ADJUSTMENTS BUDGET OF UTHUKELA DISTRICT MUNICIPALITY

UTHUKELA
UMKHANDLU WESIFUNDA
DISTRIKSMUNISIPALITEIT
DISTRICT MUNICIPALITY

FEBRUARY 2020/21

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1.1. Mayor's Report

In accordance to the prescriptions of the PT Circular 04 of 2020/21 which was issued by the MEC Finance in September 2020 UThukela District Municipality tabled a 2020/21 special adjustments budget. 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.

As we can all recall the special adjustments budget was rendered unfunded by treasury and unfortunately our funding has not improved. Our cash position has been further diminished by the withdrawal R20 million of the RBIG. The current contractual agreement with uMngenil 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 a sincere concern the following areas:

1. Staff overtime
2. Revenue collection especially interest on overdue debts, which has been further impacted by COVID 19
3. Expenditure of repairs to pumps
4. Expenditure incurred on fuel, oil and the general maintenance of municipal vehicles
5. Settling of long term outstanding debt.

Senior managers have been advised to look into possible measures of reducing the fore mentioned expenditure items, in order to improve our cash position.

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". This emphasises that the municipality can no longer fund social mandates, which is another pressure considering the current situations faced by our community due to the current pandemic. these cost savings that we have managed to gain have been further 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 2020/21 financial year.

1.2 Council Resolutions

On *25 February 2021* 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:

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 220/21 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 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

This special adjustment was prepared in compliance with S72 of the MFMA
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

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 2020/21									Budget Year +1 2021/22	Budget Year +2 2022/23
R thousands	Original Budget A	Prior Adjusted 1 A1	Accum. Funds 2 B	Multi-year capital 3 C	Unfore. Unavoid. 4 D	Nat. or Prov. Govt 5 E	Other Adjusts. 6 F	Total Adjusts. 7 G	Adjusted Budget 8 H	Adjusted Budget	Adjusted Budget
Financial Performance											
Property rates	–	–	–	–	–	–	–	–	–	–	–
Service charges	283 251	283 251	–	–	–	–	(18 022)	(18 022)	265 229	236 516	247 396
Investment revenue	6 097	6 097	–	–	–	–	–	–	6 097	6 378	6 671
Transfers recognised - operational	481 218	556 332	–	–	–	–	(745)	(745)	555 587	509 234	546 419
Other own revenue	95 249	95 885	–	–	–	–	3 668	3 668	99 553	100 153	104 760
Total Revenue (excluding capital transfers and contributions)	**865 815**	**941 565**	**–**	**–**	**–**	**–**	**(15 099)**	**(15 099)**	**926 465**	**852 281**	**905 247**
Employee costs	312 771	312 771	–	–	–	–	16 438	16 438	329 209	344 353	360 193
Remuneration of councillors	6 372	6 372	–	–	–	–	–	–	6 372	6 665	6 971
Depreciation & asset impairment	61 048	61 048	–	–	–	–	–	–	61 048	63 857	66 794
Finance charges	–	–	–	–	–	–	–	–	–	–	–
Materials and bulk purchases	151 407	159 407	–	–	–	–	10 246	10 246	169 653	146 968	153 729
Transfers and grants	–	–	–	–	–	–	–	–	–	–	–
Other expenditure	334 217	357 774	–	–	–	–	45 288	45 288	403 062	399 525	417 880
Total Expenditure	**865 815**	**897 372**	**–**	**–**	**–**	**–**	**71 972**	**71 972**	**969 344**	**961 367**	**1 005 567**
Surplus/(Deficit)	–	44 193	–	–	–	–	(87 072)	(87 072)	(42 879)	(109 085)	(100 320)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	307 046	249 037	–	–	–	24 800	–	24 800	273 837	394 299	442 283
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher	–	–	–	–	–	–	10 000	10 000	10 000	–	–
Surplus/(Deficit) after capital transfers & contributions	**307 046**	**293 230**	**–**	**–**	**–**	**24 800**	**(77 072)**	**(52 272)**	**240 958**	**285 214**	**341 963**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	**307 046**	**293 230**	**–**	**–**	**–**	**24 800**	**(77 072)**	**(52 272)**	**240 958**	**285 214**	**341 963**
Capital expenditure & funds sources											
Capital expenditure	307 046	303 837	–	–	–	(30 000)	12 500	(17 500)	286 337	389 299	437 283
Transfers recognised - capital	307 046	249 037	–	–	–	24 800	10 000	34 800	283 837	389 299	437 283
Borrowing	–	–	–	–	–	–	–	–	–	–	–
Internally generated funds	–	–	–	–	–	–	2 500	2 500	2 500	–	–
Total sources of capital funds	**307 046**	**249 037**	**–**	**–**	**–**	**24 800**	**12 500**	**37 300**	**286 337**	**389 299**	**437 283**
Financial position											
Total current assets	302 894	304 450	–	–	–	–	–	–	304 450	321 948	333 066
Total non current assets	3 145 145	3 135 558	–	–	–	–	–	–	3 135 558	3 532 077	3 966 883
Total current liabilities	234 435	298 882	–	–	–	–	95 000	95 000	393 882	237 051	239 787
Total non current liabilities	39 126	39 126	–	–	–	–	–	–	39 126	40 925	42 808
Community wealth/Equity	**3 174 478**	**3 025 649**	**–**	**–**	**–**	**24 800**	**(77 072)**	**(52 272)**	**2 973 377**	**3 531 177**	**3 970 212**
Cash flows											
Net cash from (used) operating	281 830	–	–	–	–	74 369	(106 557)	(32 188)	249 641	366 485	427 180
Net cash from (used) investing	(307 046)	–	–	–	–	–	(20 709)	(20 709)	(327 755)	(389 299)	(437 283)
Net cash from (used) financing	1 769	–	–	–	–	–	–	–	1 769	1 850	1 936
Cash/cash equivalents at the year end	**10 888**	**–**	**–**	**–**	**–**	**74 369**	**(67 201)**	**7 168**	**18 055**	**13 076**	**16 593**
Cash backing/surplus reconciliation											
Cash and investments available	10 888	33 444	–	–	–	–	–	–	33 444	23 190	27 245
Application of cash and investments	117 710	298 882	–	–	–	–	(14 571)	(14 571)	284 311	128 790	128 916
Balance - surplus (shortfall)	**(106 822)**	**(265 439)**	**–**	**–**	**–**	**–**	**14 571**	**14 571**	**(250 867)**	**(105 599)**	**(101 671)**
Asset Management											
Asset register summary (WDV)	3 136 081	–	–	–	–	–	–	–	3 136 081	–	–
Depreciation & asset impairment	61 048	–	–	–	–	–	–	–	61 048	63 857	66 794
Renewal and Upgrading of Existing Assets	98 400	–	–	–	–	–	–	–	98 400	102 926	107 661
Repairs and Maintenance	20 233	–	–	–	–	–	–	–	20 233	21 164	22 138
Free services											
Cost of Free Basic Services provided	5 000	5 000	–	–	–	–	–	–	5 000	5 230	5 471
Revenue cost of free services provided	–	–	–	–	–	–	–	–	–	–	–
Households below minimum service level											
Water:	26	–	–	–	–	–	–	–	26	27	28
Sanitation/sewerage:	31	–	–	–	–	–	–	–	31	33	34
Energy:	–	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–	–

Adjustments Budget Financial Performance (functional 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
R thousands	1, 4	A	A1	B	C	D	E	F	G	H		
Revenue - Functional												
Governance and administration		**500 773**	**557 084**	–	–	–	–	**16 058**	**16 058**	**573 142**	**512 413**	**549 713**
Executive and council		72 630	72 630	–	–	–	–	–	–	72 630	78 329	84 069
Finance and administration		428 143	484 454	–	–	–	–	16 058	16 058	500 512	434 084	465 644
Internal audit		–	–	–	–	–	–	–	–	–	–	–
Community and public safety		–	–	–	–	–	–	–	–	–	–	–
Community and social services		–	–	–	–	–	–	–	–	–	–	–
Sport and recreation		–	–	–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**1 500**	**2 706**	–	–	–	–	**1 500**	**1 500**	**4 206**	–	–
Planning and development		1 500	2 706	–	–	–	–	1 500	1 500	4 206	–	–
Road transport		–	–	–	–	–	–	–	–	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–	–	–
Trading services		**670 588**	**630 812**	–	–	–	**24 800**	**(22 657)**	**2 143**	**632 955**	**734 167**	**797 816**
Energy sources		–	–	–	–	–	–	–	–	–	–	–
Water management		670 588	630 812	–	–	–	24 800	(22 657)	2 143	632 955	734 167	797 816
Waste water management		–	–	–	–	–	–	–	–	–	–	–
Waste management		–	–	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	**1 172 861**	**1 190 602**	–	–	–	**24 800**	**(5 099)**	**19 701**	**1 210 303**	**1 246 580**	**1 347 530**
Expenditure - Functional												
Governance and administration		**410 302**	**411 002**	–	–	–	–	**3 308**	**3 308**	**414 310**	**433 371**	**453 306**
Executive and council		65 113	65 113	–	–	–	–	(3 443)	(3 443)	61 670	64 508	67 476
Finance and administration		345 188	345 889	–	–	–	–	6 751	6 751	352 640	368 862	385 830
Internal audit		–	–	–	–	–	–	–	–	–	–	–
Community and public safety		**27 682**	**31 682**	–	–	–	–	**6 317**	**6 317**	**37 999**	**39 474**	**41 290**
Community and social services		–	–	–	–	–	–	–	–	–	–	–
Sport and recreation		–	–	–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–	–
Health		27 682	31 682	–	–	–	–	6 317	6 317	37 999	39 474	41 290
Economic and environmental services		**33 713**	**29 419**	–	–	–	–	**(290)**	**(290)**	**29 129**	**29 494**	**30 851**
Planning and development		33 713	29 419	–	–	–	–	(290)	(290)	29 129	29 494	30 851
Road transport		–	–	–	–	–	–	–	–	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–	–	–
Trading services		**394 119**	**425 269**	–	–	–	–	**62 636**	**62 636**	**487 905**	**459 029**	**480 121**
Energy sources		–	–	–	–	–	–	–	–	–	–	–
Water management		394 119	425 269	–	–	–	–	62 636	62 636	487 905	459 029	480 121
Waste water management		–	–	–	–	–	–	–	–	–	–	–
Waste management		–	–	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	**865 815**	**897 372**	–	–	–	–	**71 971**	**71 971**	**969 343**	**961 367**	**1 005 567**
Surplus/ (Deficit) for the year		**307 046**	**293 231**	–	–	–	**24 800**	**(77 070)**	**(52 270)**	**240 960**	**285 214**	**341 963**

Adjustments Budget Financial Performance - [B3]

Vote Description	Ref	Budget Year 2020/21									Budget Year +1 2021/22	Budget Year +2 2022/23
[Insert departmental structure etc]		Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
Revenue by Vote	1											
105 - MUNICIPAL MANAGER		72 630	72 630	–	–	–	–	–	–	72 630	78 329	84 069
200 - CORPORATE SERVICES		500	701	–	–	–	–	1 000	1 000	1 701	1 046	1 094
300 - BUDGET AND TREASURY		427 643	483 754	–	–	–	–	15 058	15 058	498 812	433 038	464 550
405 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)		1 500	2 706	–	–	–	–	1 500	1 500	4 206	–	–
408 - WSA& HEALTH SERVICES		–	–	–	–	–	–	–	–	–	–	–
500 - WATER, SANITATION AND TECHNICAL SERVICES		670 588	630 812	–	–	–	24 800	(22 657)	2 143	632 955	734 167	797 816
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**	**1 190 602**	**–**	**–**	**–**	**24 800**	**(5 099)**	**19 701**	**1 210 303**	**1 246 580**	**1 347 530**
Expenditure by Vote	1											
105 - MUNICIPAL MANAGER		65 113	65 113	–	–	–	–	(3 443)	(3 443)	61 670	64 508	67 476
200 - CORPORATE SERVICES		56 345	57 045	–	–	–	–	2 040	2 040	59 085	61 803	64 646
300 - BUDGET AND TREASURY		288 844	288 844	–	–	–	–	4 711	4 711	293 555	307 059	321 183
405 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)		33 713	29 419	–	–	–	–	(290)	(290)	29 129	29 494	30 851
408 - WSA& HEALTH SERVICES		27 682	31 682	–	–	–	–	6 317	6 317	37 999	39 474	41 290
500 - WATER, SANITATION AND TECHNICAL SERVICES		394 119	425 269	–	–	–	–	62 636	62 636	487 905	459 029	480 121
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**	**897 372**	**–**	**–**	**–**	**–**	**71 971**	**71 971**	**969 343**	**961 367**	**1 005 567**
Surplus/ (Deficit) for the year	2	**307 046**	**293 231**	**–**	**–**	**–**	**24 800**	**(77 070)**	**(52 270)**	**240 960**	**285 214**	**341 963**

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	265 272	–	–	–	–	(20 000)	(20 000)	245 272	217 710	227 725
Service charges - sanitation revenue	2	17 979	17 979	–	–	–	–	1 978	1 978	19 957	18 806	19 671
Service charges - refuse revenue	2	–	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment									–	–		
Interest earned - external investments		6 097	6 097						–	6 097	6 378	6 671
Interest earned - outstanding debtors		68 674	68 674						–	68 674	71 833	75 137
Dividends received									–	–		
Fines, penalties and forfeits								10	10	10		
Licences and permits									–	–		
Agency services									–	–		
Transfers and subsidies		481 218	556 332					(745)	(745)	555 587	509 234	546 419
Other revenue	2	26 575	27 211	–	–	–	–	3 658	3 658	30 869	28 321	29 623
Gains									–	–		
Total Revenue (excluding capital transfers and contributions)		**865 815**	**941 565**	**–**	**–**	**–**	**–**	**(15 099)**	**(15 099)**	**926 465**	**852 281**	**905 247**
Expenditure By Type												
Employee related costs		312 771	312 771	–	–	–	–	16 438	16 438	329 209	344 353	360 193
Remuneration of councillors		6 372	6 372						–	6 372	6 665	6 971
Debt impairment		175 709	175 709						–	175 709	183 792	192 246
Depreciation & asset impairment		61 048	61 048	–	–	–	–	–	–	61 048	63 857	66 794
Finance charges									–	–		
Bulk purchases		136 846	136 846	–	–	–	–	(16 902)	(16 902)	119 944	125 461	131 232
Other materials		14 562	22 561					27 148	27 148	49 709	21 507	22 496
Contracted services		69 806	89 906	–	–	–	–	25 510	25 510	115 416	104 406	109 209
Transfers and subsidies									–	–		
Other expenditure		88 701	92 159	–	–	–	–	19 778	19 778	111 937	111 327	116 425
Losses									–	–		
Total Expenditure		**865 815**	**897 372**	**–**	**–**	**–**	**–**	**71 972**	**71 972**	**969 344**	**961 367**	**1 005 567**
Surplus/(Deficit)		**–**	**44 193**	**–**	**–**	**–**	**–**	**(87 072)**	**(87 072)**	**(42 879)**	**(109 085)**	**(100 320)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		307 046	249 037				24 800		24 800	273 837	394 299	442 283
allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher									–	–		
Transfers and subsidies - capital (in-kind - all)								10 000	10 000	10 000		
Surplus/(Deficit) before taxation		**307 046**	**293 230**	**–**	**–**	**–**	**24 800**	**(77 072)**	**(52 272)**	**240 958**	**285 214**	**341 963**
Taxation									–	–		
Surplus/(Deficit) after taxation		**307 046**	**293 230**	**–**	**–**	**–**	**24 800**	**(77 072)**	**(52 272)**	**240 958**	**285 214**	**341 963**
Attributable to minorities									–	–		
Surplus/(Deficit) attributable to municipality		**307 046**	**293 230**	**–**	**–**	**–**	**24 800**	**(77 072)**	**(52 272)**	**240 958**	**285 214**	**341 963**
Share of surplus/ (deficit) of associate									–	–		
Surplus/ (Deficit) for the year		**307 046**	**293 230**	**–**	**–**	**–**	**24 800**	**(77 072)**	**(52 272)**	**240 958**	**285 214**	**341 963**

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

<u>WATER& SANITATION SALES:</u>

Water charges have been decreased by R20 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.

Sanitation sales have been increased by R1.9 million.

INTEREST FROM INVESTMENTS:

No adjustment has been effected on interest generated from investments at the end of December 2020 interest amounting to R2.9 million had been generated, thus confirming the reasonableness of the estimate calculated at midyear.

GRANT TRANSFERS:

There have been no adjustments to grants, the adjustments on this line item are related MSCOA segment corrections.

INTEREST ON OUTSTANDING DEBT

There have been no adjustments, due to the decline in our collection rate. Our collection rate has been negatively impacted by the COVID- 19 national disaster.

OTHER REVENUE:

Other revenue has been increased by R10 million which is the amount, expected from the Department of Education for the supply of water to schools, a corresponding expenditure vote of R10 million has been created resulting in a net effect on the budget. The balance of R3.6 million is the increase is due to income generated from the publication of maps, sale of tender documents and the recovery of telephone costs from staff.

EMPLOYEE REALATED COSTS:

Employee related cost, has been adjusted by an amount of R16.4 million for overtime and stand by. The impact of COVID- 19 has also impacted negatively on the overtime and standby incurred.

OTHER MATERIALS:

The total incremental adjustment to other material is R27million, due to the increase in expenditure for fuel and oil, and the additional increase in the budget for COVID supplies.

CONTRACTED SERVICES:

Contracted services have been increased by 48.4 million, this increase in services includes the following amongst other expenditure.

- Repairs and Maintenance to pumps R17.4million
- Repairs to pipelines R4.4 million
- Plant Hire R7.7million
- Water tankers 10 million
- Repairs to vehicles R2.8 million

BULK PURCHASES:

Bulk purchases has been decreased by R16.9, based on the six month billing from uMngeni Water and DWA.

ADJUSTMENTS TO THE CAPITAL BUDGET

Adjustments Capital Expenditure Budget by vote and funding [B5]

Capital Expenditure - Functional												
Governance and administration		–	–	–	–	–	–	2 500	2 500	2 500	–	–
Executive and council									–	–		
Finance and administration								2 500	2 500	2 500		
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	–	–
Planning and development			2 000				–		–	2 000		
Road transport									–	–		
Environmental protection									–	–		
Trading services		307 046	301 837	–	–	–	(30 000)	10 000	(20 000)	281 837	389 299	437 283
Energy sources									–	–		
Water management		307 046	301 837				(30 000)	10 000	(20 000)	281 837	389 299	437 283
Waste water management									–	–		
Waste management									–	–		
Other									–	–		
Total Capital Expenditure - Functional	3	**307 046**	**303 837**	**–**	**–**	**–**	**(30 000)**	**12 500**	**(17 500)**	**286 337**	**389 299**	**437 283**
Funded by:												
National Government		307 046	246 763				24 800		24 800	271 563	389 299	437 283
Provincial Government			2 274						–	2 274		
District Municipality									–	–		
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private								10 000	10 000	10 000		
Transfers recognised - capital	4	**307 046**	**249 037**	**–**	**–**	**–**	**24 800**	**10 000**	**34 800**	**283 837**	**389 299**	**437 283**
Borrowing									–	–		
Internally generated funds								2 500	2 500	2 500		
Total Capital Funding		**307 046**	**249 037**	**–**	**–**	**–**	**24 800**	**12 500**	**37 300**	**286 337**	**389 299**	**437 283**

There has been an adjustment of R20 million reduction to the total funding for capital projects due to the withholding of the RBIG grant. An amount of R17 million for VIP toilets has been removed from the capital since these are not capitalised.

The following tables specify the capital projects per grant.

	CAPITAL PROJECTS	ADJUSTMENT BUDGET
	MIG	
2021 Project Mana	IE Weenen Ezitendeni Sanitation - Construction of WWTW	1 200 000
2021 Project Mana	IE Kwanobamba Water Supply- Weenen/ Ezitendeni Reticulation	1 960 000
2021 Project Mana	IE Bergville Sanitation Project - Phase 2	1 400 000
2021 Project Mana	IE Weenen Ezitendeni Sanitation Project - Ph 1B Sewer retic	1 200 000
2021 Project Mana	IE Ntabamhlophe CWSS	1 000 000
2021 Project Mana	IE Ekuvukeni Bulk Water Supply Zandbuild Booster Pump	1 200 000
2021 Project Mana	IE Ekuvukeni Bulk Water Upgrading Oliphantskoop WTW Project	1 200 000
2021 Project Mana	IE Bergville WTW & Bulk Water Supply Phase 1	5 000 000
2021 Project Mana	IE Langkloof WTW & Bulk Reticulation Network Project	4 000 000
2021 Project Mana	IE Okhahlamba Ward 2;3;14 Bulk Water Supply & Reticulation	3 000 000
2021 Project Mana	CE Weenen Ezitendeni Sanitation Project - Ph 1B Sewer Retic	15 000 000
2021 Project Mana	CE Weenen Ezitendeni Sanitation - Construction of WWTW	17 000 000
2021 Project Mana	CE Bergville Sanitation Project Phase - 2	10 000 000
2021 Project Mana	Ekuvukeni Regional Bulk Water Supply - Upgrade Oliphantskop	12 000 000
2021 Project Mana	CE Ekuvukeni Bulk Water Supply Zandbuild Booster Pump	18 000 000
2021 Project Mana	CE Kwanobamba Water Supply- Weenen/Ezitendeni Reticulation	14 000 000
2021 Project Mana	CE Langkloof WTW & Bulk Reticulation Network Project	11 000 000
2021 Project Mana	CE Bergville WTW & Bulk Water Supply Phase 1	8 000 000
2021 Project Mana	CE Ntabamhlophe CWSS	12 000 000
2021 Project Mana	Refurbishment and upgrade projects	18 000 000
2021 Project Mana	Bhekuzulu Ephangwini Water Supply (Phase 5;7;8)	4 000 000
		160 160 000
	WSIG	
2021 Project Mana	IE Reticulation Ennersdale Ephangwini Phase 5	13 000 000
2021 Project Mana	IE Reticulation Ennersdale Ephangwini Phase 4	800 000
2021 Project Mana	IE Reticulation Ennersdale Ephangwini Phase 3	800 000
2021 Project Mana	IE Wembezi Bulk & Reticulation Upgrade (WCDM)	1 200 000
2021 Project Mana	IE Estcourt Industrial Bulk Upgrade Project	600 000
2021 Project Mana	SPRING PROTECTION DISTRICT WIDE	15 000 000
2021 Project Mana	CE Estcourt Industrial Bulk Upgrade Project	6 000 000
2021 Project Mana	CE Reticulation Ennersdale Ephangwini Phase 3	12 000 000
2021 Project Mana	CE Reticulation Ennersdale Ephangwini Phase 4	11 000 000
2021 Project Mana	CE Reticulation ennersdale ephangwini Phase 5	1 200 000
2021 Project Mana	CE Wembezi Bulk & Reticulation Upgrade (WCDM) Project	20 000 000
2021 Project Mana	IE Ladysmith AC Pipe Replacement Project	3 000 000
2021 Project Mana	Moyeni/Zwelisha Bulk & Reticulation Upgrade	2 400 000
2021 Project Mana	IE Ezakheni WCDM Project	3 000 000
		90 000 000

		Rand Water Project	
2021	Project Mana	Rand Water Project : Boreholes Ukhahlamba LM	10 000 000
		MASSIFICATION	
2021	Project Mana	Moyeni Zwelisha Massification	2 274 000
	Project Management u	**RBIG**	
2021		CE Emnambithi Bulk Water supply	17 399 000
2021	Project Mana	IE Emnambithi Bulk Water supply	2 003 886
			19 402 886
		DISASTER MANAGEMENT GRANT	
2021	Fire Fighting	DISASTER FIRE TRUCK	2 000 000
2021		Office Furniture Corporate Services (610/710003)	500000
2021		Office Equipment Corporate Services (610/710003) (NEW)	500000
2021		IT Equipment (610/710002)	1 500 000
			286 336 886

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 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
ASSETS												
Current assets												
Cash		10 888	33 444					(15 388)	(15 388)	18 056	23 190	27 245
Call investment deposits	1	–	–	–	–	–	–	–	–	–	–	–
Consumer debtors	1	280 781	259 781	–	–	–	–	–	–	259 781	287 334	294 189
Other debtors		4 329	4 329						–	4 329	4 529	4 737
Current portion of long-term receivables			–						–	–		
Inventory		6 895	6 895						–	6 895	6 895	6 895
Total current assets		302 894	304 450	–	–	–	–	(15 388)	(15 388)	289 061	321 948	333 066
Non current assets												
Long-term receivables		6 532							–	6 532	6 833	7 147
Investments									–	–		
Investment property									–	–		
Investment in Associate									–	–		
Property, plant and equipment	1	3 135 558	3 135 558	–	–	–	–	(211 467)	(211 467)	2 924 091	3 522 049	3 956 394
Biological									–	–		
Intangible		523							–	523	547	572
Other non-current assets		2 532							–	2 532	2 649	2 770
Total non current assets		3 145 145	3 135 558	–	–	–	–	(211 467)	(211 467)	2 933 678	3 532 077	3 966 883
TOTAL ASSETS		3 448 038	3 440 008	–	–	–	–	(226 855)	(226 855)	3 222 739	3 854 025	4 299 949
LIABILITIES												
Current liabilities												
Bank overdraft									–	–		
Borrowing		–	–	–	–	–	–	–	–	–	–	–
Consumer deposits		33 440							–	33 440	34 978	36 587
Trade and other payables		177 566	298 882	–	–	–	–	79 065	79 065	377 947	177 566	177 566
Provisions		23 429							–	23 429	24 507	25 634
Total current liabilities		234 435	298 882	–	–	–	–	79 065	79 065	434 816	237 051	239 787
Non current liabilities												
Borrowing	1	–	–	–	–	–	–	–	–	–	–	–
Provisions	1	39 126	39 126	–	–	–	–	–	–	39 126	40 925	42 808
Total non current liabilities		39 126	39 126	–	–	–	–	–	–	39 126	40 925	42 808
TOTAL LIABILITIES		273 561	338 008	–	–	–	–	79 065	79 065	473 941	277 976	282 595
NET ASSETS	2	3 174 478	3 102 000	–	–	–	–	(305 920)	(305 920)	2 748 798	3 576 048	4 017 354
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		3 174 478	3 102 000	–	–	–	–	(305 920)	(305 920)	2 796 080	3 576 048	4 017 354
Reserves		–	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY		3 174 478	3 102 000	–	–	–	–	(305 920)	(305 920)	2 796 080	3 576 048	4 017 354

Adjustments Budget Cash Flows – [B7]

Description	Ref	Budget Year 2020/21									Budget Year +1 2021/22	Budget Year +2 2022/23
R thousands		Original Budget A	Prior Adjusted 3 A1	Accum. Funds 4 B	Multi-year capital 5 C	Unfore. Unavoid. 6 D	Nat. or Prov. Govt 7 E	Other Adjusts. 8 F	Total Adjusts. 9 G	Adjusted Budget 10 H	Adjusted Budget	Adjusted Budget
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates		–							–	–		
Service charges		169 951						(77 120)	(77 120)	92 831	97 101	101 567
Other revenue		26 575						636	636	27 211	28 321	29 623
Transfers and Subsidies - Operational	1	481 218					74 369		74 369	555 587	509 234	546 419
Transfers and Subsidies - Capital	1	307 046						(23 659)	(23 659)	283 387	389 299	437 283
Interest		6 097							–	6 097	6 378	6 671
Dividends		–							–	–		
Payments												
Suppliers and employees		(709 057)						(37 281)	(37 281)	(746 338)	(663 847)	(694 384)
Finance charges									–	–		
Transfers and Grants	1								–	–		
NET CASH FROM/(USED) OPERATING ACTIVITIES		**281 830**	**–**	**–**	**–**	**–**	**74 369**	**(137 424)**	**(63 055)**	**218 774**	**366 485**	**427 180**
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)						21 046	21 046	(286 000)	(389 299)	(437 283)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(307 046)**	**–**	**–**	**–**	**–**	**–**	**21 046**	**21 046**	**(286 000)**	**(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		**(23 447)**	**–**	**–**	**–**	**–**	**74 369**	**(116 378)**	**(42 009)**	**(65 457)**	**(20 964)**	**(8 168)**
Cash/cash equivalents at the year begin:	2	34 335						60 065	60 065	94 400	34 039	24 761
Cash/cash equivalents at the year end:	2	10 888	–	–	–	–	74 369	(56 313)	18 056	28 943	13 076	16 593

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 35% 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.

The total adjustment to payments is a decrease of R6.4 million, payments for bulk purchases have been limited to R24 million, an additional budget of R60 million has been allocated for the payment of prior debt.

We have a positive cash balance of R18 million at year end.

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
R thousands		Original Budget A	Prior Adjusted 3 A1	Accum. Funds 4 B	Multi-year capital 5 C	Unfore. Unavoid. 6 D	Nat. or Prov. Govt 7 E	Other Adjusts. 8 F	Total Adjusts. 9 G	Adjusted Budget 10 H	Adjusted Budget	Adjusted Budget
Cash and investments available												
Cash/cash equivalents at the year end	1	10 888	–	–	–	–	74 369	(56 313)	18 056	28 943	13 076	16 593
Other current investments > 90 days		–	33 444	–	–	–	(74 369)	40 925	(33 444)	(0)	10 115	10 652
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		**10 888**	**33 444**	**–**	**–**	**–**	**–**	**(15 388)**	**(15 388)**	**28 943**	**23 190**	**27 245**
Applications of cash and investments												
Unspent conditional transfers		–	–	–	–	–	–	–	–	–	–	–
Unspent borrowing									–	–		
Statutory requirements		67 940						(31 821)	(31 821)	36 119	37 780	39 518
Other working capital requirements	2	26 139	298 882					(9 998)	(9 998)	288 884	66 292	63 543
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**	**298 882**	**–**	**–**	**–**	**–**	**(30 507)**	**(30 507)**	**359 947**	**128 790**	**128 916**
Surplus(shortfall)		**(106 822)**	**(265 439)**	**–**	**–**	**–**	**–**	**15 118**	**15 118**	**(331 004)**	**(105 599)**	**(101 671)**

B8 further emphasises that our budget is unfunded to the extent of a R331 million deficit a decline from the special adjustment budget tabled in September 2020.

Statutory requirements of R36.1 million is the provision for VAT payable. A further provision for employee benefits such as leave and bonuses has been made at R34.9million. This amount covers the current portion of employee benefit obligation as per the amended policy.

2.1 Adjustments to budget funding:

Revenue

Description	Ref	Budget Year 2020/21									Budget Year +1	Budget Year +2
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Revenue												
Total Revenue (excluding capital transfers and contributions)		865 815	941 565	–	–	–	–	(15 099)	(15 099)	926 465	852 281	905 247

The above table is an extract of table B4 of schedule B. The total decrease in operating revenue is R15 million. A detailed analysis of each line item can be seen in the explanatory notes to table B4 (an analysis of operating revenue).

A reduction of R20 million in capital revenue is also anticipated.

Investment particulars by maturity:

DC23 Uthukela - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M06 December

Investments by maturity Name of institution & investment ID	Ref	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands						
Municipality						
FNB		45,402	215	(21,000)	8,000	32,616
NEDBANK		1	39	–	20,000	20,040
INVESTEC		–	71		30,000	30,071
ABSA		73	40	(0)	20,000	20,113
STANDARD		–	39	–	20,000	20,039
TOTAL INVESTMENTS AND INTEREST	2	45,476		(21,000)	98,000	122,879

The table above shows our investment as at midyear. Investments held at the end of May 2020 amounted to R122.8 million and all unspent conditional grants were cash backed.

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
R thousands		Original Budget A	Prior Adjusted 7 A1	Multi-year capital 8 B	Nat. or Prov. Govt 9 C	Other Adjusts. 10 D	Total Adjusts. 11 E	Adjusted Budget 12 F	Adjusted Budget	Adjusted Budget
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		479 718	535 193	–	–	–	–	535 193	514 234	551 419
Local Government Equitable Share		393 550	449 025				–	449 025	425 735	456 803
RSC Levy Replacement	3	66 762	66 762				–	66 762	72 180	77 624
Finance Management		1 800	1 800				–	1 800	2 000	2 200
EPWP Incentive		3 730	3 730				–	3 730		
MIG Top Slice		5 000	5 000				–	5 000	5 000	5 000
Councillors Special Support		5 868	5 868					5 868	6 149	6 445
Rural Road asset Management		2 508	2 508				–	2 508	2 647	2 800
VIP Toilets										
Lg Seta		500	500				–	500	523	547
Provincial Government:		1 500	1 500	–	–	–	–	1 500	–	–
Spatial Framework Development		1 500	1 500				–	1 500		
Nodal Plan Grant							–	–		
	4						–	–		
							–	–		
Other transfers and grants [insert description]	5						–	–		
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]							–	–		
							–	–		
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]							–	–		
							–	–		
Total Operating Transfers and Grants	6	481 218	536 693	–	–	–	–	536 693	514 234	551 419
Capital Transfers and Grants										
National Government:		307 046	–	–	(20 000)	–	(20 000)	287 046	389 299	437 283
Municipal Infrastructure Grant (MIG)		177 647					–	177 647	194 299	206 483
Regional Bulk Infrastructure		39 399			(20 000)		(20 000)	19 399	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:		–	–	–	–	10 000	10 000	10 000	–	–
Rand water Project						10 000	10 000	10 000		
							–	–		
Total Capital Transfers and Grants	6	307 046	–	–	(20 000)	10 000	(10 000)	297 046	389 299	437 283
TOTAL RECEIPTS OF TRANSFERS & GRANTS		788 264	536 693	–	(20 000)	10 000	(10 000)	833 739	903 533	988 702

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 2	Multi-year capital 3	Nat. or Prov. Govt 4	Other Adjusts. 5	Total Adjusts. 6	Adjusted Budget 7	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	514 234	551 419
Conditions met - transferred to revenue		**480 419**	–	–	–	–	–	**480 419**	**514 234**	**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**	**514 234**	**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				(20 000)	(20 000)	287 046	389 299	437 283
Conditions met - transferred to revenue		**307 050**	–	–	–	**(20 000)**	**(20 000)**	**287 050**	**389 299**	**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**	–	–	–	**(20 000)**	**(20 000)**	**291 324**	**389 299**	**437 283**
Total capital transfers and grants - CTBM		–	–	–	–	–	–	–	–	–
TOTAL TRANSFERS AND GRANTS REVENUE		**793 948**	–	–	–	**(20 000)**	**(20 000)**	**773 948**	**903 533**	**988 702**
TOTAL TRANSFERS AND GRANTS - CTBM		–	–	–	–	–	–	–	–	–

2.3 Adjustments to Councillor and employee benefits [SB11]

Summary of remuneration	Ref	Budget Year 2020/21								
		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
R thousands		A	A1	B	C	D	E	F	G	H
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		4 235							–	4 235
Pension and UIF Contributions									–	–
Medical Aid Contributions									–	–
Motor Vehicle Allowance		1 597							–	1 597
Cellphone Allowance		510							–	510
Housing Allowances									–	–
Other benefits and allowances									–	–
Sub Total - Councillors		**6 342**	**–**			**–**		**–**	**–**	**6 342**
% increase			**(0)**							**–**
Senior Managers of the Municipality										
Basic Salaries and Wages		7 132							–	7 132
Pension and UIF Contributions		9							–	9
Medical Aid Contributions		–							–	–
Overtime		–							–	–
Performance Bonus		0							–	0
Motor Vehicle Allowance		932							–	932
Cellphone Allowance		–							–	–
Housing Allowances		451							–	451
Other benefits and allowances									–	–
Payments in lieu of leave									–	–
Long service awards									–	–
Post-retirement ben	5								–	–
Sub Total - Senior Managers of M		**8 525**	**–**	**–**		**–**		**–**	**–**	**8 525**
0			**(0)**							**–**
Other Municipal Staff										
Basic Salaries and Wages		207 510							–	207 510
Pension and UIF Contributions		36 273							–	36 273
Medical Aid Contributions		7 824							–	7 824
Overtime		15 000						16 438	16 438	31 438
Performance Bonus		–							–	–
Motor Vehicle Allowance		16 689							–	16 689
Cellphone Allowance		–							–	–
Housing Allowances		1 206							–	1 206
Other benefits and allowances		18 256							–	18 256
Payments in lieu of leave		1 488							–	1 488
Long service awards									–	–
Post-retirement ben	5								–	–
Sub Total - Other Municipal Staff		**304 246**	**–**	**–**	**–**	**–**	**–**	**16 438**	**16 438**	**320 684**
0										
Total Parent Municipality		**319 112**	**–**	**–**	**–**	**–**	**–**	**16 438**	**16 438**	**335 550**
TOTAL SALARY, ALLOWANCES & BENEFITS		**319 112**	**–**	**–**	**–**	**–**	**–**	**16 438**	**16 438**	**335 550**
0										
TOTAL MANAGERS AND STAFF		**312 771**	**–**	**–**	**–**	**–**	**–**	**16 438**	**16 438**	**329 209**

2.4 Adjustments to Capital expenditure

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

Function	Project Description	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:							
List all capital projects grouped by Function							
Function:Water Management:Core Functi	RBIG PROJECTS : Emnambithi Bulk Water Stage 3	39 399	19 403	100 000	100 000	150 000	150 000

2.5 Other Supporting Tables

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

Description	Ref	Budget Year 2020/21									Budget Year +1 2021/22	Budget Year +2 2022/23
		Original Budget	Prior Adjusted 7	Accum. Funds 8	Multi-year capital 9	Unfore. Unavoid. 10	Nat. or Prov. Govt 11	Other Adjusts. 12	Total Adjusts. 13	Adjusted Budget 14	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
Repairs and maintenance expenditure by Asset Class/Sub-class												
Infrastructure		**7 276**	**-**	**-**	**-**	**-**	**-**	**21 905**	**21 905**	**29 181**	**7 611**	**7 961**
Roads Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Roads									-	-		
Road Structures									-	-		
Road Furniture									-	-		
Capital Spares									-	-		
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Drainage Collection									-	-		
Storm water Conveyance									-	-		
Attenuation									-	-		
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Power Plants									-	-		
HV Substations									-	-		
HV Switching Station									-	-		
HV Transmission Conductors									-	-		
MV Substations									-	-		
MV Switching Stations									-	-		
MV Networks									-	-		
LV Networks									-	-		
Capital Spares									-	-		
Water Supply Infrastructure		7 276	-	-	-	-	-	21 905	21 905	29 181	7 611	7 961
Dams and Weirs									-	-		
Boreholes									-	-		
Reservoirs									-	-		
Pump Stations		1 901						4 434	4 434	6 335	1 989	2 080
Water Treatment Works		5 114						17 471	17 471	22 584	5 349	5 595
Bulk Mains									-	-		
Distribution		261							-	261	273	286
Distribution Points									-	-		
PRV Stations									-	-		
Capital Spares									-	-		
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-

Other assets		500	–	–	–	–	–	–	–	500	523	547
Operational Buildings		500	–	–	–	–	–	–	–	500	523	547
Municipal Offices		500							–	500	523	547
Pay/Enquiry Points									–	–		
Building Plan Offices									–	–		
Workshops									–	–		
Yards									–	–		
Stores									–	–		
Laboratories									–	–		
Training Centres									–	–		
Manufacturing Plant									–	–		
Depots									–	–		
Capital Spares									–	–		
Housing		–	–	–	–	–	–	–	–	–	–	–
Staff Housing									–	–		
Social Housing									–	–		
Capital Spares									–	–		
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets									–	–		
Intangible Assets		3 000	–	–	–	–	–	–	–	3 000	3 138	3 282
Servitudes									–	–		
Licences and Rights		3 000	–	–	–	–	–	–	–	3 000	3 138	3 282
Water Rights									–	–		
Effluent Licenses									–	–		
Solid Waste Licenses									–	–		
Computer Software and Applications		3 000							–	3 000	3 138	3 282
Load Settlement Software Applications									–	–		
Unspecified									–	–		
Computer Equipment		314	–	–	–	–	–	–	–	314	328	343
Computer Equipment		314							–	314	328	343
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–	–	–
Furniture and Office Equipment									–	–		
Machinery and Equipment		261	–	–	–	–	–	–	–	261	273	286
Machinery and Equipment		261							–	261	273	286
Transport Assets		8 883	–	–	–	–	–	2 800	2 800	11 683	9 291	9 718
Transport Assets		8 883						2 800	2 800	11 683	9 291	9 718
Land		–	–	–	–	–	–	–	–	–	–	–
Land									–	–		
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals									–	–		
Total Repairs and Maintenance Expenditure to be	1	20 233	–	–	–	–	–	24 705	24 705	44 938	21 164	22 138

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

Description - Standard classification	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
R thousands		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
Revenue - Functional																
Governance and administration		210 381	1 246	3 505	3 505	3 505	197 856	3 505	3 505	120 050	3 505	3 505	19 074	573 142	512 413	549 713
Executive and council										72 630			–	72 630	78 329	84 069
Finance and administration		210 381	1 246	3 505	3 505	3 505	197 856	3 505	3 505	47 420	3 505	3 505	19 074	500 512	434 084	465 644
Internal audit													–	–	–	–
Community and public safety		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and social services													–	–	–	–
Sport and recreation													–	–	–	–
Public safety													–	–	–	–
Housing													–	–	–	–
Health													–	–	–	–
Economic and environmental services		–	–	1 200	300	300	300	300	300	300	300	300	606	4 206	–	–
Planning and development				1 200	300	300	300	300	300	300	300	300	606	4 206	–	–
Road transport													–	–	–	–
Environmental protection													–	–	–	–
Trading services		22 919	26 286	58 352	58 352	58 352	58 352	58 352	58 352	58 352	58 352	58 352	58 582	632 955	734 167	797 816
Energy sources													–	–	–	–
Water management		22 919	26 286	58 352	58 352	58 352	58 352	58 352	58 352	58 352	58 352	58 352	58 582	632 955	734 167	797 816
Waste water management													–	–	–	–
Waste management													–	–	–	–
Other													–	–	–	–
Total Revenue - Functional		233 300	27 532	63 057	62 157	62 157	256 508	62 157	62 157	178 702	62 157	62 157	78 262	1 210 303	1 246 580	1 347 530
Expenditure - Functional																
Governance and administration		9 379	11 850	15 300	15 300	15 300	15 300	15 300	15 300	15 300	15 300	15 300	255 381	414 310	433 371	453 306
Executive and council		3 145	3 245	5 872	5 872	5 872	5 872	5 872	5 872	5 872	5 872	5 872	2 432	61 670	64 508	67 476
Finance and administration		6 234	8 605	9 428	9 428	9 428	9 428	9 428	9 428	9 428	9 428	9 428	252 949	352 640	368 862	385 830
Internal audit													–	–	–	–
Community and public safety		3 551	2 840	2 529	2 529	2 529	2 529	2 529	2 529	2 529	2 529	2 529	8 848	37 999	39 474	41 290
Community and social services													–	–	–	–
Sport and recreation													–	–	–	–
Public safety													–	–	–	–
Housing													–	–	–	–
Health		3 551	2 840	2 529	2 529	2 529	2 529	2 529	2 529	2 529	2 529	2 529	8 848	37 999	39 474	41 290
Economic and environmental services		2 193	3 503	2 372	2 372	2 372	2 372	2 372	2 372	2 372	2 372	2 372	2 084	29 129	29 494	30 851
Planning and development		2 193	3 503	2 372	2 372	2 372	2 372	2 372	2 372	2 372	2 372	2 372	2 084	29 129	29 494	30 851
Road transport													–	–	–	–
Environmental protection													–	–	–	–
Trading services		16 551	21 255	36 231	36 231	36 231	36 231	36 231	36 231	36 231	36 231	36 231	124 019	487 905	459 029	480 121
Energy sources													–	–	–	–
Water management		16 551	21 255	36 231	36 231	36 231	36 231	36 231	36 231	36 231	36 231	36 231	124 019	487 905	459 029	480 121
Waste water management													–	–	–	–
Waste management													–	–	–	–
Other													–	–	–	–
Total Expenditure - Functional		31 674	39 448	56 432	56 432	56 432	56 432	56 432	56 432	56 432	56 432	56 432	390 332	969 343	961 367	1 005 567
Surplus/ (Deficit) 1.		201 626	(11 916)	6 625	5 725	5 725	200 076	5 725	5 725	122 270	5 725	5 725	(312 070)	240 960	285 214	341 963

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

Description	Ref	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
		Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
R thousands		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
Revenue By Source																
Property rates													–	–	–	–
Service charges - electricity revenue													–	–	–	–
Service charges - water revenue		15 248	18 927	23 109	23 109	23 109	23 109	23 109	23 109	23 109	23 109	23 109	3 116	245 272	217 710	227 725
Service charges - sanitation revenue		1 682	1 840	1 445	1 445	1 445	1 445	1 445	1 445	1 445	1 445	1 445	3 430	19 957	18 806	19 671
Service charges - refuse revenue													–	–	–	–
Rental of facilities and equipment													–	–	–	–
Interest earned - external investments		483	710	490	490	490	490	490	490	490	490	490	494	6 097	6 378	6 671
Interest earned - outstanding debtors		5 372	5 483	5 781	5 781	5 781	5 781	5 781	5 781	5 781	5 781	5 781	5 790	68 674	71 833	75 137
Dividends received													–	–	–	–
Fines, penalties and forfeits													10	10	–	–
Licences and permits													–	–	–	–
Agency services													–	–	–	–
Transfers and subsidies		209 823	60	1 634	1 634	1 634	195 988	1 634	1 634	118 179	1 634	1 634	20 099	555 587	509 234	546 419
Other revenue		121	271	2 681	2 681	2 681	2 681	2 681	2 681	2 681	2 681	2 681	6 348	30 869	28 321	29 623
Gains													–	–	–	–
Total Revenue		**232 729**	**27 291**	**35 140**	**35 140**	**35 140**	**229 494**	**35 140**	**35 140**	**151 685**	**35 140**	**35 140**	**39 286**	**926 465**	**852 281**	**905 247**
Expenditure By Type																
Employee related costs		27 506	24 867	25 367	25 367	32 039	25 367	25 367	25 367	25 367	25 367	25 367	41 861	329 209	344 353	360 193
Remuneration of councillors		568	500	530	530	530	530	530	530	530	530	530	534	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													119 944	119 944	125 461	131 232
Other materials		2 394	3 106	1 255	1 255	1 255	1 255	1 255	1 255	1 255	1 255	1 255	32 914	49 709	21 507	22 496
Contracted services		111	5 868	6 153	6 153	6 153	6 153	6 153	6 153	6 153	6 153	6 153	54 060	115 416	104 406	109 209
Transfers and subsidies													–	–	–	–
Other expenditure		1 052	4 655	8 369	8 369	8 369	8 369	8 369	8 369	8 369	8 369	8 369	30 909	111 937	111 327	116 425
Losses													–	–	–	–
Total Expenditure		**31 631**	**38 996**	**41 674**	**41 674**	**48 346**	**41 674**	**41 674**	**41 674**	**41 674**	**41 674**	**41 674**	**516 979**	**969 344**	**961 367**	**1 005 567**
Surplus/(Deficit)		**201 098**	**(11 705)**	**(6 534)**	**(6 534)**	**(13 206)**	**187 820**	**(6 534)**	**(6 534)**	**110 011**	**(6 534)**	**(6 534)**	**(477 693)**	**(42 879)**	**(109 085)**	**(100 320)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		570	35 500	27 525	27 525	27 525	27 525	27 525	27 525	27 525	27 525	27 525	(9 958)	273 837	394 299	442 283
allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational													–	–	–	–
Transfers and subsidies - capital (in-kind - all)			793	1 134	807	807	807	807	807	807	807	807	1 617	10 000	–	–
Surplus/(Deficit) after capital transfers & contributions		**201 668**	**24 588**	**22 125**	**21 798**	**15 126**	**216 152**	**21 798**	**21 798**	**138 343**	**21 798**	**21 798**	**(486 034)**	**240 958**	**285 214**	**341 963**

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

DC23 Uthukela - Supporting Table SB16 Adjustments Budget - monthly capital expenditure (municipal vote) - 30 September 2020

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
R thousands		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
Single-year expenditure appropriation																
105 - MUNICIPAL MANAGER													–	–	–	–
200 - CORPORATE SERVICES													2 500	2 500	–	–
300 - BUDGET AND TREASURY													–	–	–	–
405 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)				1 200									800	2 000	–	–
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	18 687	319	281 837	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	3	**570**	**36 293**	**29 446**	**28 246**	**28 246**	**28 246**	**28 246**	**28 246**	**28 246**	**28 246**	**18 687**	3 619	286 337	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**	**18 687**	**3 619**	**286 337**	**389 299**	**437 283**

Supporting Table [SB17] Adjustments Budget - monthly capital expenditure (standard 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
R thousands		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
Capital Expenditure - Functional																
Governance and administration		–	–	–	–	–	–	–	–	–	–	–	2 500	2 500	–	–
Executive and council													–	–	–	–
Finance and administration													2 500	2 500	–	–
Internal audit													–	–	–	–
Community and public safety		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and social services													–	–	–	–
Sport and recreation													–	–	–	–
Public safety													–	–	–	–
Housing													–	–	–	–
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	18 687	–	281 837	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	18 687	–	281 837	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	18 687	3 300	286 337	389 299	437 283

2.6 Municipal Manager's quality certificate

UTHUKELA
UMKHANDLU WESIFUNDA
DISTRIKSMUNISIPALITEIT
DISTRICT MUNICIPALITY

I **Martin Sithole** 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 99.

Print Name **MR M SITHOLE**
Municipal Manager

Signature

Date **23 February 2021**