

**SPECIAL ADJUSTMENTS BUDGET OF
UTHUKELA DISTRICT
MUNICIPALITY**



2020/21

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1.1. Mayor's Report

UThukela District Municipality has taken advantage of the 2020/21 special adjustments process in accordance to the prescriptions of the PT Circular 04 of 2020/21 which was issued by the MEC Finance. The review was done due to the additional ES allocation, a national government response to the COVID-19 Pandemic. National Government had to respond as a result of revenue loss and the increased COVID-19 related expenditure pressures that were experienced by municipalities. It was also identified as an opportunity for the municipality to correct its budget funding position as the approved 2020/21 budget was deemed unfunded by National treasury. Further to that it was to develop and approve a tangible financial recovery plan over the coming years.

I must report though that we still do have room for improvement the following areas:

1. Staff overtime
2. Revenue collection especially interest on overdue debts, which has been further impacted by COVID 19
3. Controlling of day to day expenditure in general.
4. Settling of long term outstanding debt.

Senior managers are actively looking into possible measures of reducing overtime and improving our current collection rate, in order to improve our cash flow situation.

Furthermore, having noted our current cash position the municipality has reduced all general expenditure to a bare minimum. Thus shifting our focus and limited resources from typical work streams to our core function, "the provision of water and sanitation". However, these cost savings have been diminished by the failure to improve in the areas already mentioned above.

With regards to service delivery, the following capital grants have been received MIG R60 million of which more than 50% has been spent. An amount of R36 million has been received for WSIG.

Once more, I take this opportunity to thank this Municipal Council for the continuous support they have given me during this term of the year. With those few words.

I now present to you the special adjustments budget for the 2020/21 financial year.

1.2 Council Resolutions

On 30 September 2020 the Council of UThukela District Municipality met in the board room of UThukela District Municipality to consider the special adjustments budget of the municipality for the financial year 2020/21. The Council approved and adopted the following resolutions:

1. The UThukela District Local Municipality, acting in terms of section 72 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
 - 1.1. The adjustments budget of the municipality for the financial year 2020/21 and the multi-year and single-year capital appropriations as set out in the following tables:
 - 1.1.1. Adjustments Budget Financial Performance (revenue and expenditure by standard classification) as contained in Table B2
 - 1.1.2. Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) as contained in Table B3
 - 1.1.3. Adjustments Budget Summary as contained in Table B1
 - 1.1.4. Adjustments Budget financial performance (revenue and expenditure) as contained in Table B4
 - 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
 - 1.2.1. Adjustments Budget Financial Position as contained in Table B6
 - 1.2.2. Adjustments Budget Cash Flows as contained in Table B7
 - 1.2.3. Adjustments Budget Cash backed reserves and accumulated surplus reconciliation as contained in Table B8
 - 1.2.4. Adjustments Budget Asset management as contained in Table B9
 - 1.2.5. Adjustments Budget Basic service delivery measurement as contained in Table B10

1.3 Executive Summary

Section 72 of the Municipal Finance Management Act (MFMA) requires that municipalities review their financial results for the mid-year during January of each year

Section 72 indicates that the following information must be provided:

- the monthly statements referred to in section 71 for the first half of the financial year;
- the municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan;
- the past year's annual report, and progress on resolving problems identified in the annual report

As part of the review the accounting officer must:

- make recommendations as to whether an adjustment budget is necessary and
- recommend revised projections for revenue and expenditure to the extent that this may be necessary

Background

PT Circular 04 of 2020/21 which was issued by the MEC Finance. The review was done due to the additional ES allocation, a national government response to the COVID-19 Pandemic. National Government had to respond as a result of revenue loss and the increased COVID-19 related expenditure pressures that were experienced by municipalities. This special adjustments budget to follow all prescriptions of the MFMA for normal adjustments budget.

An Adjustment Budget must be table to council any time after the mid-year budget review have been tabled to council but no later than 28 February of the current year as per Municipal Budget Regulation Reporting 23(1).

The Mid- Year Budget Review Report has highlighted variances in terms of actual year to date income and expenditure versus year to date budgets. The variances were considered and where necessary adjustments were made.

Consideration of section 18 of MFMA was made, which states that:

"An annual budget may only be funded from:

- a) Realistic anticipated revenues to be collected;*
- b) Cash backed accumulated funds from previous year's surpluses not committed for other purposes; and*
- c) borrowed funds, but only for the capital budget referred to in section 17(2)*

(2) Revenue projections in the budget must be realistic, taking into account:

- a) Projected revenue for the current year based on collection levels to date; and*
- b) Actual revenue collected in previous financial years."*

Great emphasis has placed in ensuring that the budget the available resources are employed onto the municipality's core function; further more adjustments have been made to votes impacting directly on service delivery

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ADJUSTMENT BUDGET TABLES

Adjustments Budget Summary (B1)

Description	Budget Year 2020/21									Budget Year +1 2021/22	Budget Year +2 2022/23
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H		
Financial Performance											
Property rates	-	-	-	-	-	-	-	-	-	-	-
Service charges	283 251	-	-	-	-	-	(50 136)	(50 136)	233 115	236 516	247 396
Investment income	-	-	-	-	-	-	-	-	-	-	-
Transfers received	-	-	-	-	-	-	-	-	-	-	-
Other own revenue	582 564	-	-	-	-	56 882	636	57 517	640 081	615 765	657 851
Total	865 815	-	-	-	-	56 882	(49 500)	7 382	873 197	852 281	905 247
Revenue (excluding)											
Employee costs	-	-	-	-	-	-	-	-	-	-	-
Remuneration	312 771	-	-	-	-	-	-	-	312 771	327 158	342 208
Depreciation	175 709	-	-	-	-	-	-	-	175 709	183 792	192 246
Finance charges	61 048	-	-	-	-	-	-	-	61 048	63 857	66 794
Materials and supplies	136 846	-	-	-	-	-	-	-	136 846	143 141	149 725
Transfers and subsidies	69 806	-	-	-	-	706	(3 000)	(2 294)	67 512	72 595	75 935
Other expenses	(1 397 413)	-	-	-	-	(56 882)	41 500	(15 382)	(1 412 795)	(1 414 609)	(1 493 441)
Total Expenditure	(641 232)	-	-	-	-	(56 176)	38 500	(17 676)	(658 908)	(624 066)	(666 533)
Surplus/(Deficit)	1 507 048	-	-	-	-	113 057	(88 000)	25 057	1 532 105	1 476 347	1 571 780
Surplus/(Deficit)	-	-	-	-	-	55 475	(54 500)	975	975	(59 214)	(48 178)
Transfers and subsidies	307 046	-	-	-	-	4 278	-	4 278	311 324	389 299	437 283
Surplus/(Deficit) after capital transfers & contributions	1 814 094	-	-	-	-	172 810	(142 500)	30 310	1 844 403	1 806 432	1 960 885
Share of surplus/(deficit) of associate	307 046	-	-	-	-	59 753	(44 500)	15 253	322 299	330 085	389 105
Surplus/(Deficit)	2 121 140	-	-	-	-	232 562	(187 000)	45 562	2 166 702	2 136 517	2 349 990
Capital expenditure & funds sources											
Capital expenditure	307 046	-	-	-	-	4 278	10 000	14 278	321 324	389 299	437 283
Transfers received	-	-	-	-	-	-	10 000	10 000	10 000	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated	-	-	-	-	-	-	-	-	-	-	-
Total sources	-	-	-	-	-	-	10 000	10 000	10 000	-	-
Financial position											
Total current	6 895	-	-	-	-	-	-	-	6 895	6 895	6 895
Total non current	2 532	-	-	-	-	-	-	-	2 532	2 649	2 770
Total current	23 429	-	-	-	-	-	-	-	23 429	24 507	25 634
Total non current	39 126	-	-	-	-	-	-	-	39 126	40 925	42 808
Community wealth	-	-	-	-	-	-	-	-	-	-	-
Cash flows											
Net cash from	-	-	-	-	-	-	-	-	-	-	-
Net cash from	(307 046)	-	-	-	-	(4 278)	(10 000)	(14 278)	(321 324)	(389 299)	(437 283)
Net cash from	-	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents	34 335	-	-	-	-	-	41 674	41 674	76 009	32 469	23 190
Asset Management											
Repairs and maintenance	61 048	-	-	-	-	-	-	-	61 048	62 359	65 228
Free services											
Households below minimum service level											
Water	26	-	-	-	-	-	-	-	26	27	28

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Adjustments Budget Financial Performance (standard classification) - [B2]

Standard Description	Ref	Budget Year 2020/21									Budget Year +1 2021/22	Budget Year +2 2022/23
		Original Budget	Prior Adjusted 5	Accum. Funds 6	Multi-year capital 7	Unfore. Unavoid. 8	Nat. or Prov. Govt 9	Other Adjusts. 10	Total Adjusts. 11	Adjusted Budget 12	Adjusted Budget	Adjusted Budget
		1, 4 A	A1	B	C	D	E	F	G	H		
R thousands												
Revenue - Functional												
<i>Governance and administration</i>		500 773	-	-	-	-	56 176	636	56 812	557 584	540 888	579 498
Executive and council		72 630	-	-	-	-	-	-	-	72 630	78 329	84 069
Finance and administration		428 143	-	-	-	-	56 176	636	56 812	484 954	462 559	495 429
Internal audit		-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		1 500	-	-	-	-	2 706	-	2 706	4 206	-	-
Planning and development		1 500	-	-	-	-	2 706	-	2 706	4 206	-	-
Road transport		-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		670 588	-	-	-	-	2 278	(42 136)	(39 858)	630 730	700 692	763 032
Energy sources		-	-	-	-	-	-	-	-	-	-	-
Water management		670 588	-	-	-	-	2 278	(42 136)	(39 858)	630 730	700 692	763 032
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	1 172 861	-	-	-	-	61 159	(41 500)	19 659	1 192 520	1 241 580	1 342 530
Expenditure - Functional												
<i>Governance and administration</i>		410 302	-	-	-	-	701	-	701	411 002	429 175	448 917
Executive and council		65 113	-	-	-	-	-	-	-	65 113	68 108	71 241
Finance and administration		345 188	-	-	-	-	701	-	701	345 889	361 067	377 676
Internal audit		-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		27 682	-	-	-	-	-	4 000	4 000	31 682	31 048	32 476
Community and social services		-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		27 682	-	-	-	-	-	4 000	4 000	31 682	31 048	32 476
<i>Economic and environmental services</i>		33 713	-	-	-	-	706	(5 000)	(4 294)	29 419	31 703	33 161
Planning and development		33 713	-	-	-	-	706	(5 000)	(4 294)	29 419	31 703	33 161
Road transport		-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		394 119	-	-	-	-	-	6 000	6 000	400 119	419 570	438 870
Energy sources		-	-	-	-	-	-	-	-	-	-	-
Water management		394 119	-	-	-	-	-	6 000	6 000	400 119	419 570	438 870
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	865 815	-	-	-	-	1 407	5 000	6 407	872 222	911 496	953 425
Surplus/ (Deficit) for the year		307 046	-	-	-	-	59 753	(46 500)	13 253	320 299	330 085	389 105

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Table B3 Adjustments Budget Financial Performance - [B3]

Vote Description <i>[Insert departmental structure etc]</i>	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 Adjsts.	Total Adjsts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3	4	5	6	7	8	9	10		
R thousands		A	A1	B	C	D	E	F	G	H		
Revenue by Vote	1											
105 - MUNICIPAL MANAGER		72 630	-	-	-	-	-	-	-	72 630	78 329	84 069
200 - CORPORATE SERVICES		500	-	-	-	-	701	-	701	1 201	523	547
300 - BUDGET AND TREASURY		427 643	-	-	-	-	55 475	636	56 111	483 754	462 036	494 882
405 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)		1 500	-	-	-	-	2 706	-	2 706	4 206	-	-
408 - WSA& HEALTH SERVICES		-	-	-	-	-	-	-	-	-	-	-
500 - WATER, SANITATION AND TECHNICAL SERVICES		670 588	-	-	-	-	2 278	(40 136)	(37 858)	632 730	700 692	763 032
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1 172 861	-	-	-	-	61 159	(39 500)	21 659	1 194 520	1 241 580	1 342 530
Expenditure by Vote	1											
105 - MUNICIPAL MANAGER		65 113	-	-	-	-	-	-	-	65 113	68 108	71 241
200 - CORPORATE SERVICES		56 345	-	-	-	-	701	-	701	57 045	58 937	61 648
300 - BUDGET AND TREASURY		288 844	-	-	-	-	-	-	-	288 844	302 130	316 028
405 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)		33 713	-	-	-	-	706	(5 000)	(4 294)	29 419	31 703	33 161
408 - WSA& HEALTH SERVICES		27 682	-	-	-	-	-	4 000	4 000	31 682	31 048	32 476
500 - WATER, SANITATION AND TECHNICAL SERVICES		394 119	-	-	-	-	-	6 000	6 000	400 119	419 570	438 870
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	865 815	-	-	-	-	1 407	5 000	6 407	872 222	911 496	953 425
Surplus/ (Deficit) for the year	2	307 046	-	-	-	-	59 753	(44 500)	15 253	322 299	330 085	389 105

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Summary of adjusted revenue classified by main revenue source [B4]

Description	Ref	Budget Year 2020/21									Budget Year +1 2021/22	Budget Year +2 2022/23
		Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands	1	A	A1	B	C	D	E	F	G	H		
Revenue By Source												
Property rates	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	265 272	-	-	-	-	-	(50 136)	(50 136)	215 136	217 710	227 725
Service charges - sanitation revenue	2	17 979	-	-	-	-	-	-	-	17 979	18 806	19 671
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment												
Interest earned - external investments		6 097								6 097	6 378	6 671
Interest earned - outstanding debtors		68 674								68 674	71 833	75 137
Dividends received												
Fines, penalties and forfeits												
Licences and permits												
Agency services												
Transfers and subsidies		481 218					56 882		56 882	538 100	509 234	546 419
Other revenue	2	26 575	-	-	-	-	-	636	636	27 211	28 321	29 623
Gains												
Total Revenue (excluding capital transfers and contributions)		865 815	-	-	-	-	56 882	(49 500)	7 382	873 197	852 281	905 247
Expenditure By Type												
Employee related costs		312 771	-	-	-	-	-	-	-	312 771	327 158	342 208
Remuneration of councillors		6 372	-	-	-	-	-	-	-	6 372	6 665	6 971
Debt impairment		175 709	-	-	-	-	-	-	-	175 709	183 792	192 246
Depreciation & asset impairment		61 048	-	-	-	-	-	-	-	61 048	63 857	66 794
Finance charges												
Bulk purchases		136 846	-	-	-	-	-	-	-	136 846	143 141	149 725
Other materials		14 562	-	-	-	-	-	8 000	8 000	22 562	21 507	22 496
Contracted services		69 806	-	-	-	-	706	(3 000)	(2 294)	67 512	72 595	75 935
Transfers and subsidies												
Other expenditure		88 701	-	-	-	-	701	-	701	89 402	92 781	97 049
Losses												
Total Expenditure		865 815	-	-	-	-	1 407	5 000	6 407	872 222	911 496	953 425
Surplus/(Deficit)		-	-	-	-	-	55 475	(54 500)	975	975	(59 214)	(48 178)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		307 046					4 278		4 278	311 324	389 299	437 283
allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher												
Transfers and subsidies - capital (in-kind - all)								10 000	10 000	10 000		
Surplus/(Deficit) before taxation		307 046	-	-	-	-	59 753	(44 500)	15 253	322 299	330 085	389 105
Taxation												
Surplus/(Deficit) after taxation		307 046	-	-	-	-	59 753	(44 500)	15 253	322 299	330 085	389 105
Attributable to minorities												
Surplus/(Deficit) attributable to municipality		307 046	-	-	-	-	59 753	(44 500)	15 253	322 299	330 085	389 105
Share of surplus/ (deficit) of associate												
Surplus/ (Deficit) for the year		307 046	-	-	-	-	59 753	(44 500)	15 253	322 299	330 085	389 105

After the midyear review and the relevant comments from treasury on the approved budget it was noted that a few adjustments to operating revenue and expenditure were required. Budget figures were also checked for comparability against our unaudited AFS for the 2020 financial year. Below are the adjusted items and explanations.

WATER& SANITATION SALES:

Water charges have been decreased by R50.1 million due to elimination of unverified consumer accounts, without consumer agreement as per 2019 audit query. The verified some of the account but some were vacant land which will reduce the billed charged to availability. This has impacted negative by reducing our service charges which ultimately reduces the projection of collectable revenue.

It is also important to note that the amount billed to uMngeni water has not been included in the service charges, due to the ongoing disputes and lack of acknowledgement of debt thereof. This issue impacts negatively on our budget especially considering the inclusion of the full amount owed by us on the expenditure side.

The municipality has planned to review the industrial tariff in the normal adjustments budget in February 2021 after engagements with the industrial consumers, this will impact positively on the service charges. Engagements will begin upon finalisation of the AFS.

GRANT TRANSFERS:

There has been a total adjustment of R56.8 million to operating grants resulting from the following

- R55.4 Million increase in the equitable share

A decision was also taken to include the unspent grants from the previous financial year. These grants were provincial transfers; engagements have been done with the transferring provincial offices. Expenditure on these grants has already been incurred in the current financial year.

- R700 thousand LGSETA
- R701 thousand Nodal Plan

Capital grant transfers has been adjusted upwards to include the following

- R2 million disaster management grant
- R2.4 million massification
- R10 million for the capital project funded by Rand Water

OTHER REVENUE:

Other revenue has been increased by R636 thousand to include staff telephone recovery costs and the increased tender documents sales.

EMPLOYEE RELATED COSTS:

At the current expenditure rate we note that budgeted amount of R15 million for overtime will not be enough for the financial period, no adjustment has been made to employee related cost. As we fear that a budget increase would encourage exorbitant spending. GOGTA has been engaged to assist the municipality with an investigation into the overtime expenditure.

As per the strategies detailed in our budget funding plan the following strategies have already been employed internally.

- The eligibility for overtime of employees (including managers) has been reviewed.
- The total number of overtime hours per employee has been reduced.

- Employees are now eligible for overtime on a rotational basis.

The COVID 19 pandemic has also impacted negatively on the overtime expenditure, the health services department now incurs overtime due to the increased responsibilities in response to the pandemic.

OTHER MATERIALS:

Other materials include an amount of R2 million which has been ring fenced for COVID 19, which brings the total budget for the pandemic to R2.7 million, this amount is the budget for materials and supplies related to COVID 19. The expenditure will be monitored and reviewed accordingly in the normal adjustment budget.

The balance of the additional allocation will be expended in closing the budget gaps created by the pandemic in collectable income. The amount allocated for COVID 19 will remain ring fenced for the remainder of the financial period.

The other adjustments on this line item relate to the increased budget for repairs and maintenance.

CONTRACTED SERVICES:

Contracted services include increase of R706 thousand for the Nodal plan grant

BULK PURCHASES:

The amount of R136 million for uMngeni bulk purchases remains in the budget.

GENERAL EXPENDITURE:

General expenditure has been increased by R701 thousand which is the unspent balance on the LGSETA grant from the previous financial year 2019/20. The grant is being utilised for training purposes, as well as for internal staff bursaries.

UTHUKELA DISTRICT MUNICIPALITY 2021

ADJUSTMENTS TO THE CAPITAL BUDGET

Adjustments Capital Expenditure Budget by vote and funding [B5]

Description	Ref	Budget Year 2020/21									Budget Year	Budget Year
											+1 2021/22	+2 2022/23
		Original Budget A	Prior Adjusted 5 A1	Accum. Funds 6 B	Multi-year capital 7 C	Unfore. Unavoid. 8 D	Nat. or Prov. Govt 9 E	Other Adjusts. 10 F	Total Adjusts. 11 G	Adjusted Budget 12 H	Adjusted Budget	Adjusted Budget
R thousands												
Capital expenditure - Vote												
Multi-year expenditure to be adjusted	2											
105 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-	-
200 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-	-
300 - BUDGET AND TREASURY		-	-	-	-	-	-	-	-	-	-	-
405 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)		-	-	-	-	-	-	-	-	-	-	-
408 - WSA& HEALTH SERVICES		-	-	-	-	-	-	-	-	-	-	-
500 - WATER, SANITATION AND TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	3	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be adjusted	2											
105 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-	-
200 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-	-
300 - BUDGET AND TREASURY		-	-	-	-	-	-	-	-	-	-	-
405 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)		-	-	-	-	-	2 000	-	2 000	2 000	-	-
408 - WSA& HEALTH SERVICES		-	-	-	-	-	-	-	-	-	-	-
500 - WATER, SANITATION AND TECHNICAL SERVICES		307 046	-	-	-	-	2 278	10 000	12 278	319 324	389 299	437 283
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		307 046	-	-	-	-	4 278	10 000	14 278	321 324	389 299	437 283
Total Capital Expenditure - Vote		307 046	-	-	-	-	4 278	10 000	14 278	321 324	389 299	437 283
Capital Expenditure - Functional												
Governance and administration		-	-	-	-	-	-	-	-	-	-	-
Executive and council		-	-	-	-	-	-	-	-	-	-	-
Finance and administration		-	-	-	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-	-
Community and public safety		-	-	-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		-	-	-	-	-	2 000	-	2 000	2 000	-	-
Planning and development		-	-	-	-	-	2 000	-	2 000	2 000	-	-
Road transport		-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		307 046	-	-	-	-	2 278	10 000	12 278	319 324	389 299	437 283
Energy sources		-	-	-	-	-	-	-	-	-	-	-
Water management		307 046	-	-	-	-	2 278	10 000	12 278	319 324	389 299	437 283
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	307 046	-	-	-	-	4 278	10 000	14 278	321 324	389 299	437 283
Funded by:												
National Government		307 046	-	-	-	-	-	-	-	307 050	389 299	437 283
Provincial Government		-	-	-	-	-	4 274	-	4 274	4 274	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private		-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	307 046	-	-	-	-	4 278	10 000	10 000	10 000	389 299	437 283
Borrowing		-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	-	-	-	-	-	-	-	-
Total Capital Funding		307 046	-	-	-	-	4 278	10 000	14 278	321 324	389 299	437 283

The capital budget has been increased by R14.4 million due to the increase in capital grants.

Capital grant transfers has been adjusted upwards to include the following

- R2 million disaster management grant
- R2.4 million massification
- R10 million for the capital project funded by Rand Water

UTHUKELA DISTRICT MUNICIPALITY 2021

Adjustments Budget Financial Position– [B6]

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
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H	
R thousands											
ASSETS											
Current assets											
Cash		10 888						22 556	22 556	33 444	27 245
Call investment deposits	1	-	-	-	-	-	-	-	-	-	-
Consumer debtors	1	280 781	-	-	-	-	-	(21 000)	(21 000)	259 781	294 189
Other debtors		4 329							-	4 329	4 737
Current portion of long-term receivables									-	-	-
Inventory		6 895							-	6 895	6 895
Total current assets		302 894	-	-	-	-	-	1 556	1 556	304 450	333 066
Non current assets											
Long-term receivables		6 532							-	6 532	7 147
Investments									-	-	-
Investment property									-	-	-
Investment in Associate									-	-	-
Property, plant and equipment	1	3 135 558	-	-	-	-	-	-	-	3 135 558	3 956 394
Biological									-	-	-
Intangible		523							-	523	572
Other non-current assets		2 532							-	2 532	2 770
Total non current assets		3 145 145	-	-	-	-	-	-	-	3 145 145	3 966 883
TOTAL ASSETS		3 448 038	-	-	-	-	-	1 556	1 556	3 449 594	4 299 949
LIABILITIES											
Current liabilities											
Bank overdraft									-	-	-
Borrowing		-	-	-	-	-	-	-	-	-	-
Consumer deposits		33 440							-	33 440	36 587
Trade and other payables		177 566	-	-	-	-	-	121 316	121 316	298 882	177 566
Provisions		23 429							-	23 429	25 634
Total current liabilities		234 435	-	-	-	-	-	121 316	121 316	355 751	239 787
Non current liabilities											
Borrowing	1	-	-	-	-	-	-	-	-	-	-
Provisions	1	39 126	-	-	-	-	-	-	-	39 126	42 808
Total non current liabilities		39 126	-	-	-	-	-	-	-	39 126	42 808
TOTAL LIABILITIES		273 561	-	-	-	-	-	121 316	121 316	394 877	282 595
NET ASSETS	2	3 174 478	-	-	-	-	-	(119 760)	(119 760)	3 054 718	4 017 354
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		3 174 478	-	-	-	-	59 753	(58 528)	1 225	3 175 703	3 996 618
Reserves		-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY		3 174 478	-	-	-	-	59 753	(58 528)	1 225	3 175 703	3 996 618

The figures on the above table have been adjusted, based on the current 2019/20 unaudited AFS, which will be used as a basis for analysing the budget figures by National Treasury. The adjustments on this table have impacted negatively on our budget funding position.

Outstanding Debtors have been decreased by R21 million and creditors have been increased by R121 million. Which translates to increased working capital on table B8. Thus increasing the unfunded budget shortfall.

UTHUKELA DISTRICT MUNICIPALITY 2021

Adjustments Budget Cash Flows - [B7]

Description	Ref	Budget Year 2020/21									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2021/22	+2 2022/23
R thousands		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates		-							-	-		
Service charges		169 951						(65 949)	(65 949)	104 002	108 786	113 790
Other revenue		26 575						636	636	27 211	28 321	29 623
Transfers and Subsidies - Operational	1	481 218					55 475		55 475	536 693	509 234	546 419
Transfers and Subsidies - Capital	1	307 046						10 000	10 000	317 046	389 299	437 283
Interest		6 097							-	6 097	6 378	6 671
Dividends		-							-	-		
Payments												
Suppliers and employees		(709 057)					(1 407)	(3 000)	(4 407)	(713 464)	(663 847)	(694 384)
Finance charges									-	-		
Transfers and Grants	1								-	-		
NET CASH FROM/(USED) OPERATING ACTIVITIES		281 830	-	-	-	-	54 068	(58 313)	(4 244)	277 585	378 170	439 402
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE									-	-		
Decrease (increase) in non-current receivables									-	-		
Decrease (increase) in non-current investments									-	-		
Payments												
Capital assets		(307 046)					(4 278)	(10 000)	(14 278)	(321 324)	(389 299)	(437 283)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(307 046)	-	-	-	-	(4 278)	(10 000)	(14 278)	(321 324)	(389 299)	(437 283)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans									-	-		
Borrowing long term/refinancing									-	-		
Increase (decrease) in consumer deposits		1 769							-	1 769	1 850	1 936
Payments												
Repayment of borrowing									-	-		
NET CASH FROM/(USED) FINANCING ACTIVITIES		1 769	-	-	-	-	-	-	-	1 769	1 850	1 936
NET INCREASE/ (DECREASE) IN CASH HELD												
Cash/cash equivalents at the year begin:	2	(23 447)	-	-	-	-	49 791	(68 313)	(18 522)	(41 969)	(9 279)	4 055
Cash/cash equivalents at the year end:	2	34 335						41 674	41 674	76 009	34 039	24 761
		10 888	-	-	-	-	49 791	(26 639)	23 152	34 039	24 761	28 816

A collection rate of 45% has been applied to the billed revenue, please note that a collection rate of 100% has been applied to interest on investments, other revenue and the recovery costs from uMngeni.

The cash opening balance has been revised based on the previous years unaudited AFS, to R76 million. We note that in June 2020 we closed off the year with material investments and a considerable bank balance which is a great improvement compared 2018/19 financial year.

The increased allocations included in table B4 have also been accounted for on this table. It is expected that we will close off the current financial with cash balance of R33.4 million.

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Table B8 Cash backed reserves/accumulated surplus reconciliation -B8

Description	Ref	Budget Year 2020/21									Budget Year +1 2021/22	Budget Year +2 2022/23
		Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
		A	A1	B	C	D	E	F	G	H		
R thousands												
Cash and investments available												
Cash/cash equivalents at the year end	1	10 888	-	-	-	-	49 195	(26 639)	22 556	33 444	23 190	27 245
Other current investments > 90 days		-	-	-	-	-	(49 195)	49 195	(0)	(0)	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		10 888	-	-	-	-	-	22 556	22 556	33 444	23 190	27 245
Applications of cash and investments												
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-	-
Statutory requirements		67 940	-	-	-	-	-	(31 821)	(31 821)	36 119	71 065	74 334
Other working capital requirements	2	26 139	-	-	-	-	-	164 805	164 805	190 944	55 924	52 920
Other provisions		23 631	-	-	-	-	-	11 313	11 313	34 944	24 718	25 855
Long term investments committed		-	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments		-	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		117 710	-	-	-	-	-	144 297	144 297	262 006	151 708	153 110
Surplus(shortfall)		(106 822)	-	-	-	-	-	(121 741)	(121 741)	(228 562)	(128 517)	(125 864)

B8 highlights the budget shortfall and the severity of the situation. The municipal adjustment budget is thus unfunded by R228million. However, we note the shortfall decreases in the outer years. The municipality has planned to exit the uMngeni contract, in 2021 which decreases the projection of creditors in the outer two years of the MTREF.

Statutory requirements of R36.1 million is the provision for VAT payable which is the 45% collection rate applied to the amount owed to SARS. Further provisions have been budgeted for at R34.9 million.

The impact of increasing creditors and reducing debtors on table B6 as per the prior year unaudited AFS has resulted in an increase in working capital of R164 million which has negatively impacted the funding position.

A budget funding plan has been compiled to support the budget, which shows an improvement in the funding position over a 10-year period.

2.1 Adjustments to budget funding:

Revenue

Description	Budget Year 2020/21								
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget
R thousands									
Total Revenue (excluding capital transfers and contributions)	865 815	-	-	-	-	56 882	(49 500)	22 634	888 449

The above table is an extract of table B4 of schedule B. The net adjustment to revenue is an increase of R22.6 million. A detailed analysis of each line item can be seen in the explanatory notes to table B4 (an analysis of operating revenue).

Investment particulars by maturity:

DC23 Uthukela - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M02 August					
Investments by maturity Name of institution & investment ID	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands					
Municipality					
FNB	112,307	299	(40,000)	-	72,606
NEDBANK	30,063	92	-	-	30,155
INVESTEC	30,057	105	-	-	30,162
ABSA	30,204	124	-	-	30,328
STANDARD BANK	30,052	89	-	-	30,141
					-
					-
TOTAL INVESTMENTS AND INTEREST	232,683		(40,000)	-	193,393

The table above shows our investment as at midyear. Investments held at the end of August 2020 amounted to R193 million whilst our unspent conditional grants stood at R70.3 million. Which is an improved cash position. The municipality is progressively building reserves; at the end of June 2020 our investments were above R50 million.

UTHUKELA DISTRICT MUNICIPALITY 2021

2.2 Expenditure on grants and reconciliations of unspent funds

Adjustments budget – transfers and grant receipts – (SB7)

Description	Ref	Budget Year 2020/21							Budget Year +1 2021/22	Budget Year +2 2022/23
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7 A1	8 B	9 C	10 D	11 E	12 F		
R thousands										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		479 718	-	-	55 475	-	55 475	535 193	514 234	551 419
Local Government Equitable Share		393 550			55 475		55 475	449 025	425 735	456 803
RSC Levy Replacement	3	66 762					-	66 762	72 180	77 624
Finance Management		1 800					-	1 800	2 000	2 200
EPWP Incentive		3 730					-	3 730		
MIG Top Slice		5 000					-	5 000	5 000	5 000
Councillors Special Support		5 868					-	5 868	6 149	6 445
Rural Road asset Management		2 508					-	2 508	2 647	2 800
Lg Seta		500					-	500	523	547
Provincial Government:		1 500	-	-	-	-	-	1 500	-	-
Spatial Framework Development		1 500					-	1 500		
Nodal Plan Grant	4						-	-		
							-	-		
Other transfers and grants [insert description]	5						-	-		
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]							-	-		
							-	-		
Other grant providers:		-	-	-	-	10 000	10 000	10 000	-	-
Rand Water						10 000	10 000	10 000		
Total Operating Transfers and Grants	6	481 218	-	-	55 475	10 000	65 475	546 693	514 234	551 419
Capital Transfers and Grants										
National Government:		307 046	-	-	-	-	-	307 046	389 299	437 283
Municipal Infrastructure Grant (MIG)		177 647					-	177 647	194 299	206 483
Regional Bulk Infrastructure		39 399					-	39 399	100 000	150 000
Water Services Infrastructure Grant		90 000					-	90 000	95 000	80 800
							-	-		
Other capital transfers [insert description]							-	-		
Provincial Government:		-	-	-	-	-	-	-	-	-
Massification Grant							-	-		
Disaster Management Grant							-	-		
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]							-	-		
							-	-		
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]							-	-		
Total Capital Transfers and Grants	6	307 046	-	-	-	-	-	307 046	389 299	437 283
TOTAL RECEIPTS OF TRANSFERS & GRANTS		788 264	-	-	55 475	10 000	65 475	853 739	903 533	988 702

As depicted above adjustments were necessary to grant funding. Receipts for the additional EQS allocation, and the Rand water grant which is a schedule five allocation, received in kind.

UTHUKELA DISTRICT MUNICIPALITY 2021

Adjustments Budget - reconciliation of transfers, grant receipts, and unspent funds – [SB9]

Description	Ref	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
R thousands		A	A1	B	C	D	E	F	
Operating transfers and grants:									
National Government:									
Balance unspent at beginning of the year		701					-	701	
Current year receipts		479 718					-	479 718	551 419
Conditions met - transferred to revenue		480 419	-	-	-	-	-	480 419	551 419
Conditions still to be met - transferred to liabilities							-	-	
Provincial Government:									
Balance unspent at beginning of the year		706					-	706	
Current year receipts		1 500					-	1 500	
Conditions met - transferred to revenue		2 206	-	-	-	-	-	2 206	-
Conditions still to be met - transferred to liabilities							-	-	
District Municipality:									
Balance unspent at beginning of the year							-	-	
Current year receipts							-	-	
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities							-	-	
Other grant providers:									
Balance unspent at beginning of the year							-	-	
Current year receipts							-	-	
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities							-	-	
Total operating transfers and grants revenue		482 625	-	-	-	-	-	482 625	551 419
Total operating transfers and grants - CTBM	2	-	-	-	-	-	-	-	-
Capital transfers and grants:									
National Government:									
Balance unspent at beginning of the year		4					-	4	
Current year receipts		307 046					-	307 046	437 283
Conditions met - transferred to revenue		307 050	-	-	-	-	-	307 050	437 283
Conditions still to be met - transferred to liabilities							-	-	
Provincial Government:									
Balance unspent at beginning of the year		4 274					-	4 274	
Current year receipts							-	-	
Conditions met - transferred to revenue		4 274	-	-	-	-	-	4 274	-
Conditions still to be met - transferred to liabilities							-	-	
District Municipality:									
Balance unspent at beginning of the year							-	-	
Current year receipts							-	-	
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities							-	-	
Other grant providers:									
Balance unspent at beginning of the year							-	-	
Current year receipts							-	-	
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities							-	-	
Total capital transfers and grants revenue		311 324	-	-	-	-	-	311 324	437 283
Total capital transfers and grants - CTBM		-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		793 948	-	-	-	-	-	793 948	988 702
TOTAL TRANSFERS AND GRANTS - CTBM		-	-	-	-	-	-	-	-

The municipality anticipates to full expenditure on all grant funding by the end of the current financial year.

2.4 Adjustments to Capital expenditure

List of capital programmes and projects affected by Adjustments Budget [SB19]

Function	Type	Asset Class	Medium Term Revenue and Expenditure Framework					
			Budget Year 2020/21		Budget Year +1 2021/22		Budget Year +2 2022/23	
R thousands			Original Budget	Adjusted Budget	Original Budget	Adjusted Budget	Original Budget	Adjusted Budget
Parent municipality:								
<i>List all capital projects grouped by Function</i>								
<i>Rand water project</i>	New	<i>Water Supply Infrastructure</i>		10 000				

The table above shows all capital projects/ programmes that have been affected by the adjustments budget.

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2.5 Other Supporting Tables

DC23 UThukela - Supporting Table SB1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	Budget Year 2020/21									Budget Year	Budget Year
											+1 2021/22	+2 2022/23
		Original Budget	Prior Adjusted 6	Accum. Funds 7	Multi-year capital 8	Unfore. Unavoid. 9	Nat. or Prov. Govt 10	Other Adjusts. 11	Total Adjusts. 12	Adjusted Budget 13	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
REVENUE ITEMS												
Service charges - water revenue												
Total Service charges - water revenue		270 272						(50 136)	(50 136)	220 136	222 940	233 195
less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)									-	-		
less Cost of Free Basis Services (6 kilolitres per indigent household per month)		5 000	-	-	-	-	-	-	-	5 000	5 230	5 471
Net Service charges - water revenue		265 272	-	-	-	-	-	(50 136)	(50 136)	215 136	217 710	227 725
Service charges - sanitation revenue												
Total Service charges - sanitation revenue		17 979							-	17 979	18 806	19 671
less Revenue Foregone (in excess of free sanitation service to indigent households)									-	-		
less Cost of Free Basis Services (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-	-	-
Net Service charges - sanitation revenue		17 979	-	-	-	-	-	-	-	17 979	18 806	19 671
Other Revenue By Source												
cashier surpluses		429						2571	3	3	449	470
Tender Deposits		163423							-	163	170941	178804
Maps -GIS		1016						133298	133	134	1063	1112
Donations									-	-		
Building plans		86626							-	87	90611	94779
Clearance certificates		379575							-	380	397035	415299
uMngeni Recovery Costs		25944000							-	25 944	27137424	28385746
Collection Charges STAFF TELEPHONE COLLECTION								500000	500	500	523000	547058
									-	-		
									-	-		
									-	-		
									-	-		
Total 'Other' Revenue	1	26 575	-	-	-	-	-	636	636	27 211	28 321	29 623
EXPENDITURE ITEMS												
Employee related costs												
Basic Salaries and Wages		201 643							-	201 643	210 919	220 621
Pension and UIF Contributions		36 282							-	36 282	37 951	39 697
Medical Aid Contributions		7 824							-	7 824	8 184	8 561
Overtime		27 999							-	27 999	29 287	30 635
Performance Bonus		-							-	-	-	-
Motor Vehicle Allowance		17 621							-	17 621	18 431	19 279
Cellphone Allowance		-							-	-	-	-
Housing Allowances		1 658							-	1 658	1 734	1 813
Other benefits and allowances		18 256							-	18 256	19 096	19 974
Payments in lieu of leave		1 488							-	1 488	1 556	1 628
Long service awards									-	-		
Post-retirement benefit obligations									-	-		
sub-total	4	312 771	-	-	-	-	-	-	-	312 771	327 158	342 208
Less: Employees costs capitalised to PPE									-	-		
Total Employee related costs	1	312 771	-	-	-	-	-	-	-	312 771	327 158	342 208

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DC23 Uthukela - Supporting Table SB2 Supporting detail to 'Financial Position Budget' -

Description	Ref	Budget Year 2020/21									Budget Year +1 2021/22	Budget Year +2 2022/23
		Original Budget A	Prior Adjusted 4 A1	Accum. Funds 5 B	Multi-year capital 6 C	Unfore. Unavold. 7 D	Nat. or Prov. Govt 8 E	Other Adjusts. 9 F	Total Adjusts. 10 G	Adjusted Budget 11 H	Adjusted Budget	Adjusted Budget
R thousands												
ASSETS												
Consumer debtors												
Consumer debtors		1 401 064						(21 000)	(21 000)	1 380 064	1 591 409	1 790 509
Less: provision for debt impairment		1 120 282	-	-	-	-	-	-	-	1 120 282	1 304 074	1 496 321
Total Consumer debtors	1	280 781	-	-	-	-	-	(21 000)	(21 000)	259 781	287 334	294 189
Debt impairment provision												
Balance at the beginning of the year		944 573							-	944 573	1 120 282	1 304 074
Contributions to the provision		175 709							-	175 709	183 792	192 246
Bad debts written off									-	-	-	-
Balance at end of year		1 120 282	-	-	-	-	-	-	-	1 120 282	1 304 074	1 496 321
Property, plant & equipment												
PPE at cost/valuation (excl. finance leases)		3 196 607							-	3 196 607	3 585 906	4 023 189
Leases recognised as PPE	2								-	-	-	-
Less: Accumulated depreciation		61 048							-	61 048	63 857	66 794
Total Property, plant & equipment	1	3 135 558	-	-	-	-	-	-	-	3 135 558	3 522 049	3 956 394
LIABILITIES												
Current liabilities - Borrowing												
Short term loans (other than bank overdraft)									-	-	-	-
Current portion of long-term liabilities									-	-	-	-
Total Current liabilities - Borrowing		-	-	-	-	-	-	-	-	-	-	-
Trade and other payables												
Trade Payables		177 566						121 316	121 316	298 882	177 566	177 566
Other creditors									-	-	-	-
Unspent conditional transfers									-	-	-	-
VAT									-	-	-	-
Total Trade and other payables	1	177 566	-	-	-	-	-	121 316	121 316	298 882	177 566	177 566
Non current liabilities - Borrowing												
Borrowing	3								-	-	-	-
Finance leases (including PPP asset element)									-	-	-	-
Total Non current liabilities - Borrowing		-	-	-	-	-	-	-	-	-	-	-
Provisions - non current												
Retirement benefits		39 126							-	39 126	40 925	42 808
Refuse landfill site rehabilitation									-	-	-	-
Other									-	-	-	-
Total Provisions - non current		39 126	-	-	-	-	-	-	-	39 126	40 925	42 808
CHANGES IN NET ASSETS												
Accumulated surplus/(Deficit)												
Accumulated surplus/(Deficit) - opening balance									-	-	-	-
GRAP adjustments									-	-	-	-
Restated balance		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)		307 046	-	-	-	-	59 753	(44 500)	15 253	322 299	330 085	389 105
Transfers to/from Reserves									-	-	-	-
Depreciation offsets									-	-	-	-
Other adjustments		2 867 432						(14 028)	(14 028)	2 853 404	3 225 227	3 607 513
Accumulated Surplus/(Deficit)	1	3 174 478	-	-	-	-	59 753	(58 528)	1 225	3 175 703	3 555 312	3 996 618
Reserves												
Housing Development Fund									-	-	-	-
Capital replacement									-	-	-	-
Self-insurance									-	-	-	-
Other reserves									-	-	-	-
Revaluation									-	-	-	-
Total Reserves	2	-	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	3 174 478	-	-	-	-	59 753	(58 528)	1 225	3 175 703	3 555 312	3 996 618

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Supporting Table SB16 Adjustments Budget - monthly capital expenditure (municipal vote)

Description - Municipal Vote	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	
R thousands																	
Single-year expenditure appropriation																	
105 - MUNICIPAL MANAGER																	
200 - CORPORATE SERVICES																	
300 - BUDGET AND TREASURY																	
405 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)				1 200													
408 - WSA& HEALTH SERVICES																	
500 - WATER, SANITATION AND TECHNICAL SERV		570	36 293	28 246	28 246	28 246	28 246	28 246	28 246	28 246	28 246	28 246	28 247	319 324	389 299	437 283	
Capital single-year expenditure sub-total	3	570	36 293	29 446	28 246	28 246	28 246	28 246	28 246	28 246	28 246	28 246	29 047	321 324	389 299	437 283	
Total Capital Expenditure	2	570	36 293	29 446	28 246	28 246	28 246	28 246	28 246	28 246	28 246	28 246	29 047	321 324	389 299	437 283	

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DC23 UThukela - Supporting Table SB12 Adjustments Budget - monthly revenue and expenditure (municipal vote) - 30 September 2020

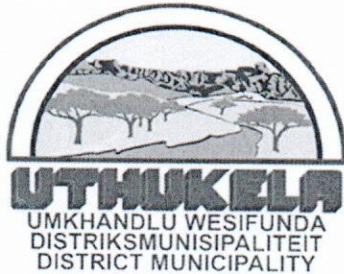
Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework					
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23			
														Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands																			
Revenue by Vote																			
105 - MUNICIPAL MANAGER														72 630	78 329	84 069			
200 - CORPORATE SERVICES			241	96	96	96	96	96	96	96	96	96	1 201	523	547				
300 - BUDGET AND TREASURY		210 381	1 005	3 409	3 409	3 409	197 763	3 409	3 409	47 324	3 409	3 409	483 754	462 036	494 862				
405 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)				1 200	300	300	300	300	300	300	300	300	4 206	-	-				
408 - WSA& HEALTH SERVICES													-	-	-				
500 - WATER, SANITATION AND TECHNICAL		22 919	26 286	58 352	58 352	58 352	58 352	58 352	58 352	58 352	58 352	58 352	632 730	700 692	763 032				
Vote 7 - [NAME OF VOTE 7]													-	-	-				
Vote 8 - [NAME OF VOTE 8]													-	-	-				
Vote 9 - [NAME OF VOTE 9]													-	-	-				
Vote 10 - [NAME OF VOTE 10]													-	-	-				
Vote 11 - [NAME OF VOTE 11]													-	-	-				
Vote 12 - [NAME OF VOTE 12]													-	-	-				
Vote 13 - [NAME OF VOTE 13]													-	-	-				
Vote 14 - [NAME OF VOTE 14]													-	-	-				
Vote 15 - [NAME OF VOTE 15]													-	-	-				
Total Revenue by Vote		233 300	27 532	63 057	62 157	62 157	256 511	62 157	62 157	178 702	62 157	62 157	1 194 520	1 241 580	1 342 530				
Expenditure by Vote																			
105 - MUNICIPAL MANAGER		3 145	3 245	5 872	5 872	5 872	5 872	5 872	5 872	5 872	5 872	5 872	65 113	68 108	71 241				
200 - CORPORATE SERVICES		2 372	4 256	5 041	5 041	5 041	5 041	5 041	5 041	5 041	5 041	5 041	57 045	58 937	61 648				
300 - BUDGET AND TREASURY		3 862	4 349	4 387	4 387	4 387	4 387	4 387	4 387	4 387	4 387	4 387	288 844	302 130	316 028				
405 - SOCIAL SERVICES(PLANNING&ECONOMI		2 193	3 503	2 372	2 372	2 372	2 372	2 372	2 372	2 372	2 372	2 372	29 419	31 703	33 161				
408 - WSA& HEALTH SERVICES		3 551	2 840	2 529	2 529	2 529	2 529	2 529	2 529	2 529	2 529	2 529	31 682	31 048	32 476				
500 - WATER, SANITATION AND TECHNICAL		16 551	21 255	36 231	36 231	36 231	36 231	36 231	36 231	36 231	36 231	36 231	400 119	419 570	438 870				
Vote 7 - [NAME OF VOTE 7]													-	-	-				
Vote 8 - [NAME OF VOTE 8]													-	-	-				
Vote 9 - [NAME OF VOTE 9]													-	-	-				
Vote 10 - [NAME OF VOTE 10]													-	-	-				
Vote 11 - [NAME OF VOTE 11]													-	-	-				
Vote 12 - [NAME OF VOTE 12]													-	-	-				
Vote 13 - [NAME OF VOTE 13]													-	-	-				
Vote 14 - [NAME OF VOTE 14]													-	-	-				
Vote 15 - [NAME OF VOTE 15]													-	-	-				
Total Expenditure by Vote		31 675	39 448	56 432	56 432	56 432	56 432	56 432	56 432	56 432	56 432	56 432	872 222	911 496	953 425				
Surplus/ (Deficit)		201 625	(11 916)	6 625	5 725	5 725	200 079	5 725	5 725	122 270	5 725	5 725	322 299	330 085	389 105				

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DC23 UThukela - Supporting Table SB17 Adjustments Budget - monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework					
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23			
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget			
R thousands																			
Health																			
Economic and environmental services		-	-	-	1 200	-	-	-	-	-	-	-	800	2 000	-	-			
Planning and development					1 200								800	2 000	-	-			
Road transport													-	-	-	-			
Environmental protection													-	-	-	-			
Trading services		570	35 500	28 385	28 385	28 385	28 385	28 385	28 385	28 385	28 385	28 385	27 789	319 324	389 299	437 283			
Energy sources													-	-	-	-			
Water management		570	35 500	28 385	28 385	28 385	28 385	28 385	28 385	28 385	28 385	28 385	27 789	319 324	389 299	437 283			
Waste water management													-	-	-	-			
Waste management													-	-	-	-			
Other													-	-	-	-			
Total Capital Expenditure - Functional		570	35 500	28 385	29 585	28 385	28 385	28 385	28 385	28 385	28 385	28 385	28 589	321 324	389 299	437 283			

2.6 Municipal Manager's quality certificate



I **Martin Sithole** Municipal Manager of UThukela District Municipality, hereby certify that the adjustments budget and supporting documentation have been prepared in accordance with S72 of the Municipal Finance Management Act and the regulations made under this Act. In conjunction with PT Circular 04 of 2020/21 which was issued by the MEC Finance.

Print Name

MR M SITHOLE
Municipal Manager

Signature

Date

22 September 2020