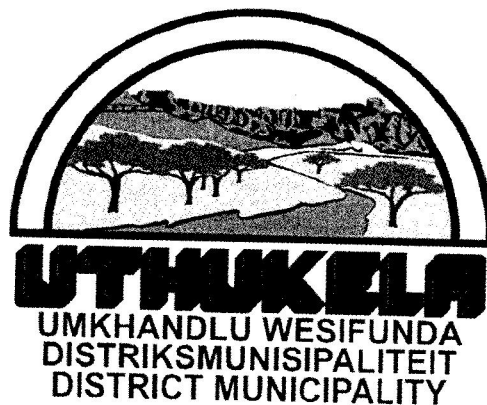


**ADJUSTMENTS BUDGET OF
UTHUKELA DISTRICT
MUNICIPALITY**



2019/20

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1.1. Mayor's Report

UThukela District Municipality had taken advantage of the 2019/2020 special adjustments process in November 2019 in accordance to the prescriptions of the MFMA and circular 91 of National Treasury.

The municipality has resolved to review that special adjustment budget, in order to make up for the shortfall on approved budget and to attend to those areas where we underspent or overspent. further to that is was to develop and approve a tangible financial recovery plan over the coming years.

As we can all recall the original budget was rendered unfunded by treasury and our cash position has not improved. Our cash position has been further diminished by the non-approval of the prior years' roll-over of R3.5million of the RBIG. The current contractual agreement with uMngeni Water is also weighing in quite heavily on our cash flow. These material adjustments have left us in a worse off position.

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

1. Staff overtime
2. Security
3. Revenue collection especially interest on overdue debts.
4. Controlling of day to day expenditure in general.
5. 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. Debt collectors are on site and setting up for the task ahead. It is anticipated that our cash collection will improve before the end of the next financial year.

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.

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 adjustments budget for the 2019/20 financial year.

1.2 Council Resolutions

On 10 March 2020 the Council of UThukela District Municipality met in the board room of UThukela District Municipality to consider the adjustments budget of the municipality for the financial year 2019/2020. 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 201/18 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 A8
 - 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

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.

ADJUSTMENT BUDGET TABLES

Adjustments Budget Summary [B1]

Description	Budget Year 2019/20					Budget Year +1 2020/21	Budget Year +2 2021/22
	Prior Adjusted	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands							
Financial Performance							
Property rates	–	–	–	–	–	–	–
Service charges	260,753	–	1,274	1,274	262,027	276,176	291,090
Investment revenue	5,640	–	–	–	5,640	5,945	6,266
Transfers recognised - operational	455,613	2,850	568	3,418	459,031	483,819	509,945
Other own revenue	91,192	–	(1,274)	(1,274)	89,918	69,469	73,220
Total Revenue (excluding capital transfers and contributions)	813,198	2,850	568	3,418	816,616	835,409	880,521
Employee costs	291,843	–	4,592	4,592	296,436	312,443	329,315
Remuneration of councillors	6,342	–	–	–	6,342	6,684	7,045
Depreciation & asset impairment	58,644	–	–	–	58,644	61,811	65,149
Finance charges	–	–	–	–	–	–	–
Materials and bulk purchases	139,903	–	4,536	4,536	144,439	152,239	160,460
Transfers and grants	–	–	–	–	–	–	–
Other expenditure	288,366	2,850	23,072	25,922	314,288	326,480	344,110
Total Expenditure	785,098	2,850	32,201	35,051	820,149	859,657	906,079
Surplus/(Deficit)	28,100	–	(31,632)	(31,632)	(3,532)	(24,248)	(25,558)
Transfers recognised - capital	296,937	17,000	–	17,000	313,937	442,806	704,719
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	325,037	17,000	(31,632)	(14,632)	310,405	418,558	679,162
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	325,037	17,000	(31,632)	(14,632)	310,405	418,558	679,162
Capital expenditure & funds sources							
Capital expenditure	296,937	17,000	–	17,000	313,937	442,806	704,719
Transfers recognised - capital	296,937	17,000	–	17,000	313,937	442,806	704,719
Borrowing	–	–	–	–	–	–	–
Internally generated funds	–	–	–	–	–	–	–
Total sources of capital funds	296,937	17,000	–	17,000	313,937	442,806	704,719
Financial position							
Total current assets	259,709	–	30,393	30,393	290,103	154,535	24,580
Total non current assets	2,881,735	17,000	–	17,000	2,898,735	3,055,266	3,220,251
Total current liabilities	325,381	–	60,604	60,604	385,986	406,829	428,798
Total non current liabilities	36,824	–	–	–	36,824	38,812	40,908
Community wealth/Equity	2,779,238	–	(13,211)	(13,211)	2,766,027	2,764,160	2,775,125
Cash flows							
Net cash from (used) operating	255,279	19,850	27,543	47,393	302,673	435,583	710,039
Net cash from (used) investing	(296,937)	(17,000)	–	(17,000)	(313,937)	(442,806)	(704,719)
Net cash from (used) financing	1,693	–	–	–	1,693	1,784	1,881
Cash/cash equivalents at the year end	3,942	2,850	27,543	30,393	34,335	28,896	36,097
Cash backing/surplus reconciliation							
Cash and investments available	3,942	–	30,393	30,393	34,336	28,896	36,097
Application of cash and investments	149,460	–	59,886	59,886	209,346	275,914	354,147
Balance - surplus (shortfall)	(145,518)	–	(29,492)	(29,492)	(175,010)	(247,017)	(318,050)
Asset Management							
Asset register summary (WDV)	3,031,316	17,000	–	17,000	3,048,316	3,410,824	4,115,574
Depreciation & asset impairment	58,644	–	–	–	58,644	61,811	65,149
Renewal and Upgrading of Existing Assets	84,900	–	–	–	84,900	127,055	155,406
Repairs and Maintenance	14,090	–	5,216	5,216	19,306	26,930	28,384
Free services							
Households below minimum service level							
Water:	25	–	–	–	25	26	27
Sanitation/sew erage:	–	–	–	–	–	–	–

UTHUKELA DISTRICT MUNICIPALITY | 2020

Adjustments Budget Financial Performance (functional classification) – [B2]

Standard Description	Budget Year 2019/20					Budget Year +1 2020/21	Budget Year +2 2021/22
	Prior Adjusted	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands							
Revenue - Functional							
<i>Governance and administration</i>	779,233	-	(307,056)	(307,056)	472,177	493,291	521,949
Executive and council	67,286	-	-	-	67,286	72,952	78,911
Finance and administration	711,947	-	(307,056)	(307,056)	404,891	420,339	443,038
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>	1,553	4,850	-	4,850	6,403	550	600
Planning and development	1,553	4,850	-	4,850	6,403	550	600
Road transport	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-
<i>Trading services</i>	334,472	15,000	307,624	322,624	657,096	784,374	1,062,691
Energy sources	-	-	-	-	-	-	-
Water management	334,472	15,000	307,624	322,624	657,096	784,374	1,062,691
Waste water management	-	-	-	-	-	-	-
Waste management	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-
Total Revenue - Functional	1,115,258	19,850	568	20,418	1,135,676	1,278,215	1,585,240
Expenditure - Functional							
<i>Governance and administration</i>	376,520	-	12,143	12,143	388,664	408,715	430,418
Executive and council	55,039	-	6,956	6,956	61,995	65,343	68,871
Finance and administration	321,481	-	5,187	5,187	326,669	343,373	361,547
Internal audit	-	-	-	-	-	-	-
<i>Community and public safety</i>	24,097	-	19	19	24,115	25,418	26,790
Community and social services	-	-	-	-	-	-	-
Sport and recreation	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-
Health	24,097	-	19	19	24,115	25,418	26,790
<i>Economic and environmental services</i>	22,995	2,850	4,562	7,412	30,407	28,196	26,869
Planning and development	22,995	2,850	4,562	7,412	30,407	28,196	26,869
Road transport	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-
<i>Trading services</i>	361,486	-	15,477	15,477	376,963	397,328	422,002
Energy sources	-	-	-	-	-	-	-
Water management	361,486	-	15,477	15,477	376,963	397,328	422,002
Waste water management	-	-	-	-	-	-	-
Waste management	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-
Total Expenditure - Functional	785,098	2,850	32,201	35,051	820,149	859,657	906,079
Surplus/ (Deficit) for the year	330,160	17,000	(31,633)	(14,633)	315,527	418,557	679,161

UTHUKELA DISTRICT MUNICIPALITY | 2020

Adjustments Budget Financial Performance - [B3]

Vote Description	Budget Year 2019/20					Budget Year +1 2020/21	Budget Year +2 2021/22
	Prior Adjusted	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands							
Revenue by Vote							
105 - MUNICIPAL MANAGER	67,286	-	-	-	67,286	72,952	78,911
200 - CORPORATE SERVICES	396	-	568	568	964	-	-
300 - BUDGET AND TREASURY	706,428	-	(307,624)	(307,624)	398,804	420,339	443,038
405 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)	1,553	4,850	-	4,850	6,403	550	600
408 - WSA& HEALTH SERVICES	-	-	-	-	-	-	-
510 - 500 - WATER, SANITATION AND TECHNICAL SERVICES	334,472	15,000	307,624	322,624	657,096	784,374	1,062,691
Total Revenue by Vote	1,110,134	19,850	568	20,418	1,130,552	1,278,215	1,585,240
Expenditure by Vote							
105 - MUNICIPAL MANAGER	55,039	-	6,956	6,956	61,995	65,343	68,871
200 - CORPORATE SERVICES	42,123	-	5,536	5,536	47,660	49,297	51,591
300 - BUDGET AND TREASURY	279,358	-	(349)	(349)	279,009	294,075	309,955
405 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)	22,995	2,850	4,562	7,412	30,407	28,196	26,869
408 - WSA& HEALTH SERVICES	24,097	-	19	19	24,115	25,418	26,790
510 - 500 - WATER, SANITATION AND TECHNICAL SERVICES	361,486	-	15,477	15,477	376,963	397,328	422,002
Total Expenditure by Vote	785,098	2,850	32,201	35,051	820,149	859,657	906,079
Surplus/ (Deficit) for the year	325,037	17,000	(31,633)	(14,633)	310,403	418,557	679,161

UTHUKELA DISTRICT MUNICIPALITY | 2020

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

Description	Budget Year 2019/20					Budget Year +1 2020/21	Budget Year +2 2021/22
	Prior Adjusted	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands							
Revenue By Source							
Property rates	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-
Service charges - water revenue	244,121	-	1,274	1,274	245,395	258,646	272,613
Service charges - sanitation revenue	16,632	-	-	-	16,632	17,530	18,477
Service charges - refuse revenue	-	-	-	-	-	-	-
Rental of facilities and equipment	-	-	-	-	-	-	-
Interest earned - external investments	5,640	-	-	-	5,640	5,945	6,266
Interest earned - outstanding debtors	63,528	-	-	-	63,528	66,959	70,574
Dividends received	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-
Transfers and subsidies	455,613	2,850	568	3,418	459,031	483,819	509,945
Other revenue	27,664	-	(1,274)	(1,274)	26,390	2,510	2,646
Gains on disposal of PPE	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	813,198	2,850	568	3,418	816,616	835,409	880,521
Expenditure By Type							
Employee related costs	291,843	-	4,592	4,592	296,436	312,443	329,315
Remuneration of councillors	6,342	-	-	-	6,342	6,684	7,045
Debt impairment	168,789	-	-	-	168,789	177,904	187,510
Depreciation & asset impairment	58,644	-	-	-	58,644	61,811	65,149
Finance charges	-	-	-	-	-	-	-
Bulk purchases	130,953	-	-	-	130,953	138,024	145,478
Other materials	8,950	-	4,536	4,536	13,486	14,215	14,982
Contracted services	47,926	2,850	17,252	20,102	68,027	66,921	70,535
Transfers and subsidies	-	-	-	-	-	-	-
Other expenditure	71,651	-	5,821	5,821	77,472	81,655	86,065
Loss on disposal of PPE	-	-	-	-	-	-	-
Total Expenditure	785,098	2,850	32,201	35,051	820,149	859,657	906,079
Surplus/(Deficit)	28,100	-	(31,632)	(31,632)	(3,532)	(24,248)	(25,558)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	296,937	17,000	-	17,000	313,937	442,806	704,719
allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-
Surplus/(Deficit) before taxation	325,037	17,000	(31,632)	(14,632)	310,405	418,558	679,162
Taxation	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	325,037	17,000	(31,632)	(14,632)	310,405	418,558	679,162
Attributable to minorities	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	325,037	17,000	(31,632)	(14,632)	310,405	418,558	679,162
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	325,037	17,000	(31,632)	(14,632)	310,405	418,558	679,162

After the midyear review and the relevant comments from treasury it was noted that a few adjustments to operating revenue and expenditure were required. Below are the adjusted items and explanations.

WATER& SANITATION SALES:

Water charges have been increased by R1.2 million, a correction of error the were water accounts previously reported as other revenue.

Sanitation sales was highly inflated at midyear due to the incorrect recognition of uMngeni recovery costs. No adjustments are necessary to this revenue item.

INTEREST FROM INVESTMENTS:

No adjustment has been effected on interest generated from investments at midyear interest amounting to R2.7 million had been generated, thus confirming the reasonableness of the estimate calculated at midyear.

GRANT TRANSFERS:

There have been adjustments to grants resulting from the following

- R2.8 million approved rollovers for the RASET grant, going forward the municipality must consolidate its budget with that of the development agency.
- Capital transfers have been adjusted by the massification grant of R17 million, of which R7million of this allocation has been received the municipality awaits a further transfer of R8 million

OTHER REVENUE:

Other revenue has been decreased by R1.2 million which the total accounts transferred to water sales.

EMPLOYEE REALATED COSTS:

Employee related cost, has been adjusted by an amount of R4.5 million for overtime. Increasing the total budget for overtime to R19.5 million. It was resolved by the IFC in January 2020 to completely halt overtime. However, the adjustment is for extreme unavoidable emergencies.

OTHER MATERIALS:

The total incremental adjustment to other material is R4.5 million, chemicals of R2.5 million bulk of which is for the adjustment of fuel and oil. The municipality continues to keep a close watch on this line item and cost containment measures have been employed.

CONTRACTED SERVICES:

Contracted services have been increased by R20.1 million, this increase in services includes the following amongst other expenditure.

- Security R5 million
- Repairs and Maintenance R5.2 million
- RASET grant belonging to the development agency R2.8 million
- Legal fees R648 thousand
- Plant Hire R700 thousand
- Rent of office buildings R395 thousand
- Doctors examinations R300 thousand
- Nodal plan R1 million
- Professional fees of R682 thousand

BULK PURCHASES:

A total amount of R126.7 million has been included in the special adjustment budget for the amount billed by uMngeni. There are ongoing engagements regarding the contract. However, the financial impact is recognised for the 2020 financial year, pending any formal response from uMngeni. It was agreed that uMngeni will write off the interest on outstanding debt which was above R2 million in March 2020 this will subsequently reduce the total outstanding debt.

GENERAL EXPENDITURE:

General expenditure has been increased by 2.1 million. Which includes R2 million for subsistence and travelling, R300 thousand bank charges, R1.2 million for telephone. Other areas with cost savings were identified and reduced accordingly, these costs savings were minor and further diminished by the identified necessary increases

ADJUSTMENTS TO THE CAPITAL BUDGET

Adjustments Capital Expenditure Budget by vote and funding [B5]

Description	Budget Year 2019/20					Budget Year +1 2020/21	Budget Year +2 2021/22
	Prior Adjusted	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands							
Capital expenditure - Vote							
Single-year expenditure to be adjusted							
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	-	-	-	-	-	-	-
510 - 500 - WATER, SANITATION AND TECHNICAL SE	296,937	15,000	-	15,000	311,937	442,806	704,719
Capital single-year expenditure sub-total	296,937	17,000	-	17,000	313,937	442,806	704,719
Total Capital Expenditure - Vote	296,937	17,000	-	17,000	313,937	442,806	704,719
Capital Expenditure - Functional							
Governance and administration	-	-	-	-	-	-	-
Executive and council	-	-	-	-	-	-	-
Finance and administration	-	-	-	-	-	-	-
Internal audit	-	-	-	-	-	-	-
Community and public safety	-	2,000	-	2,000	2,000	-	-
Community and social services	-	2,000	-	2,000	2,000	-	-
Sport and recreation	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-
Economic and environmental services	-	-	-	-	-	-	-
Planning and development	-	-	-	-	-	-	-
Road transport	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-
Trading services	296,937	15,000	-	15,000	311,937	442,806	704,719
Energy sources	-	-	-	-	-	-	-
Water management	296,937	15,000	-	15,000	311,937	442,806	704,719
Waste water management	-	-	-	-	-	-	-
Waste management	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	296,937	17,000	-	17,000	313,937	442,806	704,719
Funded by:							
National Government	296,937	-	-	-	296,937	442,806	704,719
Provincial Government	-	17,000	-	17,000	17,000	-	-
District Municipality	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-
Transfers recognised - capital	296,937	17,000	-	17,000	313,937	442,806	704,719
Borrowing	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-
Total Capital Funding	296,937	17,000	-	17,000	313,937	442,806	704,719

The adjustments that has been effected onto our capital budget, is the inclusion of the amount budgeted for the purchase of a disaster vehicle R2 million, as well as the R15 million massification grant which will be used to fund the Moyeni /Zwelisha water infrastructure project.

Adjustments Budget Financial Position– [B6]

Description	Budget Year 2019/20					Budget Year +1 2020/21	Budget Year +2 2021/22
	Prior Adjusted	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands							
ASSETS							
Current assets							
Cash	3,942		30,393	30,393	34,336	28,896	36,097
Call investment deposits	–	–	–	–	–	–	–
Consumer debtors	244,729	–	–	–	244,729	114,005	(23,779)
Other debtors	4,143				4,143	4,367	4,603
Current portion of long-term receivables	–				–	–	–
Inventory	6,895				6,895	7,267	7,660
Total current assets	259,709	–	30,393	30,393	290,103	154,535	24,580
Non current assets							
Long-term receivables	6,251			–	6,251	6,589	6,944
Investments				–	–	–	–
Investment property				–	–	–	–
Investment in Associate				–	–	–	–
Property, plant and equipment	2,872,561	17,000	–	17,000	2,889,561	3,045,597	3,210,059
Biological				–	–	–	–
Intangible	500			–	500	527	555
Other non-current assets	2,423			–	2,423	2,554	2,692
Total non current assets	2,881,735	17,000	–	17,000	2,898,735	3,055,266	3,220,251
TOTAL ASSETS	3,141,444	17,000	30,393	47,393	3,188,837	3,209,801	3,244,831
LIABILITIES							
Current liabilities							
Bank overdraft				–	–	–	–
Borrowing	–	–	–	–	–	–	–
Consumer deposits	32,000			–	32,000	33,728	35,549
Trade and other payables	196,962	–	60,604	60,604	257,566	271,475	286,134
Provisions	96,420			–	96,420	101,627	107,115
Total current liabilities	325,381	–	60,604	60,604	385,986	406,829	428,798
Non current liabilities							
Borrowing	–	–	–	–	–	–	–
Provisions	36,824	–	–	–	36,824	38,812	40,908
Total non current liabilities	36,824	–	–	–	36,824	38,812	40,908
TOTAL LIABILITIES	362,205	–	60,604	60,604	422,810	445,642	469,706
NET ASSETS	2,779,238	17,000	(30,211)	(13,211)	2,766,027	2,764,160	2,775,125
COMMUNITY WEALTH/EQUITY							
Accumulated Surplus/(Deficit)	2,779,238	–	(13,211)	(13,211)	2,766,027	2,764,160	2,775,125
Reserves	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2,779,238	–	(13,211)	(13,211)	2,766,027	2,764,160	2,775,125

The above table depicts our budget financial position, there has been an incremental adjustment to anticipated creditors of R62.6 million which will be the debt owing to uMngeni at year end. The municipality has proposed a payment plan to uMngeni.

The amount is reduced by an amount of R998 thousand which was along outstanding unapproved rollover which has not been withheld by Treasury for the past three years, until recently in December 2019.

There has also been an adjustment of R17 million for the new capital assets discussed under B5.

Adjustments Budget Cash Flows – [B7]

Description	Budget Year 2019/20					Budget Year +1 2020/21	Budget Year +2 2021/22
	Prior Adjusted	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands							
CASH FLOW FROM OPERATING ACTIVITIES							
Receipts							
Property rates				-	-		
Service charges	115,638		2,274	2,274	117,912	124,279	130,990
Other revenue	27,663		(1,282)	(1,282)	26,382	27,806	29,308
Government - operating	446,101	2,850		2,850	448,951	477,843	516,580
Government - capital	296,937	17,000		17,000	313,937	442,806	704,719
Interest	5,640			-	5,640	5,945	6,266
Dividends				-	-		
Payments							
Suppliers and employees	(636,701)		26,552	26,552	(610,149)	(643,097)	(677,824)
Finance charges				-	-		
Transfers and Grants				-	-		
NET CASH FROM/(USED) OPERATING ACTIVITIES	255,279	19,850	27,543	47,393	302,673	435,583	710,039
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
Proceeds on disposal of PPE				-	-		
Decrease (increase) in non-current debtors				-	-		
Decrease (increase) other non-current receivables				-	-		
Decrease (increase) in non-current investments				-	-		
Payments							
Capital assets	(296,937)	(17,000)		(17,000)	(313,937)	(442,806)	(704,719)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(296,937)	(17,000)	-	(17,000)	(313,937)	(442,806)	(704,719)
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
Short term loans				-	-		
Borrowing long term/refinancing				-	-		
Increase (decrease) in consumer deposits	1,693			-	1,693	1,784	1,881
Payments							
Repayment of borrowing				-	-		
NET CASH FROM/(USED) FINANCING ACTIVITIES	1,693	-	-	-	1,693	1,784	1,881
NET INCREASE/ (DECREASE) IN CASH HELD	(39,965)	2,850	27,543	30,393	(9,571)	(5,439)	7,200
Cash/cash equivalents at the year begin:	43,906			-	43,906	34,335	28,896
Cash/cash equivalents at the year end:	3,942	2,850	27,543	30,393	34,335	28,896	36,097

The amount anticipated to be collected from service charges has also been reviewed in light of amounts collected as at the end of the first quarter. A collection rate of 45% has been applied to the projected water and sanitation sales as per the unaudited as per our average collection rate. We are very optimistic that at year end this collection will have improved owing to the appointment of debt collectors and the review of tariffs.

The total adjustment to payments is R26.6 million, which includes the reduction of payments to uMngeni by R62.6 million, the recognition of additional payments as per the increments on B4 of R35 million as well as the R998 thousand for the RRAMS unapproved rollover which was withheld in December 2019.

At year end we anticipate a balance of R34.4million. We note the cash position will improve in the outer years of MTREF.

Table B8 Cash backed reserves/accumulated surplus reconciliation –[B8]

Description	Budget Year 2019/20					Budget Year +1 2020/21	Budget Year +2 2021/22
	Prior Adjusted	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands							
Cash and investments available							
Cash/cash equivalents at the year end	3,942	2,850	27,543	30,393	34,335	28,896	36,097
Other current investments > 90 days	0	(2,850)	2,850	(0)	0	–	–
Non current assets - Investments	–	–	–	–	–	–	–
Cash and investments available:	3,942	–	30,393	30,393	34,336	28,896	36,097
Applications of cash and investments							
Unspent conditional transfers	998	–	(998)	(998)	–	–	–
Unspent borrowing	–	–	–	–	–	–	–
Statutory requirements	29,693	–	–	–	29,693	31,296	32,986
Other working capital requirements	92,085	–	60,883	60,883	152,968	216,492	291,516
Other provisions	26,684	–	–	–	26,684	28,125	29,644
Long term investments committed	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	–	–	–	–	–	–	–
Total Application of cash and investments:	149,460	–	59,886	59,886	209,346	275,914	354,147
Surplus(shortfall)	(145,518)	–	(29,492)	(29,492)	(175,010)	(247,017)	(318,050)

B8 further emphasises that our budget is unfunded to the extent of a R175 million deficit a decline from the special adjustment budget which yielded an unfunded position of R146million.

Statutory requirements of R29.6 million is the provision for VAT payable. A further provision for employee benefits such as leave and bonuses has been made at R26.6 million. This amount covers the current portion of employee benefit obligation as per the amended policy.

2.1 Adjustments to budget funding:

Revenue

DC23 Uthukela - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -

Description	Ref	Budget Year 2019/20				Budget Year	Budget Year
		Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2020/21	+2 2021/22
R thousands	1	A	8 F	9 G	10 H	Adjusted Budget	Adjusted Budget
Total Revenue (excluding capital transfers and contributions)		789 650	23 548	23 548	813 198	852 052	910 692

The above table is an extract of table B4 of schedule B. The total increase in operating revenue is R23.5 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 Monthly Budget Statement - investment portfolio - M07 January

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	32,616	227	(46,014)	90,181	77,011
NEDBANK	20,040	100	-		20,140
INVESTEC	30,071	184			30,255
ABSA	20,113	83	(40,066)	20,000	130
STANDARD	20,039	77	(20,115)		-
TOTAL INVESTMENTS AND INTEREST	122,879		(106,194)	110,181	127,536

The table above shows our investment as at midyear. Investments held at the end of January 2019 amounted to R127 million.

2.2 Expenditure on grants and reconciliations of unspent funds

Adjustments budget – transfers and grant receipts – [SB7]

Description	Budget Year 2019/20				Budget Year +1 2020/21	Budget Year +2 2021/22
	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A					
RECEIPTS:						
Operating Transfers and Grants						
National Government:	441,473	-	-	441,473	468,220	506,413
Local Government Equitable Share	426,541		-	426,541	460,230	497,818
Finance Management	2,010		-	2,010	1,800	2,064
EPWP Incentive	7,054		-	7,054		
			-	-		
			-	-		
			-	-		
Other transfers and grants [insert description]	5,868		-	5,868	6,190	6,531
Provincial Government:	8,186	568	568	8,754	8,607	9,096
LGSETA		568	568	568		
Rural Road Asset Management	2,636		-	2,636	2,787	2,941
MIG - VIP Toilets	5,000		-	5,000	5,270	5,555
Shared Services Grant	550		-	550	550	600
Disaster Management Grant			-	-		
Massification Grant			-	-		
District growth development/ Massification			-	-		
Total Operating Transfers and Grants	449,659	568	568	450,227	476,827	515,509
Capital Transfers and Grants						
National Government:	296,937	-	-	296,937	442,806	704,719
Municipal Infrastructure Grant (MIG)	178,937		-	178,937	189,467	204,719
Regional Bulk Infrastructure	10,000		-	10,000	139,399	400,000
Water Services Infrastructure	108,000		-	108,000	113,940	100,000
			-	-		
			-	-		
			-	-		
Other capital transfers [insert description]			-	-		
Provincial Government:	-	-	17,000	17,000	-	-
Disaster Management Grant/ Nodal plan			2,000	2,000		
			-	-		
Massification			15,000	15,000		
Total Capital Transfers and Grants	296,937	-	17,000	313,937	442,806	704,719
TOTAL RECEIPTS OF TRANSFERS & GRANTS	746,596	568	17,568	764,164	919,633	1,220,228

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

Description	Budget Year 2019/20					Budget Year +1 2020/21	Budget Year +2 2021/22
	Prior Adjusted	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands							
Operating transfers and grants:							
National Government:							
Balance unspent at beginning of the year	998		(998)	(998)	-		
Current year receipts		441,473		441,473	441,473	468,220	506,413
Conditions met - transferred to revenue	-	441,473	-	441,473	441,473	468,220	506,413
Conditions still to be met - transferred to liabilities	998		(998)	(998)	-		
Provincial Government:							
Balance unspent at beginning of the year		5,954		5,954	5,954		
Current year receipts		8,754		8,754	8,754	8,607	9,096
Conditions met - transferred to revenue	-	14,708	-	14,708	14,708	8,607	9,096
Conditions still to be met - transferred to liabilities				-	-		
Total operating transfers and grants revenue	-	456,181	-	456,181	456,181	476,827	515,509
Total operating transfers and grants - CTBM	998	-	(998)	(998)	-	-	-
Capital transfers and grants:							
National Government:							
Balance unspent at beginning of the year				-	-		
Current year receipts		296,937		296,937	296,937	442,806	704,719
Conditions met - transferred to revenue	-	296,937	-	296,937	296,937	442,806	704,719
Conditions still to be met - transferred to liabilities				-	-		
Provincial Government:							
Balance unspent at beginning of the year				-	-		
Current year receipts		17,000		17,000	17,000		
Conditions met - transferred to revenue	-	17,000	-	17,000	17,000	-	-
Conditions still to be met - transferred to liabilities				-	-		
Total capital transfers and grants revenue	-	313,937	-	313,937	313,937	442,806	704,719
Total capital transfers and grants - CTBM	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE	-	770,118	-	770,118	770,118	919,633	1,220,228
TOTAL TRANSFERS AND GRANTS - CTBM	998	-	(998)	(998)	-	-	-

2.3 Adjustments to Councillor and employee benefits [SB11]

Summary of remuneration	Budget Year 2019/20					% change
	Prior Adjusted	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	
R thousands						
Councillors (Political Office Bearers plus Other)						
Basic Salaries and Wages	4,235			-	4,235	0,0%
Pension and UIF Contributions	-			-	-	
Medical Aid Contributions	-			-	-	
Motor Vehicle Allowance	1,597			-	1,597	0,0%
Cellphone Allowance	510			-	510	
Housing Allowances	-			-	-	
Other benefits and allowances	-			-	-	
Sub Total - Councillors	6,342		-	-	6,342	0,0%
% increase						
Senior Managers of the Municipality						
Basic Salaries and Wages	6,712			-	6,712	0,0%
Pension and UIF Contributions	9			-	9	0,0%
Medical Aid Contributions	-			-	-	
Overtime	-			-	-	
Performance Bonus	0			-	0	
Motor Vehicle Allowance	877			-	877	0,0%
Cellphone Allowance	-			-	-	
Housing Allowances	425			-	425	
Other benefits and allowances	-			-	-	
Payments in lieu of leave	-			-	-	
Long service awards	-			-	-	
Post-retirement benefit obligations	-			-	-	
Sub Total - Senior Managers of Municipality	8,023		-	-	8,023	0,0%
% increase						
Other Municipal Staff						
Basic Salaries and Wages	185,132			-	185,132	0,0%
Pension and UIF Contributions	34,139			-	34,139	0,0%
Medical Aid Contributions	7,364			-	7,364	0,0%
Overtime	21,760		4,592	4,592	26,352	21,1%
Performance Bonus	-			-	-	
Motor Vehicle Allowance	15,707			-	15,707	0,0%
Cellphone Allowance	-			-	-	
Housing Allowances	1,135			-	1,135	
Other benefits and allowances	17,182			-	17,182	
Payments in lieu of leave	1,400			-	1,400	0,0%
Long service awards	-			-	-	
Post-retirement benefit obligations	-			-	-	
Sub Total - Other Municipal Staff	283,820	-	4,592	4,592	288,412	1,6%
% increase						
Total Parent Municipality	298,185	-	4,592	4,592	302,777	1,5%
TOTAL SALARY, ALLOWANCES & BENEFITS	298,185	-	4,592	4,592	302,777	1,5%
% increase						
TOTAL MANAGERS AND STAFF	291,843	-	4,592	4,592	296,436	1,6%

2.4 Adjustments to Capital expenditure

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

DC23 Uthukela - Supporting Table SB19 List of capital programmes and projects affected by Adjustments Budget - 28/02/2020

Function	Project Description	Medium Term Revenue and Expenditure Framework					
		Budget Year 2019/20		Budget Year +1 2020/21		Budget Year +2 2021/22	
		Original Budget	Adjusted Budget	Original Budget	Adjusted Budget	Original Budget	Adjusted Budget
R thousands							
Parent municipality:							
List all capital projects grouped by Function							
Technical Services							
	Ntabamhlophe CWSS:						
	Phase 13	4,000	7,200	8,585	8,585	11,049	11,049
	Ntabamhlophe Emergency Repairs	19,200	9,200	9,697	9,697	31,870	31,870
	Kwanobamaba-Ezitendeni water supp	17,100	-	-	-	-	-
	New abstraction and Bulk pipeline	5,700	5,700	6,008	6,008	6,332	6,332
	Weenen and Ezitendeni reticulation						
	Weenen-Ezitendeni Sanitation:						
	Phase 1B Sewer Reticulation	17,100	17,100	18,023	18,023	18,997	18,997
	Construction of WWTW	20,520	11,400	12,016	12,016	12,664	12,664
	Phase 1A Sewer Reticulation		2,508	2,643	2,643	2,786	2,786
	Bergville Sanitation Project phase 2	22,800	22,800	34,031	34,031	35,869	35,869
	Umtshezi East Bulk Water Supply	3,000	-	-	-	-	-
	Ekuvukeni Regional Bulk Water Supply:						
	Upgrading Oliphantskoop WTW	20,520	20,520	21,628	21,628	22,796	22,796
	Bulk rising main and booster pump station at Dam Dradging	20,520	2,100	21,628	2,213	22,796	2,333
	Bhekuzulu-Ephangwini Community Water Supply:						
	Phase 5 Bulk Supply	8,500	8,500	8,959	8,959	9,443	9,443
	Fitty Park Sunday River Water Supply:						
	Phase 2 Reticulation	10,000	9,000	9,486	9,486	9,998	9,998
	District Wide Sanitation	-	-	-	-	-	-
	Refurbishment and Upgrade of Water and Sanitation Infra	37,412	37,412	29,279	29,279	12,232	12,232
	MIG Topslip (PMU)	5,000	5,000	5,270	5,270	5,555	5,555
	district Wide underground water project	5,000	-	-	-	-	-
	Moyeni/Zwelisha Bulk & Reticulation U	3,000	3,000	3,162	3,162	3,333	3,333
	Escourt Industrial Pipeline Bulk Upgrade	16,600	16,600	17,496	17,496	18,441	18,441
	Wembezi Bulk & Reticulation Upgrade	39,900	14,000	14,756	14,756	15,553	15,553
	Reticulation to ennersdale, Ephangwini	20,000	11,200	11,805	11,805	12,442	12,442
	Reticulation to ennersdale, Ephangwini	13,500	11,500	12,121	12,121	12,776	12,776
	Spring Protection District Wide/ Drought	15,000	51,700	54,600	54,600	37,455	37,455
	Emnambithi Bulk Water	10,000	10,000	139,399	139,399	400,000	400,000
	Massification Grant		7,000				
	Disaster Management Grant		2,000				

2.5 Other Supporting Tables

Supporting Table SB18c] Adjustments Budget - expenditure on repairs and maintenance by asset class –

Description	Budget Year 2019/20					Budget Year +1 2020/21	Budget Year +2 2021/22
	Prior Adjusted	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands							
Repairs and maintenance expenditure by Asset Class/Sub-class							
Infrastructure	5,077	-	5,179	5,179	10,256	17,391	18,330
Capital Spares							
Water Supply Infrastructure	5,077	-	5,179	5,179	10,256	17,391	18,330
Dams and Weirs							
Boreholes							
Reservoirs							
Pump Stations	4,577						
Water Treatment Works	500		5,179	5,179	4,577	8,959	9,443
Bulk Mains					5,679	8,432	8,887
Distribution							
Distribution Points							
PRV Stations							
Capital Spares							
Sanitation Infrastructure	-	-	-	-	-	-	-
Other assets	105	-	(105)	(105)	-	-	-
Operational Buildings	105	-	(105)	(105)	-	-	-
Municipal Offices	105		(105)	(105)	-	-	-
Pay/Enquiry Points					-	-	-
Building Plan Offices					-	-	-
Workshops					-	-	-
Computer Equipment	158	-	142	142	300	316	333
Computer Equipment	158		142	142	300	316	333
Furniture and Office Equipment	-	-	-	-	-	-	-
Furniture and Office Equipment							
Machinery and Equipment	250	-	-	-	250	264	278
Machinery and Equipment	250				250	264	278
Transport Assets	8,500	-	-	-	8,500	8,959	9,443
Transport Assets	8,500				8,500	8,959	9,443
Land	-	-	-	-	-	-	-
Land							
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals							
Total Repairs and Maintenance Expenditure to be	14,090	-	5,216	5,216	19,306	26,930	28,384

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Supporting Table [SB12] Adjustments Budget - monthly capital expenditure (municipal vote)

Description	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework			
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Full year budget	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
	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																
Revenue by Vote																
105 - MUNICIPAL MANAGER	208,646	31,350	30,486	160	82	446	58		67,286	89		(67,286)	67,286	67,286	72,952	78,911
200 - CORPORATE SERVICES				24,688	27,988	178,461	31,884	(307,524)	108,103	21,607	21,607	(376,232)	964	964	-	-
300 - BUDGET AND TREASURY	550					3,003		2,850				392,401	398,804	398,804	420,339	443,038
405 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)																
408 - WSA& HEALTH SERVICES	5,840	17,621	46,737	12,779	18,033	19,187	29,925	307,624	111,290	29,353	29,353	6,403	6,403	6,403	550	600
510 - 500 - WATER, SANITATION AND TECHNICAL SERVICES												(627,742)	-	-	-	-
Vote 15 - [NAME OF VOTE 15]	215,036	48,971	77,223	37,627	46,103	201,097	61,867	2,850	286,808	51,050	50,960	50,961	1,130,552	1,130,552	1,278,215	1,585,240
Expenditure by Vote																
105 - MUNICIPAL MANAGER	3,082	3,863	3,387	4,369	5,016	7,290	5,369	5,924	5,924	5,924	5,924	(56,072)	-	-	-	-
200 - CORPORATE SERVICES	2,020	3,700	4,115	2,203	5,269	5,215	5,729	6,282	6,282	6,282	6,282	8,616	61,995	61,995	65,343	68,871
300 - BUDGET AND TREASURY	3,399	3,562	19,031	3,805	5,970	3,928	4,484	9,566	9,566	9,566	9,566	(34,783)	47,660	47,660	49,297	51,591
405 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)	1,927	1,816	2,044	1,911	3,385	1,876	2,076	3,074	3,074	3,074	3,074	251,678	279,009	279,009	294,075	309,955
408 - WSA& HEALTH SERVICES	1,694	1,893	1,988	1,746	2,977	1,781	2,607	2,046	2,046	2,046	2,046	7,537	30,407	30,407	28,196	26,869
510 - 500 - WATER, SANITATION AND TECHNICAL SERVICES	12,774	18,585	45,409	22,255	33,737	17,437	30,069	45,839	45,839	45,839	45,839	(339,507)	24,115	24,115	25,418	26,790
Total Expenditure by Vote	24,896	33,419	75,974	36,289	56,354	37,527	50,334	72,731	72,731	72,731	72,731	375,963	376,963	820,149	859,657	906,079
Surplus/ (Deficit)	190,140	15,552	1,249	1,338	(10,251)	163,570	11,533	(69,861)	214,077	(21,881)	(21,771)	(163,471)	310,403	310,403	418,557	679,161

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Supporting Table [SB13] Adjustments Budget - monthly capital expenditure (municipal vote)

Description - Standard classification	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework				
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Adjusted Budget	Budget Year +1 2020/21	Adjusted Budget	Budget Year +2 2021/22
	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands																	
Revenue - Functional																	
Governance and administration	208,646	31,350	30,486	24,848	28,070	178,907	31,942	(307,624)	175,518	21,697	21,607	26,730	472,177	493,291	521,949		
Executive and council									67,286				67,286	72,952	78,911		
Finance and administration	208,646	31,350	30,486	24,848	28,070	178,907	31,942	(307,624)	108,232	21,697	21,607	26,730	404,891	420,339	443,038		
Internal audit																	
Community and public safety	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services	550	-	-	-	-	3,003	-	2,850	-	-	-	-	6,403	550	600		
Planning and development	550	-	-	-	-	3,003	-	2,850	-	-	-	-	6,403	550	600		
Road transport																	
Environmental protection																	
Trading services	5,840	17,621	46,737	12,779	18,033	19,187	29,925	307,624	111,290	29,353	29,353	29,354	657,096	784,374	1,062,691		
Energy sources																	
Water management																	
Waste water management	5,840	17,621	46,737	12,779	18,033	19,187	29,925	307,624	111,290	29,353	29,353	29,354	657,096	784,374	1,062,691		
Waste management																	
Other																	
Total Revenue - Functional	215,036	48,971	77,223	37,627	46,103	201,097	61,867	2,850	286,808	51,050	50,960	56,084	1,135,676	1,278,215	1,585,240		
Expenditure - Functional																	
Governance and administration	8,501	11,125	26,533	10,377	16,255	16,433	15,582	21,772	21,772	21,772	21,772	196,770	388,664	408,715	430,418		
Executive and council	3,082	3,863	3,387	4,369	5,016	7,290	5,369	5,924	5,924	5,924	5,924	5,923	61,995	65,343	68,871		
Finance and administration	5,419	7,262	23,146	6,008	11,239	9,143	10,213	15,848	15,848	15,848	15,848	190,847	326,669	343,373	361,547		
Internal audit																	
Community and public safety	1,694	1,893	1,988	1,746	2,977	1,781	2,607	2,046	2,046	2,046	2,046	1,245	24,115	25,418	26,790		
Health	1,694	1,893	1,988	1,746	2,977	1,781	2,607	2,046	2,046	2,046	2,046	1,245	24,115	25,418	26,790		
Economic and environmental services	1,927	1,816	2,044	1,911	3,385	1,876	2,076	3,074	3,074	3,074	3,074	3,076	30,407	28,196	26,869		
Planning and development	1,927	1,816	2,044	1,911	3,385	1,876	2,076	3,074	3,074	3,074	3,074	3,076	30,407	28,196	26,869		
Road transport																	
Environmental protection																	
Trading services	12,774	18,585	45,409	22,255	33,737	17,437	30,069	45,839	45,839	45,839	45,839	13,341	376,963	397,328	422,002		
Energy sources																	
Water management																	
Waste water management	12,774	18,585	45,409	22,255	33,737	17,437	30,069	45,839	45,839	45,839	45,839	13,341	376,963	397,328	422,002		
Waste management																	
Other																	
Total Expenditure - Functional	24,896	33,419	75,974	36,289	56,354	37,527	50,334	72,731	72,731	72,731	72,731	214,432	820,149	859,657	906,079		
Surplus/ (Deficit) 1.	190,140	15,552	1,249	1,338	(10,251)	163,570	11,533	(69,881)	214,077	(21,681)	(21,771)	(158,348)	315,527	418,557	679,161		

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Supporting Table [SB14] Adjustments Budget - monthly capital expenditure (municipal vote)

Description	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework			
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Adjusted Budget	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousands																
Revenue By Source																
Service charges - electricity revenue	22,989	22,360	21,920	16,446	19,293	13,730	18,065	22,118	22,118	22,118	22,118	22,118	-	-	-	-
Service charges - water revenue	171	1,876	2,111	1,808	1,823	18,908	2,224	(17,708)	1,359	1,359	1,359	1,344	245,395	258,646	272,613	272,613
Service charges - sanitation revenue													16,632	17,530	18,477	18,477
Service charges - refuse													-	-	-	-
Rental of facilities and equipment		629	781	629	122	404	672	481	481	481	481	481	-	-	-	-
Interest earned - external investments		5,293	5,387	5,508	5,544	5,608	5,678	5,062	5,062	5,062	5,062	5,062	5,640	5,945	6,266	6,266
Interest earned - outstanding debtors	5,201	1,311	785	1,083	1,117	140,845	5,525	17,708	1,055	1,055	1,055	1,055	63,528	66,959	70,574	70,574
Transfers and subsidies	180,243	1,145	168	255	1,134	53	611						459,031	483,819	509,945	509,945
Other revenue	42												26,390	2,510	2,646	2,646
Gains on disposal of PPE													-	-	-	-
Total Revenue	208,646	32,614	31,152	25,729	29,033	179,548	32,775	27,661	158,196	30,074	30,074	31,114	816,616	835,409	880,521	880,521
Expenditure By Type																
Employee related costs	24,340	24,294	26,799	25,364	39,262	25,896	25,858	20,925	20,925	20,925	20,925	20,925	296,436	312,443	329,315	329,315
Remuneration of councillors	532	516	542	556	549	566	512	514	514	514	514	514	6,342	6,684	7,045	7,045
Debt impairment													168,789	177,904	187,510	187,510
Depreciation & asset impairment			15,812										58,644	61,811	65,149	65,149
Finance charges													-	-	-	-
Bulk purchases			354				34		122,865	7,000	700		130,953	138,024	145,478	145,478
Other materials	40	479	38	290	71	63	732	2,355	2,355	2,355	2,355	2,355	13,486	14,215	14,982	14,982
Contracted services	1	1,730	3,431	2,690	6,905	6,681	5,135	8,291	8,291	8,291	8,291	8,291	68,027	68,921	70,535	70,535
Grants and subsidies													-	-	-	-
Other expenditure	52	6,287	13,787	7,389	9,566	4,322	18,063	3,601	3,601	3,601	3,601	3,601	77,472	81,655	86,065	86,065
Loss on disposal of PPE													-	-	-	-
Total Expenditure	24,965	33,306	60,763	36,289	56,353	37,528	50,334	35,685	158,550	42,685	36,385	247,306	820,149	859,657	906,079	906,079
Surplus/(Deficit)	183,681	(692)	(29,611)	(10,560)	(27,320)	142,020	(17,559)	(8,024)	(354)	(12,611)	(6,311)	(216,192)	(3,532)	(24,248)	(25,558)	(25,558)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	5,840	16,357	46,072	11,777	16,989	18,322	29,072	33,902	33,902	33,902	33,902	33,902	313,937	442,806	704,719	704,719
Surplus/(Deficit) after capital transfers & contributions	189,521	15,665	16,461	1,217	(10,331)	160,342	11,513	25,878	33,548	21,291	27,591	(182,291)	310,405	418,558	679,162	679,162

Supporting Table [SB15] Adjustments Budget – monthly cash flow (municipal vote)

Monthly cash flows		Budget Year 2019/20												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22	
R thousands		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	
Cash Receipts By Source																	
Property rates																	
Service charges - electricity revenue																	
Service charges - water revenue																	
Service charges - sanitation revenue		9,392	8,271	7,206	9,556	9,434	11,923	8,487	9,252	9,252	9,252	9,252	110,428	116,391	122,676		
Service charges - refuse		624	624	624	624	624	624	624	624	624	624	624	7,484	7,889	8,315		
Rental of facilities and equipment																	
Interest earned - external investments																	
Transfer receipts - operational		180,170	629	781	629	122	404	672	481	481	126,416	481	5,640	5,945	6,266		
Other revenue		42	3,774	710	3,257	1,134	139,551	4,585			17,708	1,055	26,390	477,843	516,580		
Cash Receipts by Source		190,227	14,443	9,489	14,321	11,313	152,455	14,979	11,411	11,411	154,480	11,411	26,390	26,450	27,879		
Other Cash Flows by Source																	
Transfer receipts - capital		64,000	31,845			40,000	2,000	76,000			90,115		303,960	442,806	704,719		
Increase (decrease) in consumer deposits													1,693	1,784	1,881		
Total Cash Receipts by Source		254,227	46,288	9,489	14,321	51,313	154,455	90,979	11,411	11,411	244,595	11,411	914,058	1,079,108	1,388,315		
Cash Payments by Type																	
Employee related costs		24,340	24,294	26,799	25,364	39,262	25,896	25,858	20,925	20,925	20,925	20,925	296,436	312,443	329,315		
Remuneration of councillors		532	516	542	556	549	566	512	514	514	514	514	6,342	6,684	7,045		
Finance charges																	
Bulk purchases - Electricity																	
Bulk purchases - Water & Sewer																	
Other materials		40	479	38	290	71	63	34	2,000	9,000	9,000	9,000	68,353	72,044	75,934		
Contracted services		1	1,730	3,431	2,690	6,905	6,681	5,135	3,435	3,435	8,291	8,291	13,486	14,215	14,982		
Transfers and grants - other municipalities									8,291	8,291	8,291	8,291	68,027	88,748	93,565		
Transfers and grants - other																	
Other expenditure		52	6,267	13,787	7,389	9,566	4,322	18,063	3,601	3,601	3,601	3,601	77,472	82,586	87,046		
Cash Payments by Type		24,965	33,306	44,951	36,289	56,353	37,528	50,334	38,765	45,765	45,765	45,765	530,116	576,720	607,888		
Other Cash Flows/Payments by Type																	
Capital assets		5,840	16,357	46,072	11,777	16,989	18,322	29,072	33,500	33,500	33,500	33,500	305,937	442,806	704,719		
Repayment of borrowing		140,190	20,924														
Other Cash Flows/Payments		170,995	70,587	91,023	48,066	73,342	55,850	79,406	72,264	79,264	79,264	79,264	836,053	1,019,526	1,312,607		
Total Cash Payments by Type		83,232	(24,299)	(81,534)	(33,745)	(22,029)	98,605	11,573	(60,854)	(67,854)	(67,854)	(67,854)	78,006	59,582	75,708		
NET INCREASE/(DECREASE) IN CASH HELD		43,906	127,139	102,840	21,305	(12,440)	(34,469)	64,136	75,709	14,855	180,186	112,332	44,479	43,906	121,912		
Cash/cash equivalents at the month/year begin		127,139	102,840	21,305	(12,440)	(34,469)	64,136	75,709	14,855	180,186	112,332	44,479	121,912	121,912	181,494		
Cash/cash equivalents at the monthly year end:															257,202		

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

Description - Municipal Vote R thousands	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
<u>Single-year expenditure appropriation</u>															
105 - MUNICIPAL MANAGER															
200 - CORPORATE SERVICES															
300 - BUDGET AND TREASURY									2,000				2,000		
405 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)															
408 - WSA& HEALTH SERVICES															
510 - 500 - WATER, SANITATION AND TECHN	5,840	16,357	46,072	11,777	16,989	18,332	29,072	33,500	33,500	33,500	33,500	33,500	311,937	442,806	704,719
Capital single-year expenditure sub-total	5,840	16,357	46,072	11,777	16,989	18,332	29,072	33,500	35,500	33,500	33,500	33,500	313,937	442,806	704,719
Total Capital Expenditure	5,840	16,357	46,072	11,777	16,989	18,332	29,072	33,500	35,500	33,500	33,500	33,500	313,937	442,806	704,719

UTHUKELA DISTRICT MUNICIPALITY 2020

Supporting Table [SB17] Adjustments Budget - monthly capital expenditure (standard classification) –

Description	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
	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															
Capital Expenditure - Functional															
Governance and administration															
Executive and council	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance and administration															
Internal audit															
Community and public safety															
Community and social services	-	-	-	-	-	-	-	-	2,000	-	-	-	2,000	-	-
Sport and recreation									2,000				2,000		
Public safety															
Housing															
Health															
Economic and environmental services															
Planning and development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport															
Environmental protection															
Trading services	5,840	16,357	46,072	11,777	16,989	18,332	29,072	33,500	33,500	33,500	33,500	33,500	311,937	442,806	704,719
Energy sources															
Water management	5,840	16,357	46,072	11,777	16,989	18,332	29,072	33,500	33,500	33,500	33,500	33,500	311,937	442,806	704,719
Waste water management															
Waste management															
Other															
Total Capital Expenditure - Functional	5,840	16,357	46,072	11,777	16,989	18,332	29,072	33,500	33,500	33,500	33,500	33,500	313,937	442,806	704,719

2.6 Municipal Manager's quality certificate



I **Nhlanhla Zamokuhle Khuzwayo** Acting 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 National Treasury circular number 91.

Print Name

MR NZ KHUZWAYO
Acting Municipal Manager

Signature

Date

09 March 2020

