,491	-	-	-	-	3,787	3,787	15,278	12,054	12,621
Transfers recognised - operational	170,568	170,568	-	-	-	-	531	531	171,099	178,865	174,250
Other own revenue	12,914	12,914	-	-	-	-	6,667	6,667	19,581	13,547	14,163
Total Revenue (excluding capital transfers and contributions)	244,799	244,799	-	-	-	-	7,910	7,910	252,708	256,733	255,758
Employee costs	92,616	92,616	-	-	-	-	(125)	(125)	92,491	97,154	101,720
Remuneration of councillors	12,484	12,484	-	-	-	-	-	-	12,484	13,096	13,711
Depreciation & asset impairment	57,349	57,349	-	-	-	-	(13,101)	(13,101)	44,248	60,159	61,929
Interest	1,618	1,618	-	-	-	-	-	-	1,618	1,698	1,777
Inventory consumed and bulk purchases	4,817	49,935	-	-	-	-	21,641	21,641	71,577	52,936	55,424
Transfers and subsidies	700	700	-	-	-	-	1,050	1,050	1,750	997	1,043
Other expenditure	95,209	50,091	-	-	-	-	4,924	4,924	55,014	51,678	54,106
Total Expenditure	264,793	264,793	-	-	-	-	14,389	14,389	279,182	277,717	289,712
Surplus/(Deficit)	(19,994)	(19,994)	-	-	-	-	(6,479)	(6,479)	(26,474)	(20,984)	(33,955)
Transfers and subsidies - capital (monetary allocations)	31,779	31,779	-	-	-	-	75	75	31,854	33,078	34,431
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	11,785	11,785	-	-	-	-	(6,404)	(6,404)	5,380	12,094	476
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	11,785	11,785	-	-	-	-	(6,404)	(6,404)	5,380	12,094	476
Capital expenditure & funds sources											
Capital expenditure	91,794	91,794	-	-	-	-	(7,133)	(7,133)	84,661	85,203	89,006
Transfers recognised - capital	31,779	32,179	-	-	-	-	(325)	(325)	31,854	33,078	34,431
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	60,015	59,615	-	-	-	-	(6,808)	(6,808)	52,807	52,125	54,575
Total sources of capital funds	91,794	91,794	-	-	-	-	(7,133)	(7,133)	84,661	85,203	89,006

Table B1 Cont....

Financial position											
Total current assets	145,578	145,578	-	-	-	-	16,688	16,688	162,266	145,336	122,895
Total non current assets	589,910	589,910	-	-	-	-	(15,459)	(15,459)	574,451	614,954	641,470
Total current liabilities	92,044	92,044	-	-	-	-	(58,502)	(58,502)	33,542	95,404	101,728
Total non current liabilities	17,111	17,111	-	-	-	-	3,397	3,397	20,509	17,111	17,111
Community wealth/Equity	626,333	626,333	-	-	-	-	56,334	56,334	682,667	647,775	645,526
Cash flows											
Net cash from (used) operating	78,563	78,563	-	-	-	-	(45,779)	(45,779)	32,784	80,429	66,058
Net cash from (used) investing	(103,075)	(103,075)	-	-	-	-	8,203	8,203	(94,872)	(95,373)	(99,624)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	89,128	89,128	-	-	-	-	8,039	8,039	97,167	74,184	40,618
Cash backing/surplus reconciliation											
Cash and investments available	89,128	89,128	-	-	-	-	8,039	8,039	97,167	74,184	40,618
Application of cash and investments	20,468	20,468	-	-	-	-	(61,042)	(61,042)	(40,575)	5,182	(3,671)
Balance - surplus (shortfall)	68,660	68,660	-	-	-	-	69,082	69,082	137,742	69,001	44,289
Asset Management											
Asset register summary (WDV)	589,910	589,910	-	-	-	-	(2,358)	(2,358)	587,552	614,954	641,470
Depreciation	57,349	57,349	-	-	-	-	(13,101)	(13,101)	44,248	60,159	61,929
Renewal and Upgrading of Existing Assets	17,379	17,329	-	-	-	-	700	700	18,029	9,037	9,462
Repairs and Maintenance	15,220	15,220	-	-	-	-	8,119	8,119	23,340	15,966	16,716
Free services											
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	19,923	19,923	-	-	-	-	1,720	1,720	21,643	20,900	21,882
Households below minimum service level											
Water:	-	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-	-
Refuse:	45	45	45	45	45	45	45	225	270	-	-

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) - 28/02/2024

Standard Description	Ref	Budget Year 2023/24									Budget Year +1 2024/25	Budget Year +2 2025/26
		Original Budget	Prior Adjusted 5	Accum. Funds 6	Multi-year capital 7	Unfore. Unavoid. 8	Nat. or Prov. Govt 9	Other Adjus. 10	Total Adjus. 11	Adjusted Budget 12	Adjusted Budget	Adjusted Budget
R thousands	1, 4	A	A1	B	C	D	E	F	G	H		
Revenue - Functional												
<i>Governance and administration</i>		232,056	232,056	-	-	-	-	802	802	232,858	245,671	243,907
Executive and council		-	-	-	-	-	-	-	-	-	-	-
Finance and administration		232,056	232,056	-	-	-	-	802	802	232,858	245,671	243,907
Internal audit		-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		5,838	5,838	-	-	-	-	1,000	1,000	6,838	6,104	6,659
Community and social services		4,178	4,178	-	-	-	-	-	-	4,178	4,362	4,836
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		1,660	1,660	-	-	-	-	1,000	1,000	2,660	1,741	1,823
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		34,262	34,262	-	-	-	-	(1,592)	(1,592)	32,670	33,398	34,766
Planning and development		305	305	-	-	-	-	533	533	838	320	335
Road transport		33,957	33,957	-	-	-	-	(2,125)	(2,125)	31,832	33,078	34,431
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		4,421	4,421	-	-	-	-	7,775	7,775	12,196	4,638	4,856
Energy sources		-	-	-	-	-	-	7,775	7,775	7,775	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		4,421	4,421	-	-	-	-	-	-	4,421	4,638	4,856
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	276,578	276,578	-	-	-	-	7,985	7,985	284,562	289,811	290,189
Expenditure - Functional												
<i>Governance and administration</i>		166,687	166,687	-	-	-	-	(13,431)	(13,431)	153,256	174,803	181,962
Executive and council		25,881	25,881	-	-	-	-	2,181	2,181	28,062	27,149	28,425
Finance and administration		137,173	137,173	-	-	-	-	(15,089)	(15,089)	122,083	143,843	149,547
Internal audit		3,633	3,633	-	-	-	-	(522)	(522)	3,111	3,811	3,990
<i>Community and public safety</i>		34,596	34,596	-	-	-	-	320	320	34,915	36,291	37,996
Community and social services		17,772	17,772	-	-	-	-	84	84	17,856	18,643	19,519
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		15,853	15,853	-	-	-	-	586	586	16,438	16,630	17,411
Housing		971	971	-	-	-	-	(350)	(350)	621	1,018	1,066
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		52,129	52,129	-	-	-	-	14,849	14,849	66,978	54,684	57,254
Planning and development		23,598	23,598	-	-	-	-	(588)	(588)	23,010	24,755	25,918
Road transport		28,531	28,531	-	-	-	-	15,437	15,437	43,968	29,929	31,336
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		10,485	10,485	-	-	-	-	12,739	12,739	23,225	10,999	11,516
Energy sources		-	-	-	-	-	-	12,556	12,556	12,556	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		10,485	10,485	-	-	-	-	183	183	10,668	10,999	11,516
<i>Other</i>		896	896	-	-	-	-	(88)	(88)	808	940	984
Total Expenditure - Functional	3	264,793	264,793	-	-	-	-	14,389	14,389	279,182	277,717	289,712
Surplus/ (Deficit) for the year		11,785	11,785	-	-	-	-	(6,404)	(6,404)	5,380	12,094	476

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) - 28/02/2024

Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2023/24								Budget Year +1 2024/25	Budget Year +2 2025/26
		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		232,001	232,001	-	-	-	-	802	802	232,803	243,847
Vote 3 - CORPORATE SERVICES		55	55	-	-	-	-	-	-	55	60
Vote 4 - COMMUNITY SERVICES		10,259	10,259	-	-	-	-	1,000	1,000	11,259	11,515
Vote 5 - PUBLIC WORKS AND BASIC SERVICES		33,957	33,957	-	-	-	-	5,650	5,650	39,607	34,431
Vote 6 - PLANNING AND DEVELOPMNT		305	305	-	-	-	-	533	533	838	335
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	276,578	276,578	-	-	-	-	7,985	7,985	284,562	290,189
Expenditure by Vote	1										
Vote 1 - EXECUTIVE AND COUNCIL		29,514	29,514	-	-	-	-	1,659	1,659	31,173	32,415
Vote 2 - BUDGET AND TREASURY		98,487	98,487	-	-	-	-	(16,200)	(16,200)	82,287	107,058
Vote 3 - CORPORATE SERVICES		38,686	38,686	-	-	-	-	1,111	1,111	39,796	42,489
Vote 4 - COMMUNITY SERVICES		33,625	33,625	-	-	-	-	670	670	34,295	36,930
Vote 5 - PUBLIC WORKS AND BASIC SERVICES		48,512	48,512	-	-	-	-	27,303	27,303	75,815	53,280
Vote 6 - PLANNING AND DEVELOPMNT		15,970	15,970	-	-	-	-	(153)	(153)	15,817	17,540
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	264,793	264,793	-	-	-	-	14,389	14,389	279,182	289,712
Surplus/ (Deficit) for the year	2	11,785	11,785	-	-	-	-	(6,404)	(6,404)	5,380	476

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 276, 6million to R 284,6million and total expenditure by vote increased from R 264,8million to R279, 1million 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) - 28/02/2024

Description	Ref	Budget Year 2023/24									Budget Year +1 2024/25	Budget Year +2 2025/26
		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												
Exchange Revenue												
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	4,421	4,421	-	-	-	-	-	-	4,421	4,638	4,856
Sale of Goods and Rendering of Services		603	603	-	-	-	-	6,575	6,575	7,178	633	663
Agency services		688	688	-	-	-	-	-	-	688	722	756
Interest		-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		-	-	-	-	-	-	-	-	-	-	-
Interest earned from Current and Non Current Assets		11,491	11,491	-	-	-	-	3,787	3,787	15,278	12,054	12,621
Dividends		-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		1,509	1,509	-	-	-	-	-	-	1,509	1,583	1,658
Licence and permits		406	406	-	-	-	-	2	2	408	426	446
Operational Revenue		164	164	-	-	-	-	591	591	755	172	181
Non-Exchange Revenue												
Property rates		45,404	45,404	-	-	-	-	(3,075)	(3,075)	42,329	47,629	49,868
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		876	876	-	-	-	-	-	-	876	919	942
Licences or permits		18	18	-	-	-	-	-	-	18	19	20
Transfer and subsidies - Operational		170,568	170,568	-	-	-	-	531	531	171,099	178,865	174,250
Interest		6,160	6,160	-	-	-	-	(500)	(500)	5,660	6,461	6,765
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		2,488	2,488	-	-	-	-	-	-	2,488	2,610	2,733
Other Gains		-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		244,799	244,799	-	-	-	-	7,910	7,910	252,708	256,733	255,758
Expenditure By Type												
Employee related costs		92,616	92,616	-	-	-	-	(125)	(125)	92,491	97,154	101,720
Remuneration of councillors		12,484	12,484	-	-	-	-	-	-	12,484	13,096	13,711
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-	-	-
Inventory consumed		4,817	4,897	-	-	-	-	1,737	1,737	6,635	5,053	5,291
Debt impairment		5,040	5,040	-	-	-	-	(3,000)	(3,000)	2,040	7,968	5,535
Depreciation and amortisation		57,349	57,349	-	-	-	-	(13,101)	(13,101)	44,248	60,159	61,929
Interest		1,618	1,618	-	-	-	-	-	-	1,618	1,698	1,777
Contracted services		49,514	49,235	-	-	-	-	20,591	20,591	69,827	51,940	54,381
Transfers and subsidies		700	700	-	-	-	-	1,050	1,050	1,750	997	1,043
Irrecoverable debts written off		3,400	3,400	-	-	-	-	(1,000)	(1,000)	2,400	885	3,734
Operational costs		37,255	37,454	-	-	-	-	8,237	8,237	45,690	38,768	40,590
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		264,793	264,793	-	-	-	-	14,389	14,389	279,182	277,717	289,712
Surplus/(Deficit)		(19,994)	(19,994)	-	-	-	-	(6,479)	(6,479)	(26,474)	(20,984)	(33,955)
Transfers and subsidies - capital (monetary allocations)		31,779	31,779	-	-	-	-	75	75	31,854	33,078	34,431
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		11,785	11,785	-	-	-	-	(6,404)	(6,404)	5,380	12,094	476
Income Tax		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		11,785	11,785	-	-	-	-	(6,404)	(6,404)	5,380	12,094	476
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		11,785	11,785	-	-	-	-	(6,404)	(6,404)	5,380	12,094	476
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		11,785	11,785	-	-	-	-	(6,404)	(6,404)	5,380	12,094	476

Operating Revenue

The revenue by source has increase from R244, 8 million to R252, 7million in the adjustment budget and that is R7, 9 million increases when compared to the original budget. The contributing factors to this increase in revenue sources such as interest on external investments and sale of goods and rendering of services, the revenue for construction contract revenue for INEP as per GRAP 11.

Property Rates

Property rates were sitting at 15, 4 percent at mid-year as a result of system failure which led to non-processing of property rates transaction. The municipality anticipates that the outstanding data will be captured in February 2024. The property rates original budget was R45, 4 million there were no adjustments.

Service Charges

Service charges were sitting at -67 percent at mid-year as a result of system failure which led to non-processing of service charges transaction. The municipality anticipates that the outstanding data will be captured in February 2024. The service charges budget have remain unchanged, it is still seating at R 4, 4 Million.

Rental from fixed Asset

Rental of facilities was sitting at 8 percent at mid-year as a result of system failure which led to non-processing of rental transaction. The municipality anticipates that the outstanding data will be captured in February 2024. There were no adjustments on the rental from fixed assets budget it is still seating at R1, 5million.

Licences and Permits

Licenses and permit have increased from R 406 341 to R 408 341 when compared to the original budget due to high demand in permits for market porters.

Agency Services

Agency services was sitting at 6.9 percent at mid-year as a result of system failure which led to non-processing of agency services transaction. The municipality anticipates that the outstanding data will be captured in February 2024. There were no adjustments on the agency services budget it is still seating at R687 970.

Other Revenue

Other revenue sources were sitting at 40 percent at mid-year as a result of system failure which led to non-processing of other revenue services transaction. The municipality anticipates that the outstanding data will be captured in February 2024. There were no

adjustments on the other revenue services budget. Other revenue Items contributed 4% of the total operating revenue budget.

Interest Earned on External Investment

Interest earned on external investments has increase from R 11, 5 Million to R15,3 Million when compared to the original budget this is due to available funds for investing for the balance of the year.

Operating Expenditure

The overall operating expenditure has increase from R 264, 8million to R279, 2million in the adjustment budget and that is 5% increase when compared to the original budget, when checking per line items that increased. This increase was caused by an adjustment of funds that were directed towards repairs and maintenance of infrastructure assets affected by the heavy rains within the municipal area and the other increase is for construction contract for INEP as per GRAP 11.

Employee Related Costs

Employee related costs has Decreased from R 92,6 to R 92,5 million when compared to original budget because the recruitment process for interns vacant position would take place after the adjustment budget is approved.

Councillors Remuneration

There were no adjustments on the Original Budget it still remains at R12, 5 million.

Other Materials

An upward adjustment has been made to other materials as they increased from R4, 8million to R6, 6million when comparing to the original budget.

Contracted Services

Contracted services have increase from R49, 5million to R70, 3million and that is R20, 8million increase when compared to the original budget. The increase is as a result in the increase in items such as audit fees, municipal services, learnerships and internship and Business and Advisory: Accounting and Auditing due to the demand in

provision of consultancy services provided to assist with the data recapturing process. Uniform and protective clothing, printing, sewerage services and refuse removal the projects were budgeted for in the original budget but slightly under estimated.

Transfers and Subsidies

Transfers and subsidies increased from R 700 000 to R 950 000 when compared to original budget, due more indigents purchasing electricity and bursaries for non-employees.

Other Expenditure

Other expenditure comprises of various line items relating to the daily operations of the municipality, an upward adjustment of an amount of R7,8 million was made due to the increase in operations that were unavoidable. Operating expenditure increased from R 37, 2million to R 45, 2million when compared to the original budget.

Depreciation and Asset Impairment

Depreciation and Asset Impairment has a downward adjustment that 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

There was no adjustment on the original budget, it remains at R1, 6 Million.

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 91,8million to R84, 7million or by 8% when compared to the original budget this decrease was caused by an adjustment of funds

for municipal infrastructure grant and other capital expenditure projects were postponed to next financial year and the funds were directed towards repairs and maintenance of infrastructure assets affected by the heavy rains within the municipal area.

KZN436 Dr Nkosazana Dlamini Zuma - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 28/02/2024

Description	Ref	Budget Year 2023/24									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or Prov.	Other	Total	Adjusted	+1 2024/25	+2 2025/26
		Budget	Adjusted	Funds	capital	Unavoid.	Govt	Adjusts.	Adjusts.	Budget	Adjusted	Adjusted
R thousands		A	A1	B	C	D	E	F	G	H	Budget	Budget
Capital expenditure - Vote												
Multi-year expenditure to be adjusted	2											
Vote 1 - EXECUTIVE AND COUNCIL		160	160	-	-	-	-	(60)	(60)	100	168	176
Vote 2 - BUDGET AND TREASURY		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY SERVICES		4,075	4,075	-	-	-	-	(750)	(750)	3,325	3,147	3,295
Vote 5 - PUBLIC WORKS AND BASIC SERVICES		37,104	35,052	-	-	-	-	(8,737)	(8,737)	26,316	17,377	18,193
Vote 6 - PLANNING AND DEVELOPMNT		500	500	-	-	-	-	(460)	(460)	40	525	549
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	41,839	39,787	-	-	-	-	(10,007)	(10,007)	29,781	21,216	22,213
Single-year expenditure to be adjusted	2											
Vote 1 - EXECUTIVE AND COUNCIL		910	910	-	-	-	-	51	51	961	955	999
Vote 2 - BUDGET AND TREASURY		2,800	2,800	-	-	-	-	(990)	(990)	1,810	1,259	1,318
Vote 3 - CORPORATE SERVICES		2,280	2,280	-	-	-	-	201	201	2,481	2,392	2,504
Vote 4 - COMMUNITY SERVICES		10,275	10,275	-	-	-	-	29	29	10,304	9,834	10,297
Vote 5 - PUBLIC WORKS AND BASIC SERVICES		33,520	35,572	-	-	-	-	2,778	2,778	38,350	49,369	51,488
Vote 6 - PLANNING AND DEVELOPMNT		170	170	-	-	-	-	804	804	974	178	187
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		49,955	52,007	-	-	-	-	2,874	2,874	54,881	63,987	66,792
Total Capital Expenditure - Vote		91,794	91,794	-	-	-	-	(7,133)	(7,133)	84,661	85,203	89,006
Capital Expenditure - Functional												
Governance and administration		6,450	6,450	-	-	-	-	(798)	(798)	5,652	5,088	5,327
Executive and council		1,070	1,070	-	-	-	-	(9)	(9)	1,061	1,122	1,175
Finance and administration		5,380	5,380	-	-	-	-	(789)	(789)	4,591	3,965	4,152
Internal audit		-	-	-	-	-	-	-	-	-	-	-
Community and public safety		14,850	14,850	-	-	-	-	(671)	(671)	14,179	13,506	14,141
Community and social services		5,500	5,500	-	-	-	-	(1,271)	(1,271)	4,229	4,930	5,162
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		9,350	9,350	-	-	-	-	600	600	9,950	8,576	8,979
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		69,344	69,344	-	-	-	-	(5,449)	(5,449)	63,895	65,403	68,275
Planning and development		57,144	57,144	-	-	-	-	(2,362)	(2,362)	54,782	52,605	54,876
Road transport		12,200	12,200	-	-	-	-	(3,088)	(3,088)	9,112	12,798	13,399
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		1,150	1,150	-	-	-	-	(215)	(215)	935	1,206	1,263
Energy sources		-	-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		500	500	-	-	-	-	-	-	500	525	549
Waste management		650	650	-	-	-	-	(215)	(215)	435	682	714
Other		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	91,794	91,794	-	-	-	-	(7,133)	(7,133)	84,661	85,203	89,006
Funded by:												
National Government		31,779	32,179	-	-	-	-	(2,525)	(2,525)	29,654	33,078	34,431
Provincial Government		-	-	-	-	-	-	2,200	2,200	2,200	-	-
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	31,779	32,179	-	-	-	-	(325)	(325)	31,854	33,078	34,431
Borrowing		-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		60,015	59,615	-	-	-	-	(6,808)	(6,808)	52,807	52,125	54,575
Total Capital Funding		91,794	91,794	-	-	-	-	(7,133)	(7,133)	84,661	85,203	89,006

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 - 28/02/2024

Description	Ref	Budget Year 2023/24									Budget Year +1 2024/25	Budget Year +2 2025/26
		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 and cash equivalents		89,128	89,128	-	-	-	-	8,039	8,039	97,167	74,184	40,618
Trade and other receivables from exchange transaction	1	6,628	6,628	-	-	-	-	(3,122)	(3,122)	3,506	8,256	9,960
Receivables from non-exchange transactions	1	45,438	45,438	-	-	-	-	9,064	9,064	54,501	58,531	67,952
Current portion of non-current receivables		-	-	-	-	-	-	-	-	-	-	-
Inventory		-	-	-	-	-	-	(455)	(455)	(455)	(18)	(19)
VAT		3,825	3,825	-	-	-	-	3,084	3,084	6,909	3,825	3,825
Other current assets		559	559	-	-	-	-	79	79	638	559	559
Total current assets		145,578	145,578	-	-	-	-	16,688	16,688	162,266	145,336	122,895
Non current assets												
Investments		-	-	-	-	-	-	-	-	-	-	-
Investment property		13,269	13,269	-	-	-	-	6,463	6,463	19,732	13,269	13,269
Property, plant and equipment		574,473	574,473	-	-	-	-	(21,261)	(21,261)	553,212	598,615	624,187
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Living and non-living resources	1	-	-	-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Intangible assets		2,168	2,168	-	-	-	-	(661)	(661)	1,508	3,070	4,015
Trade and other receivables from exchange transaction		-	-	-	-	-	-	-	-	-	-	-
Non-current receivables from non-exchange transaction		-	-	-	-	-	-	-	-	-	-	-
Other non-current assets		-	-	-	-	-	-	-	-	-	-	-
Total non current assets		589,910	589,910	-	-	-	-	(15,459)	(15,459)	574,451	614,954	641,470
TOTAL ASSETS		735,488	735,488	-	-	-	-	1,230	1,230	736,718	760,290	764,365
LIABILITIES												
Current liabilities												
Bank overdraft		-	-	-	-	-	-	-	-	-	-	-
Financial liabilities		171	171	-	-	-	-	62	62	233	171	171
Consumer deposits		2	2	-	-	-	-	(10)	(10)	(9)	2	2
Trade and other payables from exchange transactions		57,258	57,258	-	-	-	-	(45,071)	(45,071)	12,188	58,287	66,995
Trade and other payables from non-exchange transaction		5,604	5,604	-	-	-	-	220	220	5,824	5,603	777
Provisions		14,508	14,508	-	-	-	-	(3,416)	(3,416)	11,092	16,628	18,848
VAT		14,501	14,501	-	-	-	-	(10,287)	(10,287)	4,214	14,713	14,936
Other current liabilities		-	-	-	-	-	-	-	-	-	-	-
Total current liabilities		92,044	92,044	-	-	-	-	(58,502)	(58,502)	33,542	95,404	101,728
Non current liabilities												
Financial Liabilities	1	-	-	-	-	-	-	385	385	385	-	-
Provisions	1	17,111	17,111	-	-	-	-	3,013	3,013	20,124	17,111	17,111
Long term portion of trade payables		-	-	-	-	-	-	-	-	-	-	-
Other non-current liabilities		-	-	-	-	-	-	-	-	-	-	-
Total non current liabilities		17,111	17,111	-	-	-	-	3,397	3,397	20,509	17,111	17,111
TOTAL LIABILITIES		109,155	109,155	-	-	-	-	(55,105)	(55,105)	54,050	112,515	118,839
NET ASSETS	2	626,333	626,333	-	-	-	-	56,334	56,334	682,667	647,775	645,526
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		620,840	620,840	-	-	-	-	54,997	54,997	675,837	642,282	640,033
Funds and Reserves		5,493	5,493	-	-	-	-	1,338	1,338	6,831	5,493	5,493
Other		-	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY		626,333	626,333	-	-	-	-	56,334	56,334	682,667	647,775	645,526

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 - 28/02/2024

Description	Ref	Budget Year 2023/24									Budget Year +1 2024/25	Budget Year +2 2025/26
		Original Budget A	Prior Adjusted 3 A1	Accum. Funds 4 B	Multi-year capital 5 C	Unfore. Unavoid. 6 D	Nat. or Prov. Govt 7 E	Other Adjusts. 8 F	Total Adjusts. 9 G	Adjusted Budget 10 H	Adjusted Budget	Adjusted Budget
R thousands												
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates		40,365	40,365	-	-	-	-	-	-	40,365	42,342	44,332
Service charges		3,915	3,915	-	-	-	-	-	-	3,915	4,107	4,300
Other revenue		29,518	29,518	-	-	-	-	3,050	3,050	32,567	29,300	30,575
Transfers and Subsidies - Operational	1	178,129	178,129	-	-	-	-	(986)	(986)	177,143	185,864	176,738
Transfers and Subsidies - Capital	1	31,779	31,779	-	-	-	-	75	75	31,854	33,078	34,431
Interest		11,491	11,491	-	-	-	-	3,787	3,787	15,278	12,054	12,621
Dividends		-	-	-	-	-	-	-	-	-	-	-
Payments												
Suppliers and employees		(214,315)	(214,315)	-	-	-	-	(51,705)	(51,705)	(266,020)	(223,885)	(234,393)
Finance charges		(1,618)	(1,618)	-	-	-	-	-	-	(1,618)	(1,698)	(1,777)
Transfers and Grants	1	(700)	(700)	-	-	-	-	-	-	(700)	(734)	(769)
NET CASH FROM/(USED) OPERATING ACTIVITIES		78,563	78,563	-	-	-	-	(45,779)	(45,779)	32,784	80,429	66,058
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE		2,488	2,488	-	-	-	-	-	-	2,488	2,610	2,733
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-	-
Payments												
Capital assets		(105,563)	(105,563)	-	-	-	-	8,203	8,203	(97,360)	(97,983)	(102,357)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(103,075)	(103,075)	-	-	-	-	8,203	8,203	(94,872)	(95,373)	(99,624)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans		-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-	-
Payments												
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		(24,512)	(24,512)	-	-	-	-	(37,577)	(37,577)	(62,089)	(14,944)	(33,565)
Cash/cash equivalents at the year begin:	2	113,640	113,640	-	-	-	-	45,616	45,616	159,256	89,128	74,184
Cash/cash equivalents at the year end:	2	89,128	89,128	-	-	-	-	8,039	8,039	97,167	74,184	40,618

Table B8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

KNZ436 Dr Nkosazana Dlamini Zuma - Table B8 Cash backed reserves/accumulated surplus reconciliation - 28/02/2024

Description	Ref	Budget Year 2023/24									Budget Year +1 2024/25	Budget Year +2 2025/26
		Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
Cash and investments available												
Cash/cash equivalents at the year end	1	89,128	89,128	-	-	-	-	8,039	8,039	97,167	74,184	40,618
Other current investments > 90 days		-	-	-	-	-	-	-	-	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		89,128	89,128	-	-	-	-	8,039	8,039	97,167	74,184	40,618
Applications of cash and investments												
Unspent conditional transfers		5,604	5,604	-	-	-	-	220	220	5,824	5,603	777
Unspent borrowing		-	-	-	-	-	-	-	-	-	-	-
Statutory requirements		10,676	10,676	-	-	-	-	(8,532)	(8,532)	2,144	10,888	11,110
Other working capital requirements	2	(15,813)	(15,813)	-	-	-	-	(50,652)	(50,652)	(66,465)	(33,430)	(39,899)
Other provisions		14,508	14,508	-	-	-	-	(3,416)	(3,416)	11,092	16,628	18,848
Long term investments committed		-	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments		5,493	5,493	-	-	-	-	1,338	1,338	6,831	5,493	5,493
Total Application of cash and investments:		20,468	20,468	-	-	-	-	(61,042)	(61,042)	(40,575)	5,182	(3,671)
Surplus(shortfall)		68,660	68,660	-	-	-	-	69,082	69,082	137,742	69,001	44,289
Other working capital requirements												
Debtors		73,072	73,072							78,653	91,717	106,894
Creditors due		57,258	57,258							12,188	58,287	66,995
Total		15,813	15,813							66,465	33,430	39,899
Debtors collection assumptions:												
Balance outstanding - debtors		52,066	52,066							58,007	66,787	77,912
Estimate of debtors collection rate		140.34%	140.34%							135.59%	137.33%	137.20%
Long term investments committed												
Balance (Insert description; eg sinking fund)												
Bankers Acceptance Certificate		-	-							-	-	-
Deposit Taking Institutions		-	-							-	-	-
Bank Repurchase Agreements		-	-							-	-	-
Derivative Financial Assets		-	-							-	-	-
Guaranteed Endowment Policies (Sinking)		-	-							-	-	-
Listed/Unlisted Bonds and Stocks		-	-							-	-	-
Municipal Bonds		-	-							-	-	-
National Government Securities		-	-							-	-	-
Negotiable Certificate of Deposits: Banks		-	-							-	-	-
Unamortised Debt Expense		-	-							-	-	-
Unamortised Preference Share Expense		-	-							-	-	-
Interest Rate Swaps		-	-							-	-	-
Reserves to be backed by cash/investments												
Housing Development Fund		5,493	5,493							5,493	5,493	5,493
Capital replacement		-	-							1,338	-	-
Self-insurance		-	-							-	-	-
Compensation for Occupational Injuries and Diseases		-	-							-	-	-
Employee Benefit		-	-							-	-	-
Non-current Provisions		-	-							-	-	-
Valuation		-	-							-	-	-
Investment in associate account		-	-							-	-	-
Capitalisation		-	-							-	-	-
Total		5,493	5,493							6,831	5,493	5,493

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 - 28/02/2024

Description	Ref	Budget Year 2023/24									Budget Year +1 2024/25	Budget Year +2 2025/26
		Original Budget	Prior Adjusted 7	Accum. Funds 8	Multi-year capital 9	Unfore. Unavoid. 10	Nat. or Prov. Govt 11	Other Adjusts. 12	Total Adjusts. 13	Adjusted Budget 14	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
CAPITAL EXPENDITURE												
Total New Assets to be adjusted	1	74,415	74,465	-	-	-	-	(7,833)	(7,833)	66,632	76,166	79,544
Roads Infrastructure		10,040	11,640	-	-	-	-	(747)	(747)	10,893	36,540	38,055
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		1,100	1,100	-	-	-	-	2,600	2,600	3,700	1,154	1,208
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		200	200	-	-	-	-	550	550	750	210	220
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		11,340	12,940	-	-	-	-	2,403	2,403	15,343	37,903	39,483
Community Facilities		21,075	21,075	-	-	-	-	(4,958)	(4,958)	16,117	6,871	7,194
Sport and Recreation Facilities		9,000	7,800	-	-	-	-	(533)	(533)	7,267	-	-
Community Assets		30,075	28,875	-	-	-	-	(5,491)	(5,491)	23,384	6,871	7,194
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		7,100	6,750	-	-	-	-	(1,941)	(1,941)	4,809	5,770	6,041
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets	6	7,100	6,750	-	-	-	-	(1,941)	(1,941)	4,809	5,770	6,041
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		1,830	1,830	-	-	-	-	(570)	(570)	1,260	1,080	1,131
Intangible Assets		1,830	1,830	-	-	-	-	(570)	(570)	1,260	1,080	1,131
Computer Equipment		1,210	1,210	-	-	-	-	361	361	1,571	1,269	1,329
Furniture and Office Equipment		3,650	3,650	-	-	-	-	717	717	4,367	3,645	3,817
Machinery and Equipment		2,760	2,760	-	-	-	-	(635)	(635)	2,125	2,371	2,482
Transport Assets		16,450	16,450	-	-	-	-	(2,677)	(2,677)	13,773	17,256	18,067
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets to be adjusted	2	6,750	5,902	-	-	-	-	3,888	3,888	9,790	-	-
Roads Infrastructure		6,750	5,902	-	-	-	-	3,888	3,888	9,790	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		6,750	5,902	-	-	-	-	3,888	3,888	9,790	-	-
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		-	-	-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-	-	-

Table B9 Cont....

Total Upgrading of Existing Assets to be adjusted	2a	10,629	11,427	-	-	-	-	(3,188)	(3,188)	8,239	9,037	9,462
Roads Infrastructure		9,729	10,527	-	-	-	-	(2,968)	(2,968)	7,559	8,093	8,473
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		9,729	10,527	-	-	-	-	(2,968)	(2,968)	7,559	8,093	8,473
Community Facilities		-	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		250	250	-	-	-	-	(200)	(200)	50	262	275
Community Assets		250	250	-	-	-	-	(200)	(200)	50	262	275
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets	6	-	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		650	650	-	-	-	-	(20)	(20)	630	682	714
Machinery and Equipment		-	-	-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure to be adjusted	4	26,519	28,069	-	-	-	-	173	173	28,242	44,633	46,529
Roads Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Storm water Infrastructure		1,100	1,100	-	-	-	-	2,600	2,600	3,700	1,154	1,208
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		200	200	-	-	-	-	550	550	750	210	220
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		27,819	29,369	-	-	-	-	3,323	3,323	32,692	45,996	47,957
Community Facilities		21,075	21,075	-	-	-	-	(4,958)	(4,958)	16,117	6,871	7,194
Sport and Recreation Facilities		9,250	8,050	-	-	-	-	(733)	(733)	7,317	262	275
Community Assets		30,325	29,125	-	-	-	-	(5,691)	(5,691)	23,434	7,133	7,468
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		7,100	6,750	-	-	-	-	(1,941)	(1,941)	4,809	5,770	6,041
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets		7,100	6,750	-	-	-	-	(1,941)	(1,941)	4,809	5,770	6,041
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		1,830	1,830	-	-	-	-	(570)	(570)	1,260	1,080	1,131
Intangible Assets		1,830	1,830	-	-	-	-	(570)	(570)	1,260	1,080	1,131
Computer Equipment		1,210	1,210	-	-	-	-	361	361	1,571	1,269	1,329
Furniture and Office Equipment		4,300	4,300	-	-	-	-	697	697	4,997	4,327	4,531
Machinery and Equipment		2,760	2,760	-	-	-	-	(635)	(635)	2,125	2,371	2,482
Transport Assets		16,450	16,450	-	-	-	-	(2,677)	(2,677)	13,773	17,256	18,067
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE to be adjusted	4	91,794	91,794	-	-	-	-	(7,133)	(7,133)	84,661	85,203	89,006

Table B9 Cont....

ASSET REGISTER SUMMARY - PPE (WDV)	5												
Roads Infrastructure		155,194	156,744	-	-	-	-	12,988	12,988	169,733	158,029	161,853	
Storm water Infrastructure		1,550	1,550	-	-	-	-	(1,050)	(1,050)	500	2,075	2,624	
Electrical Infrastructure		2,100	2,100	-	-	-	-	1,600	1,600	3,700	3,254	4,462	
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Solid Waste Infrastructure		3,890	3,890	-	-	-	-	(3,508)	(3,508)	382	3,890	3,890	
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Information and Communication Infrastructure		800	800	-	-	-	-	(800)	(800)	-	800	800	
Infrastructure		163,534	165,084	-	-	-	-	9,230	9,230	174,315	168,048	173,629	
Community Assets		260,897	259,697	-	-	-	-	(21,219)	(21,219)	238,478	258,901	256,410	
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-	
Investment properties		13,269	13,269	-	-	-	-	6,463	6,463	19,732	13,269	13,269	
Other Assets		80,454	80,104	-	-	-	-	14,064	14,064	94,168	85,699	91,191	
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-	
Intangible Assets		2,168	2,168	-	-	-	-	(661)	(661)	1,508	3,070	4,015	
Computer Equipment		2,663	2,663	-	-	-	-	348	348	3,011	3,078	3,513	
Furniture and Office Equipment		6,809	6,809	-	-	-	-	(736)	(736)	6,073	9,316	11,940	
Machinery and Equipment		12,697	12,697	-	-	-	-	(1,599)	(1,599)	11,099	12,996	13,149	
Transport Assets		47,418	47,418	-	-	-	-	(8,248)	(8,248)	39,169	60,577	74,355	
Land		-	-	-	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-	
Living Resources		-	-	-	-	-	-	-	-	-	-	-	
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	589,910	589,910	-	-	-	-	(2,358)	(2,358)	587,552	614,954	641,470	
EXPENDITURE OTHER ITEMS													
<u>Depreciation & asset impairment</u>		57,349	57,349	-	-	-	-	(13,101)	(13,101)	44,248	60,159	61,929	
<u>Repairs and Maintenance by asset class</u>	3	15,220	15,220	-	-	-	-	8,119	8,119	23,340	15,966	16,716	
Roads Infrastructure		5,000	5,000	-	-	-	-	9,700	9,700	14,700	5,245	5,492	
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Infrastructure		5,000	5,000	-	-	-	-	9,700	9,700	14,700	5,245	5,492	
Community Facilities		3,300	3,300	-	-	-	-	(413)	(413)	2,887	3,462	3,624	
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	-	
Community Assets		3,300	3,300	-	-	-	-	(413)	(413)	2,887	3,462	3,624	
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-	
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-	
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-	
Investment properties		-	-	-	-	-	-	-	-	-	-	-	
Operational Buildings		2,900	2,900	-	-	-	-	(260)	(260)	2,640	3,042	3,185	
Housing		-	-	-	-	-	-	-	-	-	-	-	
Other Assets		2,900	2,900	-	-	-	-	(260)	(260)	2,640	3,042	3,185	
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-	
Servitudes		-	-	-	-	-	-	-	-	-	-	-	
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-	
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	
Computer Equipment		40	40	-	-	-	-	15	15	55	42	44	
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-	-	-	
Machinery and Equipment		423	423	-	-	-	-	150	150	573	444	465	
Transport Assets		3,557	3,557	-	-	-	-	(1,073)	(1,073)	2,484	3,731	3,906	
Land		-	-	-	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-	
Mature		-	-	-	-	-	-	-	-	-	-	-	
Immature		-	-	-	-	-	-	-	-	-	-	-	
Living Resources		-	-	-	-	-	-	-	-	-	-	-	
TOTAL EXPENDITURE OTHER ITEMS to be adjusted	6	72,569	72,569	-	-	-	-	(4,981)	(4,981)	67,588	76,125	78,646	

Table B10 - Basic Service Delivery Measurement

KZN436 Dr Nkosazana Dlamini Zuma - Table B10 Basic service delivery measurement - 28/02/2024

Description	Ref	Budget Year 2023/24									Budget Year +1 2024/25	Budget Year +2 2025/26
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
Household service targets	1											
Water:												
Piped water inside dwelling		2,852	2,852	2,852	2,852	2,852	2,852	2,852	14	17	-	-
Piped water inside yard (but not in dwelling)		26,767	26,767	26,767	26,767	26,767	26,767	26,767	134	161	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)		-	-	-	-	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total		30	30	30	30	30	30	30	148	178	-	-
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	3,4	-	-	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-	-	-
Total number of households	5	30	30	30	30	30	30	30	148	178	-	-
Sanitation/sewerage:												
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total		-	-	-	-	-	-	-	-	-	-	-
Bucket toilet		-	-	-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-	-	-
Energy:												
Electricity (at least min. service level)		-	-	-	-	-	-	-	-	-	-	-
Electricity - prepaid (> min.service level)		-	-	-	-	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total		-	-	-	-	-	-	-	-	-	-	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-	-	-
Refuse:												
Removed at least once a week (min.service)		2,365	2,365	2,365	2,365	2,365	2,371	2,371	11,836	14,200	-	-
Minimum Service Level and Above sub-total		2,365	2,365	2,365	2,365	2,365	2,371	2,371	11,836	14,200	-	-
Removed less frequently than once a week		2,365	2,365	2,393	2,393	2,393	2,393	2,393	11,965	14,330	-	-
Using communal refuse dump		40,297	40,297	40,297	40,297	40,297	-	-	120,891	161,188	-	-
Using own refuse dump		2,393	2,393	2,393	2,393	2,393	2,393	-	9,572	11,965	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total		45,055	45,055	45,083	45,083	45,083	4,786	2,393	142,428	187,483	-	-
Total number of households	5	47,419	47,419	47,448	47,448	47,448	7,157	4,764	154,264	201,683	-	-
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)		-	-	-	-	-	-	-	-	-	-	-
Informal Settlements		-	-	-	-	-	-	-	-	-	-	-
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)		-	-	-	-	-	-	-	-	-	-	-
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		-	-	-	-	-	-	-	-	-	-	-
Total cost of FBS provided		-	-	-	-	-	-	-	-	-	-	-
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)		-	-	-	-	-	-	-	-	-	-	-
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		19,923	19,923	-	-	-	-	-	-	19,923	20,900	21,882
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	19,923	19,923	-	-	-	-	-	-	19,923	20,900	21,882

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 R244, 8million to R252, 7million in the adjustment budget and that is 3% increase when compared to the original budget. The contributing factor to this is the increase in items such as interest on external investments and sale of goods and rendering of services, the increase is for construction contract revenue for INEP as per GRAP 11. Operational expenditure has increase from R264, 7million to R279, 2million in the adjustment budget and that is 5% increase when compared to the original budget. The overall operating deficit is R5,4million.

The table below shows the budget statement performance of the Municipality

SUMMARY STATEMENT FOR ADJUSTMENT BUDGET					
	2023/2024 Original Budget	Adjustments	2023/2024 Adjustment Budget	2024/2025 Budget Year	2025/2026 Budget Year
Total Operating Revenue	- 244,798,546	- 7,909,848	- 252,708,394	- 256,732,846	- 255,777,634
Total Capital Revenue	- 31,779,000	- 75,000	- 31,854,000	- 33,078,000	- 34,431,000
Total operating Expenditure	264,792,950	14,389,290	279,182,240	277,716,848	289,732,341
Surplus/(Deficit Before Ca	- 11,784,596	6,404,442	- 5,380,154	- 12,093,998	- 476,294
Capital Expenditure	91,794,000	- 7,132,813	84,661,187	85,202,810	89,005,676

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 284, 5million. That revenue will be used to fund the operational expenditure of R279,2million, Capital expenditure of R84, 6million. 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 - 28/02/2024

Description	Ref	Budget Year 2023/24									Budget Year +1 2024/25	Budget Year +2 2025/26
		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		
R thousands												
Cash and investments available												
Cash/cash equivalents at the year end	1	89,128	89,128	-	-	-	-	8,039	8,039	97,167	74,184	40,618
Other current investments > 90 days		-	-	-	-	-	-	-	-	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		89,128	89,128	-	-	-	-	8,039	8,039	97,167	74,184	40,618
Applications of cash and investments												
Unspent conditional transfers		5,604	5,604	-	-	-	-	220	220	5,824	5,603	777
Unspent borrowing		-	-	-	-	-	-	-	-	-	-	-
Statutory requirements		10,676	10,676	-	-	-	-	(8,532)	(8,532)	2,144	10,888	11,110
Other working capital requirements	2	(15,813)	(15,813)	-	-	-	-	(50,652)	(50,652)	(66,465)	(33,430)	(39,899)
Other provisions		14,508	14,508	-	-	-	-	(3,416)	(3,416)	11,092	16,628	18,848
Long term investments committed		-	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments		5,493	5,493	-	-	-	-	1,338	1,338	6,831	5,493	5,493
Total Application of cash and investments:		20,468	20,468	-	-	-	-	(61,042)	(61,042)	(40,575)	5,182	(3,671)
Surplus(shortfall)		68,660	68,660	-	-	-	-	69,082	69,082	137,742	69,001	44,289

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 - 28/02/2024

Description	Ref	Budget Year 2023/24							Budget Year +1 2024/25	Budget Year +2 2025/26
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	7	8	9	10	11	12		
		A1		B	C	D	E	F		
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		173,960	173,960	-	-	(986)	(986)	172,974	181,512	176,738
Operational Revenue:General Revenue:Equitable Share	3	162,271	162,271	-	-	-	-	162,271	172,562	167,336
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]		2,178	2,178	-	-	-	-	2,178	-	-
HIV and Aids		-	-	-	-	-	-	-	-	-
Integrated City Development Grant		-	-	-	-	-	-	-	-	-
Khayelitsha Urban Renewal		-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant [Schedule 5B]		1,950	1,950	-	-	-	-	1,950	1,950	2,088
Mitchell's Plain Urban Renewal		-	-	-	-	-	-	-	-	-
Traditional Leaders - Imbizon		-	-	-	-	-	-	-	-	-
Department of Water and Sanitation Smart Living Handbook		-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant		7,561	7,561	-	-	(986)	(986)	6,575	7,000	7,314
Municipal Restructuring Grant		-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant		-	-	-	-	-	-	-	-	-
Municipal Emergency Housing Grant		-	-	-	-	-	-	-	-	-
Metro Informal Settlements Partnership Grant		-	-	-	-	-	-	-	-	-
Integrated Urban Development Grant		-	-	-	-	-	-	-	-	-
Programme and Project Preparation Support Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		4,169	4,169	-	-	-	-	4,169	4,353	4,826
Capacity Building		-	-	-	-	-	-	-	-	-
Capacity Building and Other		-	-	-	-	-	-	-	-	-
Disaster and Emergency Services		-	-	-	-	-	-	-	-	-
Community Library Service Grant		1,223	1,223	-	-	-	-	1,223	1,277	1,612
Provincialisation of Libraries Grant		2,946	2,946	-	-	-	-	2,946	3,076	3,214
Infrastructure		-	-	-	-	-	-	-	-	-
Parent Municipality / Entity		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	6	178,129	178,129	-	-	(986)	(986)	177,143	185,865	181,564
Capital Transfers and Grants										
National Government:		31,779	31,779	-	-	(2,125)	(2,125)	29,654	33,078	34,431
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant [Schedule 5B]		31,779	31,779	-	-	(2,125)	(2,125)	29,654	33,078	34,431
Municipal Water Infrastructure Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Municipal Emergency Housing Grant		-	-	-	-	-	-	-	-	-
Metro Informal Settlements Partnership Grant		-	-	-	-	-	-	-	-	-
Integrated Urban Development Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		-	-	-	-	2,200	2,200	2,200	-	-
Capacity Building		-	-	-	-	-	-	-	-	-
Capacity Building and Other		-	-	-	-	-	-	-	-	-
Disaster and Emergency Services		-	-	-	-	1,000	1,000	1,000	-	-
Health		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	1,200	1,200	1,200	-	-
Libraries, Archives and Museums		-	-	-	-	-	-	-	-	-
Parent Municipality / Entity		-	-	-	-	-	-	-	-	-
Transfer from Operational Revenue		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	6	31,779	31,779	-	-	75	75	31,854	33,078	34,431
TOTAL RECEIPTS OF TRANSFERS & GRANTS		209,908	209,908	-	-	(911)	(911)	208,997	218,943	215,995

Government Grants and Subsidies Receipts has decreased to R208,9. The municipality has received two additional provincial grants which is Disaster management programme grant and green smartest municipality competition even though the MIG grant decrease by R2, 1million.

2.3 ADJUSTMENT TO EXPENDITURE ON ALLOCATIONS AND GRANTS PROGRAMMES

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 - 28/02/2024

Description	Ref	Budget Year 2023/24							Budget Year +1 2024/25	Budget Year +2 2025/26
		Original Budget A	Prior Adjusted 2 A1	Multi-year capital 3 B	Nat. or Prov. Govt 4 C	Other Adjusts. 5 D	Total Adjusts. 6 E	Adjusted Budget 7 F	Adjusted Budget	Adjusted Budget
R thousands										
EXPENDITURE ON TRANSFERS AND GRANT PROGRAM:	1									
Operating expenditure of Transfers and Grants										
National Government:		173,960	173,960	-	-	(986)	(986)	172,974	175,207	183,473
Operational Revenue:General Revenue:Equitable Share	3	162,271	162,271	-	-	-	-	162,271	163,973	171,679
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]		2,178	2,178	-	-	-	-	2,178	2,285	2,392
HIV and Aids		-	-	-	-	-	-	-	-	-
Housing Accreditation		-	-	-	-	-	-	-	-	-
Khayelitsha Urban Renewal		-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant [Schedule 5B]		1,950	1,950	-	-	-	-	1,950	1,950	2,088
Mitchell's Plain Urban Renewal		-	-	-	-	-	-	-	-	-
Department of Water and Sanitation Smart Living Handbook		-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant		7,561	7,561	-	-	(986)	(986)	6,575	7,000	7,314
Municipal Restructuring Grant		-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant		-	-	-	-	-	-	-	-	-
Municipal Emergency Housing Grant		-	-	-	-	-	-	-	-	-
Metro Informal Settlements Partnership Grant		-	-	-	-	-	-	-	-	-
Integrated Urban Development Grant		-	-	-	-	-	-	-	-	-
Programme and Project Preparation Support Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		4,169	4,169	-	-	531	531	4,700	4,353	4,826
Capacity Building		-	-	-	-	-	-	-	-	-
Capacity Building and Other		-	-	-	-	-	-	-	-	-
Disaster and Emergency Services		-	-	-	-	-	-	-	-	-
Community Library Service Grant		1,223	1,223	-	-	-	-	1,223	1,277	1,612
Provincialisation of Libraries Grant		2,946	2,946	-	-	-	-	2,946	3,076	3,214
Infrastructure		-	-	-	-	-	-	-	-	-
Libraries, Archives and Museums		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	531	531	531	-	-
Public Transport		-	-	-	-	-	-	-	-	-
Parent Municipality / Entity		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	6	178,129	178,129	-	-	(455)	(455)	177,674	179,560	188,299
Capital Transfers and Grants										
National Government:		31,779	31,779	-	-	(2,125)	(2,125)	29,654	33,078	34,431
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant [Schedule 5B]		31,779	31,779	-	-	(2,125)	(2,125)	29,654	33,078	34,431
Municipal Water Infrastructure Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Metro Informal Settlements Partnership Grant		-	-	-	-	-	-	-	-	-
Integrated Urban Development Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		-	-	-	-	2,200	2,200	2,200	-	-
Capacity Building		-	-	-	-	-	-	-	-	-
Capacity Building and Other		-	-	-	-	1,000	1,000	1,000	-	-
Disaster and Emergency Services		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	1,200	1,200	1,200	-	-
Higher Educational Institutions		-	-	-	-	-	-	-	-	-
Parent Municipality / Entity		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	6	31,779	31,779	-	-	75	75	31,854	33,078	34,431
TOTAL EXPENDITURE OF TRANSFERS & GRANTS		209,908	209,908	-	-	(380)	(380)	209,528	212,638	222,730

The expenditure on transfers and grant has decreased from R209, 9 to R209, 5 when compared to the original budget. The municipality has received two additional provincial grants which is Disaster management programme grant and green smartest municipality competition and a rollover grant of R530 905 for municipal employment initiative grant.

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 750 000 appearing on Table B4 as Transfers and subsidies is for Free Basic Electricity paid to Eskom for indigents.

2.4 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.

2.5 ADJUSTMENTS TO SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

The SDBIP is aligned with both the revised budget and the Integrated Development Plan (IDP) for 2023/24 financial year. This section provides details regarding the proposed adjustment on the main 2023/24 SDBIP scorecard per department where requested. The municipality

This section provides details regarding the proposed adjustment on the main 2023/24 SDBIP scorecard per department where requested. The section also

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 2023/2024 SDBIP	NO. OF INDICATORS IN THE 2023/2024 ADJUSTED SDBIP
PWBS	26	23
CSS	22	07
OMM	14	09
CORP	16	06
BTO	19	08
DTPS	19	07
TOTAL NO OF INDICATORS	113	59

Detailed separate report for Service Delivery and Budget Implementation Plan Adjustment is attached.

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 7,1million in the adjustment budget when compare to the original budget that was approved in May last year, that is from R91,7million to R84,6million. 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 2023/24 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 2023/24 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 - 28/02/2024

Description	Ref	Budget Year 2023/24									Budget Year	Budget Year
											+1 2024/25	+2 2025/26
		Original Budget	Prior Adjusted 5	Accum. Funds 6	Multi-year capital 7	Unfore. Unavoid. 8	Nat. or Prov. Govt 9	Other Adjus. 10	Total Adjus. 11	Adjusted Budget 12	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
Capital expenditure - Vote	2											
Multi-year expenditure to be adjusted												
Vote 1 - EXECUTIVE AND COUNCIL		160	160	-	-	-	-	(60)	(60)	100	168	176
Vote 2 - BUDGET AND TREASURY		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY SERVICES		4,075	4,075	-	-	-	-	(750)	(750)	3,325	3,147	3,295
Vote 5 - PUBLIC WORKS AND BASIC SERVICES		37,104	35,052	-	-	-	-	(8,737)	(8,737)	26,316	17,377	18,193
Vote 6 - PLANNING AND DEVELOPMNT		500	500	-	-	-	-	(460)	(460)	40	525	549
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	41,839	39,787	-	-	-	-	(10,007)	(10,007)	29,781	21,216	22,213
Single-year expenditure to be adjusted	2											
Vote 1 - EXECUTIVE AND COUNCIL		910	910	-	-	-	-	51	51	961	955	999
Vote 2 - BUDGET AND TREASURY		2,800	2,800	-	-	-	-	(990)	(990)	1,810	1,259	1,318
Vote 3 - CORPORATE SERVICES		2,280	2,280	-	-	-	-	201	201	2,481	2,392	2,504
Vote 4 - COMMUNITY SERVICES		10,275	10,275	-	-	-	-	29	29	10,304	9,834	10,297
Vote 5 - PUBLIC WORKS AND BASIC SERVICES		33,520	35,572	-	-	-	-	2,778	2,778	38,350	49,369	51,488
Vote 6 - PLANNING AND DEVELOPMNT		170	170	-	-	-	-	804	804	974	178	187
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			49,955	52,007	-	-	-	-	2,874	2,874	54,881	63,987
Total Capital Expenditure - Vote		91,794	91,794	-	-	-	-	(7,133)	(7,133)	84,661	85,203	89,006

Table 5 Cont...

Capital Expenditure - Functional												
<i>Governance and administration</i>		6,450	6,450	-	-	-	-	(798)	(798)	5,652	5,088	5,327
Executive and council		1,070	1,070	-	-	-	-	(9)	(9)	1,061	1,122	1,175
Finance and administration		5,380	5,380	-	-	-	-	(789)	(789)	4,591	3,965	4,152
Internal audit		-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		14,850	14,850	-	-	-	-	(671)	(671)	14,179	13,506	14,141
Community and social services		5,500	5,500	-	-	-	-	(1,171)	(1,171)	4,329	4,930	5,162
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		9,350	9,350	-	-	-	-	500	500	9,850	8,576	8,979
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		69,344	69,344	-	-	-	-	(5,449)	(5,449)	63,895	65,403	68,275
Planning and development		57,144	57,144	-	-	-	-	(2,362)	(2,362)	54,782	52,605	54,876
Road transport		12,200	12,200	-	-	-	-	(3,088)	(3,088)	9,112	12,798	13,399
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		1,150	1,150	-	-	-	-	(215)	(215)	935	1,206	1,263
Energy sources		-	-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		500	500	-	-	-	-	-	-	500	525	549
Waste management		650	650	-	-	-	-	(215)	(215)	435	682	714
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	91,794	91,794	-	-	-	-	(7,133)	(7,133)	84,661	85,203	89,006
Funded by:												
National Government		31,779	32,179	-	-	-	-	(2,525)	(2,525)	29,654	33,078	34,431
Provincial Government		-	-	-	-	-	-	2,200	2,200	2,200	-	-
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	31,779	32,179	-	-	-	-	(325)	(325)	31,854	33,078	34,431
Borrowing		-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		60,015	59,615	-	-	-	-	(6,808)	(6,808)	52,807	52,125	54,575
Total Capital Funding		91,794	91,794	-	-	-	-	(7,133)	(7,133)	84,661	85,203	89,006

Integrated National Electrification Programme (INEP) R 7, 6 Million

Dr Nkosazana Dlamini Zuma Municipality is acting as an agent in the capacity of Eskom as per Service Level Agreement between the Municipality and Eskom, therefore the expenditure is not recorded as capital expenditure in table A5 the budgeted capital expenditure by vote. The expenditure is only recorded in table B4 as a contract the budgeted cash flows, SB7 transfers and grants receipts and SB8 expenditure on transfers and grants.

2.6 OTHER SUPPORTING DOCUMENTS

2.6.1 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 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.

2.6.2 Operating Expenditure

The Municipality's expenditure framework for the 2023/24 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.

2.6.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2023/24

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 2023/24 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 2023/24 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

2.6.4 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.