

**SPECIAL ADJUSTMENTS BUDGET OF  
UTHUKELA DISTRICT  
MUNICIPALITY**



**2019/20**

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## 1.1. Mayor's Report

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

The review was done to make up for the shortfall on approved budget and to attend to those areas where we underspent or overspent. further to that is was to develop and approve a tangible financial recovery plan over the coming years.

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

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

1. Staff overtime
2. Revenue collection especially interest on overdue debts.
3. Controlling of day to day expenditure in general.
4. Settling of long term outstanding debt.

Senior managers are actively looking into possible measures of reducing overtime and improving our current collection rate, in order to improve our cash flow situation. Debt collectors are on site and setting up for the task ahead. It is anticipated that our cash collection will improve before the end of the next financial year.

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

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

I now present to you the adjustments budget for the 2019/20 financial year.

## 1.2 Council Resolutions

On 08 November 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 2019/2020. The Council approved and adopted the following resolutions:

1. The UThukela District Local Municipality, acting in terms of section 72 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
  - 1.1. The adjustments budget of the municipality for the financial year 201/18 and the multi-year and single-year capital appropriations as set out in the following tables:
    - 1.1.1. Adjustments Budget Financial Performance (revenue and expenditure by standard classification) as contained in Table B2
    - 1.1.2. Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) as contained in Table B3
    - 1.1.3. Adjustments Budget Summary as contained in Table B1
    - 1.1.4. Adjustments Budget financial performance (revenue and expenditure) as contained in Table B4
  - 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
    - 1.2.1. Adjustments Budget Financial Position as contained in Table B6
    - 1.2.2. Adjustments Budget Cash Flows as contained in Table B7
    - 1.2.3. Adjustments Budget Cash backed reserves and accumulated surplus reconciliation as contained in Table A8
    - 1.2.4. Adjustments Budget Asset management as contained in Table B9
    - 1.2.5. Adjustments Budget Basic service delivery measurement as contained in Table B10

### 1.3 Executive Summary

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

Section 72 indicates that the following information must be provided:

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

As part of the review the accounting officer must:

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

### Background

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

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

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

*“An annual budget may only be funded from:*

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

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

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

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

## ADJUSTMENT BUDGET TABLES

### Adjustments Budget Summary (B1)

DC23 Uthukela - Table B1 Adjustments Budget Summary -

Description	Budget Year 2019/20									Budget Year +1 2020/21	Budget Year +2 2021/22
	Original Budget	Prior Adjusted 1	Accum. Funds 2	Multi-year capital 3	Unfore. Unavoid. 4	Nat. or Prov. Govt 5	Other Adjusts. 6	Total Adjusts. 7	Adjusted Budget 8	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H		
<b>Financial Performance</b>											
Property rates	-	-	-	-	-	-	-	-	-	-	-
Service charges	262 991	-	-	-	-	-	(2 238)	(2 238)	260 753	274 833	289 674
Investment revenue	6 283	-	-	-	-	-	(643)	(643)	5 640	5 640	5 640
Transfers recognised - operational	449 659	-	-	-	-	-	5 954	5 954	455 613	476 827	515 509
Other own revenue	70 716	-	-	-	-	-	20 475	20 475	91 192	94 752	99 868
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>789 650</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23 548</b>	<b>23 548</b>	<b>813 198</b>	<b>852 052</b>	<b>910 692</b>
Employee costs	291 843	-	-	-	-	-	-	-	291 843	307 603	324 214
Remuneration of councillors	7 956	-	-	-	-	-	(1 614)	(1 614)	6 342	6 684	7 045
Depreciation & asset impairment	58 644	-	-	-	-	-	-	-	58 644	61 811	65 149
Finance charges	-	-	-	-	-	-	-	-	-	-	-
Materials and bulk purchases	13 158	-	-	-	-	-	126 745	126 745	139 903	147 458	155 421
Transfers and grants	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	303 741	-	-	-	-	-	(15 375)	(15 375)	288 366	303 937	320 350
<b>Total Expenditure</b>	<b>675 342</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>109 756</b>	<b>109 756</b>	<b>785 098</b>	<b>827 493</b>	<b>872 178</b>
<b>Surplus/(Deficit)</b>	<b>114 308</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(86 208)</b>	<b>(86 208)</b>	<b>28 100</b>	<b>24 559</b>	<b>38 514</b>
Transfers recognised - capital	296 937	-	-	-	-	-	-	-	296 937	442 806	704 719
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>411 245</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(86 208)</b>	<b>(86 208)</b>	<b>325 037</b>	<b>467 365</b>	<b>743 233</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>411 245</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(86 208)</b>	<b>(86 208)</b>	<b>325 037</b>	<b>467 365</b>	<b>743 233</b>
<b>Capital expenditure &amp; funds sources</b>											
<b>Capital expenditure</b>	296 937	-	-	-	-	-	-	-	296 937	442 806	704 719
Transfers recognised - capital	296 937	-	-	-	-	-	-	-	296 937	442 806	704 719
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funds</b>	<b>296 937</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>296 937</b>	<b>442 806</b>	<b>704 719</b>
<b>Financial position</b>											
Total current assets	506 415	-	-	-	-	-	(246 706)	(246 706)	259 709	344 900	434 389
Total non current assets	3 039 990	-	-	-	-	-	(158 255)	(158 255)	2 881 735	3 037 367	3 201 404
Total current liabilities	211 923	-	-	-	-	-	113 458	113 458	325 381	332 573	340 167
Total non current liabilities	36 824	-	-	-	-	-	-	-	36 824	38 812	40 908
<b>Community wealth/Equity</b>	<b>3 297 658</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(518 420)</b>	<b>(518 420)</b>	<b>2 779 238</b>	<b>3 010 881</b>	<b>3 254 717</b>
<b>Cash flows</b>											
Net cash from (used) operating	414 415	-	-	-	-	-	(159 136)	(159 136)	255 279	480 534	744 180
Net cash from (used) investing	(296 937)	-	-	-	-	-	-	-	(296 937)	(442 806)	(704 719)
Net cash from (used) financing	1 541	-	-	-	-	-	152	152	1 693	1 784	1 881
<b>Cash/cash equivalents at the year end</b>	<b>145 803</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(141 861)</b>	<b>(141 861)</b>	<b>3 942</b>	<b>43 454</b>	<b>84 795</b>
<b>Cash backing/surplus reconciliation</b>											
Cash and investments available	145 803	-	-	-	-	-	(141 861)	(141 861)	3 942	43 454	84 795
Application of cash and investments	139 984	-	-	-	-	-	9 477	9 477	149 460	134 578	118 303
<b>Balance - surplus (shortfall)</b>	<b>5 820</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(151 338)</b>	<b>(151 338)</b>	<b>(145 518)</b>	<b>(91 124)</b>	<b>(33 508)</b>
<b>Asset Management</b>											
Asset register summary (WDV)	3 031 316	-	-	-	-	-	-	-	3 031 316	3 410 824	4 115 574
Depreciation & asset impairment	58 644	-	-	-	-	-	-	-	58 644	61 811	65 149
Renewal and Upgrading of Existing Assets	84 900	-	-	-	-	-	-	-	84 900	127 055	155 406
Repairs and Maintenance	8 950	-	-	-	-	-	-	-	8 950	-	-
<b>Free services</b>											
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-	-
<b>Households below minimum service level</b>											
Water:	25	-	-	-	-	-	-	-	25	26	27
Sanitation/sew erage:	-	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-	-

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

DC23 Uthukela - Table B2 Adjustments Budget Financial Performance (functional classification) - B -												
Standard Classification Description	Ref	Budget Year 2019/20									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2020/21	+2 2021/22
R thousand	1	A	A1	B	C	D	E	F	G	H		
<b>Revenue - Functional</b>												
<b>Municipal governance and administration</b>		774 357	-	-	-	-	-	(247)	(247)	774 110	817 527	863 693
Executive and council		67 286	-	-	-	-	-	-	-	67 286	72 952	78 911
Mayor and Council		67 286	-	-	-	-	-	-	-	67 286	72 952	78 911
Finance and administration		707 071	-	-	-	-	-	(247)	(247)	706 824	744 575	784 782
Administrative and Corporate Support								396	396	396		
Asset Management								-	-	-		
Finance		707 071	-	-	-	-	-	(643)	(643)	706 428	744 575	784 782
Internal audit		-	-	-	-	-	-	-	-	-	-	-
Governance Function								-	-	-		
<b>Community and public safety</b>		53	-	-	-	-	-	(53)	(53)	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Housing												
Informal Settlements												
Health		53	-	-	-	-	-	(53)	(53)	-	-	-
Ambulance												
Health Services		53	-	-	-	-	-	(53)	(53)	-	-	-
<b>Economic and environmental services</b>		550	-	-	-	-	-	1 003	1 003	1 553	-	-
Planning and development		550	-	-	-	-	-	1 003	1 003	1 553	-	-
Development Facilitation												
Economic Development/Planning		550	-	-	-	-	-	1 003	1 003	1 553	-	-
<b>Trading services</b>		311 627	-	-	-	-	-	22 845	22 845	334 472	453 513	726 614
Energy sources		-	-	-	-	-	-	-	-	-	-	-
Electricity												
Water management		311 627	-	-	-	-	-	22 845	22 845	334 472	453 513	726 614
Water Distribution		311 627	-	-	-	-	-	22 845	22 845	334 472	453 513	726 614
Water Storage												
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Street Cleaning												
<b>Other</b>		-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	1 086 587	-	-	-	-	-	23 548	23 548	1 110 134	1 271 040	1 590 307
<b>Expenditure - Functional</b>												
<b>Municipal governance and administration</b>		379 809	-	-	-	-	-	(3 289)	(3 289)	376 520	397 605	419 871
Executive and council		56 978	-	-	-	-	-	(1 939)	(1 939)	55 039	58 121	61 376
Mayor and Council		12 001	-	-	-	-	-	(1 614)	(1 614)	10 387	10 969	11 583
Municipal Manager, Town Secretary and Chief Executive		44 976	-	-	-	-	-	(325)	(325)	44 651	47 152	49 792
Finance and administration		322 831	-	-	-	-	-	(1 350)	(1 350)	321 481	339 484	358 495
Administrative and Corporate Support		43 073	-	-	-	-	-	(950)	(950)	42 123	44 482	46 973
Asset Management												
Finance		279 758	-	-	-	-	-	(400)	(400)	279 358	295 002	311 522
Fleet Management												
Internal audit		-	-	-	-	-	-	-	-	-	-	-
Governance Function												
<b>Community and public safety</b>		24 597	-	-	-	-	-	(500)	(500)	24 097	25 446	26 871
Community and social services		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		24 597	-	-	-	-	-	(500)	(500)	24 097	25 446	26 871
Health Services		24 597	-	-	-	-	-	(500)	(500)	24 097	25 446	26 871
Laboratory Services												
Food Control												
<b>Economic and environmental services</b>		22 995	-	-	-	-	-	-	-	22 995	24 282	25 642
Planning and development		22 995	-	-	-	-	-	-	-	22 995	24 282	25 642
Billboards												
Economic Development/Planning												
Regional Planning and Development		22 995	-	-	-	-	-	-	-	22 995	24 282	25 642
Soil Conservation												
<b>Trading services</b>		247 942	-	-	-	-	-	113 545	113 545	361 486	381 730	403 107
Energy sources		-	-	-	-	-	-	-	-	-	-	-
Electricity												
Water management		247 942	-	-	-	-	-	113 545	113 545	361 486	381 730	403 107
Water Distribution		247 942	-	-	-	-	-	113 545	113 545	361 486	381 730	403 107
Water Storage												
Waste water management		-	-	-	-	-	-	-	-	-	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	3	675 342	-	-	-	-	-	109 756	109 756	785 098	829 063	875 491
<b>Surplus/ (Deficit) for the year</b>		411 245	-	-	-	-	-	(86 208)	(86 208)	325 037	441 977	714 816



**Table B3 Adjustments Budget Financial Performance - [B3]**

DC23 Uthukela - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - B -													
Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2019/20										Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjus.	Total Adjus.	Adjusted Budget	Adjusted Budget	Adjusted Budget	
		3	4	5	6	7	8	9	10				
R thousands		A	A1	B	C	D	E	F	G	H			
<b>Revenue by Vote</b>	1												
105 - MUNICIPAL MANAGER		67 286	-	-	-	-	-	-	-	67 286	72 952	78 911	
100 - MAYOR AND COUNCIL		67 286								67 286	72 952	78 911	
105 - MUNICIPAL MANAGER													
200 - CORPORATE SERVICES								396	396	396			
200 - CORPORATE SERVICES								396	396	396			
300 - BUDGET AND TREASURY		707 071	-	-	-	-	-	(643)	(643)	706 428	744 575	784 782	
300 - BUDGET AND TREASURY		707 071						(643)	(643)	706 428	744 575	784 782	
405 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)		550	-	-	-	-	-	1 003	1 003	1 553			
405 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)		550						1 003	1 003	1 553			
408 - WSA& HEALTH SERVICES		53	-	-	-	-	-	(53)	(53)				
408 - WSA& HEALTH SERVICES		53						(53)	(53)				
510 - 500 - WATER, SANITATION AND TECHNICAL SER		311 627	-	-	-	-	-	22 845	22 845	334 472	477 332	751 719	
500 - TECHNICAL SERVICES		311 627						22 845	22 845	334 472	477 332	751 719	
Vote 7 - [NAME OF VOTE 7]													
Vote 8 - [NAME OF VOTE 8]													
Vote 9 - [NAME OF VOTE 9]													
Vote 10 - [NAME OF VOTE 10]													
Vote 11 - [NAME OF VOTE 11]													
Vote 12 - [NAME OF VOTE 12]													
Vote 13 - [NAME OF VOTE 13]													
Vote 14 - [NAME OF VOTE 14]													
Vote 15 - [NAME OF VOTE 15]													
<b>Total Revenue by Vote</b>	2	1 086 587						23 548	23 548	1 110 134	1 294 858	1 615 411	
<b>Expenditure by Vote</b>	1												
105 - MUNICIPAL MANAGER		56 978	-	-	-	-	-	(1 939)	(1 939)	55 039	58 011	61 144	
100 - MAYOR AND COUNCIL		12 001						(1 614)	(1 614)	10 387	10 948	11 540	
105 - MUNICIPAL MANAGER		44 976						(325)	(325)	44 651	47 063	49 604	
200 - CORPORATE SERVICES		43 073	-	-	-	-	-	(950)	(950)	42 123	44 398	46 795	
200 - CORPORATE SERVICES		43 073						(950)	(950)	42 123	44 398	46 795	
300 - BUDGET AND TREASURY		279 758	-	-	-	-	-	(400)	(400)	279 358	294 443	310 343	
300 - BUDGET AND TREASURY		279 758						(400)	(400)	279 358	294 443	310 343	
405 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)		22 995	-	-	-	-	-			22 995	24 236	25 545	
405 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)		22 995								22 995	24 236	25 545	
0													
408 - WSA& HEALTH SERVICES		24 597	-	-	-	-	-	(500)	(500)	24 097	25 398	26 769	
408 - WSA& HEALTH SERVICES		24 597						(500)	(500)	24 097	25 398	26 769	
510 - 500 - WATER, SANITATION AND TECHNICAL SER		247 942	-	-	-	-	-	113 545	113 545	361 486	381 007	401 581	
500 - TECHNICAL SERVICES		14 690						113 545	113 545	128 235	135 159	142 458	
510 - WATER SERVICES		233 252								233 252	245 847	259 123	
530 - SANITATION SERVICES													
Vote 7 - [NAME OF VOTE 7]													
Vote 8 - [NAME OF VOTE 8]													
Vote 9 - [NAME OF VOTE 9]													
Vote 10 - [NAME OF VOTE 10]													
Vote 11 - [NAME OF VOTE 11]													
Vote 12 - [NAME OF VOTE 12]													
Vote 13 - [NAME OF VOTE 13]													
Vote 14 - [NAME OF VOTE 14]													
Vote 15 - [NAME OF VOTE 15]													
<b>Total Expenditure by Vote</b>	2	675 342						109 756	109 756	785 098	827 493	872 178	
<b>Surplus/ (Deficit) for the year</b>	2	411 245						(86 208)	(86 208)	325 037	467 365	743 234	

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

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

Description	Ref	Budget Year 2019/20									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2020/21	+2 2021/22
R thousands	1	A	A1	B	C	D	E	F	G	H		
<b>Revenue By Source</b>												
Property rates	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	245 710	-	-	-	-	-	(1 589)	(1 589)	244 121	257 303	271 198
Service charges - sanitation revenue	2	17 281	-	-	-	-	-	(649)	(649)	16 632	17 530	18 477
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment												
Interest earned - external investments		6 283						(643)	(643)	5 640	5 640	5 640
Interest earned - outstanding debtors		67 008						(3 480)	(3 480)	63 528	66 959	70 574
Dividends received												
Fines, penalties and forfeits		53						(53)	(53)			
Licences and permits												
Agency services												
Transfers and subsidies		449 659						5 954	5 954	455 613	476 827	515 509
Other revenue	2	3 655	-	-	-	-	-	24 008	24 008	27 664	27 793	29 294
Gains on disposal of PPE												
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>789 650</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23 548</b>	<b>23 548</b>	<b>813 198</b>	<b>852 052</b>	<b>910 692</b>
<b>Expenditure By Type</b>												
Employee related costs		291 843	-	-	-	-	-	-	-	291 843	307 603	324 214
Remuneration of councillors		7 956						(1 614)	(1 614)	6 342	6 684	7 045
Debt impairment		168 789								168 789	177 904	187 510
Depreciation & asset impairment		58 644	-	-	-	-	-	-	-	58 644	61 811	65 149
Finance charges												
Bulk purchases		4 208	-	-	-	-	-	126 745	126 745	130 953	138 024	145 478
Other materials		8 950								8 950	9 434	9 943
Contracted services		59 926	-	-	-	-	-	(12 000)	(12 000)	47 926	50 514	53 241
Transfers and subsidies												
Other expenditure		75 026	-	-	-	-	-	(3 375)	(3 375)	71 651	75 520	79 598
Loss on disposal of PPE												
<b>Total Expenditure</b>		<b>675 342</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>109 756</b>	<b>109 756</b>	<b>785 098</b>	<b>827 493</b>	<b>872 178</b>
<b>Surplus/(Deficit)</b>												
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		114 308	-	-	-	-	-	(86 208)	(86 208)	28 100	24 559	38 514
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher)		296 937								296 937	442 806	704 719
Transfers and subsidies - capital (in-kind - all)												
<b>Surplus/(Deficit) before taxation</b>		<b>411 245</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(86 208)</b>	<b>(86 208)</b>	<b>325 037</b>	<b>467 365</b>	<b>743 233</b>
Taxation												
<b>Surplus/(Deficit) after taxation</b>		<b>411 245</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(86 208)</b>	<b>(86 208)</b>	<b>325 037</b>	<b>467 365</b>	<b>743 233</b>
Attributable to minorities												
<b>Surplus/(Deficit) attributable to municipality</b>		<b>411 245</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(86 208)</b>	<b>(86 208)</b>	<b>325 037</b>	<b>467 365</b>	<b>743 233</b>
Share of surplus/ (deficit) of associate												
<b>Surplus/ (Deficit) for the year</b>		<b>411 245</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(86 208)</b>	<b>(86 208)</b>	<b>325 037</b>	<b>467 365</b>	<b>743 233</b>

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

**WATER & SANITATION SALES:**

Water charges have been decreased by R5.5 million due to the anticipated industry tariff decrease. Which will assist increasing the net amount collected from businesses. The new tariff has been discussed with the affected businesses and the business chamber.

uMngeni water will be charged a total amount of R3.9 million for the raw water, which is anticipated to increase by 5.4% in the outer years.  
Thus the net effect on water charges in the downward effect of R1.5 million.

Sanitation charges have also been decreased by R649 thousand as the billing projection for the financial year is R16.6 million and not the original R17.2 million.

#### INTEREST FROM INVESTMENTS:

Interest income has been adjusted by R643 thousand, 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:

There has been a total adjustment of R1.3 million to operating grants resulting from the following

- R395 thousand which was the approved roll-over relating to the LGSETA grant
- R2.5 thousand District Growth and Development Summit
- R1 million has been included for the nodal plan grant approved rollover  
This amount will however have no bearing on the current years' cash flow.

#### OTHER REVENUE:

Other revenue has been increased by R24 million which the recovery costs from uMngeni as follows.

Recovery costs electricity R 22.7 million  
Recovery costs security R 1.1 million  
recovery costs insurance R116 thousand.

we also note that the recovery costs for security and insurance will fall off in the outer years. However, the electricity costs have been included in the outer two years of the MTREF as the process of handing over the electricity account has not been initiated.

#### EMPLOYEE REALATED COSTS:

No adjustment has been made to employee related cost, although a significant portion of the budgeted amount of R15 million for overtime has been spent. We are banking of the overtime control developments that have been implemented thus far.

- The eligibility for overtime of employees (including managers) has been reviewed.
- The total number of overtime hours per employee has been reduced.
- Employees are now eligible for overtime on a rotational basis.

Management continues to prioritise the reduction of overtime. If the current control developments are adequately implemented and monitored, we are looking at overtime savings of R10 million per annum.

OTHER MATERIALS:

At midyear it appeared that a material cost saving was achieved on the amounts budgeted for the corrective repairs to water pumps and pipelines. The amount for repairs and maintenance has not been reduced.

CONTRACTED SERVICES:

Contracted services have been decreased by R12 million, this decreased was based on the spending of the first quarter. The budget for contracted plant and equipment hire including water tankers has been reduced.

BULK PURCHASES:

A total amount of R126.7 million has been included in the current budget for the amount we are being billed by uMngeni. We further emphasise that this amount is expected to increase by 8% in the outer years.

GENERAL EXPENDITURE:

General expenditure has been reduced by R3.5 million, due to the current strain on cash flows. As mentioned earlier the municipality has prioritised the core function which is the provision of water and sanitation and requisition are now scrutinised by the IFC before being approved. However, the cost savings that have been achieved has been directly absorbed by all the inevitable upward adjustments such as bulk purchases.

**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	Ref	Budget Year 2019/20										Budget Year +1	Budget Year +2 2021/22
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov.	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget	
R thousands		A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H			
<b>Capital expenditure - Vote</b>													
<b>Multi-year expenditure to be adjusted</b>	2												
510 - 500 - WATER, SANITATION AND TECHNICAL SERVICES		296 937	-	-	-	-	-	-	-	296 937	442 806	704 719	
<b>Capital multi-year expenditure sub-total</b>	3	<b>296 937</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>296 937</b>	<b>442 806</b>	<b>704 719</b>	
<b>Total Capital Expenditure - Vote</b>		<b>296 937</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>296 937</b>	<b>442 806</b>	<b>704 719</b>	
<b>Economic and environmental services</b>		-	-	-	-	-	-	-	-	-	-	-	
Planning and development													
Road transport													
Environmental protection													
<b>Trading services</b>		<b>296 937</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>296 937</b>	<b>442 806</b>	<b>704 719</b>	
Energy sources													
Water management		296 937								296 937	442 806	704 719	
Waste water management													
Waste management													
<b>Other</b>													
<b>Total Capital Expenditure - Functional</b>	3	<b>296 937</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>296 937</b>	<b>442 806</b>	<b>704 719</b>	
<b>Funded by:</b>													
National Government		296 937								296 937	442 806	704 719	
Provincial Government													
District Municipality													
Other transfers and grants													
<b>Transfers recognised - capital</b>	4	<b>296 937</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>296 937</b>	<b>442 806</b>	<b>704 719</b>	
<b>Borrowing</b>													
<b>Internally generated funds</b>													
<b>Total Capital Funding</b>		<b>296 937</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>296 937</b>	<b>442 806</b>	<b>704 719</b>	

### Adjustments Budget Financial Position– [B6]

DC23 Uthukela - Table B6 Adjustments Budget Financial Position -

Description	Ref	Budget Year 2019/20									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	A1	B	C	D	E	F	G	H		
<b>R thousands</b>												
<b>ASSETS</b>												
<b>Current assets</b>												
Cash		77 931						(73 989)	(73 989)	3 942	42 339	81 327
Call investment deposits	1	67 872	-	-	-	-	-	(67 872)	(67 872)	-	-	-
Consumer debtors	1	349 574	-	-	-	-	-	(104 845)	(104 845)	244 729	289 790	337 284
Other debtors		4 143								4 143	4 375	4 620
Current portion of long-term receivables												
Inventory		6 895								6 895	7 281	7 689
<b>Total current assets</b>		<b>506 415</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(246 706)</b>	<b>(246 706)</b>	<b>259 709</b>	<b>343 785</b>	<b>430 920</b>
<b>Non current assets</b>												
Long-term receivables		6 251								6 251	6 601	6 971
Investments												
Investment property												
Investment in Associate												
Property, plant and equipment	1	3 030 774	-	-	-	-	-	(158 213)	(158 213)	2 872 561	3 033 424	3 203 296
Biological												
Intangible		542						(42)	(42)	500	528	558
Other non-current assets		2 423								2 423	2 559	2 702
<b>Total non current assets</b>		<b>3 039 990</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(158 255)</b>	<b>(158 255)</b>	<b>2 881 735</b>	<b>3 043 112</b>	<b>3 213 526</b>
<b>TOTAL ASSETS</b>		<b>3 546 405</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(404 962)</b>	<b>(404 962)</b>	<b>3 141 444</b>	<b>3 386 897</b>	<b>3 644 446</b>
<b>LIABILITIES</b>												
<b>Current liabilities</b>												
Bank overdraft												
Borrowing												
Consumer deposits		18 341						13 659	13 659	32 000	33 792	35 684
Trade and other payables		171 162						15 799	15 799	186 962	186 962	186 962
Provisions		22 420						74 000	74 000	96 420	101 820	107 521
<b>Total current liabilities</b>		<b>211 923</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>103 458</b>	<b>103 458</b>	<b>315 381</b>	<b>322 573</b>	<b>330 167</b>
<b>Non current liabilities</b>												
Borrowing	1											
Provisions	1	36 824								36 824	38 886	41 064
<b>Total non current liabilities</b>		<b>36 824</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36 824</b>	<b>38 886</b>	<b>41 064</b>
<b>TOTAL LIABILITIES</b>		<b>248 747</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>103 458</b>	<b>103 458</b>	<b>352 205</b>	<b>361 459</b>	<b>371 231</b>
<b>NET ASSETS</b>	2	<b>3 297 658</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(508 420)</b>	<b>(508 420)</b>	<b>2 789 238</b>	<b>3 025 438</b>	<b>3 273 215</b>
<b>COMMUNITY WEALTH/EQUITY</b>												
Accumulated Surplus/(Deficit)		3 297 658						(508 420)	(508 420)	2 789 238	3 025 438	3 273 215
Reserves												
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>		<b>3 297 658</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(508 420)</b>	<b>(508 420)</b>	<b>2 789 238</b>	<b>3 025 438</b>	<b>3 273 215</b>

In the above table we note the highlight the anticipated decrease in consumer debtors, due to improvement in the collection rate. Debtors have been reduced to R244 million. Trade and other payables have been calculated to be R186 million at year end. As we anticipate to settle the long standing debts to uMngeni water and the water tanker contractors within the current financial year.

### Adjustments Budget Cash Flows – [B7]

DC23 Uthukela - Table B7 Adjustments Budget Cash Flows -

Description	Ref	Budget Year 2019/20									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
R thousands												
		A	A1	B	C	D	E	F	G	H		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>												
<b>Receipts</b>												
Property rates									-	-		
Service charges		105 737						9 902	9 902	115 638	121 883	128 465
Other revenue		3 708						23 955	23 955	27 663	27 793	29 294
Government - operating	1	449 659						(3 558)	(3 558)	446 101	470 190	495 581
Government - capital	1	296 937								296 937	442 806	704 719
Interest		6 283						(643)	(643)	5 640	5 640	5 640
Dividends										-	-	
<b>Payments</b>												
Suppliers and employees		(447 909)						(188 792)	(188 792)	(636 701)	(587 779)	(619 519)
Finance charges										-	-	
Transfers and Grants	1									-	-	
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>414 415</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(159 136)</b>	<b>(159 136)</b>	<b>255 279</b>	<b>480 534</b>	<b>744 180</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>												
<b>Receipts</b>												
Proceeds on disposal of PPE										-	-	
Decrease (Increase) in non-current debtors										-	-	
Decrease (increase) other non-current receivables										-	-	
Decrease (increase) in non-current investments										-	-	
<b>Payments</b>												
Capital assets		(296 937)								(296 937)	(442 806)	(704 719)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(296 937)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(296 937)</b>	<b>(442 806)</b>	<b>(704 719)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>												
<b>Receipts</b>												
Short term loans										-	-	
Borrowing long term/refinancing										-	-	
Increase (decrease) in consumer deposits		1 541						152	152	1 693	1 784	1 881
<b>Payments</b>												
Repayment of borrowing										-	-	
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>1 541</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>152</b>	<b>152</b>	<b>1 693</b>	<b>1 784</b>	<b>1 881</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>119 019</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(158 984)</b>	<b>(158 984)</b>	<b>(39 965)</b>	<b>39 512</b>	<b>41 341</b>
Cash/cash equivalents at the year begin:	2	26 783						17 123	17 123	43 906	3 942	43 454
Cash/cash equivalents at the year end:	2	145 803						(141 861)	(141 861)	3 942	43 454	84 795

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 43.5% has been applied to the projected water and sanitation sales as per the unaudited AFS for the 2019 financial year. We are very optimistic that at year end this collection will have improved owing to the appointment of debt collectors and the review of tariffs.

At year end we anticipate an overdraft balance of R3.9million which is a further decline in our cash position. We note the cash position will improve in the outer years of MTREF. With a closing balance of R84 million at the end of 2022

**Table B8 Cash backed reserves/accumulated surplus reconciliation -B8**

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

Description	Ref	Budget Year 2019/20									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
<b>Cash and investments available</b>												
Cash/cash equivalents at the year end	1	145 803	-	-	-	-	-	(141 861)	(141 861)	3 942	43 454	84 795
Other current investments > 90 days		1	-	-	-	-	-	(0)	(0)	0	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>145 803</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(141 861)</b>	<b>(141 861)</b>	<b>3 942</b>	<b>43 454</b>	<b>84 795</b>
<b>Applications of cash and investments</b>												
Unspent conditional transfers		18 162	-	-	-	-	-	(17 165)	(17 165)	998	998	998
Unspent borrowing		-	-	-	-	-	-	-	-	-	-	-
Statutory requirements		64 459	-	-	-	-	-	(34 766)	(34 766)	29 693	31 296	32 986
Other working capital requirements	2	34 942	-	-	-	-	-	57 143	57 143	92 085	74 159	54 675
Other provisions		22 420	-	-	-	-	-	4 264	4 264	26 684	28 125	29 644
Long term investments committed		-	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments		-	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>139 984</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9 477</b>	<b>9 477</b>	<b>149 460</b>	<b>134 578</b>	<b>118 303</b>
<b>Surplus(shortfall)</b>		<b>5 820</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(151 338)</b>	<b>(151 338)</b>	<b>(145 518)</b>	<b>(91 124)</b>	<b>(33 508)</b>

B8 further emphasises that our budget is unfunded to the extent of a R130million deficit

The amount of R998 thousand unspent conditional transfers is the unapproved roll over for RRAMS which has not been held back by National Treasury from the equitable share. The municipality does anticipate to fully utilise all other grant income in the current financial year.

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

B8 highlights the shortage of funds and the severity of the situation. The municipal adjustment budget is thus unfunded by R130million. This is a further regression from the unfunded original budget where the bulk charges by uMngeni were not included. However, we note the shortfall decreases in the outer years.



## 2.1 Adjustments to budget funding:

### Revenue

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

The above table is an extract of table B4 of schedule B. The total increase in operating revenue is R23.5 million. A detailed analysis of each line item can be seen in the explanatory notes to table B4 (an analysis of operating revenue).

### Investment particulars by maturity:

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						
<b>Municipality</b>						
FNB		16,520	45	(15,500)	-	1,065
NEDBANK		185	1	-	-	186
INVESTEC		31,174	188	-	-	31,362
ABSA		31,726	171	-	-	31,897
STANDARD		20,188	106	-	-	20,294
						-
						-
<b>Municipality sub-total</b>		<b>99,792</b>		<b>(15,500)</b>	<b>-</b>	<b>84,803</b>
<b>TOTAL INVEST</b>	<b>2</b>	<b>99,792</b>		<b>(15,500)</b>	<b>-</b>	<b>84,803</b>

The table above shows our investment as at midyear. Investments held at the end of September 2019 amounted to R84 million whilst our unspent conditional grants stood at R41.2 million.

## 2.2 Expenditure on grants and reconciliations of unspent funds

### Adjustments budget – transfers and grant receipts – (SB7)

Description	Budget Year 2017/18		Budget Year +1 2018/19	Budget Year +2 2019/20
	Original Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	12 F		
<b>RECEIPTS:</b>				
<b><u>Operating Transfers and Grants</u></b>				
<b>National Government:</b>	<b>441.473</b>	<b>441.473</b>	<b>468.220</b>	<b>506.413</b>
Local Government Equitable Share	426.541	426.541	460.230	497.818
Finance Management	2.010	2.010	1.800	2.064
EPWP Incentiv e	7.054	7.054		
		-		
		-		
Other transfers and grants [insert description]	5.868	5.868	6.190	6.531
<b>Provincial Government:</b>	<b>8.186</b>	<b>8.186</b>	<b>8.607</b>	<b>9.096</b>
LG Seta		-		
Rural Road Asset Management	2.636	2.636	2.787	2.941
MIG - VIP Toilets	5.000	5.000	5.270	5.555
Shared Services Grant	550	550	550	600
Other transfers and grants [insert description]		-		
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
[insert description]		-		
		-		
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
[insert description]		-		
		-		
<b>Total Operating Transfers and Grants</b>	<b>449.659</b>	<b>449.659</b>	<b>476.827</b>	<b>515.509</b>
<b><u>Capital Transfers and Grants</u></b>				
<b>National Government:</b>	<b>296.937</b>	<b>296.937</b>	<b>442.806</b>	<b>704.719</b>
Municipal Infrastructure Grant (MIG)	178.937	178.937	189.467	204.719
Regional Bulk Infrastructure	10.000	10.000	139.399	400.000
Water Services Infrastructure	108.000	108.000	113.940	100.000
		-		
		-		
		-		
<b>Total Capital Transfers and Grants</b>	<b>296.937</b>	<b>296.937</b>	<b>442.806</b>	<b>704.719</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>746.596</b>	<b>746.596</b>	<b>919.633</b>	<b>1.220.228</b>

As depicted above adjustments were necessary to grant funding.

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

Description	Ref	Budget Year 2019/20						Budget Year	Budget Year
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	
<b>Operating transfers and grants:</b>									
<b>National Government:</b>									
Balance unspent at beginning of the year		18.162				(17.164)	(17.164)	998	998
Current year receipts							-	-	
Conditions met - transferred to revenue		18.162	-	-	-	(17.164)	(17.164)	998	998

The above amount of R998 thousand relates to the unapproved roll-over of the RRAMS grant. The municipality will continue to reflect this amount in the outer year until it is repaid to treasury.

### 2.3 Adjustments to Councillor and employee benefits [SB11]

Summary of remuneration	Budget Year 2017/18				% change
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	
<b>R thousands</b>					
<b><u>Councillors (Political Office Bearers plus Other)</u></b>					
Basic Salaries and Wages	5.849	(1.614)	(1.614)	4.235	-27.6%
Pension and UIF Contributions			-	-	
Medical Aid Contributions			-	-	
Motor Vehicle Allowance	1.597		-	1.597	0.0%
Cellphone Allowance	510		-	510	
Housing Allowances			-	-	
Other benefits and allowances			-	-	
<b>Sub Total - Councillors</b>	<b>7.956</b>	<b>(1.614)</b>	<b>(1.614)</b>	<b>6.342</b>	<b>-20.3%</b>
<b>% increase</b>				<b>(0)</b>	
<b><u>Senior Managers of the Municipality</u></b>					
Basic Salaries and Wages	6.712		-	6.712	0.0%
Pension and UIF Contributions	9		-	9	0.0%
Medical Aid Contributions			-	-	
Overtime			-	-	
Performance Bonus			-	-	
Motor Vehicle Allowance	877		-	877	0.0%
Cellphone Allowance			-	-	
Housing Allowances	425		-	425	
Other benefits and allowances			-	-	
Payments in lieu of leave			-	-	
Long service awards			-	-	
Post-retirement benefit obligations			-	-	
<b>Sub Total - Senior Managers of Municipality</b>	<b>8.023</b>	<b>-</b>	<b>-</b>	<b>8.023</b>	<b>0.0%</b>
<b>% increase</b>				<b>-</b>	
<b><u>Other Municipal Staff</u></b>					
Basic Salaries and Wages	185.132		-	185.132	0.0%
Pension and UIF Contributions	34.139		-	34.139	0.0%
Medical Aid Contributions	7.364		-	7.364	0.0%
Overtime	21.760		-	21.760	0.0%
Performance Bonus	-		-	-	
Motor Vehicle Allowance	15.707		-	15.707	0.0%
Cellphone Allowance			-	-	
Housing Allowances	1.135		-	1.135	
Other benefits and allowances	17.182		-	17.182	
Payments in lieu of leave	1.400		-	1.400	0.0%
Long service awards			-	-	
Post-retirement benefit obligations			-	-	
<b>Sub Total - Other Municipal Staff</b>	<b>283.820</b>	<b>-</b>	<b>-</b>	<b>283.820</b>	<b>0.0%</b>
<b>% increase</b>				<b>-</b>	
<b>Total Parent Municipality</b>	<b>299.798</b>	<b>(1.614)</b>	<b>(1.614)</b>	<b>298.184</b>	<b>-0.5%</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>299.798</b>	<b>(1.614)</b>	<b>(1.614)</b>	<b>298.184</b>	<b>-0.5%</b>
<b>% increase</b>				<b>-</b>	
<b>TOTAL MANAGERS AND STAFF</b>	<b>291.843</b>	<b>-</b>	<b>-</b>	<b>291.843</b>	<b>0.0%</b>

**2.4 Adjustments to Capital expenditure**

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

DC23 Uthukela - Supporting Table SB19 List of capital programmes and projects affected by Adjustments Budget								
Function	Project Description	Type	Medium Term Revenue and Expenditure Framework					
			Budget Year 2019/20		Budget Year +1 2020/21		Budget Year +2 2021/22	
R thousands			Original Budget	Adjusted Budget	Original Budget	Adjusted Budget	Original Budget	Adjusted Budget
<b>Parent municipality:</b>								
<i>List all capital projects grouped by Function</i>								
acquisition of	acquisition of	<b>New</b>	-	-	-	-	-	-

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

## 2.5 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	Ref	Budget Year 2019/20										Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or Prov.	Other	Total	Adjusted	Adjusted	Adjusted	
		Budget	Adjusted	Funds	capital	Unavoid.	Govt	Adjus.	Adjus.	Budget	Budget	Budget	
R thousands		A	7	8	9	10	11	12	13	14			
		A	A1	B	C	D	E	F	G	H			
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>													
<b>Infrastructure</b>		5 077	-	-	-	-	-	-	-	-	5 077	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		5 077	-	-	-	-	-	-	-	-	5 077	-	-
Dams and Weirs													
Boreholes													
Reservoirs													
Pump Stations		4 577									4 577		
Water Treatment Works		500									500		
Bulk Mains													
Distribution													
Distribution Points													
Capital Spares													
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-	-
Improved Property													
Unimproved Property													
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-	-
Improved Property													
Unimproved Property													
<b>Other assets</b>		105	-	-	-	-	-	-	-	-	105	-	-
Operational Buildings		105	-	-	-	-	-	-	-	-	105	-	-
Municipal Offices		105									105		
Pay/Enquiry Points													
Building Plan Offices													
Workshops													
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets													
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-	-	-	-
Servitudes													
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-	-
Water Rights													
Effluent Licenses													
Solid Waste Licenses													
Computer Software and Applications													
Load Settlement Software Applications													
Unspecified													
<b>Computer Equipment</b>		158	-	-	-	-	-	-	-	-	158	-	-
Computer Equipment		158									158		
<b>Furniture and Office Equipment</b>		-	-	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment													
<b>Machinery and Equipment</b>		250	-	-	-	-	-	-	-	-	250	-	-
Machinery and Equipment		250									250		
<b>Transport Assets</b>		3 360	-	-	-	-	-	-	-	-	3 360	-	-
Transport Assets		3 360									3 360		
<b>Land</b>		-	-	-	-	-	-	-	-	-	-	-	-
Land													
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals													
<b>Total Repairs and Maintenance Expenditure to be adjusted</b>	1	8 950	-	-	-	-	-	-	-	-	8 950	-	-

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

DC23 Uthukela - Supporting Table SB16 Adjustments Budget - monthly capital expenditure (municipal vote) -															Medium Term Revenue and Expenditure Framework			
Division - Municipality	Ref	Budget Year 2019/20													Full year budget	Budget Year	Budget Year	Budget Year
		July	August	Sept.	October	November	December	January	February	March	April	May	June	2019/20		+1 2020/21	+2 2021/22	
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	
Multi-year expenditure	1																	
510 - 500 - WATER, SANITATION AND TELEVISION		21 106	46 072	49 663	24 000	42 286	15 000	19 762	19 762	29 762	19 762	9 762		296 937	442 806	704 719		
Capital Multi-	3	-	21 106	46 072	49 663	24 000	42 286	15 000	19 762	19 762	29 762	19 762	9 762	-	296 937	442 806	704 719	

**2.6 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. In conjunction with National Treasury circular number 91.

**Print Name**                    **MR SN KUNENE**  
    **Municipal Manager**

**Signature**                    \_\_\_\_\_

**Date**                            **29 November 2019**