

**ADJUSTMENTS BUDGET OF
UTHUKELA DISTRICT
MUNICIPALITY**



2018/19

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1.1. Mayor's Report

As the Mayor of this council it gives me great pleasure to present before this council the 2018/2019 adjustments budget in accordance to the prescriptions of the MFMA.

The review is done to make up for the shortfall on the midyear performance and to attend to those areas where we underspent or overspent.

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 R46 million. This material adjustment has 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. Revenue collection especially interest on overdue debts.
3. Controlling of day to day expenditure in general.

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 2018/2019 financial year.

1.2 Council Resolutions

On 13 February 2019 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 2018/19. 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 2018/19 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.

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1.4 ADJUSTMENT BUDGET TABLES

1.4.1 Adjustments Budget Summary (B1)

DC23 Uthukela - Table B1 Adjustments Budget Summary -

Description	Current Year 2018/19					Budget Year	Budget Year
	Original	Nat. or Prov.	Other	Total	Adjusted	+1 2019/20	+2 2020/21
	Budget	Govt	Adjusts.	Adjusts.	Budget	Adjusted	Adjusted
	5	6	7	8			
R thousands	A	E	F	G	H		
Financial Performance							
Service charges	291 665	-	4 000	4 000	295 665	311 631	328 770
Investment revenue	6 572	-	(644)	(644)	5 928	6 248	6 591
Transfers recognised - operational	405 533	12 540	-	12 540	418 073	434 001	471 163
Other own revenue	54 604	-	7 050	7 050	61 655	56 868	59 996
Total Revenue (excluding capital transfers and contributions)	758 374	12 540	10 406	22 946	781 320	808 748	866 521
Employee costs	271 837	-	-	-	271 837	273 928	288 994
Remuneration of councillors	8 156	-	(700)	(700)	7 456	7 859	8 291
Depreciation & asset impairment	86 634	-	(22 634)	(22 634)	64 000	67 456	71 166
Finance charges	561	-	388	388	949	1 013	1 069
Materials and bulk purchases	22 609	-	(4 225)	(4 225)	18 384	19 577	20 654
Transfers and grants	1 000	-	(550)	(550)	450	-	-
Other expenditure	329 312	-	24 456	24 456	353 768	299 904	316 391
Total Expenditure	720 109	-	(3 265)	(3 265)	716 844	669 737	706 565
Surplus/(Deficit)	38 265	12 540	13 671	26 211	64 476	139 011	159 956
Transfers recognised - capital	407 804	(93 283)	-	(93 283)	314 521	420 034	438 864
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	446 069	(80 743)	13 671	(67 072)	378 997	559 045	598 820
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	446 069	(80 743)	13 671	(67 072)	378 997	559 045	598 820
Capital expenditure & funds sources							
Capital expenditure	407 831	(93 283)	133	(93 150)	314 681	420 034	438 864
Transfers recognised - capital	407 804	(93 283)	-	(93 283)	314 521	420 034	438 864
Internally generated funds	27	-	133	133	160	-	-
Total sources of capital funds	407 831	(93 283)	133	(93 150)	314 681	420 034	438 864
Financial position							
Total current assets	250 890	-	(42 628)	(42 628)	208 262	234 397	270 488
Total non current assets	2 801 753	-	-	-	2 801 753	2 953 016	3 115 399
Total current liabilities	139 818	-	(12 593)	(12 593)	127 225	148 464	157 522
Total non current liabilities	35 824	-	-	-	35 824	37 795	39 873
Community wealth/Equity	2 877 000	-	(30 035)	(30 035)	2 846 965	3 001 154	3 188 492
Cash flows							
Net cash from (used) operating	458 459	(80 743)	(15 809)	(96 552)	361 907	531 732	568 385
Net cash from (used) investing	(407 831)	93 150	-	93 150	(314 681)	(420 034)	(438 864)
Net cash from (used) financing	1 765	(46 380)	-	(46 380)	(44 615)	1 800	1 836
Cash/cash equivalents at the year end	1 249	(33 973)	41 346	7 373	8 621	125 979	257 336
Cash backing/surplus reconciliation							
Cash and investments available	51 249	-	(42 628)	(42 628)	8 621	125 979	257 336
Application of cash and investments	49 061	-	(41 165)	(41 165)	7 897	93 168	136 510
Balance - surplus (shortfall)	2 187	-	(1 463)	(1 463)	724	32 811	120 826
Asset Management							
Asset register summary (WDV)	2 801 753	-	150	150	2 801 903	2 952 428	3 114 812
Depreciation & asset impairment	86 634	-	(22 634)	(22 634)	64 000	67 456	71 166
Renewal of Existing Assets	40 000	2 000	-	2 000	42 000	77 800	101 440
Repairs and Maintenance	41 457	8 000	1 634	9 634	51 091	43 696	46 099

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

DC23 Uthukela - Table B2 Adjustments Budget Financial Performance (functional classification) -

Standard Description	Current Year 2018/19					Budget Year	Budget Year
	Original	Nat. or Prov.	Other	Total	Adjusted	Adjusted	Adjusted
	Budget	Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
R thousands	A	9	10	11	12		
	E	F	G	H			
Revenue - Functional							
Governance and administration	406 468	8 540	355 756	364 296	770 764	808 295	866 065
Executive and council	62 083	-	-	-	62 083	67 387	73 060
Finance and administration	344 385	8 540	355 756	364 296	708 681	740 908	793 005
Internal audit	-	-	-	-	-	-	-
Community and public safety	50	-	-	-	50	53	56
Housing	-	-	-	-	-	-	-
Health	50	-	-	-	50	53	56
Economic and environmental services	300	4 000	-	4 000	4 300	400	400
Planning and development	300	4 000	-	4 000	4 300	400	400
Road transport	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-
Trading services	759 360	(93 283)	(345 350)	(438 633)	320 727	420 034	438 864
Energy sources	-	-	-	-	-	-	-
Water management	728 340	(93 283)	(314 330)	(407 613)	320 727	420 034	438 864
Waste water management	31 019	-	(31 019)	(31 019)	-	-	-
Waste management	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total Revenue - Functional	1 166 178	(80 743)	10 406	(70 337)	1 095 841	1 228 782	1 305 385
Expenditure - Functional							
Governance and administration	388 824	-	(23 249)	(23 249)	365 575	360 388	380 201
Executive and council	63 551	-	(2 696)	(2 696)	60 855	61 033	64 382
Finance and administration	325 273	-	(20 552)	(20 552)	304 721	299 355	315 819
Internal audit	-	-	-	-	-	-	-
Community and public safety	24 993	-	(95)	(95)	24 898	26 148	27 586
Housing	-	-	-	-	-	-	-
Health	24 993	-	(95)	(95)	24 898	26 148	27 586
Economic and environmental services	22 932	-	1 475	1 475	24 407	21 161	22 325
Planning and development	22 932	-	1 475	1 475	24 407	21 161	22 325
Road transport	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-
Trading services	283 360	-	18 603	18 603	301 963	262 041	276 453
Energy sources	-	-	-	-	-	-	-
Water management	282 244	-	19 719	19 719	301 963	262 041	276 453
Waste water management	1 116	-	(1 116)	(1 116)	-	-	-
Waste management	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total Expenditure - Functional	720 109	-	(3 265)	(3 265)	716 844	669 737	706 565
Surplus/ (Deficit) for the year	446 069	(80 743)	13 671	(67 072)	378 997	559 045	598 820

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1.4.3 Table B3 Adjustments Budget Financial Performance - [B3]

DC23 Uthukela - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) -

Vote Description <i>[Insert departmental structure etc]</i>	Current Year 2018/19					Budget Year +1 2019/20	Budget Year +2 2020/21
	Original Budget	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
	7	8	9	10			
R thousands	A	E	F	G	H		
Revenue by Vote							
105 - MUNICIPAL MANAGER	62 083	-	-	-	62 083	67 387	73 060
200 - CORPORATE SERVICES	-	8 540	-	8 540	8 540	-	-
300 - BUDGET AND TREASURY	344 385	-	355 756	355 756	700 141	740 908	793 005
405 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)	300	4 000	-	4 000	4 300	400	400
408 - WSA& HEALTH SERVICES	50	-	-	-	50	53	56
500 - WATER, SANITATION AND TECHNICAL SERVICES	759 360	(93 283)	(345 350)	(438 633)	320 727	420 034	438 864
Total Revenue by Vote	1 166 178	(80 743)	10 406	(70 337)	1 095 841	1 228 782	1 305 385
Expenditure by Vote							
105 - MUNICIPAL MANAGER	63 551	-	(2 696)	(2 696)	60 855	61 033	64 382
200 - CORPORATE SERVICES	48 051	-	3 660	3 660	51 712	48 705	51 384
300 - BUDGET AND TREASURY	277 222	-	(24 212)	(24 212)	253 009	250 649	264 435
405 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)	22 932	-	1 475	1 475	24 407	21 161	22 325
408 - WSA& HEALTH SERVICES	24 993	-	(95)	(95)	24 898	26 148	27 586
500 - WATER, SANITATION AND TECHNICAL SERVICES	283 360	-	18 603	18 603	301 963	262 041	276 453
Total Expenditure by Vote	720 109	-	(3 265)	(3 265)	716 844	669 737	706 565
Surplus/(Deficit) for the year	446 069	(80 743)	13 671	(67 072)	378 997	559 045	598 820

- The function of Water and Sanitation sales has been moved to Treasury and Budget Office under Revenue services.

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

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

Description	Current Year 2018/19					Budget Year	Budget Year
	Original	Nat. or Prov.	Other	Total	Adjusted	Adjusted	Adjusted
	Budget	Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
		7	8	9	10		
R thousands	A	E	F	G	H		
Revenue By Source							
Service charges - water revenue	260 645	–	10 000	10 000	270 645	285 260	300 950
Service charges - sanitation revenue	31 019	–	(6 000)	(6 000)	25 019	26 370	27 821
Interest earned - external investments	6 572		(644)	(644)	5 928	6 248	6 591
Interest earned - outstanding debtors	50 456			–	50 456	53 181	56 106
Fines, penalties and forfeits	50			–	50	53	56
Transfers and subsidies	405 533	12 540		12 540	418 073	434 001	471 163
Other revenue	4 098	–	7 050	7 050	11 149	3 635	3 835
Gains on disposal of PPE				–	–		
Total Revenue (excluding capital transfers and contributions)	758 374	12 540	10 406	22 946	781 320	808 748	866 521
Expenditure By Type							
Employee related costs	271 837	–	–	–	271 837	273 928	288 994
Remuneration of councillors	8 156		(700)	(700)	7 456	7 859	8 291
Debt impairment	136 628			–	136 628	144 006	151 927
Depreciation & asset impairment	86 634	–	(22 634)	(22 634)	64 000	67 456	71 166
Finance charges	561		388	388	949	1 013	1 069
Bulk purchases	6 586	–	(2 586)	(2 586)	4 000	4 216	4 448
Other materials	16 023		(1 638)	(1 638)	14 384	15 361	16 206
Contracted services	117 869	–	21 551	21 551	139 420	76 652	80 861
Transfers and subsidies	1 000		(550)	(550)	450	–	–
Other expenditure	74 815	–	2 905	2 905	77 720	79 246	83 604
Loss on disposal of PPE				–	–		
Total Expenditure	720 109	–	(3 265)	(3 265)	716 844	669 737	706 565
Surplus/(Deficit)	38 265	12 540	13 671	26 211	64 476	139 011	159 956
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	407 804	(93 283)		(93 283)	314 521	420 034	438 864
Surplus/(Deficit) before taxation	446 069	(80 743)	13 671	(67 072)	378 997	559 045	598 820
Taxation				–	–		
Surplus/(Deficit) after taxation	446 069	(80 743)	13 671	(67 072)	378 997	559 045	598 820
Attributable to minorities				–	–		
Surplus/(Deficit) attributable to municipality	446 069	(80 743)	13 671	(67 072)	378 997	559 045	598 820
Share of surplus/ (deficit) of associate				–	–		
Surplus/ (Deficit) for the year	446 069	(80 743)	13 671	(67 072)	378 997	559 045	598 820

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 sales income recognised at mid-year was above what was originally anticipated the item has been adjusted upwards by R10 million.

Sanitation revenue has been adjusted downwards by R6 million due to the negative variance that was identified at midyear.

INTEREST FROM INVESTMENTS:

Interest income has been adjusted by R644 000 less interest has been generated than previously anticipated. This reduction will contribute towards a further decline in our closing cash balance.

The municipality has become heavily dependent on investments due to our poor cash position. Therefore interest from investments cannot be materialised as per the prior estimate.

GRANT TRANSFERS:

Operating grants have 3 additional grants from provincial government.

Capital grants have an additional grant Massification grant of R9 million, while RBIG's allocation has been decreased to R40 million.

OTHER REVENUE:

The huge adjustment on this item of above R7 million is based on the municipality winning a lawsuit the court granted the municipality the amount which has been recognised as part of revenue.

EMPLOYEE REALATED COSTS:

The expenditure at midyear was at 54% the municipality has decided not to adjust this line item but to carefully monitor overtime and other related costs so as to not overspend.

DEPRECIATION:

After the calculation and processing of depreciation in preparation of the midyear financial statements, it was noted that a downward adjustment of R22.6 million to depreciation was required.

OTHER MATERIALS:

This item has been adjusted downward due to cost cutting measures. The below table illustrates

DESCRIPTION	Original Budget	adjustment budget
consumables	65	52
stationery	957	555
Fuel & Oil	5 051	3 858
Chemicals	8 951	8 923
Emergency Disaster Provisions.	1 000	947
Cleaning material		50
	16 023	14 385

CONTRACTED SERVICES:

Contracted services have been increased by R21 million, the major contributor was the R18 million increase for water tankers.

TRANSFERS AND GRANTS:

This line item is mainly for the bursaries that the municipality has subsidies to best performing matric students with disadvantage background, however due to lack of funds it has been adjusted downwards.

GENERAL EXPENDITURE:

The main cause of an upward adjustment on this item is from electricity as at mid-year the cost was above 50%.

1.4.6 ADJUSTMENTS TO THE CAPITAL BUDGET
Adjustments Capital Expenditure Budget by vote and funding [B5]

DC23 Uthukela - Table B5 Adjustments Capital Expenditure Budget by vote and funding -

Description	Current Year 2018/19					Budget Year	Budget Year
	Original Budget	Nat. or Prov.	Other	Total	Adjusted	Adjusted Budget	Adjusted Budget
		Govt	Adjusts.	Adjusts.	Budget		
R thousands	A	9 E	10 F	11 G	12 H		
Single-year expenditure to be adjusted							
105 - MUNICIPAL MANAGER	-	-	-	-	-	-	-
200 - CORPORATE SERVICES	-	-	150	150	150	-	-
300 - BUDGET AND TREASURY	27	-	(17)	(17)	10	-	-
405 - SOCIAL SERVICES(PLANNING&ECONOM	-	-	-	-	-	-	-
408 - WSA& HEALTH SERVICES	-	-	-	-	-	-	-
500 - WATER, SANITATION AND TECHNICAL S	407 804	(93 283)	-	(93 283)	314 521	420 034	438 864
Capital single-year expenditure sub-total	407 831	(93 283)	133	(93 150)	314 681	420 034	438 864
Total Capital Expenditure - Vote	407 831	(93 283)	133	(93 150)	314 681	420 034	438 864
Capital Expenditure - Functional							
Governance and administration	27	-	133	133	160	-	-
Executive and council							
Finance and administration	27		133	133	160		
Trading services	407 804	(93 283)	-	(93 283)	314 521	420 034	438 864
Energy sources							
Water management	407 804	(93 283)		(93 283)	314 521	420 034	438 864
Other							
Total Capital Expenditure - Functional	407 831	(93 283)	133	(93 150)	314 681	420 034	438 864
Funded by:							
National Government	407 804	(102 283)		(102 283)	305 521	420 034	438 864
Provincial Government		9 000		9 000	9 000		
Transfers recognised - capital	407 804	(93 283)	-	(93 283)	314 521	420 034	438 864
Internally generated funds	27		133	133	160		
Total Capital Funding	407 831	(93 283)	133	(93 150)	314 681	420 034	438 864

The adjustments that has been effected onto our capital budget, is the reduction of RBIG by R102 million and addition of massification grant of R9 million.

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1.4.7 ADJUSTMENT TO FINANCIAL POSITION – (B6)

DC23 Uthukela - Table B6 Adjustments Budget Financial Position -

Description	Current Year 2018/19				Budget Year +1 2019/20	Budget Year +2 2020/21
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	F	G	H		
ASSETS						
Current assets						
Cash	1 249	7 372	7 372	8 621	125 979	257 336
Call investment deposits	50 000	(50 000)	(50 000)	-	-	-
Consumer debtors	191 276	-	-	191 276	99 491	3 624
Other debtors	1 581	-	-	1 581	1 668	1 760
Current portion of long-term receivables			-	-		
Inventory	6 785		-	6 785	7 260	7 768
Total current assets	250 890	(42 628)	(42 628)	208 262	234 397	270 488
Non current assets						
Property, plant and equipment	2 801 165	-	-	2 801 165	2 952 428	3 114 811
Agricultural			-	-		
Biological			-	-		
Intangible	588		-	588	588	588
Other non-current assets			-	-		
Total non current assets	2 801 753	-	-	2 801 753	2 953 016	3 115 399
TOTAL ASSETS	3 052 643	(42 628)	(42 628)	3 010 015	3 187 413	3 385 887
LIABILITIES						
Current liabilities						
Bank overdraft			-	-		
Consumer deposits	15 346		-	15 346	17 146	18 982
Trade and other payables	124 472	(35 013)	(35 013)	89 459	131 318	138 540
Provisions		22 420	22 420	22 420		
Total current liabilities	139 818	(12 593)	(12 593)	127 225	148 464	157 522
Non current liabilities						
Borrowing	-	-	-	-	-	-
Provisions	35 824	-	-	35 824	37 795	39 873
Total non current liabilities	35 824	-	-	35 824	37 795	39 873
TOTAL LIABILITIES	175 642	(12 593)	(12 593)	163 050	186 259	197 396
NET ASSETS	2 877 000	(30 035)	(30 035)	2 846 965	3 001 154	3 188 492
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)	2 399 942	-	-	2 399 942	2 755 914	3 234 822
Reserves	-	-	-	-	-	-
Minorities' interests	477 058	(30 035)	(30 035)	447 023	245 240	(46 330)
TOTAL COMMUNITY WEALTH/EQUITY	2 877 000	(30 035)	(30 035)	2 846 965	3 001 154	3 188 492

- The adjustment on Call investment deposit is to correct an error made in the original budget.
- The downward adjustment on trade and other payables is from the R6.7 million that the municipality owed to DWA which has been fully paid by the municipality. Trade creditors raised at the end of the 2017/18 financial year amounts R97 million by mid-year in the current financial year the municipality had about 35 million owed to creditors. The Interim Financial committee established by the municipality has had a positive impact as the municipality has been able to manage its debt.
- The Annual Financial statements as at the end of 2017/2018 financial year declared a VAT payable to SARS of R64 million due to unpaid debt by municipal consumers. This amount is the reason trade and other payables have a high amount.
- The R22.4 million in current liabilities provisions is for employee benefit obligation(bonus and leave pay)

1.4.8 ADJUSTMENTS TO CASHFLOW (B7)

DC23 Uthukela - Table B7 Adjustments Budget Cash Flows -

Description	Current Year 2018/19					Budget Year	Budget Year
	Original	Nat. or Prov.	Other	Total	Adjusted	+1 2019/20	+2 2020/21
	Budget	Govt	Adjus.	Adjus.	Budget	Adjusted	Adjusted
R thousands	A	E	8	9	10		
		7					
			F	G	H		
CASH FLOW FROM OPERATING ACTIVITIES							
Receipts							
Property rates				-	-		
Service charges	131 249		(2 846)	(2 846)	128 403	135 337	142 780
Other revenue	4 148		7 050	7 050	11 199	3 635	3 835
Government - operating	405 533	12 540		12 540	418 073	434 001	469 543
Government - capital	407 804	(93 283)		(93 283)	314 521	420 034	438 864
Interest	6 572		(644)	(644)	5 928	6 927	7 308
Dividends				-	-		
Payments							
Suppliers and employees	(495 286)		(19 531)	(19 531)	(514 817)	(467 188)	(492 876)
Finance charges	(561)		(388)	(388)	(949)	(1 013)	(1 069)
Transfers and Grants	(1 000)		550	550	(450)	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	458 459	(80 743)	(15 809)	(96 552)	361 907	531 732	568 385
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	(407 831)	93 150		93 150	(314 681)	(420 034)	(438 864)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(407 831)	93 150	-	93 150	(314 681)	(420 034)	(438 864)
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
Short term loans				-	-		
Borrowing long term/refinancing				-	-		
Increase (decrease) in consumer deposits	1 765			-	1 765	1 800	1 836
Payments							
Repayment of borrowing		(46 380)		(46 380)	(46 380)		
NET CASH FROM/(USED) FINANCING ACTIVITIES	1 765	(46 380)	-	(46 380)	(44 615)	1 800	1 836
NET INCREASE/ (DECREASE) IN CASH HELD	52 393	(33 973)	(15 809)	(49 782)	2 611	113 498	131 357
Cash/cash equivalents at the year begin:	(51 144)		57 155	57 155	6 011	12 481	125 979
Cash/cash equivalents at the year end:	1 249	(33 973)	41 346	7 373	8 621	125 979	257 336

- The adjustment on repayment of borrowing refers to the amount the municipality had to pay back for the unapproved roll over of unspent grant.

1.4.9 ADJUSTMENTS TO CASH BACKED RESERVES (B8)

DC23 Uthukela - Table B8 Cash backed reserves/accumulated surplus reconciliation -

Description	Current Year 2018/19				Budget Year +1 2019/20	Budget Year +2 2020/21
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	8 F	9 G	10 H		
Cash and investments available						
Cash/cash equivalents at the year end	1 249	41 346	7 373	8 621	125 979	257 336
Other current investments > 90 days	50 000	(83 974)	(50 001)	(1)	-	-
Non current assets - Investments	-	-	-	-	-	-
Cash and investments available:	51 249	(42 628)	(42 628)	8 621	125 979	257 336
Applications of cash and investments						
Unspent conditional transfers	-	-	-	-	-	-
Unspent borrowing						
Statutory requirements						
Other working capital requirements	49 061	(99 409)	(99 409)	(50 347)	93 168	136 510
Other provisions	-	58 244	58 244	58 244		
Long term investments committed	-	-	-	-	-	-
Reserves to be backed by cash/investments	-	-	-	-	-	-
Total Application of cash and investments:	49 061	(41 165)	(41 165)	7 897	93 168	136 510
Surplus(shortfall)	2 187	(1 463)	(1 463)	724	32 811	120 826

1.4.10 ADJUSTMENT TO ASSET MANAGEMENT (B10)

DC23 Uthukela - Table B9 Asset Management -

Description	Current Year 2018/19					Budget Year	Budget Year
	Original	Nat. or Prov.	Other	Total	Adjusted	+1 2019/20	+2 2020/21
	Budget	Govt	Adjusts.	Adjusts.	Budget	Adjusted	Adjusted
	11	12	13	14			
	A	E	F	G	H		
R thousands							
CAPITAL EXPENDITURE							
Total New Assets to be adjusted	328 089	(95 283)	133	(95 150)	232 939	329 443	318 006
Storm water Infrastructure	2 488	-	-	-	2 488	2 635	2 788
Water Supply Infrastructure	324 986	(102 283)	-	(102 283)	222 703	326 808	315 218
Sanitation Infrastructure	-	7 000	-	7 000	7 000	-	-
Infrastructure	327 474	(95 283)	-	(95 283)	232 191	329 443	318 006
Licences and Rights	588	-	-	-	588	-	-
Intangible Assets	588	-	-	-	588	-	-
Computer Equipment	-	-	150	150	150	-	-
Furniture and Office Equipment	27	-	(17)	(17)	10	-	-
Total Renewal of Existing Assets to be adjusted	40 000	2 000	-	2 000	42 000	77 800	101 440
Electrical Infrastructure	-	-	-	-	-	-	-
Water Supply Infrastructure	34 000	2 000	-	2 000	36 000	65 800	76 440
Sanitation Infrastructure	6 000	-	-	-	6 000	12 000	25 000
Infrastructure	40 000	2 000	-	2 000	42 000	77 800	101 440
Community Facilities	-	-	-	-	-	-	-
Total Capital Expenditure to be adjusted	-	-	-	-	-	-	-
Roads Infrastructure	-	-	-	-	-	-	-
Storm water Infrastructure	2 488	-	-	-	2 488	2 635	2 788
Electrical Infrastructure	-	-	-	-	-	-	-
Water Supply Infrastructure	358 986	(100 283)	-	(100 283)	258 703	392 608	391 658
Sanitation Infrastructure	6 000	7 000	-	7 000	13 000	12 000	25 000
Information and Communication Infrastructure	-	-	-	-	-	-	-
Infrastructure	367 474	(93 283)	-	(93 283)	274 191	407 243	419 446
Licences and Rights	588	-	-	-	588	-	-
Intangible Assets	588	-	-	-	588	-	-
Computer Equipment	-	-	150	150	150	-	-
Furniture and Office Equipment	27	-	(17)	(17)	10	-	-
TOTAL CAPITAL EXPENDITURE to be adjusted	368 089	(93 283)	133	(93 150)	274 939	407 243	419 446
ASSET REGISTER SUMMARY - PPE (WDV)							
Roads Infrastructure	-	-	-	-	-	-	-
Storm water Infrastructure	8 644	-	-	-	8 644	11 279	14 067
Electrical Infrastructure	-	-	-	-	-	-	-
Water Supply Infrastructure	2 313 000	-	-	-	2 313 000	2 435 283	2 567 055
Infrastructure	2 321 644	-	-	-	2 321 644	2 446 562	2 581 122
Community Facilities	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-
Licences and Rights	588	-	-	-	588	-	-
Intangible Assets	588	-	-	-	588	-	-
Computer Equipment	-	-	150	150	150	-	-
Furniture and Office Equipment	27	-	-	-	27	-	-
Machinery and Equipment	479 494	-	-	-	479 494	505 866	533 689
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	2 801 753	-	150	150	2 801 903	2 952 428	3 114 812
EXPENDITURE OTHER ITEMS							
Depreciation & asset impairment	86 634	-	(22 634)	(22 634)	64 000	67 456	71 166
Repairs and Maintenance by asset class	41 457	8 000	1 634	9 634	51 091	43 696	46 099
Water Supply Infrastructure	28 579	-	1 634	1 634	30 213	30 122	31 779
Information and Communication Infrastructure	-	-	-	-	-	-	-
Infrastructure	28 579	-	1 634	1 634	30 213	30 122	31 779
Investment properties	-	-	-	-	-	-	-
Operational Buildings	316	-	-	-	316	333	351
Housing	-	-	-	-	-	-	-
Other Assets	316	-	-	-	316	333	351
Licences and Rights	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-
Computer Equipment	250	-	-	-	250	264	278
Machinery and Equipment	627	-	-	-	627	661	697
Transport Assets	11 685	8 000	-	8 000	19 685	12 316	12 993
TOTAL EXPENDITURE OTHER ITEMS to be adjust	128 091	8 000	(21 000)	(13 000)	115 091	111 152	117 265

PART 2 – SUPPORTING DOCUMENTATION

2.1 Adjustments to budget funding:

Revenue

Description	Current Year 2018/19					Budget Year	Budget Year
	Original Budget	Nat. or Prov.	Other	Total	Adjusted	+1 2019/20	+2 2020/21
		Govt	Adjusts.	Adjusts.	Budget	Adjusted Budget	Adjusted Budget
		7	8	9	10		
R thousands	A	E	F	G	H		
Revenue By Source							
Service charges - water revenue	260 645	-	10 000	10 000	270 645	285 260	300 950
Service charges - sanitation revenue	31 019	-	(6 000)	(6 000)	25 019	26 370	27 821
Interest earned - external investments	6 572		(644)	(644)	5 928	6 248	6 591
Interest earned - outstanding debtors	50 456			-	50 456	53 181	56 106
Fines, penalties and forfeits	50			-	50	53	56
Transfers and subsidies	405 533	12 540		12 540	418 073	434 001	471 163
Other revenue	4 098	-	7 050	7 050	11 149	3 635	3 835
Gains on disposal of PPE				-	-		
Total Revenue (excluding capital transfers and contributions)	758 374	12 540	10 406	22 946	781 320	808 748	866 521

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

Investment particulars by maturity:

DC23 Uthukela - Supporting Table SC5 Monthly Budget Statement - investment portfolio - Mid-Year Assessment

Investments by maturity Name of institution & investment ID	Market value at end of the month	
R thousands		
Municipality		
FNB		31 104
NEDBANK		-
INVESTEC		56 940
ABSA		20 382
TOTAL INVESTMENTS AND INTEREST		108 425

The table above shows our investment as at midyear. Investments held at mid-year amounted to R108 million.

2.2 Expenditure on grants and reconciliations of unspent funds

Adjustments budget – transfers and grant receipts – (SB7)

DC23 Uthukela - Supporting Table SB7 Adjustments Budget - transfers and grant receipts -							
Description	Ref	Current Year 2018/19				Budget Year	Budget Year
		Original	Nat. or Prov.	Total	Adjusted	Adjusted	Adjusted
		Budget	Govt	Adjusts.	Budget	Budget	Budget
			9	11	12		
R thousands		A	C	E	F		
RECEIPTS:	1, 2						
Operating Transfers and Grants							
National Government:		405 233	-	-	405 233	433 601	470 763
Local Government Equitable Share		335 399	-	-	335 399	364 204	395 903
RSC Levy Replacement	3	56 441		-	56 441	61 418	66 762
Finance Management		1 545		-	1 545	2 010	1 800
EPWP Incentive		6 206		-	6 206		
Special Support For Councillors		5 642		-	5 642	5 969	6 298
Provincial Government:		300	12 540	12 540	12 840	400	400
Shared Services		300		-	300	400	400
Nodal Grant			1 000	1 000	1 000		
Raset programs grant	4		3 000	3 000	3 000		
LG Seta			540	540	540		
Fleet repairs grant			8 000	8 000	8 000		
Total Operating Transfers and Grants	6	405 533	12 540	12 540	418 073	434 001	471 163
Capital Transfers and Grants							
National Government:		407 804	(102 283)	(102 283)	305 521	420 034	438 864
Municipal Infrastructure Grant (MIG)		180 033		-	180 033	183 937	194 737
Regional Bulk Infrastructure		142 283	(102 283)	(102 283)	40 000	125 462	127 399
Water Services Infrastructure grant		83 000		-	83 000	108 000	113 940
Rural Road Asset Management		2 488		-	2 488	2 635	2 788
Provincial Government:		-	9 000	9 000	9 000	-	-
Massification Grant			9 000	9 000	9 000		
Total Capital Transfers and Grants	6	407 804	(93 283)	(93 283)	314 521	420 034	438 864
TOTAL RECEIPTS OF TRANSFERS & GRANTS		813 337	(80 743)	(80 743)	732 594	854 035	910 027

As depicted above adjustments amounting to R80.7 million were necessary to grant funding.

- Operating grants have an addition of R12.5million
- R40 million is the only amount that will be received for RBIG.
- Capital grants have an addition of R9 million.

2.3 Adjustment budget – reconciliation of transfers, grant receipts and unspent funds (SB9)

DC23 Uthukela - Supporting Table SB9 Adjustments Budget - reconciliation of transfers, grant receipts, and unspent funds -

Description	Current Year 2018/19					Budget Year +1 2019/20	Budget Year +2 2020/21
	Original Budget	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
	A	4 C	5 D	6 E	7 F		
R thousands							
Operating transfers and grants:							
National Government:							
Balance unspent at beginning of the year				-	-		
Current year receipts	405 233			-	405 233	433 601	470 763
Conditions met - transferred to revenue	405 233	-	-	-	405 233	433 601	470 763
Conditions still to be met - transferred to liabilities				-	-		
Provincial Government:							
Balance unspent at beginning of the year		548		548	548		
Current year receipts	300	12 540		12 540	12 840	400	400
Conditions met - transferred to revenue	300	13 088	-	13 088	13 388	400	400
Conditions still to be met - transferred to liabilities				-	-		
Total operating transfers and grants revenue	405 533	13 088	-	13 088	418 621	434 001	471 163
Total operating transfers and grants - CTBM	-	-	-	-	-	-	-
Capital transfers and grants:							
National Government:							
Balance unspent at beginning of the year		47 607		47 607	47 607		
Current year receipts	407 804	(102 283)		(102 283)	305 521	420 034	438 864
Conditions met - transferred to revenue	407 804	(54 676)	-	(54 676)	353 128	420 034	438 864
Conditions still to be met - transferred to liabilities				-	-		
Provincial Government:							
Balance unspent at beginning of the year				-	-		
Current year receipts		9 000		9 000	9 000		
Conditions met - transferred to revenue	-	9 000	-	9 000	9 000	-	-
Conditions still to be met - transferred to liabilities				-	-		
Total capital transfers and grants revenue	407 804	(45 676)	-	(45 676)	362 128	420 034	438 864
Total capital transfers and grants - CTBM	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE	813 337	(32 588)	-	(32 588)	780 749	854 035	910 027
TOTAL TRANSFERS AND GRANTS - CTBM	-	-	-	-	-	-	-

The above table illustrates reconciliation on grants and unspent grants from 17/18 financial year.

- Unspent Operating grants are from provincial government are LG Seta and Shared services which were both approved for roll overs
- Unspent Capital grants relate to the RBIG and RRAMS both were not approved for roll over and were paid back to the funders.

2.4 Adjustments to Councillor and employee benefits [SB11]

DC23 Uthukela - Supporting Table SB11 Adjustments Budget - councillor and staff benefits -

Summary of remuneration	Current Year 2018/19				% change
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	
R thousands	A	F	G	H	
Councillors (Political Office Bearers plus Other)					
Basic Salaries and Wages	5 960	(700)	(700)	5 260	-11.7%
Pension and UIF Contributions	23		-	23	0.0%
Medical Aid Contributions			-	-	
Motor Vehicle Allowance	1 643		-	1 643	0.0%
Cellphone Allowance	530		-	530	
Housing Allowances			-	-	
Other benefits and allowances			-	-	
Sub Total - Councillors	8 156	(700)	(700)	7 456	-8.6%
% increase				(0)	
Senior Managers of the Municipality					
Basic Salaries and Wages	7 702		-	7 702	0.0%
Pension and UIF Contributions	11		-	11	0.0%
Sub Total - Senior Managers of Municipality	7 712	-	-	7 712	0.0%
% increase				-	
Other Municipal Staff					
Basic Salaries and Wages	171 496		-	171 496	0.0%
Pension and UIF Contributions	32 270		-	32 270	0.0%
Medical Aid Contributions	7 927		-	7 927	0.0%
Overtime	25 600		-	25 600	0.0%
Performance Bonus			-	-	
Motor Vehicle Allowance	8 724		-	8 724	0.0%
Cellphone Allowance			-	-	
Housing Allowances	1 487		-	1 487	
Other benefits and allowances	15 519		-	15 519	
Payments in lieu of leave	1 100		-	1 100	0.0%
Long service awards			-	-	
Post-retirement benefit obligations			-	-	
Sub Total - Other Municipal Staff	264 125	-	-	264 125	0.0%
% increase					
Total Parent Municipality	279 993	(700)	(700)	279 293	-0.3%
TOTAL SALARY, ALLOWANCES & BENEFITS	279 993	(700)	(700)	279 293	-0.3%
% increase					
TOTAL MANAGERS AND STAFF	271 837	-	-	271 837	0.0%

2.5 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 -

Function	Project Description	Medium Term Revenue and Expenditure Framework			
		Budget Year 2018/19		Budget Year +1 2019/20	Budget Year +2 2020/21
		Original Budget	Adjusted Budget	Original Budget	Original Budget
Parent municipality:					
<i>List all capital projects grouped by Function</i>					
<i>Technical Services</i>	MIG PROJECTS:				
	Ntabamhlope CWSS Phase 13 Retic	11 000	11 000	7 000	7 000
	Ntabamhlope CWSS Wembezi to Bosch Bulk rising main upgrade	9 000	867	9 000	9 000
	Kw anobamba/ Ezitendeni (weenen) water supply - (upgrade and replacing of reticulation)	17 560	10 000	8 000	5 000
	ROOSBOOM BULK WATER UPGRADE AND RETICULATION	400	-		
	Weenen Ezitendeni Sanitation Project Phase 1A	15 000	13 000	22 000	10 117
	Bergville: Sanitation Project Phase 2	24 000	20 696	25 250	35 000
	UMtshezi East BULK WATER SUPPLY EAST	4 500	306	20 000	15 000
	Ekuvukeni upgrading of WTW and bulk pipelines	28 000	28 000	25 000	10 000
	KWANOBAMBA- EZITENDENI WWTW	25 000	6 000	15 000	15 000
	Bhekuzulu Epangweni Community Water Supply (PHASE 5 &9)	22 294	15 000	9 000	11 000
	REFURBISHMENT AND UPGRADE OF THE EXISTING AC PIPES (AGEING INFRASTRUCTURE)	200	20 000	8 000	16 120
	Fitty Park Reticulation Phase 3 (WWTW AND BULK WATER UPGRADE)	850	422		
	Emergency Upgrade of Wagensdrift Pump Station	5 000	3 000	5 000	5 000
	DISTRICT WIDE SANITATION (CONSTRUCTION OF VIP TOILETS)	14 729	6 500	10 000	10 500
	EZAKHENI SANITATION E SEWER UPGRADE	2 500	2 500	5 000	15 500
	REFURBISHMENT AND UPGRADE PROJECTS		31 000	7 800	7 500
	Fitty Park Sunday Rivers		6 000	7 887	15 000
	MIG top slice capacity building		5 742		
	WSIG PROJECTS:				
	Escourt Industrial Pipeline	29 000	20 000	15 000	9 440
	Wembezi WCDM Phase 1 Retic	18 000	13 000	10 000	10 000
	Moyeni/Zwelisha WTW upgrade and bulk rising main	2 000	2 000	5 000	5 000
	Wembezi Sanitation upgrade	200	-	8 000	12 000
	Bhekuzulu/ Ephangwini reticulation Phase 1 & 2 + (Ward 1-6)	18 000	28 000	15 000	15 000
	DRILLING AND EQUIPING OF BOREHOLES (HAND PUMPS AND PRODUCTION BOREHOLES)	10 000	-	5 000	2 500
	ROOSBOOM SANITATION PROJECT	50	-	5 000	5 000
	BERGVILLE WARD 5 SANITATION PROJECT PHASE (VIP LATRINES)	5 000	5 000	5 000	5 000
	LANGKLOOF WATER TREATMENT WORKS REFURBISHMENT	50	-	10 000	10 000
	BERGVILLE WATER TREATMENT WORKS REFURBISHMENT AND UPGRADE	400	-	2 500	3 000
	SPRING PROTECTION DISTRICT WIDE	150	15 000	2 500	5 000
	COLENZO BULK & RETICULATION UPGRADE	50	-	5 000	5 000
	BERGVILLE KHETHANI	50	-	5 000	7 000
	EZAKHENI WATER SUPPLY SYSTEM UPGRADE	50	-	15 000	20 000
	Regional Bulk Infrastructure Grant	142 283	40 000	125 462	127 399
	DRIEFONTEIN PHASE 3-(SPIONKOP)	2 488	2 488	2 635	2 788
	Rural Road Asset Management				
	Massification grant				
	Procurement of sanitation related equipment		7 000		
	Ekuvukeni Secondary		2 000		
<i>Budget and Treasury</i>	Furniture and office equipment	27	10		
<i>Corporate Services</i>	office equipment		150		

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

- R160 000 is internally funded for the purchase of working equipment for the employees.

2.6 Other Supporting Tables

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

DC23 Uthukela - Supporting Table SB18c Adjustments Budget - expenditure on repairs and maintenance by asset class -

Description	Current Year 2018/19					Budget Year	Budget Year
	Original	Nat. or Prov.	Other	Total	Adjusted	Adjusted	Adjusted
	Budget	Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
R thousands	A	E	F	G	H		
Repairs and maintenance expenditure by Asset Class/Sub-class							
Infrastructure	28 579	-	1 634	1 634	30 213	30 122	31 779
Roads Infrastructure	-	-	-	-	-	-	-
Water Supply Infrastructure	28 579	-	1 634	1 634	30 213	30 122	31 779
Boreholes					-	-	
Reservoirs	10 530				10 530	11 099	11 709
Pump Stations	15 795		2 000	2 000	17 795	16 648	17 564
Water Treatment Works	1 000		(300)	(300)	700	1 054	1 112
Bulk Mains	1 254		(66)	(66)	1 188	1 322	1 395
Other assets	316	-	-	-	316	333	351
Operational Buildings	316	-	-	-	316	333	351
Municipal Offices	316				316	333	351
Computer Equipment	250	-	-	-	250	264	278
Computer Equipment	250				250	264	278
Machinery and Equipment	627	-	-	-	627	661	697
Machinery and Equipment	627				627	661	697
Transport Assets	11 685	8 000	-	8 000	19 685	12 316	12 993
Transport Assets	11 685	8 000		8 000	19 685	12 316	12 993
Total Repairs and Maintenance Expenditure	41 457	8 000	1 634	9 634	51 091	43 696	46 099

- The R8 million increase in transport Asset repairs refers to a grant from provincial government to assist the municipality with fleet repairs.

UTHUKELA DISTRICT MUNICIPALITY 2019

2.6.1 ADJUSTMENT TO MONTHLY REVENUE AND EXPENDITURE (VOTE) SB12

DC23 Uthukela - Supporting Table SB12 Adjustments Budget - monthly revenue and expenditure (municipal vote) -

Description	Current Year 2018/19												Medium Term Revenue and Expenditure Framework			
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
	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							90	1 690	62 083	1 690	1 690	-	62 083	67 387	73 060	
200 - CORPORATE SERVICES	176 144	26 071	29 193	29 896	43 464	112 037	41 378	42 885	42 885	42 885	38 132	1 690	8 540	-	-	
300 - BUDGET AND TREASURY	96	109	207	92	7	632	632	632	632	632	629	4 300	4 300	400	400	
405 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)							5	6	6	6	9	50	50	53	56	
408 - WSA& HEALTH SERVICES	27 426	32 740	21 985	3 911	4 023	19 415	28 000	36 645	36 645	36 645	36 647	320 727	320 727	420 034	438 864	
500 - WATER, SANITATION AND TECHNICAL SERVICES	203 666	58 920	51 385	33 911	47 494	131 452	70 105	81 858	176 227	81 858	77 107	1 095 841	1 095 841	1 228 782	1 305 385	
Total Revenue by Vote																
Expenditure by Vote																
105 - MUNICIPAL MANAGER	3 559	3 186	3 945	3 107	5 103	3 037	8 014	6 178	6 178	6 178	6 182	60 855	60 855	61 033	64 382	
200 - CORPORATE SERVICES	3 800	3 318	3 544	3 899	5 164	2 910	2 262	5 363	5 363	5 363	5 363	51 712	51 712	48 705	51 384	
300 - BUDGET AND TREASURY	2 846	3 237	3 563	24 924	5 297	3 172	19 512	10 784	10 784	10 784	147 321	253 009	253 009	250 649	264 435	
405 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)	1 416	1 687	1 626	2 265	2 386	1 519	1 952	2 311	2 311	2 311	2 312	24 407	24 407	21 161	22 325	
408 - WSA& HEALTH SERVICES	1 369	1 590	1 579	1 727	1 254	1 518	1 621	2 848	2 848	2 848	2 847	24 898	24 898	26 148	27 586	
500 - WATER, SANITATION AND TECHNICAL SERVICES	13 810	18 481	18 380	34 096	21 894	18 150	31 900	29 050	29 050	29 050	29 052	301 963	301 963	262 041	276 453	
Total Expenditure by Vote	26 810	31 499	32 637	70 018	41 098	30 306	65 261	56 535	56 535	56 535	193 077	716 844	716 844	669 737	706 565	
Surplus/ (Deficit)	176 856	27 421	18 748	(36 107)	6 396	101 146	4 844	25 323	119 692	25 323	(115 970)	378 997	378 997	559 045	598 820	

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2.6.2 ADJUSTMENT TO MONTHLY REVENUE AND EXPENDITURE (FUNCTIONAL CLASSIFICATION) SB13

Description - Standard classification	Current Year 2018/19												Medium Term Revenue and Expenditure Framework					
	DC23 Uthukela - Supporting Table SB13 Adjustments Budget - monthly revenue and expenditure (functional classification) -												Budget Year 2018/19		Budget Year +1 2019/20		Budget Year +2 2020/21	
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	
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	Adjusted Budget	Adjusted Budget	
Revenue - Functional																		
<i>Governance and administration</i>	176 144	26 071	29 193	29 896	43 464	112 037	41 468	44 575	138 944	44 575	44 575	39 822	770 764	808 295	866 065			
Executive and council									62 083				62 083	67 387	73 060			
Finance and administration	176 144	26 071	29 193	29 896	43 464	112 037	41 468	44 575	76 861	44 575	44 575	39 822	708 681	740 908	793 005			
<i>Community and public safety</i>									6	6	6	9	50	53	56			
Health				12	12		5	6	6	6	6	9	50	53	56			
<i>Economic and environmental services</i>	96	109	207	92	7		632	632	632	632	632	629	4 300	400	400			
Planning and development	96	109	207	92	7		632	632	632	632	632	629	4 300	400	400			
<i>Trading services</i>	27 426	32 740	21 985	3 911	4 023	19 415	28 000	36 645	36 645	36 645	36 645	36 647	320 727	420 034	438 864			
Energy sources																		
Water management	27 426	32 740	21 985	3 911	4 023	19 415	28 000	36 645	36 645	36 645	36 645	36 647	320 727	420 034	438 864			
<i>Other</i>																		
Total Revenue - Functional	203 666	58 920	51 385	33 911	47 494	131 452	70 105	81 858	176 227	81 858	81 858	77 107	1 095 841	1 228 782	1 305 385			
Expenditure - Functional																		
<i>Governance and administration</i>	10 215	9 741	11 052	31 930	15 564	9 119	29 788	22 325	22 325	22 325	22 325	158 866	365 575	360 388	380 201			
Executive and council	3 569	3 186	3 945	3 107	5 103	3 037	8 014	6 178	6 178	6 178	6 178	6 182	60 855	61 033	64 382			
Finance and administration	6 646	6 555	7 107	28 823	10 461	6 082	21 774	16 147	16 147	16 147	16 147	152 685	304 721	299 355	315 819			
Internal audit																		
<i>Community and public safety</i>	1 369	1 590	1 579	1 727	1 254	1 518	1 621	2 848	2 848	2 848	2 848	2 847	24 898	26 148	27 586			
Health	1 369	1 590	1 579	1 727	1 254	1 518	1 621	2 848	2 848	2 848	2 848	2 847	24 898	26 148	27 586			
<i>Economic and environmental services</i>	1 416	1 687	1 626	2 265	2 386	1 519	1 952	2 311	2 311	2 311	2 311	2 312	24 407	21 161	22 325			
Planning and development	1 416	1 687	1 626	2 265	2 386	1 519	1 952	2 311	2 311	2 311	2 311	2 312	24 407	21 161	22 325			
<i>Trading services</i>	13 810	18 481	18 380	34 096	21 894	18 150	31 900	29 050	29 050	29 050	29 050	29 052	301 963	262 041	276 453			
Energy sources																		
Water management	13 810	18 481	18 380	34 096	21 894	18 150	31 900	29 050	29 050	29 050	29 050	29 052	301 963	262 041	276 453			
<i>Other</i>																		
Total Expenditure - Functional	26 810	31 499	32 637	70 018	41 098	30 306	65 261	56 534	56 534	56 534	56 534	193 078	716 844	669 737	706 565			
Surplus/ (Deficit) 1.	176 856	27 421	18 748	(36 107)	6 396	101 146	4 844	25 324	119 693	25 324	25 324	(115 970)	378 997	559 045	598 820			

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2..6.3 ADJUSTMENT TO MONTHLY REVENUE AND EXPENDITURE BY TYPE(SB14)

DC23 Uthukela - Supporting Table SB14 Adjustments Budget - monthly revenue and expenditure -

Description	Current Year 2018/19												Medium Term Revenue and Expenditure Framework			
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year	Budget Year +1	Budget Year +2	
	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 Source																
Service charges - water revenue	27 548	19 493	21 996	23 288	36 608	19 298	19 357	19 357	19 357	19 357	19 357	19 359	270 645	285 260	300 950	
Service charges - sanitation revenue	1 342	1 442	1 560	1 391	1 451	1 364	1 291	3 035	3 035	3 035	3 035	3 038	25 019	26 370	27 821	
Interest earned - external investments	357	561	299	203	151	606	625	625	625	625	625	626	5 928	6 248	6 591	
Interest earned - outstanding debtors	4 348	4 388	42	4 424	4 832	4 406	4 582	4 582	4 582	4 582	4 582	4 580	50 456	53 181	56 106	
Fines, penalties and forfeits					12		5	6				9	50	53	56	
Transfers and subsidies	150 850	872	768	617	624	132 494	605	6 375	105 746	6 375	6 375	6 372	418 073	434 001	471 163	
Other revenue	225	306	151	342	217	98	7 798	402	402	402	404	404	11 149	3 635	3 835	
Total Revenue	184 670	27 062	24 816	30 265	43 894	158 265	41 059	34 382	133 753	34 382	34 382	34 389	781 320	808 748	866 521	
Expenditure By Type																
Employee related costs	19 810	23 643	22 146	23 659	34 197	23 647	20 789	20 789	20 789	20 789	20 789	20 790	271 837	273 928	288 994	
Remuneration of councillors	556	535	511	586	577	538	692	692	692	692	692	693	7 456	7 859	8 291	
Debt impairment																
Depreciation & asset impairment																
Finance charges		2	9	31	66		140	140	140	140	140	141	949	1 013	1 069	
Bulk purchases																
Other materials		59	447	2 166	6	51	1 942	1 942	1 942	1 942	1 942	1 945	14 384	15 361	16 206	
Contracted services		3 271	6 274	3 860	4 468	3 393	19 692	19 692	19 692	19 692	19 692	19 694	139 420	76 652	80 861	
Grants and subsidies		323					127									
Other expenditure	3 466	3 280	2 669	18 303	2 831	2 449	7 453	7 453	7 453	7 453	7 453		450			
Total Expenditure	23 832	31 113	32 057	69 606	42 144	30 078	66 955	50 708	50 708	50 708	50 708	218 228	716 844	689 737	706 565	
Surplus/(Deficit)	160 838	(4 051)	(7 241)	(39 340)	1 750	128 187	(25 896)	(16 326)	83 045	(16 326)	(16 326)	(183 839)	64 476	139 011	159 956	
(monetary allocations) (National / Provincial and District)																
Surplus/(Deficit) after capital transfer	187 638	28 087	13 866	(35 894)	5 309	147 138	8 524	18 094	117 465	18 094	18 094	(147 419)	378 997	559 045	598 820	

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2.6.4 Supporting table SB15 Adjustment budget – Monthly Cashflow

DC23 Uthukela - Supporting Table SB15 Adjustments Budget - monthly cash flow -

R thousands	Current Year 2018/19												Medium Term Revenue and Expenditure Framework				
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year	Adjusted Budget	Budget Year +1	Adjusted Budget	
	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Budget	Budget	Budget	Budget	
Cash Receipts By Source																	
Service charges - water revenue	6 027	8 763	9 093	16 575	8 192	7 003	9 275	9 275	9 275	9 275	9 275	9 275	111 303	117 313	117 313	123 765	
Service charges - sanitation revenue	1 341	1 442	1 560	1 391	1 451	1 364	1 425	1 425	1 425	1 425	1 425	1 425	17 100	18 023	18 023	19 015	
Interest earned - external investments	357	561	299	203	151	606	625	625	625	625	625	625	5 928	6 248	6 248	6 591	
Fines, penalties and forfeits	150 850	3 098	—	—	12	132 494	6	6	6	6	6	6	50	53	53	56	
Transfer receipts - operational	225	306	151	342	217	98	7 798	402	402	402	402	402	418 073	428 391	428 391	451 953	
Other revenue	158 800	14 170	11 102	18 512	10 022	141 564	19 128	11 733	143 364	11 733	11 733	11 741	563 602	581 779	581 779	613 777	
Cash Receipts by Source																	
Other Cash Flows by Source																	
Transfers receipts - capital	88 000	1 742	—	25 000	—	77 000	47 000	746	75 033	—	—	—	314 521	420 034	420 034	438 864	
Increase (decrease) in consumer deposits	246 800	15 912	11 102	43 512	10 022	218 564	66 128	12 479	218 397	11 733	11 733	13 506	879 888	1 003 673	1 003 673	1 054 603	
Total Cash Receipts by Source																	
Cash Payments by Type																	
Employee related costs	19 810	23 643	22 146	23 659	34 197	23 647	20 789	20 789	20 789	20 789	20 789	20 790	271 837	286 516	286 516	302 274	
Remuneration of councillors	556	535	511	586	577	538	692	692	692	692	692	693	7 456	7 859	7 859	8 291	
Finance charges	—	2	9	31	66	—	140	140	140	140	140	141	949	1 000	1 000	1 055	
Bulk purchases - Water & Sewer	—	—	—	—	—	—	—	—	—	—	—	—	4 000	4 216	4 216	4 448	
Other materials	—	59	447	2 166	6	51	1 942	1 942	1 942	1 942	1 942	1 945	14 385	14 216	14 216	14 998	
Contracted services	—	3 271	6 274	3 860	4 468	3 393	19 692	19 692	19 692	19 692	19 692	19 694	139 420	76 251	76 251	80 437	
Transfers and grants - other municipalities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Transfers and grants - other	—	323	—	—	—	—	127	—	—	—	—	—	450	—	—	—	
Other expenditure	3 466	3 280	2 669	18 303	2 831	2 449	7 453	7 453	7 453	7 453	7 453	7 457	77 720	78 131	78 131	82 428	
Cash Payments by Type																	
Other Cash Flows/Payments by Type																	
Capital assets	26 800	32 138	21 107	3 446	3 559	18 950	34 420	34 420	34 420	34 420	34 420	36 581	314 681	420 034	420 034	438 864	
Other Cash Flows/Payments	50 632	63 251	53 164	52 052	45 703	95 408	85 255	85 128	85 128	85 128	85 128	91 301	877 277	888 222	888 222	932 795	
Total Cash Payments by Type																	
NET INCREASE/(DECREASE) IN CASH HE																	
Cash/cash equivalents at the month/year beginning	6 011	202 179	154 840	112 779	104 239	68 558	191 713	172 587	99 938	233 207	159 812	86 417	6 011	8 621	8 621	124 072	
Cash/cash equivalents at the month/year end	202 179	154 840	112 779	104 239	68 558	191 713	172 587	99 938	233 207	159 812	86 417	8 621	8 621	124 072	124 072	245 879	

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

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

Description - Municipal Vote	Current Year 2018/19												Medium Term Revenue and Expenditure Framework			
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
	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																
<u>Single-year expenditure appropriation</u>																
105 - MUNICIPAL MANAGER																
200 - CORPORATE SERVICES							150									
300 - BUDGET AND TREASURY					10											
405 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)																
408 - WSA& HEALTH SERVICES																
500 - WATER, SANITATION AND TECHNICAL SERVICES	26 800	32 138	21 107	3 446	3 568	18 950	34 754	34 754	34 754	34 754	34 754	34 751	314 521	420 034		438 864
Capital single-year expenditure sub-total	26 800	32 138	21 107	3 446	3 568	18 950	34 904	34 754	34 754	34 754	34 752	314 681	314 681	420 034		438 864
Total Capital Expenditure	26 800	32 138	21 107	3 446	3 568	18 950	34 904	34 754	34 754	34 754	34 752	314 681	314 681	420 034		438 864

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

Description	Current Year 2018/19												Medium Term Revenue and Expenditure Framework						
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year	Adjusted Budget	Budget Year +1	Adjusted Budget	Budget Year +2	Adjusted Budget	
	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Budget	Adjusted Budget	Budget	Adjusted Budget	Budget	Adjusted Budget	
R thousands																			
Capital Expenditure - Functional																			
Governance and administration																			
Executive and council	-	-	-	-	10	-	150	-	-	-	-	0	-	-	-	160	-	-	-
Finance and administration					10		150					0			160				
Internal audit																			
Community and public safety																			
Community and social services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and recreation																			
Public safety																			
Housing																			
Health																			
Economic and environmental services																			
Planning and development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport																			
Environmental protection																			
Trading services	26 800	32 138	21 107	3 446	3 558	18 950	34 754	34 754	34 754	34 754	34 754	34 751	314 521	420 034	420 034	438 864			
Energy sources																			
Water management	26 800	32 138	21 107	3 446	3 558	18 950	34 754	34 754	34 754	34 754	34 751	314 521	420 034	420 034	438 864				
Waste water management																			
Waste management																			
Other																			
Total Capital Expenditure - Functional	26 800	32 138	21 107	3 446	3 558	18 950	34 904	34 754	34 754	34 754	34 754	34 752	314 681	420 034	420 034	438 864			

2.7 Municipal Manager's quality certificate

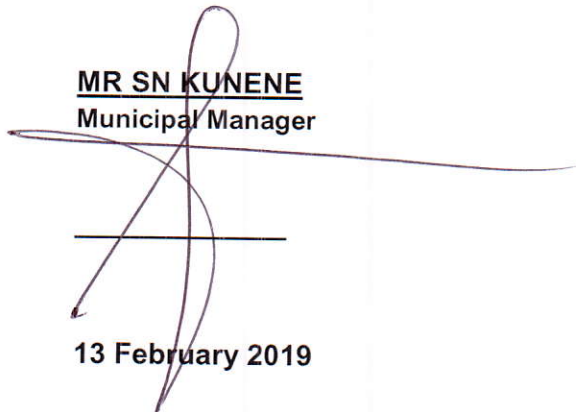


I **Sifiso Nicholas Kunene** Municipal Manager of UThukela District Municipality, hereby certify that the adjustments budget and supporting documentation have been prepared in accordance with S72 of the Municipal Finance Management Act and the regulations made under this Act.

Print Name

MR SN KUNENE
Municipal Manager

Signature



Date

13 February 2019