



**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 an 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 2021 and after that process of the Mid-Year Budget and Performance Assessment report a decision for Adjustment budget preparation was taken.

The 2020/2021 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 2020/21, 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 2020//2021 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.

## **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 February 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.

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 and hoping to get a good audit opinion in the 2019/20 financial year when Auditor General issues the opinion at the end of March 2021, the normal audit period was disturbed by Covid-19.

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

I thank you.

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**Honourable Mayor**  
**Councillor P.N Mncwabe**

## **1.2 RESOLUTIONS**

**It is recommended that the council:**

Notes and adopt the Adjustment Budget for 2020/2021 financial year and supporting documentation.

## **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 - 28/02/2021

| Description                                                          | Budget Year 2020/21 |                        |                      |                            |                          |                            |                        |                     |                         | Budget Year<br>+1 2021/22 | Budget Year<br>+2 2022/23 |
|----------------------------------------------------------------------|---------------------|------------------------|----------------------|----------------------------|--------------------------|----------------------------|------------------------|---------------------|-------------------------|---------------------------|---------------------------|
|                                                                      | Original<br>Budget  | Prior<br>Adjusted<br>1 | Accum.<br>Funds<br>2 | Multi-year<br>capital<br>3 | Unfore.<br>Unavoid.<br>4 | Nat. or Prov.<br>Govt<br>5 | Other<br>Adjusts.<br>6 | Total Adjusts.<br>7 | Adjusted<br>Budget<br>8 | Adjusted<br>Budget        | Adjusted<br>Budget        |
| R thousands                                                          | A                   | A1                     | B                    | C                          | D                        | E                          | F                      | G                   | H                       |                           |                           |
| <b>Financial Performance</b>                                         |                     |                        |                      |                            |                          |                            |                        |                     |                         |                           |                           |
| Property rates                                                       | 34 425              | 28 649                 | -                    | -                          | -                        | -                          | -                      | -                   | 28 649                  | 36 009                    | 37 665                    |
| Service charges                                                      | 3 608               | 3 608                  | -                    | -                          | -                        | -                          | 285                    | 285                 | 3 893                   | 3 774                     | 3 947                     |
| Investment revenue                                                   | 8 090               | 8 090                  | -                    | -                          | -                        | -                          | (1 990)                | (1 990)             | 6 100                   | 8 462                     | 8 851                     |
| Transfers recognised - operational                                   | 143 638             | 168 273                | -                    | -                          | -                        | -                          | 671                    | 671                 | 168 944                 | 149 268                   | 157 121                   |
| Other own revenue                                                    | 14 221              | 5 839                  | -                    | -                          | -                        | -                          | 1 708                  | 1 708               | 7 547                   | 5 899                     | 6 170                     |
| <b>Total Revenue (excluding capital transfers and contributions)</b> | <b>203 982</b>      | <b>214 459</b>         | <b>-</b>             | <b>-</b>                   | <b>-</b>                 | <b>-</b>                   | <b>674</b>             | <b>674</b>          | <b>215 134</b>          | <b>203 412</b>            | <b>213 755</b>            |
| 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              | 41 625                 | -                    | -                          | -                        | -                          | (6 873)                | (6 873)             | 34 752                  | 32 291                    | 35 439                    |
| Finance charges                                                      | 291                 | 291                    | -                    | -                          | -                        | -                          | -                      | -                   | 291                     | 305                       | 319                       |
| Materials and bulk purchases                                         | 3 998               | 3 698                  | -                    | -                          | -                        | -                          | 2 166                  | 2 166               | 5 865                   | 3 869                     | 4 047                     |
| Transfers and grants                                                 | 1 990               | 1 990                  | -                    | -                          | -                        | -                          | 997                    | 997                 | 2 987                   | 2 082                     | 2 178                     |
| Other expenditure                                                    | 73 251              | 77 815                 | -                    | -                          | -                        | -                          | 1 685                  | 1 685               | 79 501                  | 74 175                    | 77 137                    |
| <b>Total Expenditure</b>                                             | <b>203 276</b>      | <b>207 541</b>         | <b>-</b>             | <b>-</b>                   | <b>-</b>                 | <b>-</b>                   | <b>(2 025)</b>         | <b>(2 025)</b>      | <b>205 516</b>          | <b>198 625</b>            | <b>208 968</b>            |
| <b>Surplus/(Deficit)</b>                                             | <b>706</b>          | <b>6 918</b>           | <b>-</b>             | <b>-</b>                   | <b>-</b>                 | <b>-</b>                   | <b>2 699</b>           | <b>2 699</b>        | <b>9 617</b>            | <b>4 787</b>              | <b>4 787</b>              |
| Transfers recognised - capital                                       | 26 989              | 26 989                 | -                    | -                          | -                        | -                          | 2 078                  | 2 078               | 29 067                  | 29 050                    | 30 559                    |
| Contributions recognised - capital & contributed assets              | -                   | -                      | -                    | -                          | -                        | -                          | -                      | -                   | -                       | -                         | -                         |
| <b>Surplus/(Deficit) after capital transfers &amp; contributions</b> | <b>27 695</b>       | <b>33 907</b>          | <b>-</b>             | <b>-</b>                   | <b>-</b>                 | <b>-</b>                   | <b>4 777</b>           | <b>4 777</b>        | <b>38 684</b>           | <b>33 837</b>             | <b>35 346</b>             |
| Share of surplus/ (deficit) of associate                             | -                   | -                      | -                    | -                          | -                        | -                          | -                      | -                   | -                       | -                         | -                         |
| <b>Surplus/ (Deficit) for the year</b>                               | <b>27 695</b>       | <b>33 907</b>          | <b>-</b>             | <b>-</b>                   | <b>-</b>                 | <b>-</b>                   | <b>4 777</b>           | <b>4 777</b>        | <b>38 684</b>           | <b>33 837</b>             | <b>35 346</b>             |
| <b>Capital expenditure &amp; funds sources</b>                       |                     |                        |                      |                            |                          |                            |                        |                     |                         |                           |                           |
| <b>Capital expenditure</b>                                           | <b>101 077</b>      | <b>119 671</b>         | <b>-</b>             | <b>-</b>                   | <b>-</b>                 | <b>-</b>                   | <b>(63)</b>            | <b>(63)</b>         | <b>119 608</b>          | <b>41 203</b>             | <b>43 272</b>             |
| Transfers recognised - capital                                       | 27 074              | 26 989                 | -                    | -                          | -                        | -                          | 2 078                  | 2 078               | 29 067                  | 29 050                    | 30 559                    |
| Public contributions & donations                                     | -                   | -                      | -                    | -                          | -                        | -                          | -                      | -                   | -                       | -                         | -                         |
| Borrowing                                                            | -                   | -                      | -                    | -                          | -                        | -                          | -                      | -                   | -                       | -                         | -                         |
| Internally generated funds                                           | 74 003              | 92 682                 | -                    | -                          | -                        | -                          | (2 141)                | (2 141)             | 90 541                  | 12 153                    | 12 713                    |
| <b>Total sources of capital funds</b>                                | <b>101 077</b>      | <b>119 671</b>         | <b>-</b>             | <b>-</b>                   | <b>-</b>                 | <b>-</b>                   | <b>(63)</b>            | <b>(63)</b>         | <b>119 608</b>          | <b>41 203</b>             | <b>43 272</b>             |
| <b>Financial position</b>                                            |                     |                        |                      |                            |                          |                            |                        |                     |                         |                           |                           |
| Total current assets                                                 | 96 446              | 96 446                 | -                    | -                          | -                        | -                          | 20 235                 | 20 235              | 116 681                 | 120 921                   | 120 214                   |
| Total non current assets                                             | 503 685             | 503 685                | -                    | -                          | -                        | -                          | 11 485                 | 11 485              | 515 170                 | 472 517                   | 652 304                   |
| Total current liabilities                                            | 51 123              | 51 123                 | -                    | -                          | -                        | -                          | 2 101                  | 2 101               | 53 225                  | (67 743)                  | (72 662)                  |
| Total non current liabilities                                        | 17 397              | 17 397                 | -                    | -                          | -                        | -                          | 815                    | 815                 | 18 212                  | 18 212                    | 18 212                    |
| <b>Community wealth/Equity</b>                                       | <b>531 610</b>      | <b>531 610</b>         | <b>-</b>             | <b>-</b>                   | <b>-</b>                 | <b>-</b>                   | <b>516 903</b>         | <b>516 903</b>      | <b>1 048 513</b>        | <b>521 730</b>            | <b>521 730</b>            |

**Table B1 Cont.....**

|                                               |                  |               |          |          |          |          |                  |                  |                  |                  |                  |
|-----------------------------------------------|------------------|---------------|----------|----------|----------|----------|------------------|------------------|------------------|------------------|------------------|
| <b>Cash flows</b>                             |                  |               |          |          |          |          |                  |                  |                  |                  |                  |
| Net cash from (used) operating                | 66 006           | 66 006        | -        | -        | -        | -        | 6 423            | 6 423            | 72 429           | 63 234           | 67 482           |
| Net cash from (used) investing                | (92 496)         | (92 496)      | -        | -        | -        | -        | (25 912)         | (25 912)         | (118 408)        | (41 203)         | (43 272)         |
| Net cash from (used) financing                | (678)            | (678)         | -        | -        | -        | -        | 308              | 308              | (370)            | -                | -                |
| <b>Cash/cash equivalents at the year end</b>  | <b>62 183</b>    | <b>62 183</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>15 672</b>    | <b>15 672</b>    | <b>77 855</b>    | <b>99 886</b>    | <b>124 096</b>   |
| <b>Cash backing/surplus reconciliation</b>    |                  |               |          |          |          |          |                  |                  |                  |                  |                  |
| Cash and investments available                | 62 183           | 62 183        | -        | -        | -        | -        | 15 672           | 15 672           | 77 855           | 115 741          | 115 352          |
| Application of cash and investments           | 560 068          | 29 796        | -        | -        | -        | -        | 558 278          | 558 278          | 588 074          | 470 167          | 491 639          |
| <b>Balance - surplus (shortfall)</b>          | <b>(497 885)</b> | <b>32 387</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>(542 606)</b> | <b>(542 606)</b> | <b>(510 219)</b> | <b>(354 426)</b> | <b>(376 286)</b> |
| <b>Asset Management</b>                       |                  |               |          |          |          |          |                  |                  |                  |                  |                  |
| Asset register summary (WDV)                  | 483 291          | 482 291       | -        | -        | -        | -        | 32 879           | 32 879           | 515 170          | 472 517          | 474 586          |
| Depreciation & asset impairment               | 41 625           | 41 625        | -        | -        | -        | -        | (6 873)          | (6 873)          | 34 752           | 32 291           | 35 439           |
| Renewal of Existing Assets                    | 15 320           | 15 320        | -        | -        | -        | -        | 14 156           | 14 156           | 29 475           | -                | -                |
| Repairs and Maintenance                       | 11 918           | 11 918        | -        | -        | -        | -        | (120)            | (120)            | 11 798           | 12 467           | 13 113           |
| <b>Free services</b>                          |                  |               |          |          |          |          |                  |                  |                  |                  |                  |
| Cost of Free Basic Services provided          | 159              | 159           | -        | -        | -        | -        | -                | -                | 159              | 167              | 176              |
| Revenue cost of free services provided        | (19 364)         | (25 140)      | -        | -        | -        | -        | -                | -                | (25 140)         | (20 255)         | (21 186)         |
| <b>Households below minimum service level</b> |                  |               |          |          |          |          |                  |                  |                  |                  |                  |
| Water:                                        | -                | -             | -        | -        | -        | -        | -                | -                | -                | -                | -                |
| Sanitation/sewerage:                          | -                | -             | -        | -        | -        | -        | -                | -                | -                | -                | -                |
| Energy:                                       | -                | -             | -        | -        | -        | -        | -                | -                | -                | -                | -                |
| Refuse:                                       | -                | -             | -        | -        | -        | -        | -                | -                | -                | -                | -                |

Table B2 Adjustment Budget Financial Performance (Functional Classification)

This table below provides information on the adjustment of revenue and expenditure by functional classification.

KZN436 Dr Nkosazana Dlamini Zuma - Table B2 Adjustments Budget Financial Performance (functional classification) - 28/02/2021

| Standard Description                       | Ref  | Budget Year 2020/21 |                   |                 |                       |                     |                       |                   |                |                    | Budget Year<br>+1 2021/22 | Budget Year<br>+2 2022/23 |
|--------------------------------------------|------|---------------------|-------------------|-----------------|-----------------------|---------------------|-----------------------|-------------------|----------------|--------------------|---------------------------|---------------------------|
|                                            |      | Original<br>Budget  | Prior<br>Adjusted | Accum.<br>Funds | Multi-year<br>capital | Unfore.<br>Unavoid. | Nat. or Prov.<br>Govt | Other<br>Adjusts. | Total Adjusts. | Adjusted<br>Budget | Adjusted<br>Budget        | Adjusted<br>Budget        |
| R thousands                                | 1, 4 | A                   | 5<br>A1           | 6<br>B          | 7<br>C                | 8<br>D              | 9<br>E                | 10<br>F           | 11<br>G        | 12<br>H            |                           |                           |
| <b>Revenue - Functional</b>                |      |                     |                   |                 |                       |                     |                       |                   |                |                    |                           |                           |
| <i>Governance and administration</i>       |      | 191 341             | 201 602           | -               | -                     | -                   | -                     | 962               | 962            | 202 564            | 194 062                   | 203 961                   |
| Executive and council                      |      | -                   | -                 | -               | -                     | -                   | -                     | -                 | -              | -                  | -                         | -                         |
| Finance and administration                 |      | 191 341             | 201 602           | -               | -                     | -                   | -                     | 962               | 962            | 202 564            | 194 062                   | 203 961                   |
| Internal audit                             |      | -                   | -                 | -               | -                     | -                   | -                     | -                 | -              | -                  | -                         | -                         |
| <i>Community and public safety</i>         |      | 6 397               | 6 613             | -               | -                     | -                   | -                     | 1 336             | 1 336          | 7 949              | 5 447                     | 5 712                     |
| Community and social services              |      | 3 804               | 5 004             | -               | -                     | -                   | -                     | 1 209             | 1 209          | 6 213              | 3 973                     | 4 170                     |
| Sport and recreation                       |      | -                   | -                 | -               | -                     | -                   | -                     | -                 | -              | -                  | -                         | -                         |
| Public safety                              |      | 2 154               | 1 409             | -               | -                     | -                   | -                     | 127               | 127            | 1 536              | 1 474                     | 1 542                     |
| Housing                                    |      | 439                 | 200               | -               | -                     | -                   | -                     | -                 | -              | 200                | -                         | -                         |
| Health                                     |      | -                   | -                 | -               | -                     | -                   | -                     | -                 | -              | -                  | -                         | -                         |
| <i>Economic and environmental services</i> |      | 29 625              | 29 625            | -               | -                     | -                   | -                     | 169               | 169            | 29 794             | 29 179                    | 30 694                    |
| Planning and development                   |      | 123                 | 123               | -               | -                     | -                   | -                     | 500               | 500            | 623                | 129                       | 135                       |
| Road transport                             |      | 29 502              | 29 502            | -               | -                     | -                   | -                     | (331)             | (331)          | 29 171             | 29 050                    | 30 559                    |
| Environmental protection                   |      | -                   | -                 | -               | -                     | -                   | -                     | -                 | -              | -                  | -                         | -                         |
| <i>Trading services</i>                    |      | 3 608               | 3 608             | -               | -                     | -                   | -                     | 285               | 285            | 3 893              | 3 774                     | 3 947                     |
| Energy sources                             |      | -                   | -                 | -               | -                     | -                   | -                     | -                 | -              | -                  | -                         | -                         |
| Water management                           |      | -                   | -                 | -               | -                     | -                   | -                     | -                 | -              | -                  | -                         | -                         |
| Waste water management                     |      | -                   | -                 | -               | -                     | -                   | -                     | -                 | -              | -                  | -                         | -                         |
| Waste management                           |      | 3 608               | 3 608             | -               | -                     | -                   | -                     | 285               | 285            | 3 893              | 3 774                     | 3 947                     |
| <i>Other</i>                               |      | -                   | -                 | -               | -                     | -                   | -                     | -                 | -              | -                  | -                         | -                         |
| <b>Total Revenue - Functional</b>          | 2    | 230 971             | 241 448           | -               | -                     | -                   | -                     | 2 752             | 2 752          | 244 201            | 232 462                   | 244 314                   |
| <b>Expenditure - Functional</b>            |      |                     |                   |                 |                       |                     |                       |                   |                |                    |                           |                           |
| <i>Governance and administration</i>       |      | 125 209             | 125 638           | -               | -                     | -                   | -                     | (5 700)           | (5 700)        | 119 938            | 120 216                   | 126 958                   |
| Executive and council                      |      | 22 265              | 22 594            | -               | -                     | -                   | -                     | (75)              | (75)           | 22 519             | 23 290                    | 24 361                    |
| Finance and administration                 |      | 101 411             | 101 511           | -               | -                     | -                   | -                     | (5 625)           | (5 625)        | 95 886             | 95 324                    | 100 921                   |
| Internal audit                             |      | 1 532               | 1 532             | -               | -                     | -                   | -                     | -                 | -              | 1 532              | 1 603                     | 1 676                     |
| <i>Community and public safety</i>         |      | 27 265              | 27 430            | -               | -                     | -                   | -                     | 35                | 35             | 27 465             | 27 375                    | 28 629                    |
| Community and social services              |      | 16 336              | 16 636            | -               | -                     | -                   | -                     | 75                | 75             | 16 711             | 17 088                    | 17 874                    |
| Sport and recreation                       |      | -                   | -                 | -               | -                     | -                   | -                     | -                 | -              | -                  | -                         | -                         |
| Public safety                              |      | 10 169              | 10 021            | -               | -                     | -                   | -                     | (40)              | (40)           | 9 981              | 9 952                     | 10 404                    |
| Housing                                    |      | 760                 | 521               | -               | -                     | -                   | -                     | -                 | -              | 521                | 335                       | 351                       |
| Health                                     |      | -                   | 252               | -               | -                     | -                   | -                     | -                 | -              | 252                | -                         | -                         |
| <i>Economic and environmental services</i> |      | 39 982              | 39 653            | -               | -                     | -                   | -                     | 195               | 195            | 39 848             | 39 715                    | 41 542                    |
| Planning and development                   |      | 17 661              | 17 661            | -               | -                     | -                   | -                     | (255)             | (255)          | 17 406             | 18 997                    | 19 871                    |
| Road transport                             |      | 22 320              | 21 992            | -               | -                     | -                   | -                     | 450               | 450            | 22 442             | 20 718                    | 21 671                    |
| Environmental protection                   |      | -                   | -                 | -               | -                     | -                   | -                     | -                 | -              | -                  | -                         | -                         |
| <i>Trading services</i>                    |      | 6 711               | 10 711            | -               | -                     | -                   | -                     | 2 800             | 2 800          | 13 511             | 7 019                     | 7 342                     |
| Energy sources                             |      | -                   | 4 000             | -               | -                     | -                   | -                     | 2 000             | 2 000          | 6 000              | -                         | -                         |
| Water management                           |      | -                   | -                 | -               | -                     | -                   | -                     | -                 | -              | -                  | -                         | -                         |
| Waste water management                     |      | -                   | -                 | -               | -                     | -                   | -                     | -                 | -              | -                  | -                         | -                         |
| Waste management                           |      | 6 711               | 6 711             | -               | -                     | -                   | -                     | 800               | 800            | 7 511              | 7 019                     | 7 342                     |
| <i>Other</i>                               |      | 4 110               | 4 110             | -               | -                     | -                   | -                     | 645               | 645            | 4 755              | 4 299                     | 4 496                     |
| <b>Total Expenditure - Functional</b>      | 3    | 203 276             | 207 541           | -               | -                     | -                   | -                     | (2 025)           | (2 025)        | 205 516            | 198 625                   | 208 968                   |
| <b>Surplus/ (Deficit) for the year</b>     |      | 27 695              | 33 907            | -               | -                     | -                   | -                     | 4 777             | 4 777          | 38 684             | 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) - 28/02/2021

| Vote Description<br><i>[Insert departmental structure etc]</i> | Ref | Budget Year 2020/21 |                        |                      |                            |                          |                            |                        |                     |                          | Budget Year<br>+1 2021/22 | Budget Year<br>+2 2022/23 |
|----------------------------------------------------------------|-----|---------------------|------------------------|----------------------|----------------------------|--------------------------|----------------------------|------------------------|---------------------|--------------------------|---------------------------|---------------------------|
|                                                                |     | Original<br>Budget  | Prior<br>Adjusted<br>3 | Accum.<br>Funds<br>4 | Multi-year<br>capital<br>5 | Unfore.<br>Unavoid.<br>6 | Nat. or Prov.<br>Govt<br>7 | Other<br>Adjusts.<br>8 | Total Adjusts.<br>9 | Adjusted<br>Budget<br>10 | Adjusted<br>Budget        | Adjusted<br>Budget        |
| R thousands                                                    |     | A                   | A1                     | B                    | C                          | D                        | E                          | F                      | G                   | H                        |                           |                           |
| <b>Revenue by Vote</b>                                         | 1   |                     |                        |                      |                            |                          |                            |                        |                     |                          |                           |                           |
| Vote 1 - Executive and Council                                 |     | -                   | -                      | -                    | -                          | -                        | -                          | -                      | -                   | -                        | -                         | -                         |
| Vote 2 - Budget and Treasury                                   |     | 191 236             | 201 497                | -                    | -                          | -                        | -                          | 962                    | 962                 | 202 460                  | 193 953                   | 203 847                   |
| Vote 3 - Corporate Services                                    |     | 105                 | 105                    | -                    | -                          | -                        | -                          | -                      | -                   | 105                      | 109                       | 114                       |
| Vote 4 - Community Services                                    |     | 9 566               | 10 021                 | -                    | -                          | -                        | -                          | (788)                  | (788)               | 9 233                    | 9 221                     | 9 659                     |
| Vote 5 - Public Works and Basic Services                       |     | 29 941              | 29 702                 | -                    | -                          | -                        | -                          | 2 078                  | 2 078               | 31 780                   | 29 050                    | 30 559                    |
| Vote 6 - Planning and Development                              |     | 123                 | 123                    | -                    | -                          | -                        | -                          | 500                    | 500                 | 623                      | 129                       | 135                       |
| 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]                                    |     | -                   | -                      | -                    | -                          | -                        | -                          | -                      | -                   | -                        | -                         | -                         |
| <b>Total Revenue by Vote</b>                                   | 2   | 230 971             | 241 448                | -                    | -                          | -                        | -                          | 2 752                  | 2 752               | 244 201                  | 232 462                   | 244 314                   |
| <b>Expenditure by Vote</b>                                     | 1   |                     |                        |                      |                            |                          |                            |                        |                     |                          |                           |                           |
| Vote 1 - Executive and Council                                 |     | 23 798              | 24 126                 | -                    | -                          | -                        | -                          | (75)                   | (75)                | 24 051                   | 24 892                    | 26 038                    |
| Vote 2 - Budget and Treasury                                   |     | 77 154              | 77 454                 | -                    | -                          | -                        | -                          | (5 926)                | (5 926)             | 71 528                   | 69 455                    | 74 385                    |
| Vote 3 - Corporate Services                                    |     | 24 257              | 23 957                 | -                    | -                          | -                        | -                          | 301                    | 301                 | 24 258                   | 25 868                    | 26 535                    |
| Vote 4 - Community Services                                    |     | 34 292              | 34 796                 | -                    | -                          | -                        | -                          | 85                     | 85                  | 34 881                   | 35 708                    | 37 345                    |
| Vote 5 - Public Works and Basic Services                       |     | 38 939              | 42 372                 | -                    | -                          | -                        | -                          | 3 130                  | 3 130               | 45 502                   | 37 643                    | 39 374                    |
| Vote 6 - Planning and Development                              |     | 4 835               | 4 835                  | -                    | -                          | -                        | -                          | 460                    | 460                 | 5 295                    | 5 058                     | 5 291                     |
| 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]                                    |     | -                   | -                      | -                    | -                          | -                        | -                          | -                      | -                   | -                        | -                         | -                         |
| <b>Total Expenditure by Vote</b>                               | 2   | 203 276             | 207 541                | -                    | -                          | -                        | -                          | (2 025)                | (2 025)             | 205 516                  | 198 625                   | 208 968                   |
| <b>Surplus/ (Deficit) for the year</b>                         | 2   | 27 695              | 33 907                 | -                    | -                          | -                        | -                          | 4 777                  | 4 777               | 38 684                   | 33 837                    | 35 346                    |

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 241 ,4million to R 244 ,5million and total expenditure by vote decreased from R 207,5million to R 205, 5million when compared to the special adjustment 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) -                                                                                                       |                     |                |              |                       |                     |                       |                |                |                    |                           |                           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|----------------|--------------|-----------------------|---------------------|-----------------------|----------------|----------------|--------------------|---------------------------|---------------------------|
| Description                                                                                                                                                                                                            | Budget Year 2020/21 |                |              |                       |                     |                       |                |                |                    | Budget Year<br>+1 2021/22 | Budget Year<br>+2 2022/23 |
|                                                                                                                                                                                                                        | Original<br>Budget  | Prior Adjusted | Accum. Funds | Multi-year<br>capital | Unfore.<br>Unavoid. | Nat. or Prov.<br>Govt | Other Adjusts. | Total Adjusts. | Adjusted<br>Budget | Adjusted<br>Budget        | Adjusted<br>Budget        |
| R thousands                                                                                                                                                                                                            | A                   | 3<br>A1        | 4<br>B       | 5<br>C                | 6<br>D              | 7<br>E                | 8<br>F         | 9<br>G         | 10<br>H            |                           |                           |
| <b>Revenue By Source</b>                                                                                                                                                                                               |                     |                |              |                       |                     |                       |                |                |                    |                           |                           |
| Property rates                                                                                                                                                                                                         | 34 425              | 28 649         | -            | -                     | -                   | -                     | -              | -              | 28 649             | 36 009                    | 37 665                    |
| Service charges - electricity revenue                                                                                                                                                                                  | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| Service charges - water revenue                                                                                                                                                                                        | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| Service charges - sanitation revenue                                                                                                                                                                                   | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| Service charges - refuse revenue                                                                                                                                                                                       | 3 608               | 3 608          | -            | -                     | -                   | -                     | 285            | 285            | 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               | 8 090          | -            | -                     | -                   | -                     | (1 990)        | (1 990)        | 6 100              | 8 462                     | 8 851                     |
| Interest earned - outstanding debtors                                                                                                                                                                                  | 2 294               | 2 294          | -            | -                     | -                   | -                     | 1 990          | 1 990          | 4 283              | 2 399                     | 2 509                     |
| Dividends received                                                                                                                                                                                                     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| Fines, penalties and forfeits                                                                                                                                                                                          | 726                 | 726            | -            | -                     | -                   | -                     | -              | -              | 726                | 759                       | 794                       |
| Licences and permits                                                                                                                                                                                                   | 753                 | 753            | -            | -                     | -                   | -                     | (250)          | (250)          | 503                | 787                       | 823                       |
| Agency services                                                                                                                                                                                                        | 32                  | 32             | -            | -                     | -                   | -                     | 377            | 377            | 409                | 34                        | 35                        |
| Transfers and subsidies                                                                                                                                                                                                | 143 638             | 168 273        | -            | -                     | -                   | -                     | 671            | 671            | 168 944            | 149 268                   | 157 121                   |
| Other revenue                                                                                                                                                                                                          | 1 004               | 1 004          | -            | -                     | -                   | -                     | (409)          | (409)          | 595                | 1 050                     | 1 098                     |
| Gains on disposal of PPE                                                                                                                                                                                               | 8 581               | 200            | -            | -                     | -                   | -                     | -              | -              | 200                | -                         | -                         |
| <b>Total Revenue (excluding capital transfers and contributions)</b>                                                                                                                                                   | <b>203 982</b>      | <b>214 459</b> | <b>-</b>     | <b>-</b>              | <b>-</b>            | <b>-</b>              | <b>674</b>     | <b>674</b>     | <b>215 134</b>     | <b>203 412</b>            | <b>213 755</b>            |
| <b>Expenditure By Type</b>                                                                                                                                                                                             |                     |                |              |                       |                     |                       |                |                |                    |                           |                           |
| 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              | 41 625         | -            | -                     | -                   | -                     | (6 873)        | (6 873)        | 34 752             | 32 291                    | 35 439                    |
| Finance charges                                                                                                                                                                                                        | 291                 | 291            | -            | -                     | -                   | -                     | -              | -              | 291                | 305                       | 319                       |
| Bulk purchases                                                                                                                                                                                                         | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| Other materials                                                                                                                                                                                                        | 3 998               | 3 698          | -            | -                     | -                   | -                     | 2 166          | -              | 5 865              | 3 869                     | 4 047                     |
| Contracted services                                                                                                                                                                                                    | 33 860              | 38 169         | -            | -                     | -                   | -                     | 1 438          | 1 438          | 39 607             | 35 866                    | 37 066                    |
| Transfers and subsidies                                                                                                                                                                                                | 1 990               | 1 990          | -            | -                     | -                   | -                     | 997            | -              | 2 987              | 2 082                     | 2 178                     |
| Other expenditure                                                                                                                                                                                                      | 28 331              | 28 586         | -            | -                     | -                   | -                     | 247            | 247            | 28 833             | 26 740                    | 27 970                    |
| Loss on disposal of PPE                                                                                                                                                                                                | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| <b>Total Expenditure</b>                                                                                                                                                                                               | <b>203 276</b>      | <b>207 541</b> | <b>-</b>     | <b>-</b>              | <b>-</b>            | <b>-</b>              | <b>(2 025)</b> | <b>(5 188)</b> | <b>205 516</b>     | <b>198 625</b>            | <b>208 968</b>            |
| <b>Surplus/(Deficit)</b>                                                                                                                                                                                               | <b>706</b>          | <b>6 918</b>   | <b>-</b>     | <b>-</b>              | <b>-</b>            | <b>-</b>              | <b>2 699</b>   | <b>5 862</b>   | <b>9 617</b>       | <b>4 787</b>              | <b>4 787</b>              |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)                                                                                                                          | 26 989              | 26 989         | -            | -                     | -                   | -                     | 2 078          | 2 078          | 29 067             | 29 050                    | 30 559                    |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| Transfers and subsidies - capital (in-kind - all)                                                                                                                                                                      | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| <b>Surplus/(Deficit) before taxation</b>                                                                                                                                                                               | <b>27 695</b>       | <b>33 907</b>  | <b>-</b>     | <b>-</b>              | <b>-</b>            | <b>-</b>              | <b>4 777</b>   | <b>7 940</b>   | <b>38 684</b>      | <b>33 837</b>             | <b>35 346</b>             |
| Taxation                                                                                                                                                                                                               | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| <b>Surplus/(Deficit) after taxation</b>                                                                                                                                                                                | <b>27 695</b>       | <b>33 907</b>  | <b>-</b>     | <b>-</b>              | <b>-</b>            | <b>-</b>              | <b>4 777</b>   | <b>7 940</b>   | <b>38 684</b>      | <b>33 837</b>             | <b>35 346</b>             |
| Attributable to minorities                                                                                                                                                                                             | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| <b>Surplus/(Deficit) attributable to municipality</b>                                                                                                                                                                  | <b>27 695</b>       | <b>33 907</b>  | <b>-</b>     | <b>-</b>              | <b>-</b>            | <b>-</b>              | <b>4 777</b>   | <b>7 940</b>   | <b>38 684</b>      | <b>33 837</b>             | <b>35 346</b>             |
| Share of surplus/ (deficit) of associate                                                                                                                                                                               | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| <b>Surplus/ (Deficit) for the year</b>                                                                                                                                                                                 | <b>27 695</b>       | <b>33 907</b>  | <b>-</b>     | <b>-</b>              | <b>-</b>            | <b>-</b>              | <b>4 777</b>   | <b>7 940</b>   | <b>38 684</b>      | <b>33 837</b>             | <b>35 346</b>             |

## **Operating Revenue**

The revenue of the municipality has increased from R214 ,4million to R215 ,1million in the adjustment budget and that is R671 343 increase when compared to the special adjustment budget.

The contributing factors to this increase are two rollover grants (Building Plans Management Grant and Anti-Corruption Grant) that were not included in the original budget.

## **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 business 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**

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 Costs**

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

## **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.

Capital Expenditure has decreased from R119, 670million to R119, 608million when compared to the special adjustment budget because of the decrease in the MIG allocation from R 26 989 million to R 26 658 million.

KZN436 Dr Nkosazana Dlamini Zuma - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 28/02/2021

| Description                                      | Ref | Budget Year 2020/21     |                              |                           |                                 |                               |                                 |                              |                           |                               | Budget Year<br>+1 2021/22 | Budget Year<br>+2 2022/23 |
|--------------------------------------------------|-----|-------------------------|------------------------------|---------------------------|---------------------------------|-------------------------------|---------------------------------|------------------------------|---------------------------|-------------------------------|---------------------------|---------------------------|
|                                                  |     | Original<br>Budget<br>A | Prior<br>Adjusted<br>5<br>A1 | Accum.<br>Funds<br>6<br>B | Multi-year<br>capital<br>7<br>C | Unfore.<br>Unavoid.<br>8<br>D | Nat. or Prov.<br>Govt<br>9<br>E | Other<br>Adjusts.<br>10<br>F | Total Adjusts.<br>11<br>G | Adjusted<br>Budget<br>12<br>H | Adjusted<br>Budget        | Adjusted<br>Budget        |
| <b>R thousands</b>                               |     |                         |                              |                           |                                 |                               |                                 |                              |                           |                               |                           |                           |
| <b>Capital expenditure - Vote</b>                |     |                         |                              |                           |                                 |                               |                                 |                              |                           |                               |                           |                           |
| <b>Multi-year expenditure to be adjusted</b>     | 2   |                         |                              |                           |                                 |                               |                                 |                              |                           |                               |                           |                           |
| Vote 1 - Executive and Council                   |     | -                       | -                            | -                         | -                               | -                             | -                               | -                            | -                         | -                             | -                         | -                         |
| Vote 2 - Budget and Treasury                     |     | -                       | -                            | -                         | -                               | -                             | -                               | -                            | -                         | -                             | -                         | -                         |
| Vote 3 - Corporate Services                      |     | -                       | -                            | -                         | -                               | -                             | -                               | -                            | -                         | -                             | -                         | -                         |
| Vote 4 - Community Services                      |     | -                       | 7 000                        | -                         | -                               | -                             | -                               | -                            | -                         | 7 000                         | -                         | -                         |
| Vote 5 - Public Works and Basic Services         |     | 19 313                  | 34 313                       | -                         | -                               | -                             | -                               | 212                          | 212                       | 34 526                        | 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]                      |     | -                       | -                            | -                         | -                               | -                             | -                               | -                            | -                         | -                             | -                         | -                         |
| <b>Capital multi-year expenditure sub-total</b>  | 3   | 19 313                  | 41 313                       | -                         | -                               | -                             | -                               | 212                          | 212                       | 41 526                        | 29 050                    | 30 559                    |
| <b>Single-year expenditure to be adjusted</b>    | 2   |                         |                              |                           |                                 |                               |                                 |                              |                           |                               |                           |                           |
| Vote 1 - Executive and Council                   |     | 577                     | 577                          | -                         | -                               | -                             | -                               | 55                           | 55                        | 632                           | 604                       | 631                       |
| Vote 2 - Budget and Treasury                     |     | 360                     | 360                          | -                         | -                               | -                             | -                               | 66                           | 66                        | 426                           | 376                       | 394                       |
| Vote 3 - Corporate Services                      |     | 691                     | 691                          | -                         | -                               | -                             | -                               | 370                          | 370                       | 1 061                         | 723                       | 756                       |
| Vote 4 - Community Services                      |     | 10 276                  | 6 869                        | -                         | -                               | -                             | -                               | 40                           | 40                        | 6 909                         | 10 315                    | 10 789                    |
| Vote 5 - Public Works and Basic Services         |     | 69 730                  | 69 730                       | -                         | -                               | -                             | -                               | (846)                        | (846)                     | 68 884                        | -                         | -                         |
| Vote 6 - Planning and Development                |     | 130                     | 130                          | -                         | -                               | -                             | -                               | 40                           | 40                        | 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]                      |     | -                       | -                            | -                         | -                               | -                             | -                               | -                            | -                         | -                             | -                         | -                         |
| <b>Capital single-year expenditure sub-total</b> |     | 81 764                  | 78 357                       | -                         | -                               | -                             | -                               | (275)                        | (275)                     | 78 082                        | 12 153                    | 12 713                    |
| <b>Total Capital Expenditure - Vote</b>          |     | 101 077                 | 119 671                      | -                         | -                               | -                             | -                               | (63)                         | (63)                      | 119 608                       | 41 203                    | 43 272                    |
| <b>Capital Expenditure - Functional</b>          |     |                         |                              |                           |                                 |                               |                                 |                              |                           |                               |                           |                           |
| <b>Governance and administration</b>             |     | 2 376                   | 2 376                        | -                         | -                               | -                             | -                               | 491                          | 491                       | 2 867                         | 1 703                     | 1 781                     |
| Executive and council                            |     | 577                     | 577                          | -                         | -                               | -                             | -                               | 55                           | 55                        | 632                           | 604                       | 631                       |
| Finance and administration                       |     | 1 799                   | 1 799                        | -                         | -                               | -                             | -                               | 436                          | 436                       | 2 235                         | 1 099                     | 1 150                     |
| Internal audit                                   |     | -                       | -                            | -                         | -                               | -                             | -                               | -                            | -                         | -                             | -                         | -                         |
| <b>Community and public safety</b>               |     | 10 826                  | 14 419                       | -                         | -                               | -                             | -                               | 40                           | 40                        | 14 459                        | 10 315                    | 10 789                    |
| Community and social services                    |     | 1 816                   | 1 816                        | -                         | -                               | -                             | -                               | -                            | -                         | 1 816                         | 979                       | 1 024                     |
| Sport and recreation                             |     | -                       | -                            | -                         | -                               | -                             | -                               | -                            | -                         | -                             | -                         | -                         |
| Public safety                                    |     | 9 010                   | 12 603                       | -                         | -                               | -                             | -                               | 40                           | 40                        | 12 643                        | 9 335                     | 9 765                     |
| Housing                                          |     | -                       | -                            | -                         | -                               | -                             | -                               | -                            | -                         | -                             | -                         | -                         |
| Health                                           |     | -                       | -                            | -                         | -                               | -                             | -                               | -                            | -                         | -                             | -                         | -                         |
| <b>Economic and environmental services</b>       |     | 87 876                  | 102 876                      | -                         | -                               | -                             | -                               | (3 110)                      | (3 110)                   | 99 766                        | 29 186                    | 30 702                    |
| Planning and development                         |     | 83 384                  | 98 384                       | -                         | -                               | -                             | -                               | (3 085)                      | (3 085)                   | 95 299                        | 29 186                    | 30 702                    |
| Road transport                                   |     | 4 491                   | 4 491                        | -                         | -                               | -                             | -                               | (24)                         | (24)                      | 4 467                         | -                         | -                         |
| Environmental protection                         |     | -                       | -                            | -                         | -                               | -                             | -                               | -                            | -                         | -                             | -                         | -                         |
| <b>Trading services</b>                          |     | -                       | -                            | -                         | -                               | -                             | -                               | 2 516                        | 2 516                     | 2 516                         | -                         | -                         |
| Energy sources                                   |     | -                       | -                            | -                         | -                               | -                             | -                               | -                            | -                         | -                             | -                         | -                         |
| Water management                                 |     | -                       | -                            | -                         | -                               | -                             | -                               | -                            | -                         | -                             | -                         | -                         |
| Waste water management                           |     | -                       | -                            | -                         | -                               | -                             | -                               | 2 516                        | 2 516                     | 2 516                         | -                         | -                         |
| Waste management                                 |     | -                       | -                            | -                         | -                               | -                             | -                               | -                            | -                         | -                             | -                         | -                         |
| <b>Other</b>                                     |     | -                       | -                            | -                         | -                               | -                             | -                               | -                            | -                         | -                             | -                         | -                         |
| <b>Total Capital Expenditure - Functional</b>    | 3   | 101 077                 | 119 671                      | -                         | -                               | -                             | -                               | (63)                         | (63)                      | 119 608                       | 41 203                    | 43 272                    |
| <b>Funded by:</b>                                |     |                         |                              |                           |                                 |                               |                                 |                              |                           |                               |                           |                           |
| National Government                              |     | 26 989                  | 26 989                       | -                         | -                               | -                             | -                               | (331)                        | (331)                     | 26 658                        | 29 050                    | 30 559                    |
| Provincial Government                            |     | 85                      | -                            | -                         | -                               | -                             | -                               | 2 409                        | 2 409                     | 2 409                         | -                         | -                         |
| District Municipality                            |     | -                       | -                            | -                         | -                               | -                             | -                               | -                            | -                         | -                             | -                         | -                         |
| Other transfers and grants                       |     | -                       | -                            | -                         | -                               | -                             | -                               | -                            | -                         | -                             | -                         | -                         |
| <b>Transfers recognised - capital</b>            | 4   | 27 074                  | 26 989                       | -                         | -                               | -                             | -                               | 2 078                        | 2 078                     | 29 067                        | 29 050                    | 30 559                    |
| <b>Public contributions &amp; donations</b>      |     | -                       | -                            | -                         | -                               | -                             | -                               | -                            | -                         | -                             | -                         | -                         |
| <b>Borrowing</b>                                 |     | -                       | -                            | -                         | -                               | -                             | -                               | -                            | -                         | -                             | -                         | -                         |
| <b>Internally generated funds</b>                |     | 74 003                  | 92 682                       | -                         | -                               | -                             | -                               | (2 141)                      | (2 141)                   | 90 541                        | 12 153                    | 12 713                    |
| <b>Total Capital Funding</b>                     |     | 101 077                 | 119 671                      | -                         | -                               | -                             | -                               | (63)                         | (63)                      | 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 Zuma - Table B6 Adjustments Budget Financial Position - |                     |                |              |                    |                  |                    |                |                |                 |                        |                        |
|-------------------------------------------------------------------------------------|---------------------|----------------|--------------|--------------------|------------------|--------------------|----------------|----------------|-----------------|------------------------|------------------------|
| 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               |                        |                        |
| <b>ASSETS</b>                                                                       |                     |                |              |                    |                  |                    |                |                |                 |                        |                        |
| <b>Current assets</b>                                                               |                     |                |              |                    |                  |                    |                |                |                 |                        |                        |
| Cash                                                                                | 5 822               | 5 822          | -            | -                  | -                | -                  | 9 162          | 9 162          | 14 985          | 32 871                 | 32 482                 |
| Call investment deposits                                                            | 56 361              | 56 361         | -            | -                  | -                | -                  | 6 510          | 6 510          | 62 870          | 82 870                 | 82 870                 |
| Consumer debtors                                                                    | 30 058              | 30 058         | -            | -                  | -                | -                  | 5 251          | 5 251          | 35 309          | 2 534                  | 2 231                  |
| Other debtors                                                                       | 4 205               | 4 205          | -            | -                  | -                | -                  | (688)          | (688)          | 3 517           | 2 646                  | 2 631                  |
| Current portion of long-term receivables                                            | -                   | -              | -            | -                  | -                | -                  | -              | -              | -               | -                      | -                      |
| Inventory                                                                           | -                   | -              | -            | -                  | -                | -                  | -              | -              | -               | -                      | -                      |
| <b>Total current assets</b>                                                         | <b>96 446</b>       | <b>96 446</b>  | <b>-</b>     | <b>-</b>           | <b>-</b>         | <b>-</b>           | <b>20 235</b>  | <b>20 235</b>  | <b>116 681</b>  | <b>120 921</b>         | <b>120 214</b>         |
| <b>Non current assets</b>                                                           |                     |                |              |                    |                  |                    |                |                |                 |                        |                        |
| Long-term receivables                                                               | -                   | -              | -            | -                  | -                | -                  | -              | -              | -               | -                      | -                      |
| Investments                                                                         | -                   | -              | -            | -                  | -                | -                  | -              | -              | -               | -                      | -                      |
| Investment property                                                                 | 20 300              | 20 300         | -            | -                  | -                | -                  | 111            | 111            | 20 411          | 20 411                 | 20 411                 |
| Investment in Associate                                                             | -                   | -              | -            | -                  | -                | -                  | -              | -              | -               | -                      | -                      |
| Property, plant and equipment                                                       | 483 291             | 483 291        | -            | -                  | -                | -                  | 11 259         | 11 259         | 494 550         | 451 984                | 631 767                |
| Agricultural                                                                        | -                   | -              | -            | -                  | -                | -                  | -              | -              | -               | -                      | -                      |
| Biological                                                                          | -                   | -              | -            | -                  | -                | -                  | -              | -              | -               | -                      | -                      |
| Intangible                                                                          | 35                  | 35             | -            | -                  | -                | -                  | 175            | 175            | 210             | 122                    | 126                    |
| Other non-current assets                                                            | 60                  | 60             | -            | -                  | -                | -                  | (60)           | (60)           | -               | -                      | -                      |
| <b>Total non current assets</b>                                                     | <b>503 685</b>      | <b>503 685</b> | <b>-</b>     | <b>-</b>           | <b>-</b>         | <b>-</b>           | <b>11 485</b>  | <b>11 485</b>  | <b>515 170</b>  | <b>472 517</b>         | <b>652 304</b>         |
| <b>TOTAL ASSETS</b>                                                                 | <b>600 131</b>      | <b>600 131</b> | <b>-</b>     | <b>-</b>           | <b>-</b>         | <b>-</b>           | <b>31 720</b>  | <b>31 720</b>  | <b>631 851</b>  | <b>593 438</b>         | <b>772 518</b>         |
| <b>LIABILITIES</b>                                                                  |                     |                |              |                    |                  |                    |                |                |                 |                        |                        |
| <b>Current liabilities</b>                                                          |                     |                |              |                    |                  |                    |                |                |                 |                        |                        |
| Bank overdraft                                                                      | -                   | -              | -            | -                  | -                | -                  | -              | -              | -               | -                      | -                      |
| Borrowing                                                                           | 678                 | 678            | -            | -                  | -                | -                  | (678)          | (678)          | -               | 370                    | 370                    |
| Consumer deposits                                                                   | 6                   | 6              | -            | -                  | -                | -                  | (22)           | (22)           | (17)            | (17)                   | (17)                   |
| Trade and other payables                                                            | 44 027              | 44 027         | -            | -                  | -                | -                  | 1 956          | 1 956          | 45 983          | (74 849)               | (79 768)               |
| Provisions                                                                          | 6 412               | 6 412          | -            | -                  | -                | -                  | 845            | 845            | 7 258           | 6 753                  | 6 753                  |
| <b>Total current liabilities</b>                                                    | <b>51 123</b>       | <b>51 123</b>  | <b>-</b>     | <b>-</b>           | <b>-</b>         | <b>-</b>           | <b>2 101</b>   | <b>2 101</b>   | <b>53 225</b>   | <b>(67 743)</b>        | <b>(72 662)</b>        |
| <b>Non current liabilities</b>                                                      |                     |                |              |                    |                  |                    |                |                |                 |                        |                        |
| Borrowing                                                                           | 540                 | 540            | -            | -                  | -                | -                  | (370)          | (370)          | 171             | 171                    | 171                    |
| Provisions                                                                          | 16 857              | 16 857         | -            | -                  | -                | -                  | 1 184          | 1 184          | 18 041          | 18 041                 | 18 041                 |
| <b>Total non current liabilities</b>                                                | <b>17 397</b>       | <b>17 397</b>  | <b>-</b>     | <b>-</b>           | <b>-</b>         | <b>-</b>           | <b>815</b>     | <b>815</b>     | <b>18 212</b>   | <b>18 212</b>          | <b>18 212</b>          |
| <b>TOTAL LIABILITIES</b>                                                            | <b>68 521</b>       | <b>68 521</b>  | <b>-</b>     | <b>-</b>           | <b>-</b>         | <b>-</b>           | <b>2 916</b>   | <b>2 916</b>   | <b>71 437</b>   | <b>(49 531)</b>        | <b>(54 450)</b>        |
| <b>NET ASSETS</b>                                                                   | <b>531 610</b>      | <b>531 610</b> | <b>-</b>     | <b>-</b>           | <b>-</b>         | <b>-</b>           | <b>28 804</b>  | <b>28 804</b>  | <b>560 414</b>  | <b>642 969</b>         | <b>826 968</b>         |
| <b>COMMUNITY WEALTH/EQUITY</b>                                                      |                     |                |              |                    |                  |                    |                |                |                 |                        |                        |
| Accumulated Surplus/(Deficit)                                                       | 526 783             | 526 783        | -            | -                  | -                | -                  | 516 501        | 555 517        | 555 517         | 516 501                | 516 501                |
| Reserves                                                                            | 4 827               | 4 827          | -            | -                  | -                | -                  | 401            | 401            | 5 228           | 5 228                  | 5 228                  |
| Minorities' interests                                                               | -                   | -              | -            | -                  | -                | -                  | -              | -              | -               | -                      | -                      |
| <b>TOTAL COMMUNITY WEALTH/EQUITY</b>                                                | <b>531 610</b>      | <b>531 610</b> | <b>-</b>     | <b>-</b>           | <b>-</b>         | <b>-</b>           | <b>516 903</b> | <b>555 918</b> | <b>560 745</b>  | <b>521 730</b>         | <b>521 730</b>         |

## 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 Zuma - Table B7 Adjustments Budget Cash Flows - |                     |                 |              |                    |                  |                    |                 |                 |                  |                        |                        |
|-----------------------------------------------------------------------------|---------------------|-----------------|--------------|--------------------|------------------|--------------------|-----------------|-----------------|------------------|------------------------|------------------------|
| 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        |
|                                                                             |                     | 3               | 4            | 5                  | 6                | 7                  | 8               | 9               | 10               |                        |                        |
| R thousands                                                                 | A                   | A1              | B            | C                  | D                | E                  | F               | G               | H                |                        |                        |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                                  |                     |                 |              |                    |                  |                    |                 |                 |                  |                        |                        |
| <b>Receipts</b>                                                             |                     |                 |              |                    |                  |                    |                 |                 |                  |                        |                        |
| Property rates                                                              | 24 575              | 24 575          | -            | -                  | -                | -                  | (4 521)         | (4 521)         | 20 054           | 20 977                 | 21 942                 |
| Service charges                                                             | 2 706               | 2 706           | -            | -                  | -                | -                  | 83              | 83              | 2 789            | 2 917                  | 3 051                  |
| Other revenue                                                               | 3 164               | 3 164           | -            | -                  | -                | -                  | (413)           | (413)           | 2 752            | 2 878                  | 3 011                  |
| Government - operating                                                      | 150 568             | 150 568         | -            | -                  | -                | -                  | 23 705          | 23 705          | 174 273          | 155 268                | 163 121                |
| Government - capital                                                        | 26 989              | 26 989          | -            | -                  | -                | -                  | (331)           | (331)           | 26 658           | 29 050                 | 30 559                 |
| Interest                                                                    | 8 090               | 8 090           | -            | -                  | -                | -                  | (1 990)         | (1 990)         | 6 100            | 6 381                  | 6 674                  |
| Dividends                                                                   | -                   | -               | -            | -                  | -                | -                  | -               | -               | -                | -                      | -                      |
| <b>Payments</b>                                                             |                     |                 |              |                    |                  |                    |                 |                 |                  |                        |                        |
| Suppliers and employees                                                     | (147 804)           | (147 804)       | -            | -                  | -                | -                  | (9 114)         | (9 114)         | (156 918)        | (151 850)              | (158 379)              |
| Finance charges                                                             | (291)               | (291)           | -            | -                  | -                | -                  | -               | -               | (291)            | (305)                  | (319)                  |
| Transfers and Grants                                                        | (1 990)             | (1 990)         | -            | -                  | -                | -                  | (997)           | (997)           | (2 987)          | (2 082)                | (2 178)                |
| <b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>                            | <b>66 006</b>       | <b>66 006</b>   | <b>-</b>     | <b>-</b>           | <b>-</b>         | <b>-</b>           | <b>6 423</b>    | <b>6 423</b>    | <b>72 429</b>    | <b>63 234</b>          | <b>67 482</b>          |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                 |                     |                 |              |                    |                  |                    |                 |                 |                  |                        |                        |
| <b>Receipts</b>                                                             |                     |                 |              |                    |                  |                    |                 |                 |                  |                        |                        |
| Proceeds on disposal of PPE                                                 | 8 581               | 8 581           | -            | -                  | -                | -                  | (7 381)         | (7 381)         | 1 200            | -                      | -                      |
| Decrease (Increase) in non-current debtors                                  | -                   | -               | -            | -                  | -                | -                  | -               | -               | -                | -                      | -                      |
| Decrease (increase) other non-current receivables                           | -                   | -               | -            | -                  | -                | -                  | -               | -               | -                | -                      | -                      |
| Decrease (increase) in non-current investments                              | -                   | -               | -            | -                  | -                | -                  | -               | -               | -                | -                      | -                      |
| <b>Payments</b>                                                             |                     |                 |              |                    |                  |                    |                 |                 |                  |                        |                        |
| Capital assets                                                              | (101 077)           | (101 077)       | -            | -                  | -                | -                  | (18 530)        | (18 530)        | (119 608)        | (41 203)               | (43 272)               |
| <b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>                            | <b>(92 496)</b>     | <b>(92 496)</b> | <b>-</b>     | <b>-</b>           | <b>-</b>         | <b>-</b>           | <b>(25 912)</b> | <b>(25 912)</b> | <b>(118 408)</b> | <b>(41 203)</b>        | <b>(43 272)</b>        |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                 |                     |                 |              |                    |                  |                    |                 |                 |                  |                        |                        |
| <b>Receipts</b>                                                             |                     |                 |              |                    |                  |                    |                 |                 |                  |                        |                        |
| Short term loans                                                            | -                   | -               | -            | -                  | -                | -                  | -               | -               | -                | -                      | -                      |
| Borrowing long term/refinancing                                             | -                   | -               | -            | -                  | -                | -                  | -               | -               | -                | -                      | -                      |
| Increase (decrease) in consumer deposits                                    | -                   | -               | -            | -                  | -                | -                  | -               | -               | -                | -                      | -                      |
| <b>Payments</b>                                                             |                     |                 |              |                    |                  |                    |                 |                 |                  |                        |                        |
| Repayment of borrowing                                                      | (678)               | (678)           | -            | -                  | -                | -                  | 308             | 308             | (370)            | -                      | -                      |
| <b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>                            | <b>(678)</b>        | <b>(678)</b>    | <b>-</b>     | <b>-</b>           | <b>-</b>         | <b>-</b>           | <b>308</b>      | <b>308</b>      | <b>(370)</b>     | <b>-</b>               | <b>-</b>               |
| <b>NET INCREASE/ (DECREASE) IN CASH HELD</b>                                | <b>(27 168)</b>     | <b>(27 168)</b> | <b>-</b>     | <b>-</b>           | <b>-</b>         | <b>-</b>           | <b>(19 181)</b> | <b>(19 181)</b> | <b>(46 348)</b>  | <b>22 031</b>          | <b>24 210</b>          |
| Cash/cash equivalents at the year begin:                                    | 89 350              | 89 350          | -            | -                  | -                | -                  | 34 853          | 34 853          | 124 203          | 77 855                 | 99 886                 |
| Cash/cash equivalents at the year end:                                      | 62 183              | 62 183          | -            | -                  | -                | -                  | 15 672          | 15 672          | 77 855           | 99 886                 | 124 096                |

**Table B8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

KZN436 Dr Nkosazana Dlamini Zuma - Table B8 Cash backed reserves/accumulated surplus reconciliation - 28/02/2021

| Description                                       | Ref | Budget Year 2020/21 |                        |                      |                            |                          |                            |                        |                     |                          | Budget Year<br>+1 2021/22 | Budget Year<br>+2 2022/23 |
|---------------------------------------------------|-----|---------------------|------------------------|----------------------|----------------------------|--------------------------|----------------------------|------------------------|---------------------|--------------------------|---------------------------|---------------------------|
|                                                   |     | Original<br>Budget  | Prior<br>Adjusted<br>3 | Accum.<br>Funds<br>4 | Multi-year<br>capital<br>5 | Unfore.<br>Unavoid.<br>6 | Nat. or Prov.<br>Govt<br>7 | Other<br>Adjusts.<br>8 | Total Adjusts.<br>9 | Adjusted<br>Budget<br>10 | Adjusted<br>Budget        | Adjusted<br>Budget        |
| R thousands                                       |     | A                   | A1                     | B                    | C                          | D                        | E                          | F                      | G                   | H                        |                           |                           |
| <b>Cash and investments available</b>             |     |                     |                        |                      |                            |                          |                            |                        |                     |                          |                           |                           |
| Cash/cash equivalents at the year end             | 1   | 62 183              | 53 601                 | -                    | -                          | -                        | -                          | 24 253                 | 24 253              | 77 855                   | 99 066                    | 122 247                   |
| Other current investments > 90 days               |     | 0                   | 8 581                  | -                    | -                          | -                        | -                          | (8 581)                | (8 581)             | (0)                      | 0                         | (0)                       |
| Non current assets - Investments                  | 1   | -                   | -                      | -                    | -                          | -                        | -                          | -                      | -                   | -                        | -                         | -                         |
| <b>Cash and investments available:</b>            |     | <b>62 183</b>       | <b>62 183</b>          | <b>-</b>             | <b>-</b>                   | <b>-</b>                 | <b>-</b>                   | <b>15 672</b>          | <b>15 672</b>       | <b>77 855</b>            | <b>99 066</b>             | <b>122 247</b>            |
| <b>Applications of cash and investments</b>       |     |                     |                        |                      |                            |                          |                            |                        |                     |                          |                           |                           |
| Unspent conditional transfers                     |     | (745)               | (745)                  | -                    | -                          | -                        | -                          | 2 963                  | 2 963               | 2 218                    | 41 317                    | 43 023                    |
| Unspent borrowing                                 |     | -                   | -                      | -                    | -                          | -                        | -                          | (171)                  | (171)               | (171)                    | (171)                     | (171)                     |
| Statutory requirements                            |     | -                   | -                      | -                    | -                          | -                        | -                          | -                      | -                   | -                        | -                         | -                         |
| Other working capital requirements                | 2   | 19 701              | 16 060                 | -                    | -                          | -                        | -                          | (2 232)                | (2 232)             | 13 828                   | (12 735)                  | (10 481)                  |
| Other provisions                                  |     | -                   | -                      | -                    | -                          | -                        | -                          | -                      | -                   | -                        | -                         | -                         |
| Long term investments committed                   |     | -                   | -                      | -                    | -                          | -                        | -                          | -                      | -                   | -                        | -                         | -                         |
| Reserves to be backed by cash/investments         |     | 541 112             | 14 481                 | -                    | -                          | -                        | -                          | 556 721                | 556 721             | 571 202                  | 549 348                   | 574 427                   |
| <b>Total Application of cash and investments:</b> |     | <b>560 068</b>      | <b>29 796</b>          | <b>-</b>             | <b>-</b>                   | <b>-</b>                 | <b>-</b>                   | <b>557 281</b>         | <b>557 281</b>      | <b>587 077</b>           | <b>577 760</b>            | <b>606 799</b>            |
| <b>Surplus(shortfall)</b>                         |     | <b>(497 885)</b>    | <b>32 387</b>          | <b>-</b>             | <b>-</b>                   | <b>-</b>                 | <b>-</b>                   | <b>(541 609)</b>       | <b>(541 609)</b>    | <b>(509 222)</b>         | <b>(478 693)</b>          | <b>(484 552)</b>          |

**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 - 28/02/2021

| Description                                     | Ref | Budget Year 2020/21 |          |        |            |          |               |          |          |          | Budget Year | Budget Year |
|-------------------------------------------------|-----|---------------------|----------|--------|------------|----------|---------------|----------|----------|----------|-------------|-------------|
|                                                 |     | Original            | Prior    | Accum. | Multi-year | Unfore.  | Nat. or Prov. | Other    | Total    | Adjusted | Adjusted    |             |
|                                                 |     | Budget              | Adjusted | Funds  | capital    | Unavoid. | Govt          | Adjusts. | Adjusts. | Budget   | Budget      |             |
|                                                 |     |                     | 7        | 8      | 9          | 10       | 11            | 12       | 13       | 14       |             |             |
| R thousands                                     |     | A                   | A1       | B      | C          | D        | E             | F        | G        | H        |             |             |
| CAPITAL EXPENDITURE                             |     |                     |          |        |            |          |               |          |          |          |             |             |
| <u>Total New Assets to be adjusted</u>          | 1   | 71 627              | 75 220   | -      | -          | -        | -             | (17 594) | (17 594) | 57 627   | 41 203      | 43 272      |
| Roads Infrastructure                            |     | 25 494              | 25 494   | -      | -          | -        | -             | (1 711)  | (1 711)  | 23 783   | -           | -           |
| Storm water Infrastructure                      |     | -                   | -        | -      | -          | -        | -             | -        | -        | -        | -           | -           |
| Electrical Infrastructure                       |     | -                   | -        | -      | -          | -        | -             | -        | -        | -        | -           | -           |
| Water Supply Infrastructure                     |     | -                   | -        | -      | -          | -        | -             | -        | -        | -        | -           | -           |
| Sanitation Infrastructure                       |     | -                   | -        | -      | -          | -        | -             | -        | -        | -        | -           | -           |
| Solid Waste Infrastructure                      |     | -                   | -        | -      | -          | -        | -             | -        | -        | -        | -           | -           |
| Rail Infrastructure                             |     | -                   | -        | -      | -          | -        | -             | -        | -        | -        | -           | -           |
| Coastal Infrastructure                          |     | -                   | -        | -      | -          | -        | -             | -        | -        | -        | -           | -           |
| Information and Communication Infrastructure    |     | -                   | -        | -      | -          | -        | -             | -        | -        | -        | -           | -           |
| Infrastructure                                  |     | 25 494              | 25 494   | -      | -          | -        | -             | (1 711)  | (1 711)  | 23 783   | -           | -           |
| Community Facilities                            |     | 19 653              | 26 653   | -      | -          | -        | -             | (10 830) | (10 830) | 15 823   | 29 625      | 31 161      |
| Sport and Recreation Facilities                 |     | 8 613               | 8 613    | -      | -          | -        | -             | (5 644)  | (5 644)  | 2 969    | -           | -           |
| Community Assets                                |     | 28 266              | 35 266   | -      | -          | -        | -             | (16 474) | (16 474) | 18 792   | 29 625      | 31 161      |
| Heritage Assets                                 |     | -                   | -        | -      | -          | -        | -             | -        | -        | -        | -           | -           |
| Revenue Generating                              |     | -                   | -        | -      | -          | -        | -             | -        | -        | -        | -           | -           |
| Non-revenue Generating                          |     | -                   | -        | -      | -          | -        | -             | -        | -        | -        | -           | -           |
| Investment properties                           |     | -                   | -        | -      | -          | -        | -             | -        | -        | -        | -           | -           |
| Operational Buildings                           |     | 8 248               | 3 398    | -      | -          | -        | -             | 20       | 20       | 3 418    | 7 322       | 7 659       |
| Housing                                         |     | -                   | -        | -      | -          | -        | -             | -        | -        | -        | -           | -           |
| Other Assets                                    | 6   | 8 248               | 3 398    | -      | -          | -        | -             | 20       | 20       | 3 418    | 7 322       | 7 659       |
| Biological or Cultivated Assets                 |     | -                   | -        | -      | -          | -        | -             | -        | -        | -        | -           | -           |
| Servitudes                                      |     | -                   | -        | -      | -          | -        | -             | -        | -        | -        | -           | -           |
| Licences and Rights                             |     | 122                 | 122      | -      | -          | -        | -             | 243      | 243      | 365      | 102         | 106         |
| Intangible Assets                               |     | 122                 | 122      | -      | -          | -        | -             | 243      | 243      | 365      | 102         | 106         |
| Computer Equipment                              |     | 1 219               | 1 219    | -      | -          | -        | -             | 8        | 8        | 1 227    | 1 212       | 1 268       |
| Furniture and Office Equipment                  |     | 2 363               | 2 363    | -      | -          | -        | -             | 20       | 20       | 2 383    | 939         | 983         |
| Machinery and Equipment                         |     | 4 915               | 5 263    | -      | -          | -        | -             | 300      | 300      | 5 563    | 957         | 1 001       |
| Transport Assets                                |     | 1 000               | 2 095    | -      | -          | -        | -             | -        | -        | 2 095    | 1 046       | 1 094       |
| Libraries                                       |     | -                   | -        | -      | -          | -        | -             | -        | -        | -        | -           | -           |
| Zoo's, Marine and Non-biological Animals        |     | -                   | -        | -      | -          | -        | -             | -        | -        | -        | -           | -           |
| Total Renewal of Existing Assets to be adjusted |     |                     |          |        |            |          |               |          |          |          |             |             |
| Roads Infrastructure                            | 2   | 15 320              | 15 320   | -      | -          | -        | -             | 14 156   | 14 156   | 29 475   | -           | -           |
| Storm water Infrastructure                      |     | 15 320              | 15 320   | -      | -          | -        | -             | 14 156   | 14 156   | 29 475   | -           | -           |
| Electrical Infrastructure                       |     | -                   | -        | -      | -          | -        | -             | -        | -        | -        | -           | -           |
| Water Supply Infrastructure                     |     | -                   | -        | -      | -          | -        | -             | -        | -        | -        | -           | -           |
| Sanitation Infrastructure                       |     | -                   | -        | -      | -          | -        | -             | -        | -        | -        | -           | -           |
| Solid Waste Infrastructure                      |     | -                   | -        | -      | -          | -        | -             | -        | -        | -        | -           | -           |
| Rail Infrastructure                             |     | -                   | -        | -      | -          | -        | -             | -        | -        | -        | -           | -           |
| Coastal Infrastructure                          |     | -                   | -        | -      | -          | -        | -             | -        | -        | -        | -           | -           |
| Information and Communication Infrastructure    |     | -                   | -        | -      | -          | -        | -             | -        | -        | -        | -           | -           |
| Infrastructure                                  |     | 15 320              | 15 320   | -      | -          | -        | -             | 14 156   | 14 156   | 29 475   | -           | -           |
| 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                                |     | -                   | -        | -      | -          | -        | -             | -        | -        | -        | -           | -           |
| Libraries                                       |     | -                   | -        | -      | -          | -        | -             | -        | -        | -        | -           | -           |
| Zoo's, Marine and Non-biological Animals        |     | -                   | -        | -      | -          | -        | -             | -        | -        | -        | -           | -           |

|                                                          |           |                |                |   |   |   |   |                 |                 |                |               |               |
|----------------------------------------------------------|-----------|----------------|----------------|---|---|---|---|-----------------|-----------------|----------------|---------------|---------------|
| <b>Total Upgrading of Existing Assets to be adjusted</b> | <b>2a</b> | <b>14 131</b>  | <b>29 131</b>  | - | - | - | - | <b>3 375</b>    | <b>3 375</b>    | <b>32 506</b>  | -             | -             |
| Roads Infrastructure                                     |           | 7 104          | 22 104         | - | - | - | - | 3 415           | 3 415           | 25 519         | -             | -             |
| Storm water Infrastructure                               |           | -              | -              | - | - | - | - | -               | -               | -              | -             | -             |
| Electrical Infrastructure                                |           | -              | -              | - | - | - | - | -               | -               | -              | -             | -             |
| Water Supply Infrastructure                              |           | -              | -              | - | - | - | - | -               | -               | -              | -             | -             |
| Sanitation Infrastructure                                |           | -              | -              | - | - | - | - | -               | -               | -              | -             | -             |
| Solid Waste Infrastructure                               |           | -              | -              | - | - | - | - | -               | -               | -              | -             | -             |
| Rail Infrastructure                                      |           | -              | -              | - | - | - | - | -               | -               | -              | -             | -             |
| Coastal Infrastructure                                   |           | -              | -              | - | - | - | - | -               | -               | -              | -             | -             |
| Information and Communication Infrastructure             |           | -              | -              | - | - | - | - | -               | -               | -              | -             | -             |
| <b>Infrastructure</b>                                    |           | <b>7 104</b>   | <b>22 104</b>  | - | - | - | - | <b>3 415</b>    | <b>3 415</b>    | <b>25 519</b>  | -             | -             |
| Community Facilities                                     |           | 7 027          | 7 027          | - | - | - | - | (40)            | (40)            | 6 987          | -             | -             |
| Sport and Recreation Facilities                          |           | -              | -              | - | - | - | - | -               | -               | -              | -             | -             |
| <b>Community Assets</b>                                  |           | <b>7 027</b>   | <b>7 027</b>   | - | - | - | - | <b>(40)</b>     | <b>(40)</b>     | <b>6 987</b>   | -             | -             |
| <b>Heritage Assets</b>                                   |           | -              | -              | - | - | - | - | -               | -               | -              | -             | -             |
| Revenue Generating                                       |           | -              | -              | - | - | - | - | -               | -               | -              | -             | -             |
| Non-revenue Generating                                   |           | -              | -              | - | - | - | - | -               | -               | -              | -             | -             |
| <b>Investment properties</b>                             |           | -              | -              | - | - | - | - | -               | -               | -              | -             | -             |
| Operational Buildings                                    |           | -              | -              | - | - | - | - | -               | -               | -              | -             | -             |
| Housing                                                  |           | -              | -              | - | - | - | - | -               | -               | -              | -             | -             |
| <b>Other Assets</b>                                      | <b>6</b>  | -              | -              | - | - | - | - | -               | -               | -              | -             | -             |
| <b>Biological or Cultivated Assets</b>                   |           | -              | -              | - | - | - | - | -               | -               | -              | -             | -             |
| Servitudes                                               |           | -              | -              | - | - | - | - | -               | -               | -              | -             | -             |
| Licences and Rights                                      |           | -              | -              | - | - | - | - | -               | -               | -              | -             | -             |
| <b>Intangible Assets</b>                                 |           | -              | -              | - | - | - | - | -               | -               | -              | -             | -             |
| Computer Equipment                                       |           | -              | -              | - | - | - | - | -               | -               | -              | -             | -             |
| Furniture and Office Equipment                           |           | -              | -              | - | - | - | - | -               | -               | -              | -             | -             |
| Machinery and Equipment                                  |           | -              | -              | - | - | - | - | -               | -               | -              | -             | -             |
| Transport Assets                                         |           | -              | -              | - | - | - | - | -               | -               | -              | -             | -             |
| Libraries                                                |           | -              | -              | - | - | - | - | -               | -               | -              | -             | -             |
| Zoo's, Marine and Non-biological Animals                 |           | -              | -              | - | - | - | - | -               | -               | -              | -             | -             |
| <b>Total Capital Expenditure to be adjusted</b>          | <b>4</b>  | <b>47 918</b>  | <b>62 918</b>  | - | - | - | - | <b>15 860</b>   | <b>15 860</b>   | <b>78 778</b>  | -             | -             |
| Roads Infrastructure                                     |           | -              | -              | - | - | - | - | -               | -               | -              | -             | -             |
| Storm water Infrastructure                               |           | -              | -              | - | - | - | - | -               | -               | -              | -             | -             |
| Electrical Infrastructure                                |           | -              | -              | - | - | - | - | -               | -               | -              | -             | -             |
| Water Supply Infrastructure                              |           | -              | -              | - | - | - | - | -               | -               | -              | -             | -             |
| Sanitation Infrastructure                                |           | -              | -              | - | - | - | - | -               | -               | -              | -             | -             |
| Solid Waste Infrastructure                               |           | -              | -              | - | - | - | - | -               | -               | -              | -             | -             |
| Rail Infrastructure                                      |           | -              | -              | - | - | - | - | -               | -               | -              | -             | -             |
| Coastal Infrastructure                                   |           | -              | -              | - | - | - | - | -               | -               | -              | -             | -             |
| Information and Communication Infrastructure             |           | -              | -              | - | - | - | - | -               | -               | -              | -             | -             |
| <b>Infrastructure</b>                                    |           | <b>47 918</b>  | <b>62 918</b>  | - | - | - | - | <b>15 860</b>   | <b>15 860</b>   | <b>78 778</b>  | -             | -             |
| Community Facilities                                     |           | 26 680         | 33 680         | - | - | - | - | (10 870)        | (10 870)        | 22 810         | 29 625        | 31 161        |
| Sport and Recreation Facilities                          |           | 8 613          | 8 613          | - | - | - | - | (5 644)         | (5 644)         | 2 969          | -             | -             |
| <b>Community Assets</b>                                  |           | <b>35 293</b>  | <b>42 293</b>  | - | - | - | - | <b>(16 514)</b> | <b>(16 514)</b> | <b>25 779</b>  | <b>29 625</b> | <b>31 161</b> |
| <b>Heritage Assets</b>                                   |           | -              | -              | - | - | - | - | -               | -               | -              | -             | -             |
| Revenue Generating                                       |           | -              | -              | - | - | - | - | -               | -               | -              | -             | -             |
| Non-revenue Generating                                   |           | -              | -              | - | - | - | - | -               | -               | -              | -             | -             |
| <b>Investment properties</b>                             |           | -              | -              | - | - | - | - | -               | -               | -              | -             | -             |
| Operational Buildings                                    |           | 8 248          | 3 398          | - | - | - | - | 20              | 20              | 3 418          | 7 322         | 7 659         |
| Housing                                                  |           | -              | -              | - | - | - | - | -               | -               | -              | -             | -             |
| <b>Other Assets</b>                                      |           | <b>8 248</b>   | <b>3 398</b>   | - | - | - | - | <b>20</b>       | <b>20</b>       | <b>3 418</b>   | <b>7 322</b>  | <b>7 659</b>  |
| <b>Biological or Cultivated Assets</b>                   |           | -              | -              | - | - | - | - | -               | -               | -              | -             | -             |
| Servitudes                                               |           | -              | -              | - | - | - | - | -               | -               | -              | -             | -             |
| Licences and Rights                                      |           | 122            | 122            | - | - | - | - | 243             | 243             | 365            | 102           | 106           |
| <b>Intangible Assets</b>                                 |           | <b>122</b>     | <b>122</b>     | - | - | - | - | <b>243</b>      | <b>243</b>      | <b>365</b>     | <b>102</b>    | <b>106</b>    |
| Computer Equipment                                       |           | 1 219          | 1 219          | - | - | - | - | 8               | 8               | 1 227          | 1 212         | 1 268         |
| Furniture and Office Equipment                           |           | 2 363          | 2 363          | - | - | - | - | 20              | 20              | 2 383          | 939           | 983           |
| Machinery and Equipment                                  |           | 4 915          | 5 263          | - | - | - | - | 300             | 300             | 5 563          | 957           | 1 001         |
| Transport Assets                                         |           | 1 000          | 2 095          | - | - | - | - | -               | -               | 2 095          | 1 046         | 1 094         |
| Libraries                                                |           | -              | -              | - | - | - | - | -               | -               | -              | -             | -             |
| Zoo's, Marine and Non-biological Animals                 |           | -              | -              | - | - | - | - | -               | -               | -              | -             | -             |
| <b>TOTAL CAPITAL EXPENDITURE to be adjusted</b>          | <b>4</b>  | <b>101 077</b> | <b>119 671</b> | - | - | - | - | <b>(63)</b>     | <b>(63)</b>     | <b>119 608</b> | <b>41 203</b> | <b>43 272</b> |

|                                                                     |   |                |                |          |          |          |          |                |                |                |                |                |
|---------------------------------------------------------------------|---|----------------|----------------|----------|----------|----------|----------|----------------|----------------|----------------|----------------|----------------|
| <b>ASSET REGISTER SUMMARY - PPE (WDV)</b>                           | 5 |                |                |          |          |          |          |                |                |                |                |                |
| Roads Infrastructure                                                |   | 154 288        | 154 288        | -        | -        | -        | -        | 37 531         | 37 531         | 191 818        | 138 605        | 138 605        |
| Storm water Infrastructure                                          |   | 3 000          | 3 000          | -        | -        | -        | -        | (484)          | (484)          | 2 516          | -              | -              |
| Electrical Infrastructure                                           |   | 1 700          | 1 700          | -        | -        | -        | -        | (1 700)        | (1 700)        | -              | -              | -              |
| Water Supply Infrastructure                                         |   | -              | -              | -        | -        | -        | -        | -              | -              | -              | -              | -              |
| Sanitation Infrastructure                                           |   | -              | -              | -        | -        | -        | -        | -              | -              | -              | -              | -              |
| Solid Waste Infrastructure                                          |   | -              | -              | -        | -        | -        | -        | -              | -              | -              | -              | -              |
| Rail Infrastructure                                                 |   | -              | -              | -        | -        | -        | -        | -              | -              | -              | -              | -              |
| Coastal Infrastructure                                              |   | -              | -              | -        | -        | -        | -        | -              | -              | -              | -              | -              |
| Information and Communication Infrastructure                        |   | -              | -              | -        | -        | -        | -        | -              | -              | -              | -              | -              |
| Infrastructure                                                      |   | 158 988        | 158 988        | -        | -        | -        | -        | 35 346         | 35 346         | 194 334        | 138 605        | 138 605        |
| Community Assets                                                    |   | 210 627        | 209 627        | -        | -        | -        | -        | (21 137)       | (21 137)       | 188 490        | 204 979        | 206 517        |
| Heritage Assets                                                     |   | 60             | 60             | -        | -        | -        | -        | (60)           | (60)           | -              | -              | -              |
| Investment properties                                               |   | 20 300         | 20 300         | -        | -        | -        | -        | 111            | 111            | 20 411         | 20 411         | 20 411         |
| Other Assets                                                        |   | 49 900         | 49 900         | -        | -        | -        | -        | 21 325         | 21 325         | 71 225         | 68 130         | 68 467         |
| Biological or Cultivated Assets                                     |   | -              | -              | -        | -        | -        | -        | -              | -              | -              | -              | -              |
| Intangible Assets                                                   |   | 35             | 35             | -        | -        | -        | -        | 175            | 175            | 210            | 122            | 126            |
| Computer Equipment                                                  |   | 3 369          | 3 369          | -        | -        | -        | -        | (287)          | (287)          | 3 082          | 3 907          | 3 967          |
| Furniture and Office Equipment                                      |   | 6 496          | 6 496          | -        | -        | -        | -        | (501)          | (501)          | 5 994          | 5 598          | 5 635          |
| Machinery and Equipment                                             |   | 13 518         | 13 518         | -        | -        | -        | -        | (100)          | (100)          | 13 418         | 9 947          | 9 991          |
| Transport Assets                                                    |   | 19 999         | 19 999         | -        | -        | -        | -        | (993)          | (993)          | 19 006         | 20 818         | 20 866         |
| Libraries                                                           |   | -              | -              | -        | -        | -        | -        | (1 000)        | (1 000)        | (1 000)        | -              | -              |
| Zoo's, Marine and Non-biological Animals                            |   | -              | -              | -        | -        | -        | -        | -              | -              | -              | -              | -              |
| <b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>                     | 5 | <b>483 291</b> | <b>482 291</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>32 879</b>  | <b>32 879</b>  | <b>515 170</b> | <b>472 517</b> | <b>474 586</b> |
| <b>EXPENDITURE OTHER ITEMS</b>                                      |   |                |                |          |          |          |          |                |                |                |                |                |
| <u>Depreciation &amp; asset impairment</u>                          |   | 41 625         | 41 625         | -        | -        | -        | -        | (6 873)        | (6 873)        | 34 752         | 32 291         | 35 439         |
| <u>Repairs and Maintenance by asset class</u>                       | 3 | <b>11 918</b>  | <b>11 918</b>  | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>(120)</b>   | <b>(120)</b>   | <b>11 798</b>  | <b>12 467</b>  | <b>13 113</b>  |
| 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          | 4 000          | -        | -        | -        | -        | (120)          | (120)          | 3 880          | 4 184          | 4 376          |
| Sport and Recreation Facilities                                     |   | -              | -              | -        | -        | -        | -        | -              | -              | -              | -              | -              |
| Community Assets                                                    |   | 4 000          | 4 000          | -        | -        | -        | -        | (120)          | (120)          | 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             | 52             | -        | -        | -        | -        | (15)           | (15)           | 37             | 55             | 57             |
| Furniture and Office Equipment                                      |   | -              | -              | -        | -        | -        | -        | -              | -              | -              | -              | -              |
| Machinery and Equipment                                             |   | 651            | 651            | -        | -        | -        | -        | -              | -              | 651            | 681            | 712            |
| Transport Assets                                                    |   | 1 865          | 1 865          | -        | -        | -        | -        | 15             | 15             | 1 880          | 1 951          | 2 114          |
| Libraries                                                           |   | -              | -              | -        | -        | -        | -        | -              | -              | -              | -              | -              |
| Zoo's, Marine and Non-biological Animals                            | 6 | -              | -              | -        | -        | -        | -        | -              | -              | -              | -              | -              |
| <b>TOTAL EXPENDITURE OTHER ITEMS to be adjusted</b>                 |   | <b>53 543</b>  | <b>53 543</b>  | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>(6 993)</b> | <b>(6 993)</b> | <b>46 550</b>  | <b>44 758</b>  | <b>48 552</b>  |
| <i>Renewal and upgrading of Existing Assets as % of total capex</i> |   | 29,1%          | 37,1%          |          |          |          |          |                |                | 51,8%          | 0,0%           | 0,0%           |
| <i>Renewal and upgrading of Existing Assets as % of deprecn"</i>    |   | 70,8%          | 106,8%         |          |          |          |          |                |                | 178,4%         | 0,0%           | 0,0%           |
| <i>R&amp;M as a % of PPE</i>                                        |   | 2,5%           | 2,5%           |          |          |          |          |                |                | 2,3%           | 2,6%           | 2,8%           |
| <i>Renewal and upgrading and R&amp;M as a % of PPE</i>              |   | 8,6%           | 11,7%          |          |          |          |          |                |                | 14,3%          | 2,6%           | 2,8%           |

# 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<br>A1        | 8<br>B       | 9<br>C             | 10<br>D          | 11<br>E            | 12<br>F        | 13<br>G        | 14<br>H         |                        |                        |
| <b>Household service targets</b>                                                                            | 1   |                     |                |              |                    |                  |                    |                |                |                 |                        |                        |
| <b>Water:</b>                                                                                               |     |                     |                |              |                    |                  |                    |                |                |                 |                        |                        |
| 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)                                                             |     |                     |                |              |                    |                  |                    |                | -              | -               |                        |                        |
| Minimum Service Level and Above sub-total                                                                   | 3   | 30                  | 30             | -            | -                  | -                | -                  | -              | -              | 30              | 30                     | 30                     |
| Using public tap (< min.service level)                                                                      | 3.4 |                     |                |              |                    |                  |                    |                | -              | -               |                        |                        |
| Other water supply (< min.service level)                                                                    |     |                     |                |              |                    |                  |                    |                | -              | -               |                        |                        |
| No water supply                                                                                             |     |                     |                |              |                    |                  |                    |                | -              | -               |                        |                        |
| Below Minimum Service Level sub-total                                                                       | 5   | -                   | -              | -            | -                  | -                | -                  | -              | -              | -               | -                      | -                      |
| Total number of households                                                                                  | 5   | 30                  | 30             | -            | -                  | -                | -                  | -              | -              | 30              | 30                     | 30                     |
| <b>Sanitation/sewerage:</b>                                                                                 |     |                     |                |              |                    |                  |                    |                |                |                 |                        |                        |
| Flush toilet (connected to sewerage)                                                                        |     |                     |                |              |                    |                  |                    |                | -              | -               |                        |                        |
| Flush toilet (with septic tank)                                                                             |     |                     |                |              |                    |                  |                    |                | -              | -               |                        |                        |
| Chemical toilet                                                                                             |     |                     |                |              |                    |                  |                    |                | -              | -               |                        |                        |
| Pit toilet (ventilated)                                                                                     |     |                     |                |              |                    |                  |                    |                | -              | -               |                        |                        |
| Other toilet provisions (> min.service level)                                                               |     |                     |                |              |                    |                  |                    |                | -              | -               |                        |                        |
| Minimum Service Level and Above sub-total                                                                   |     | -                   | -              | -            | -                  | -                | -                  | -              | -              | -               | -                      | -                      |
| Bucket toilet                                                                                               |     |                     |                |              |                    |                  |                    |                | -              | -               |                        |                        |
| Other toilet provisions (< min.service level)                                                               |     |                     |                |              |                    |                  |                    |                | -              | -               |                        |                        |
| No toilet provisions                                                                                        |     |                     |                |              |                    |                  |                    |                | -              | -               |                        |                        |
| Below Minimum Service Level sub-total                                                                       | 5   | -                   | -              | -            | -                  | -                | -                  | -              | -              | -               | -                      | -                      |
| Total number of households                                                                                  | 5   | -                   | -              | -            | -                  | -                | -                  | -              | -              | -               | -                      | -                      |
| <b>Energy:</b>                                                                                              |     |                     |                |              |                    |                  |                    |                |                |                 |                        |                        |
| Electricity (at least min. service level)                                                                   |     | 98658,3             | 98658,3        |              |                    |                  |                    |                | -              | 98 658          | 98658,3                | 98658,3                |
| Electricity - prepaid (> min.service level)                                                                 |     |                     |                |              |                    |                  |                    |                | -              | -               |                        |                        |
| Minimum Service Level and Above sub-total                                                                   |     | 98 658              | 98 658         | -            | -                  | -                | -                  | -              | -              | 98 658          | 98 658                 | 98 658                 |
| Electricity (< min.service level)                                                                           |     |                     |                |              |                    |                  |                    |                | -              | -               |                        |                        |
| Electricity - prepaid (< min. service level)                                                                |     |                     |                |              |                    |                  |                    |                | -              | -               |                        |                        |
| Other energy sources                                                                                        |     |                     |                |              |                    |                  |                    |                | -              | -               |                        |                        |
| Below Minimum Service Level sub-total                                                                       | 5   | -                   | -              | -            | -                  | -                | -                  | -              | -              | -               | -                      | -                      |
| Total number of households                                                                                  | 5   | 98 658              | 98 658         | -            | -                  | -                | -                  | -              | -              | 98 658          | 98 658                 | 98 658                 |
| <b>Refuse:</b>                                                                                              |     |                     |                |              |                    |                  |                    |                |                |                 |                        |                        |
| Removed at least once a week (min.service)                                                                  |     | 2969,645            | 2969,645       |              |                    |                  |                    |                | -              | 2 970           | 3130,00583             | 3130,00583             |
| Minimum Service Level and Above sub-total                                                                   |     | 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                                                                                         |     |                     |                |              |                    |                  |                    |                | -              | -               |                        |                        |
| Below Minimum Service Level sub-total                                                                       | 5   | -                   | -              | -            | -                  | -                | -                  | -              | -              | -               | -                      | -                      |
| Total number of households                                                                                  | 5   | 2 970               | 2 970          | -            | -                  | -                | -                  | -              | -              | 2 970           | 3 130                  | 3 130                  |
| <b>Households receiving Free Basic Service</b>                                                              | 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)                                                                       |     |                     |                |              |                    |                  |                    |                | -              | -               |                        |                        |
| <b>Cost of Free Basic Services provided (R'000)</b>                                                         | 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                    |
| <b>Highest level of free service provided</b>                                                               |     |                     |                |              |                    |                  |                    |                |                |                 |                        |                        |
| 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           | 3130,00583             | 3130,00583             |
| <b>Revenue cost of free services provided (R'000)</b>                                                       | 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                                                                          | 6   | -                   | -              | -            | -                  | -                | -                  | -              | -              | -               | -                      | -                      |
| Housing - top structure subsidies                                                                           |     | -                   | -              | -            | -                  | -                | -                  | -              | -              | -               | -                      | -                      |
| Other                                                                                                       |     | -                   | -              | -            | -                  | -                | -                  | -              | -              | -               | -                      | -                      |
| Total revenue cost of subsidised services provided                                                          |     | (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. The revenue of the municipality has increased from R214, 4million to R215, 1million in the adjustment budget and that is 1% increase when compared to the special adjustment budget. The contributing factor to this increase is the rollover grants.

Operational expenditure has decreased from R207 ,5million to R205 ,5million in the adjustment budget and that is 1% decrease when compared to the special adjustment budget. The operating expenditure also includes electrification project funded by the municipality as the municipality is acting as an agent when it comes to the connection of electrification projects, therefor the municipality cannot capitalise such project. The overall surplus after operating expenditure is R38,684million.

| SUMMARY STATEMENT OF ADJUSTMENT BUDGET  |                              |                                      |                   |                                   |
|-----------------------------------------|------------------------------|--------------------------------------|-------------------|-----------------------------------|
| DESCRIPTION                             | 2020/2021<br>Original Budget | 2020/21 Special<br>Amended<br>Budget | Adjustments       | Adjustment<br>Budget<br>2020/2021 |
| Total Operating Revenue                 | -203 982 155                 | -214 459 365                         | -3 083 388        | -217 542 753                      |
| Total Capital Revenue                   | -26 989 000                  | -26 989 000                          | 331 000           | -26 658 000                       |
| Operating Expenditure                   | 203 276 033                  | 207 541 154                          | -2 024 841        | 205 516 313                       |
| <b>Surplus/(Defecit Before Capital)</b> | <b>-27 695 122</b>           | <b>-33 907 211</b>                   | <b>-4 777 229</b> | <b>-38 684 440</b>                |
| Capital Expenditue                      | 101 077 478                  | 119 670 887                          | -63 000           | 119 607 887                       |
| <b>Other Grants</b>                     |                              |                                      |                   |                                   |
| INEP Grant                              | -6 930 000                   | 6 000 000                            | -                 | 6 000 000                         |
| Bhidla Housing Grant                    | -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 244 ,2million. That revenue will be used to fund the operational expenditure of R205 ,5million, Capital expenditure of R119 ,6million and Electrification projects of R6 ,9 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 - 28/02/2021

| Description                                       | Ref | Budget Year 2020/21 |                        |                      |                            |                          |                            |                        |                     |                          | Budget Year<br>+1 2021/22 | Budget Year<br>+2 2022/23 |
|---------------------------------------------------|-----|---------------------|------------------------|----------------------|----------------------------|--------------------------|----------------------------|------------------------|---------------------|--------------------------|---------------------------|---------------------------|
|                                                   |     | Original<br>Budget  | Prior<br>Adjusted<br>3 | Accum.<br>Funds<br>4 | Multi-year<br>capital<br>5 | Unfore.<br>Unavoid.<br>6 | Nat. or Prov.<br>Govt<br>7 | Other<br>Adjusts.<br>8 | Total Adjusts.<br>9 | Adjusted<br>Budget<br>10 | Adjusted<br>Budget        | Adjusted<br>Budget        |
| R thousands                                       |     | A                   | A1                     | B                    | C                          | D                        | E                          | F                      | G                   | H                        |                           |                           |
| <b>Cash and investments available</b>             |     |                     |                        |                      |                            |                          |                            |                        |                     |                          |                           |                           |
| Cash/cash equivalents at the year end             | 1   | 62 183              | 62 183                 | -                    | -                          | -                        | -                          | 15 672                 | 15 672              | 77 855                   | 99 886                    | 124 096                   |
| Other current investments > 90 days               |     | 0                   | 0                      | -                    | -                          | -                        | -                          | (0)                    | (0)                 | 0                        | 15 856                    | (8 744)                   |
| Non current assets - Investments                  | 1   | -                   | -                      | -                    | -                          | -                        | -                          | -                      | -                   | -                        | -                         | -                         |
| <b>Cash and investments available:</b>            |     | <b>62 183</b>       | <b>62 183</b>          | <b>-</b>             | <b>-</b>                   | <b>-</b>                 | <b>-</b>                   | <b>15 672</b>          | <b>15 672</b>       | <b>77 855</b>            | <b>115 741</b>            | <b>115 352</b>            |
| <b>Applications of cash and investments</b>       |     |                     |                        |                      |                            |                          |                            |                        |                     |                          |                           |                           |
| Unspent conditional transfers                     |     | (745)               | (745)                  | -                    | -                          | -                        | -                          | 3 960                  | 3 960               | 3 215                    | 41 317                    | 43 023                    |
| Unspent borrowing                                 |     | -                   | -                      | -                    | -                          | -                        | -                          | (171)                  | (171)               | (171)                    | (171)                     | (171)                     |
| Statutory requirements                            |     | -                   | -                      | -                    | -                          | -                        | -                          | -                      | -                   | -                        | -                         | -                         |
| Other working capital requirements                | 2   | 19 701              | 16 060                 |                      |                            |                          |                            | (2 232)                | (2 232)             | 13 828                   | (121 147)                 | (127 491)                 |
| Other provisions                                  |     | -                   | -                      | -                    | -                          | -                        | -                          | -                      | -                   | -                        | -                         | -                         |
| Long term investments committed                   |     | -                   | -                      |                      |                            |                          |                            | -                      | -                   | -                        | -                         | -                         |
| Reserves to be backed by cash/investments         |     | 541 112             | 14 481                 |                      |                            |                          |                            | 556 721                | 556 721             | 571 202                  | 550 168                   | 576 276                   |
| <b>Total Application of cash and investments:</b> |     | <b>560 068</b>      | <b>29 796</b>          | <b>-</b>             | <b>-</b>                   | <b>-</b>                 | <b>-</b>                   | <b>558 278</b>         | <b>558 278</b>      | <b>588 074</b>           | <b>470 167</b>            | <b>491 639</b>            |
| <b>Surplus(shortfall)</b>                         |     | <b>(497 885)</b>    | <b>32 387</b>          | <b>-</b>             | <b>-</b>                   | <b>-</b>                 | <b>-</b>                   | <b>(542 606)</b>       | <b>(542 606)</b>    | <b>(510 219)</b>         | <b>(354 426)</b>          | <b>(376 286)</b>          |

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<br>+1 2021/22 | Budget Year<br>+2 2022/23 |
|                                                                                                             | Original<br>Budget  | Prior Adjusted | Multi-year<br>capital | Nat. or Prov.<br>Govt | Other Adjusts. | Total Adjusts. | Adjusted<br>Budget | Adjusted<br>Budget        | Adjusted<br>Budget        |
| R thousands                                                                                                 | A                   | 7<br>A1        | 8<br>B                | 9<br>C                | 10<br>D        | 11<br>E        | 12<br>F            |                           |                           |
| <b>RECEIPTS:</b>                                                                                            |                     |                |                       |                       |                |                |                    |                           |                           |
| <u>Operating Transfers and Grants</u>                                                                       |                     |                |                       |                       |                |                |                    |                           |                           |
| <b>National Government:</b>                                                                                 | 145 581             | 170 270        | -                     | -                     | -              | -              | 170 270            | 151 296                   | 158 952                   |
| Operational Revenue:General Revenue:Equitable Share                                                         | 134 138             | 159 757        | -                     | -                     | -              | -              | 159 757            | 143 296                   | 150 952                   |
| 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                     |
| Department of Water and Sanitation Smart Living Handbook                                                    | -                   | -              | -                     | -                     | -              | -              | -                  | -                         | -                         |
| Integrated National Electrification Programme Grant                                                         | 6 930               | 6 000          | -                     | -                     | -              | -              | 6 000              | 6 000                     | 6 000                     |
| Metro Informal Settlements Partnership Grant                                                                | -                   | -              | -                     | -                     | -              | -              | -                  | -                         | -                         |
| <b>Provincial Government:</b>                                                                               | 4 987               | 4 003          | -                     | -                     | -              | -              | 4 003              | 3 972                     | 4 169                     |
| Capacity Building                                                                                           | -                   | -              | -                     | -                     | -              | -              | -                  | -                         | -                         |
| Capacity Building and Other                                                                                 | -                   | -              | -                     | -                     | -              | -              | -                  | -                         | -                         |
| Libraries, Archives and Museums                                                                             | 2 714               | 2 714          | -                     | -                     | -              | -              | 2 714              | 2 806                     | 2 946                     |
| Provincialisation of Libraries                                                                              | 1 089               | 1 089          | -                     | -                     | -              | -              | 1 089              | 1 166                     | 1 223                     |
| Other                                                                                                       | 1 184               | 200            | -                     | -                     | -              | -              | 200                | -                         | -                         |
| Parent Municipality / Entity                                                                                | -                   | -              | -                     | -                     | -              | -              | -                  | -                         | -                         |
| <b>Total Operating Transfers and Grants</b>                                                                 | <b>150 568</b>      | <b>174 273</b> | <b>-</b>              | <b>-</b>              | <b>-</b>       | <b>-</b>       | <b>174 273</b>     | <b>155 268</b>            | <b>163 121</b>            |
| <u>Capital Transfers and Grants</u>                                                                         |                     |                |                       |                       |                |                |                    |                           |                           |
| <b>National Government:</b>                                                                                 | 26 989              | 26 989         | -                     | -                     | (331)          | (331)          | 26 658             | 29 050                    | 30 559                    |
| Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]                               | -                   | -              | -                     | -                     | -              | -              | -                  | -                         | -                         |
| Municipal Infrastructure Grant [Schedule 5B]                                                                | 26 989              | 26 989         | -                     | -                     | (331)          | (331)          | 26 658             | 29 050                    | 30 559                    |
| Transfer from Operational Revenue                                                                           | -                   | -              | -                     | -                     | -              | -              | -                  | -                         | -                         |
| <b>Total Capital Transfers and Grants</b>                                                                   | <b>26 989</b>       | <b>26 989</b>  | <b>-</b>              | <b>-</b>              | <b>(331)</b>   | <b>(331)</b>   | <b>26 658</b>      | <b>29 050</b>             | <b>30 559</b>             |
| <b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>                                                             | <b>177 557</b>      | <b>201 262</b> | <b>-</b>              | <b>-</b>              | <b>(331)</b>   | <b>(331)</b>   | <b>200 931</b>     | <b>184 318</b>            | <b>193 680</b>            |

## 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        |
| R thousands                                                                                                                 | A                   | A1             | B                  | C                  | D              | E              | F               |                        |                        |
| <b>EXPENDITURE ON TRANSFERS AND GRANT PROGRAM:</b>                                                                          |                     |                |                    |                    |                |                |                 |                        |                        |
| <u>Operating expenditure of Transfers and Grants</u>                                                                        |                     |                |                    |                    |                |                |                 |                        |                        |
| <b>National Government:</b>                                                                                                 | 145 581             | 170 270        | -                  | -                  | -              | -              | 170 270         | 151 296                | 158 952                |
| Operational Revenue: General Revenue: Equitable Share                                                                       | 134 138             | 159 757        | -                  | -                  | -              | -              | 159 757         | 143 296                | 150 952                |
| Energy Efficiency and Demand-side [Schedule 5B]                                                                             | -                   | -              | -                  | -                  | -              | -              | -               | -                      | -                      |
| Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]                                           | 2 513               | 2 513          | -                  | -                  | -              | -              | 2 513           | -                      | -                      |
| Local Government Financial Management Grant [Schedule 5B]                                                                   | 2 000               | 2 000          | -                  | -                  | -              | -              | 2 000           | 2 000                  | 2 000                  |
| Department of Water and Sanitation Smart Living Handbook                                                                    | -                   | -              | -                  | -                  | -              | -              | -               | -                      | -                      |
| Integrated National Electrification Programme Grant                                                                         | 6 930               | 6 000          | -                  | -                  | -              | -              | 6 000           | 6 000                  | 6 000                  |
| Metro Informal Settlements Partnership Grant                                                                                | -                   | -              | -                  | -                  | -              | -              | -               | -                      | -                      |
| <b>Provincial Government:</b>                                                                                               | 4 987               | 4 003          | -                  | -                  | 671            | 671            | 4 674           | 3 972                  | 4 169                  |
| Capacity Building                                                                                                           | -                   | -              | -                  | -                  | -              | -              | -               | -                      | -                      |
| Capacity Building and Other                                                                                                 | -                   | -              | -                  | -                  | 671            | 671            | 671             | -                      | -                      |
| Infrastructure                                                                                                              | -                   | -              | -                  | -                  | -              | -              | -               | -                      | -                      |
| Libraries, Archives and Museums                                                                                             | 2 714               | 2 714          | -                  | -                  | -              | -              | 2 714           | 2 806                  | 2 946                  |
| Provincialisation of Libraries                                                                                              | 1 089               | 1 089          | -                  | -                  | -              | -              | 1 089           | 1 166                  | 1 223                  |
| Other                                                                                                                       | 1 184               | 200            | -                  | -                  | -              | -              | 200             | -                      | -                      |
| Parent Municipality / Entity                                                                                                | -                   | -              | -                  | -                  | -              | -              | -               | -                      | -                      |
| <b>Total Operating Transfers and Grants</b>                                                                                 | <b>150 568</b>      | <b>174 273</b> | <b>-</b>           | <b>-</b>           | <b>671</b>     | <b>671</b>     | <b>174 944</b>  | <b>155 268</b>         | <b>163 121</b>         |
| <u>Capital Transfers and Grants</u>                                                                                         |                     |                |                    |                    |                |                |                 |                        |                        |
| <b>National Government:</b>                                                                                                 | 26 989              | 26 989         | -                  | -                  | (331)          | (331)          | 26 658          | 29 050                 | 30 559                 |
| Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]                                               | -                   | -              | -                  | -                  | -              | -              | -               | -                      | -                      |
| Municipal Infrastructure Grant [Schedule 5B]                                                                                | 26 989              | 26 989         | -                  | -                  | (331)          | (331)          | 26 658          | 29 050                 | 30 559                 |
| Metro Informal Settlements Partnership Grant                                                                                | -                   | -              | -                  | -                  | -              | -              | -               | -                      | -                      |
| <b>Provincial Government:</b>                                                                                               | -                   | -              | -                  | -                  | 2 409          | 2 409          | 2 409           | -                      | -                      |
| Infrastructure                                                                                                              | -                   | -              | -                  | -                  | -              | -              | -               | -                      | -                      |
| Libraries, Archives and Museums                                                                                             | -                   | -              | -                  | -                  | 2 409          | 2 409          | 2 409           | -                      | -                      |
| Other                                                                                                                       | -                   | -              | -                  | -                  | -              | -              | -               | -                      | -                      |
| Transfer from Operational Revenue                                                                                           | -                   | -              | -                  | -                  | -              | -              | -               | -                      | -                      |
| <b>Total Capital Transfers and Grants</b>                                                                                   | <b>26 989</b>       | <b>26 989</b>  | <b>-</b>           | <b>-</b>           | <b>2 078</b>   | <b>2 078</b>   | <b>29 067</b>   | <b>29 050</b>          | <b>30 559</b>          |
| <b>TOTAL EXPENDITURE OF TRANSFERS &amp; GRANTS</b>                                                                          | <b>177 557</b>      | <b>201 262</b> | <b>-</b>           | <b>-</b>           | <b>2 749</b>   | <b>2 749</b>   | <b>204 011</b>  | <b>184 318</b>         | <b>193 680</b>         |

The municipality has one adjustment in the allocation of grants for 2020/2021, MIG allocation adjusted by R 331 000 that is a decrease from R 26 ,9million to R 26 ,6million when compared to the special adjustment budget. The increase of R 2 ,7million in the grant expenditure is due to provincial rolled over grants.

## **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.

## **2.5 ADJUSTMENT TO COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS**

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.

## **2.6 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.

## **2.7 ADJUSTMENTS TO CAPITAL EXPENDITURE**

Table B5 below indicates the summary of the municipality's adjustments budget on capital expenditure. The municipalities capital expenditure has been adjusted down wards by an overall of R63 000 in the adjustment budget when compare to the special adjustment that was approved in September, that is from R119 ,670million to R119 ,607million The municipality funded a portion of capital expenditure by accumulated surplus from 2019/20 financial year and other savings that the municipality has made from cutting down on some items in operating expenditure as the municipality had already received the allocation for

2020/21 financial year and it was not sufficient for the municipality to render services to its communities and the down adjustment of Municipal infrastructure grant allocation by R331 000.

KZN436 Dr Nkosazana Dlamini Zuma - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 28/02/2021

| Description                                      | Ref | Budget Year 2020/21     |                              |                           |                                 |                               |                                 |                              |                           |                               | Budget Year<br>+1 2021/22 | Budget Year<br>+2 2022/23 |
|--------------------------------------------------|-----|-------------------------|------------------------------|---------------------------|---------------------------------|-------------------------------|---------------------------------|------------------------------|---------------------------|-------------------------------|---------------------------|---------------------------|
|                                                  |     | Original<br>Budget<br>A | Prior<br>Adjusted<br>5<br>A1 | Accum.<br>Funds<br>6<br>B | Multi-year<br>capital<br>7<br>C | Unfore.<br>Unavoid.<br>8<br>D | Nat. or Prov.<br>Govt<br>9<br>E | Other<br>Adjusts.<br>10<br>F | Total Adjusts.<br>11<br>G | Adjusted<br>Budget<br>12<br>H | Adjusted<br>Budget        | Adjusted<br>Budget        |
| <b>R thousands</b>                               |     |                         |                              |                           |                                 |                               |                                 |                              |                           |                               |                           |                           |
| <b>Capital expenditure - Vote</b>                |     |                         |                              |                           |                                 |                               |                                 |                              |                           |                               |                           |                           |
| <b>Multi-year expenditure to be adjusted</b>     | 2   |                         |                              |                           |                                 |                               |                                 |                              |                           |                               |                           |                           |
| Vote 1 - Executive and Council                   |     | -                       | -                            | -                         | -                               | -                             | -                               | -                            | -                         | -                             | -                         | -                         |
| Vote 2 - Budget and Treasury                     |     | -                       | -                            | -                         | -                               | -                             | -                               | -                            | -                         | -                             | -                         | -                         |
| Vote 3 - Corporate Services                      |     | -                       | -                            | -                         | -                               | -                             | -                               | -                            | -                         | -                             | -                         | -                         |
| Vote 4 - Community Services                      |     | -                       | 7 000                        | -                         | -                               | -                             | -                               | -                            | -                         | 7 000                         | -                         | -                         |
| Vote 5 - Public Works and Basic Services         |     | 19 313                  | 34 313                       | -                         | -                               | -                             | -                               | 81                           | 81                        | 34 395                        | 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]                      |     | -                       | -                            | -                         | -                               | -                             | -                               | -                            | -                         | -                             | -                         | -                         |
| <b>Capital multi-year expenditure sub-total</b>  | 3   | 19 313                  | 41 313                       | -                         | -                               | -                             | -                               | 81                           | 81                        | 41 395                        | 29 050                    | 30 559                    |
| <b>Single-year expenditure to be adjusted</b>    | 2   |                         |                              |                           |                                 |                               |                                 |                              |                           |                               |                           |                           |
| Vote 1 - Executive and Council                   |     | 577                     | 577                          | -                         | -                               | -                             | -                               | 55                           | 55                        | 632                           | 604                       | 631                       |
| Vote 2 - Budget and Treasury                     |     | 360                     | 360                          | -                         | -                               | -                             | -                               | 66                           | 66                        | 426                           | 376                       | 394                       |
| Vote 3 - Corporate Services                      |     | 691                     | 691                          | -                         | -                               | -                             | -                               | 370                          | 370                       | 1 061                         | 723                       | 756                       |
| Vote 4 - Community Services                      |     | 10 276                  | 6 869                        | -                         | -                               | -                             | -                               | 40                           | 40                        | 6 909                         | 10 315                    | 10 789                    |
| Vote 5 - Public Works and Basic Services         |     | 69 730                  | 69 730                       | -                         | -                               | -                             | -                               | (715)                        | (715)                     | 69 015                        | -                         | -                         |
| Vote 6 - Planning and Development                |     | 130                     | 130                          | -                         | -                               | -                             | -                               | 40                           | 40                        | 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]                      |     | -                       | -                            | -                         | -                               | -                             | -                               | -                            | -                         | -                             | -                         | -                         |
| <b>Capital single-year expenditure sub-total</b> |     | 81 764                  | 78 357                       | -                         | -                               | -                             | -                               | (144)                        | (144)                     | 78 213                        | 12 153                    | 12 713                    |
| <b>Total Capital Expenditure - Vote</b>          |     | 101 077                 | 119 671                      | -                         | -                               | -                             | -                               | (63)                         | (63)                      | 119 608                       | 41 203                    | 43 272                    |
| <b>Capital Expenditure - Functional</b>          |     |                         |                              |                           |                                 |                               |                                 |                              |                           |                               |                           |                           |
| <b>Governance and administration</b>             |     | 2 376                   | 2 376                        | -                         | -                               | -                             | -                               | 491                          | 491                       | 2 867                         | 1 703                     | 1 781                     |
| Executive and council                            |     | 577                     | 577                          | -                         | -                               | -                             | -                               | 55                           | 55                        | 632                           | 604                       | 631                       |
| Finance and administration                       |     | 1 799                   | 1 799                        | -                         | -                               | -                             | -                               | 436                          | 436                       | 2 235                         | 1 099                     | 1 150                     |
| Internal audit                                   |     | -                       | -                            | -                         | -                               | -                             | -                               | -                            | -                         | -                             | -                         | -                         |
| <b>Community and public safety</b>               |     | 10 826                  | 14 419                       | -                         | -                               | -                             | -                               | 40                           | 40                        | 14 459                        | 10 315                    | 10 789                    |
| Community and social services                    |     | 1 816                   | 1 816                        | -                         | -                               | -                             | -                               | -                            | -                         | 1 816                         | 979                       | 1 024                     |
| Sport and recreation                             |     | -                       | -                            | -                         | -                               | -                             | -                               | -                            | -                         | -                             | -                         | -                         |
| Public safety                                    |     | 9 010                   | 12 603                       | -                         | -                               | -                             | -                               | 40                           | 40                        | 12 643                        | 9 335                     | 9 765                     |
| Housing                                          |     | -                       | -                            | -                         | -                               | -                             | -                               | -                            | -                         | -                             | -                         | -                         |
| Health                                           |     | -                       | -                            | -                         | -                               | -                             | -                               | -                            | -                         | -                             | -                         | -                         |
| <b>Economic and environmental services</b>       |     | 87 876                  | 102 876                      | -                         | -                               | -                             | -                               | (3 110)                      | (3 110)                   | 99 766                        | 29 186                    | 30 702                    |
| Planning and development                         |     | 83 384                  | 98 384                       | -                         | -                               | -                             | -                               | (3 085)                      | (3 085)                   | 95 299                        | 29 186                    | 30 702                    |
| Road transport                                   |     | 4 491                   | 4 491                        | -                         | -                               | -                             | -                               | (24)                         | (24)                      | 4 467                         | -                         | -                         |
| Environmental protection                         |     | -                       | -                            | -                         | -                               | -                             | -                               | -                            | -                         | -                             | -                         | -                         |
| <b>Trading services</b>                          |     | -                       | -                            | -                         | -                               | -                             | -                               | 2 516                        | 2 516                     | 2 516                         | -                         | -                         |
| Energy sources                                   |     | -                       | -                            | -                         | -                               | -                             | -                               | -                            | -                         | -                             | -                         | -                         |
| Water management                                 |     | -                       | -                            | -                         | -                               | -                             | -                               | -                            | -                         | -                             | -                         | -                         |
| Waste water management                           |     | -                       | -                            | -                         | -                               | -                             | -                               | 2 516                        | 2 516                     | 2 516                         | -                         | -                         |
| Waste management                                 |     | -                       | -                            | -                         | -                               | -                             | -                               | -                            | -                         | -                             | -                         | -                         |
| <b>Other</b>                                     |     | -                       | -                            | -                         | -                               | -                             | -                               | -                            | -                         | -                             | -                         | -                         |
| <b>Total Capital Expenditure - Functional</b>    | 3   | 101 077                 | 119 671                      | -                         | -                               | -                             | -                               | (63)                         | (63)                      | 119 608                       | 41 203                    | 43 272                    |
| <b>Funded by:</b>                                |     |                         |                              |                           |                                 |                               |                                 |                              |                           |                               |                           |                           |
| National Government                              |     | 26 989                  | 26 989                       | -                         | -                               | -                             | -                               | (331)                        | (331)                     | 26 658                        | 29 050                    | 30 559                    |
| Provincial Government                            |     | 85                      | -                            | -                         | -                               | -                             | -                               | 2 409                        | 2 409                     | 2 409                         | -                         | -                         |
| District Municipality                            |     | -                       | -                            | -                         | -                               | -                             | -                               | -                            | -                         | -                             | -                         | -                         |
| Other transfers and grants                       |     | -                       | -                            | -                         | -                               | -                             | -                               | -                            | -                         | -                             | -                         | -                         |
| <b>Transfers recognised - capital</b>            | 4   | 27 074                  | 26 989                       | -                         | -                               | -                             | -                               | 2 078                        | 2 078                     | 29 067                        | 29 050                    | 30 559                    |
| <b>Public contributions &amp; donations</b>      |     | -                       | -                            | -                         | -                               | -                             | -                               | -                            | -                         | -                             | -                         | -                         |
| <b>Borrowing</b>                                 |     | -                       | -                            | -                         | -                               | -                             | -                               | -                            | -                         | -                             | -                         | -                         |
| <b>Internally generated funds</b>                |     | 74 003                  | 92 682                       | -                         | -                               | -                             | -                               | (2 141)                      | (2 141)                   | 90 541                        | 12 153                    | 12 713                    |
| <b>Total Capital Funding</b>                     |     | 101 077                 | 119 671                      | -                         | -                               | -                             | -                               | (63)                         | (63)                      | 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.

## **2.8 OTHER SUPPORTING DOCUMENTS**

### **2.8.1 Operating revenue**

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

### **2.8.2 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.

### **2.8.3 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

#### **2.8.4 Overview of alignment of adjustment budget with IDP and SDBIP**

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

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

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

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

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists

alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

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

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

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

## **2.9 MUNICIPAL MANAGER'S QUALITY CERTIFICATE**

I, N.C Vezi Municipal Manager of Dr Nkosazana Dlamini Zuma Municipality hereby certify that the Adjustment Budget for the year 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 consistent with the Integrated Development Plan of the Municipality.

Print Name: N.C Vezi

Municipal Manager of Dr Nkosazana Dlamini Zuma Municipality, KZN436

Signature: \_\_\_\_\_

Date: \_\_\_\_\_