

**MANDENI MUNICIPALITY
(KZN 291)
mSCOA ADJUSTMENT BUDGET
2020/21**



**MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS**

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Part 1 –mSCOA Adjustment Budget

1.1 MAYOR’S REPORT – ADJUSTMENT BUDGET: 2020/21

**SPEECH BY HIS WORSHIP, THE MAYOR CLLR TP MDLALOSE TABLING THE
ADJUSTED MSCOA BUDGET AND SERVICE DELIVERY BUDGET AND
IMPLEMENTATION PLAN/SCORECARDS FOR 2020/21 FINANCIAL YEAR AT
COUNCIL MEETING HELD ON 25 FEBRUARY 2021 AT COUNCIL CHAMBER**

PRESENTATION

OF:

2020/21 ADJUSTED BUDGET & ADJUSTED SDBIP



**Honorable Speaker,
Amakhosi Asendlunkulu
Deputy Mayor**

**Members of the Executive Committee
Chairpersons of MPAC and Women’s Caucus**

Honorable Councilors

Municipal Manager

Senior Management, Managers and staff

Various stakeholders and all protocol observed

Members of Media

I am immensely grateful to be given this opportunity to deliver the 2020/21 Adjustment Budget before this august seating.

Once again, I would like to say it is an honour to serve the people of Mandeni as we float through many storms that life will throw at us as this Council and the municipality as a whole.

Once the storm is over, you won't remember how you made it through, how you managed to survive. You won't even be sure, whether the storm is really over. But one thing is certain. When you come out of the storm, you won't be the same person who walked in. That's what this storm's all about.'

The battle to overcome COVID-19 in Mandeni

Let us start by commending our President Cyril Ramaphosa, and the National Corona Virus Command Council for leading the battle against COVID-19 very well over a protracted period of eleven months.

It has not been an easy process and many mistakes may have been committed but the determination to save lives and protect livelihoods is beyond question.

We must also thank the Provincial Command Council led by the Hon Premier Mr Sihle Zikalala for leading our province well through the storm. We begin to see some glimmer of hope as we enter a new phase of vaccination.

In the process, many lives have been lost and livelihoods destroyed, Millions of jobs have been lost and 42% of small businesses were forced to close with no prospect of ever re-opening. The Municipality has a huge role to play in assisting Local SMMEs to gain their ground and bounce back into business.

We must be very grateful to the heroic healthcare workers who faced this vicious virus and aggressive pandemic with incredible courage and resolve to save lives.

We commend thousands of essential workers such as the police, security officers, public servants, the military, agricultural workers, energy workers and workers in retail shops who kept the country going under difficult conditions of lockdown.

Somlomo, please allow me to request the Council to rise in honour of healthcare workers of, our country, our continent, and the world at large! Thank you, thank you and thank you for saving lives! We salute!

Vaccines constitute the weapon against pandemics. Let us educate our people to welcome the vaccination rollout program.

One of the lessons we have learnt is that without social mobilisation and society-wide support, it will be difficult to win the battle against the pandemics. Security forces and law enforcement agencies alone cannot enforce regulations and measures. It is only when communities adhere to the health protocols and avoid crowded places, closed spaces, and close contacts that we will contain the spread of the virus. When we become complacent and abandon health protocols, the risk of an increase in new infections becomes higher.

We are also grateful to the members of the local Command Council on COVID-19 for strategies to combat the spread of the virus in our various wards. Manje yiso isikhathi sokwenza okufanele, abantu abathole umgomo we Covid-19 njengoba utholakala mahala.

Somlomo, having spoken about the pain and anguish inflicted upon us by COVID-19, we have good news for you. The progress being made at by the Department of Trade and Industry and DBSA in the project to revitalise Isithebe Industrial Park where the implementation of Phase 1 is ready and this amongst other will include Security Infrastructure Upgrade, fencing of the estate, replacement or High Mast Lights, street lighting, roof replacement or covering critical electrical infrastructure upgrading and conversion of the Digital Hub. The Department is investing over R41 millions of which 30% of that budget is reserved for local sub-contracting. This project will create some jobs opportunities in the short term but indeed it will add a lot of impact in attracting more investments within the estate as it remains the beacon of Hope for our unemployed people.

The Council nama Khosi Asendlunkulu has a critical role to play in ensuring that calm is restored at all times within the jurisdiction of Mandeni to ensure a safe and conducive environment for investment and we cannot do this alone hence the Community has a role to play as well.

Somlomo and Council, in line with the commitment we made at the beginning of the financial year, we have empowered more 50 emerging local contractors directly through Supply Chain Management processes and sub-contracting programme and this include women and youth-owned businesses. As we speak, more than R20 million worth of infrastructure projects have been directly awarded to Local Contractors and this excludes sub-contracting component and small projects awarded through close quotations.

As the Mandeni, we have always insisted that education is the number one priority in our social policy and human development endeavour.

As the Minister of Basic Education announced the Grade 12 results on Monday, ilembe District has maintained 6th position in the province, with a pass rate of 67.%.

On behalf of this Council, I would like to extend our gratitude to the Teachers, Learners and the Parents for this achievement, if it was not for working together of these key role players, we wouldn't have realised this achievement.

Let us look at the quality of the results much more closely. It is refreshing to inform Council that out of the 3 Circuits of the Department of Education within our Municipal boundaries (Phambela, Gingindlovu and Mandeni Circuit), none of the Mandeni schools scored below 50% pass rate.

Below is the list of the Mandeni top 5 schools:

1. Madlanga High School which secured 100% Pass rate.
2. Mandeni Academy School secured 97.7%
3. Tugela Secondary School secure 95.0%
4. Ingobamakhosi High School secured 90.9%
5. Isinyabosi High School secured 89.5%

The Municipality intends to host the Top achievers award through virtually on 11th of March 2021, to appreciate the sterling work done by Education sector.

The arrival of Covid-19 in South Africa and the World has taught us many lessons and it has also exposed us in terms of our level of readiness to fully recognise the 4th Industrial Revolution due to lack of necessary infrastructure. The Municipality has to play a critical role in coordinating infrastructure development to support technology in enhancing teaching and learning systems hence the rolling out of Wi-Fi hotspots across the municipality is considered as an urgent priority. Yes, progress on implementation of Wi-Fi at all libraries have enable many people, especially in young people to stay connected an access online information and services but we must cover the length and breadth of Mandeni with Wi-Fi connectivity.

It is important the municipality continue to work in partnership with Moses Kotane, the ITC Innovation Hub and other key role players in investing in digital skills and promote digital entrepreneurship.

Speaker, this Budget Adjustment is prepared in terms of Municipal Budget and Reporting regulation, Government Gazette number 32141 promulgated on the 17th of April 2009. Section 28 of the Municipal Finance Management Act, 2003 (1) says: A Municipality may revise an approved annual budget through an adjustment budget. I am here to inform Council of the 2020/2021 budgeted figures versus the actual figures and to obtain Council's approval to revise the approved 2020/2021

Annual Budget through an Adjustment Budget

This document is tabled to Council for consideration and approval of the adjusted budget following detailed assessment of the performance of the municipality during the first half of the financial year taking to account the monthly statements referred to in section 71 of the MFMA, the municipality's service delivery performance as well as the past year's annual report.

Further the adjusted budget has also considered progress on spending against national and provincial grants, spending on infrastructure delivery and cash position as at mid-year.

The National Treasury projects real economic growth of 3.3 per cent in 2021, following an expected contraction of 7.8 per cent in 2020. Real GDP growth is expected to moderate to 1.7 per cent in 2022 and 1.5 per cent in 2023, averaging 2.1 per cent over the medium term.

FINANCIAL OVERVIEW 2020/2021

The 2020/2021 annual budget, Integrated Development Plan and service delivery and budget implementation plan was adopted on the 17th June 2020.

The Municipality adopted an adjustments budget for 2020/21 by 30 September 2020 to reprioritise the 2020/21 MTREF budget to respond to the impact of the COVID-19 pandemic on the budget and to legalise the additional funding.

Somlomo; It is with great pleasure to report that S71 reports were submitted to NT / PT on time for budget monitoring in accordance with MFMA and mSCOA Regulations. The budget has been monitored through section 71 reports monthly to identify any emerging financial problems that may affect the municipality

It is a known fact that due to the impact of Covid-19 and high level of unemployment in the area under the jurisdiction of Mandeni Municipality, the collection rate for municipal services is very low. This has a detrimental effect on the municipality's financial resources.

The debts book remains very high as it stands at approximately R250 million and takes almost 5 years to collect from our debtors. During the first half of the year the municipality introduced revenue enhancement strategies that will assist the municipality to recover what is owed by our communities and these will be continuously monitored.

The following items have been considered when revising the annual budget through an Adjustment budget.

The total Revenue for 2020/21 has been decreased from R392 million to R383 million, the adjustment is due to reduction in Equitable Share of R9,2 million that was overstated during special adjustment budget and also this has considered approved rollover which increased the revenue by R11,3 million.

Furthermore, to that there has been a decrease in Interest on outstanding debtors of R12 million due to revised interest rates. The interest rate being charged to consumer debt is now 2% compared to 10% that was charged previously.

All in all, the adjustment of revenue estimates downwards is caused by under collection in revenue.

Speaker, the following factors informing the need for expenditure adjustment; It must be noted that this budget adjustment will not consider employee cost as part of the adjustment. Our priorities were shifted to operational activities, where it was addressing programmes and projects that had shortfalls and needed additional funds for specific areas. At a main we were authorising the utilisation of projected savings in one vote towards spending under another vote

The Bulk purchases have been increased by R1.2 million to total budget of R30.4 million. Adjustment is based on mid-year performance as it was noted that there was a slight over expenditure. This is to avoid unauthorised expenditure for this item.

The Contracted Services: have been increased by R1,6 million, the adjustment is due to reprioritization of projects further to that the municipality has considered commitments for existing contracts.

The overall **CAPITAL EXPENDITURE** has been decreased by R182 thousand to total budget of R93.8 million. Adjustment in capex is due to reduction of equitable share that was overstated further to that the municipality has also considered the approved rollovers that are linked to capital budget which have been prioritised. Capital budget has been funded from MIG, INEP, Library, Top up equitable share and reserves from previous year. Hon Speaker and Council, it be noted that last night we received a National Adjustment Gazette in terms of the Division of Revenue Act, 2020(Act No.4 of 2020), as amended by the Division of Revenue Second Amendment Act, 2020 (Act No.20 of 2020) which reflects a adjustment of the MIG allocation downward with R431 000.00 with a new total allocation of R34 719 000.00 excluding approved rollover grant.

The adjusted Budget that is presented before Council will therefore be further reduced with R431 000.00 hence I request for council to note and consider such adjustment.

This municipality has further availed a total of R30.5 mil from its reserves to finance some service delivery priorities and this demonstrate that the municipality is financial stable.

It is also worth noting that we have continued to monitor the payment of SMME's within the set stipulated time which is 30 days as our contribution to supporting the sector.

Hon Speaker and Council, I therefore present to this Council a total Municipal Adjusted Budget of R413.9 mil.

Hon Speaker and Council, the IDP, SDBIP and the Municipal Budget are the three guiding documents that is utilized by the municipality in order to easily plan and budget for all projects/programmes with sufficient budget and monitor, evaluate and audit the municipality's performance.

Therefore, it is proposed that the current SDBIP for 2020/2021 and Mscoa budget be adjusted in order to include or exclude projects and programmes that are not reflected or projects that need to be moved to the next financial year due to budget constraints.

Honourable Speaker, the above process is carried out in accordance with section 34(a) &(b) of the Municipal System Act (MSA) No 32 of 2000 and Chapter two Section 3 & 4 of Local Government: Municipal Planning and Performance Management Regulations 2001.

On behalf of the Executive Committee as the report on adjusted SDBIP for 2020/21 was presented in detail at EXCO meeting held on 23rd of February 2021, and EXCO deliberated on areas focused for the Council for the next four months to continue render services in an effective and efficient manner.

Hon Speaker and Council, the Municipality had a total of 209 Key Performance Indicators (KPIs) and during the adjustment process, a total of 18 KPIs were removed and 12 new KPIs added thus the total number of KPIs after adjustment is 203 to be carried forward until the end of the Financial year.

It is therefore upon all of us both Political and Administrative Components to work together with other stakeholders in ensuring that indeed this plan is fully implemented.

Hon Speaker, the report I am presenting today was prepared not only as a matter of legislative compliance, but also to ensure the municipality remains accountable to its community and stakeholders.

Hon Speaker and Council, the adjusted SDBIP for 2020/21 will be made available for public viewing and comments and copies to be placed at various Municipal buildings including Libraries for viewing and comments.

In Conclusion:

Hon Speaker and Council, I therefore recommend for the adoption of both the Municipal Adjustment MSCOA Budget and Service Delivery and Budget Implementation Plan for 2020/21 Financial Year as per recommendations on page 7 of our Agenda for Budget Adjustment and as per recommendations on page 32 of our Agenda in relation to adjusted SDBPs.

I thank you all.

CLLR TP MDLALOSE

THE MAYOR

1.1 Council Resolutions

Resolution No:C66

COUNCIL: 25/02/2021

On the 25th of February 2021 the Council of Mandeni Municipality met at Mandeni Council Chamber to consider the Adjustment Budget of the municipality for the financial year 2020/21. The Council approved and adopted the following resolutions:

1. The Council of Mandeni Municipality, acting in terms of section 28 (2) of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
 - 1.1. The mSCOA Adjustment budget of the Municipality for the financial year 2020/21 and the multi-year and single- year capital appropriations as set out in the following tables of the budget document:
 - 1.1.1. Adjustments Budget Summary as contained in Table 2 on page 10;
 - 1.1.2. Adjustments Budget Financial Performance (revenue and expenditure by standard classification) as contained in Table 3 on page 12;
 - 1.1.3. Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) as contained in Table 4 on page 13.
 - 1.1.4. Adjustments Budget Financial Performance (revenue by source and expenditure by type) as contained in Table 5 on page 14; and
 - 1.1.5. Adjustments Multi-year and single-year capital appropriations by Municipal vote and standard classification and associated funding by source as contained in Table 6 on page 16.
 - 1.2. The Adjustments budget 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 of the budget document:
 - 1.2.1. Adjustments Budget Financial Position as contained in Table 7 on page 17;
 - 1.2.2. Adjustments Budget Cash Flows as contained in Table 8 on page 19;
 - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table 9 on page 20;
 - 1.2.4. Assets management as contained in Table 10 on page 23; and
 - 1.2.5. Basic Service delivery measurement as contained in Table 11 on page 25

1.2 Executive Summary

In terms of Section 28 of the MFMA _Municipal Adjustment budget

(1) A municipality may revise an approved annual budget through an adjustment budget.

(2) An adjustment budget-

- a) must adjust revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;
- b) may appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;
- c) may, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;
- d) may authorise the utilisation of projected savings in one vote towards spending under another vote;
- e) may authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by council;
- f) may correct any errors in the annual budget; and
- g) may provide for any other expenditure within the prescribed framework.

(3) An adjustment budget must be in a prescribed form.

(4) Only the mayor may table an adjustments budget in the municipal council, but an adjustments budget in terms of subsection (2) (b) to (g) may only be tabled within any prescribed limitations as to timing or frequency.

The Adjustments Budget must be accompanied by the following in accordance with Section 28(5):

"a) an explanation how the adjustments budget affects the annual budget;

b) a motivation of any material changes to the annual budget;

c) an explanation of the impact of any increased spending on the annual budget and the annual budgets for the next two financial years;

and d) any other supporting documentation that may be prescribed."

An Adjustments Budget according to Section 28(3 and 6): "(3) An Adjustment Budget must be in a prescribed format (6) Municipal taxes and tariffs may not be increased during a financial year except when required in terms of a financial recovery plan - section 28(6)."

The following Table represents an Executive Summary for the 2020/21 Adjustment Budget;

Description	Budget Year 2020/21									Budget Year +1	Budget Year +2
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	1 A1	2 B	3 C	4 D	5 E	6 F	7 G	8 H	2021/22	2022/23
Total Revenue (excluding capital transfers and contributions)	312 062	358 324	-	-	-	(7 872)	(11 450)	(19 322)	339 002	352 965	368 517
Total Expenditure	309 026	317 766	-	-	-	-	2 911	2 911	320 677	333 815	348 503
Surplus/(Deficit)	3 036	40 558	-	-	-	(7 872)	(14 361)	(22 233)	18 325	19 150	20 014
Surplus/ (Deficit) for the year	37 244	74 766	-	-	-	2 287	(14 361)	(12 074)	62 692	65 784	68 701
Capital expenditure & funds sources											
Capital expenditure	59 005	93 806	-	-	-	-	(613)	(613)	93 192	49 044	51 202

As can be seen from the table above, the Total Revenue for 2020/21 has been decreased from R19.3 million to R339.0 million, adjustment is due to reduction in Equitable Share that was overstated during special adjustment budget and also this has considered approved rollover. Further to that there has been decrease in Interest on outstanding debtors due to revised interest rates as per Council Approval.

Total adjusted operating expenditure for the 2020/21 financial year has been appropriated at R320.7 million and translates into a surplus of R62,7 million, when compared to the 2020/21 Original operational expenditure has been increased by 0.9 per cent in the 2020/21 adjusted budget.

The adjusted capital budget of R93.8 million for 2020/21 is 0.06 per cent less when compared to the 2020/21 Original Budget. Adjustment to capital has considered the overstated equitable share which has been adjusted and approved rollovers which have been appropriately allocated, further to that this adjustment has also considered the revised MIG allocation by R431 thousand.

2. ADJUSTMENT BUDGET GUIDELINES, ASSUMPTIONS AND PRIORITIES

The South African economy and inflation targets

The National Treasury projects real economic growth of 3.3 per cent in 2021, following an expected contraction of 7.8 per cent in 2020. Real GDP growth is expected to moderate to 1.7 per cent in 2022 and 1.5 per cent in 2023, averaging 2.1 per cent over the medium term.

South Africa experienced its largest recorded decline in economic output in the second quarter of 2020 due to the strict COVID-19 lockdown. Real GDP fell by 17.1 per cent relative to the previous quarter (or 51 per cent on a seasonally adjusted and annualised basis), with all major sectors except agriculture declining.

The second-quarter results were weaker than expected in the June 2020 special adjustments budget, which projected a contraction of 7.2 per cent in 2020. High-frequency data for the third quarter – such as the volume of electricity distributed, mining and manufacturing output, business confidence and the Absa Purchasing Managers' Index (PMI) – shows evidence of a limited economic rebound.

Although growth rates are likely to improve quickly as restrictions are removed, based on current projections, output is only expected to return to pre-pandemic levels in 2024. The main risks to the economic outlook are weaker-than-expected growth, continued deterioration in the public finances and a failure to implement structural reforms.

A second wave of COVID-19 infections, accompanied by new restrictions on economic activity, would have significant implications for the outlook. Government's fiscal position is a risk to growth: higher long-term borrowing costs and risk premiums have started to affect the broader economy.

In addition, recovery efforts will fail unless structural constraints (including in energy, infrastructure and competitiveness) are urgently addressed. While the reforms required in these areas do not immediately affect growth, they are critical for market confidence and investment. Electricity remains a binding constraint on economic recovery, with power interruptions expected to continue into 2021. Private generation will only be able to plug the electricity gap to a limited extent over the next year. Job creation is a top priority of the economic recovery plan that will guide policy actions over the medium term, supported by new infrastructure investment and large-scale public employment programmes. In addition, targeted skills development will improve productivity and employment prospects.

Headline inflation is at the lower end of the 3 to 6 per cent target range. Goods and services inflation has broadly declined due to weak demand and falling oil prices. Inflation is forecast to fluctuate around the 4.5 per cent midpoint over the medium term in line with moderating inflation expectations. In summary, the country's tax collection targets have not been met and this means that the fiscus has less funds available to allocate across the various spheres of government. There are measures in place to reduce expenditure to narrow the deficits

3. Special Adjustment Budget

Mandeni Municipality continues with improving the quality of services provided to its citizens, its need to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices has been made in balancing expenditures again realistically anticipated revenues.

3.1 Reason for reprioritization

3.1.1 Revenue

The budget has been adjusted as follows:

Rental of facilities and Equipment: have been reduced by R100 thousand to budget of R180 thousand. Adjustment has considered performance for the 1st half of the year, as this item was also affected by the COVID regulations which does not allow gatherings.

Interest on external investment: have been increased by R650 thousand to R4.2 million, adjustment has considered performance of the 1st half of the financial year due to interest generated from grants and cash backed reserved from previous years.

Interest on outstanding debtors: have been reduced by R12 million to a budget of R6.1 million, reduction is aligning to Council Approval of reducing interest rate to 2% due to consideration of COVID implications.

Transfers and subsidies operational: have been reduced by R7.9 million to R229 million. Adjustment has considered R9.2 million which was overstated during special adjustment budget.

Further to that adjustment budget has considered grant rollovers which were approved by National and Provincial Treasury as follows:

- FMG of R446 thousand;
- MDRG (Disaster relief grants of R393 thousand);
- Single land use Scheme Grant of R490 thousand

Transfers and subsidies capital: have been increased by R10.6 million to R44.8 million, adjustment has considered approved rollovers by National and Provincial Treasury as follows:

- MIG of R8.4 million;
- MIG revised allocation of R431 to R34.7 million
- Library Grant of 2.2 million

Other Revenue

Other Revenue budget have remained the same as the municipality considered the anticipated levels of demand which were determined during the 1st half of the financial year, so as to ensure realistic budget estimates.

3.1.2 Expenditure

Expenditure by vote have been adjusted from R 317,9 million to R 320.7 million with an adjusted budget of R 2.9 million with a percentage increase of 0.9 per cent.

Factors informing the need for expenditure adjustment

- **Bulk purchases:** have been increased by R1.2 million to total budget of R30.4 million. Adjustment is based on mid-year performance as it was noted that there was a slight over expenditure. This is to avoid unauthorized expenditure for this item.
- **Other materials:** have been reduced by R37 thousand, adjustment has reprioritized projects as per repairs and maintenance plan.
- **Contracted Services:** have been increased by R1.7 million to R51.5 million, Adjustment is due to reprioritization of projects further to that the municipality has considered commitments for existing contracts.
- **Other expenditure** has been increased by R25 thousand to budget allocation of R40.9 million, adjustment has prioritized project which were considered on approved rollovers.

4.1.3 Capital Expenditure

Capital Budget have been adjusted from R93.8 to R 93.2 million with an adjusted budget of R613 thousand.

Capital Budget funded by National Government has been adjusted by R6.2 million to R43.0 million which has considered the approved rollover of R8.4 million and the reduced MIG allocation of R431 thousand. Funded by Provincial Government has considered approved rollover for Library Grant.

Capital Budget funded from internally generated funds has been adjusted from R56.1 million to R46.1 million with an adjusted budget of R9.9 million. Adjustment to capital is the ring-fenced funds from additional allocation of equitable share towards identified capital projects that will mitigate risks of the impact of COVID 19.

Table 2 MBRR Table B1 - Budget Summary

KZN291 Mandeni - Table B1 Adjustments Budget Summary - 28-02-2021											
Description	Budget Year 2020/21									Budget Year +1	Budget Year +2
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	1	2	3	4	5	6	7	8		
	A	A1	B	C	D	E	F	G	H		
Financial Performance											
Property rates	52 479	52 479	-	-	-	-	-	-	52 479	54 631	57 035
Service charges	43 803	43 803	-	-	-	-	-	-	43 803	45 797	47 834
Investment revenue	3 500	3 500	-	-	-	-	650	650	4 150	4 320	4 510
Transfers recognised - operational	191 346	237 608	-	-	-	(7 872)	-	(7 872)	229 735	239 155	249 677
Other own revenue	20 935	20 935	-	-	-	-	(12 100)	(12 100)	8 835	9 062	9 461
Total Revenue (excluding capital transfers and contributions)	312 062	358 324	-	-	-	(7 872)	(11 450)	(19 322)	339 002	352 965	368 517
Employee costs	110 037	110 037	-	-	-	-	-	-	110 037	114 549	119 589
Remuneration of councillors	14 087	14 087	-	-	-	-	-	-	14 087	14 665	15 310
Depreciation & asset impairment	30 188	30 188	-	-	-	-	-	-	30 188	31 426	32 808
Finance charges	650	650	-	-	-	-	-	-	650	677	706
Materials and bulk purchases	32 724	32 724	-	-	-	-	1 163	1 163	33 886	35 276	36 828
Transfers and grants	1 622	1 622	-	-	-	-	-	-	1 622	1 689	1 763
Other expenditure	119 718	128 458	-	-	-	-	1 748	1 748	130 207	135 535	141 498
Total Expenditure	309 026	317 766	-	-	-	-	2 911	2 911	320 677	333 815	348 503
Surplus/(Deficit)	3 036	40 558	-	-	-	(7 872)	(14 361)	(22 233)	18 325	19 150	20 014
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions.	34 208	34 208	-	-	-	10 159	-	10 159	44 367	46 634	48 686
Surplus/(Deficit) after capital transfers & contributions	37 244	74 766	-	-	-	2 287	(14 361)	(12 074)	62 692	65 784	68 701
Share of surplus/ (deficit) of	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	37 244	74 766	-	-	-	2 287	(14 361)	(12 074)	62 692	65 784	68 701
Capital expenditure & funds sources											
Capital expenditure	59 005	93 806	-	-	-	-	(613)	(613)	93 192	49 044	51 202
Transfers recognised - capital	34 949	37 749	-	-	-	-	8 932	8 932	46 682	49 044	51 202
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	24 056	56 056	-	-	-	-	(9 546)	(9 546)	46 511	-	-
Total sources of capital funds	59 005	93 806	-	-	-	-	(613)	(613)	93 192	49 044	51 202
Financial position											
Total current assets	122 443	167 605	-	-	-	-	8 088	8 088	175 693	55 101	56 503
Total non current assets	593 207	628 008	-	-	-	-	(52 065)	(52 065)	575 943	629 701	654 881
Total current liabilities	28 335	28 335	-	-	-	-	(4 261)	(4 261)	24 074	13 945	12 091
Total non current liabilities	18 621	18 621	-	-	-	-	1 465	1 465	20 085	20 070	19 645
Community wealth/Equity	668 684	748 647	-	-	-	2 287	(27 747)	(25 460)	723 186	650 787	679 649
Cash flows											
Net cash from (used) operating	61 914	98 336	-	-	-	5 833	(4 863)	969	99 305	132 638	138 474
Net cash from (used) investing	(59 005)	(93 806)	-	-	-	-	4 782	4 782	(89 024)	(49 044)	(51 202)
Net cash from (used) financing	(1 528)	(1 528)	-	-	-	-	-	-	(1 528)	(1 492)	(1 522)
Cash/cash equivalents at the year end	58 759	182 315	-	-	-	5 833	(68 248)	(62 416)	119 899	82 102	85 749
Cash backing/surplus reconciliation											
Cash and investments available	58 759	103 921	-	-	-	-	15 978	15 978	119 899	-	-
Application of cash and investments	6 313	6 313	-	-	-	-	1 771	1 771	8 084	(36 880)	(39 581)
Balance - surplus (shortfall)	52 446	97 608	-	-	-	-	14 207	14 207	111 816	36 880	39 581
Asset Management											
Asset register summary (WDV)	590 667	626 508	-	-	-	-	(15 419)	(15 419)	611 089	182 504	190 535
Depreciation & asset impairment	30 188	30 188	-	-	-	-	-	-	30 188	31 426	32 808
Renewal and Upgrading of Existing	26 042	41 362	-	-	-	-	3 990	3 990	45 352	36 951	38 576
Repairs and Maintenance	45 918	46 368	-	-	-	-	(30)	(30)	46 338	48 672	51 060
Free services											
Cost of Free Basic Services provided	727	727	-	-	-	-	-	-	727	760	795
Revenue cost of free services provided	15 030	15 030	-	-	-	-	-	-	15 030	15 646	16 334
Households below minimum service level											
Water:	-	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	0	0	-	-	-	-	-	-	0	0	0
Energy:	-	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-	-

Explanatory notes to MBRR Table B1 - Budget Summary

Table B1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).

The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.

Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard.

The operating surplus/deficit (after Total Expenditure) is positive over the MTREF Capital expenditure is balanced by capital funding sources, of which Transfers recognised are reflected on the Financial Performance Budget.

Borrowing is incorporated in the net cash from financing on the Cash Flow Budget Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.

The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. This place the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Consequently, Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations in accordance with the Funding and Reserves Policy. This cannot be achieved in one financial year. But over the MTREF there is progressive improvement in the level of cash-backing of obligations. It is anticipated that the goal of having all obligations cash-back will be achieved by 2020/21, when a small surplus as reflected.

Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

As per table above

Table 3 Adjustments Budget Financial Performance (standard classification)

KZN291 Mandeni - Table B2 Adjustments Budget Financial Performance (functional classification) - 28-02-2021												
Standard Description	Ref	Budget Year 2020/21									Budget Year +1	Budget Year +2
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1, 4	A	5	6	7	8	9	10	11	12		
		A	A1	B	C	D	E	F	G	H		
Revenue - Functional												
Governance and administration		255 023	301 285	-	-	-	-	(10 988)	(10 988)	290 297	302 199	315 496
Executive and council		7 498	7 498	-	-	-	-	-	-	7 498	7 805	8 149
Finance and administration		247 525	293 787	-	-	-	-	(10 988)	(10 988)	282 799	294 394	307 347
Internal audit		-	-	-	-	-	-	-	-	-	-	-
Community and public safety		5 166	5 166	-	-	-	-	2 483	2 483	7 650	7 964	8 314
Community and social services		5 166	5 166	-	-	-	-	2 483	2 483	7 650	7 964	8 314
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		39 601	39 601	-	-	-	-	8 460	8 460	48 061	50 480	52 701
Planning and development		35 478	35 478	-	-	-	-	8 460	8 460	43 938	46 188	48 221
Road transport		4 123	4 123	-	-	-	-	-	-	4 123	4 292	4 481
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		46 480	46 480	-	-	-	-	(9 118)	(9 118)	37 361	38 893	40 604
Energy sources		29 696	29 696	-	-	-	-	(5 237)	(5 237)	24 459	25 462	26 582
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		16 784	16 784	-	-	-	-	(3 882)	(3 882)	12 902	13 431	14 022
Other		-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	346 270	392 532	-	-	-	-	(9 163)	(9 163)	383 369	399 536	417 115
Expenditure - Functional												
Governance and administration		147 451	154 191	-	-	-	-	2 827	2 827	157 018	163 445	170 637
Executive and council		44 648	45 428	-	-	-	-	2 027	2 027	47 454	49 389	51 562
Finance and administration		102 503	108 463	-	-	-	-	401	401	108 864	113 327	118 314
Internal audit		300	300	-	-	-	-	400	400	700	729	761
Community and public safety		41 711	41 911	-	-	-	-	516	516	42 428	44 167	46 110
Community and social services		32 365	32 365	-	-	-	-	(124)	(124)	32 241	33 563	35 040
Sport and recreation		8 444	8 444	-	-	-	-	700	700	9 144	9 519	9 938
Public safety		902	902	-	-	-	-	140	140	1 042	1 085	1 133
Housing		-	200	-	-	-	-	(200)	(200)	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		68 705	69 755	-	-	-	-	(1 427)	(1 427)	68 328	71 129	74 259
Planning and development		20 343	21 393	-	-	-	-	(407)	(407)	20 985	21 846	22 807
Road transport		40 901	40 901	-	-	-	-	(1 020)	(1 020)	39 881	41 516	43 343
Environmental protection		7 461	7 461	-	-	-	-	-	-	7 461	7 767	8 109
Trading services		51 159	51 909	-	-	-	-	995	995	52 904	55 073	57 497
Energy sources		39 722	40 472	-	-	-	-	1 310	1 310	41 782	43 495	45 409
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		11 437	11 437	-	-	-	-	(315)	(315)	11 122	11 578	12 088
Other		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	309 026	317 766	-	-	-	-	2 911	2 911	320 677	333 815	348 503
Surplus/ (Deficit) for the year		37 244	74 766	-	-	-	-	(12 074)	(12 074)	62 692	65 721	68 613

Explanatory notes to MBRR Table B2 – Adjusted Budgeted Financial Performance (revenue and expenditure by standard classification)

Table B2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 12 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enable the National Treasury to compile 'whole of government' reports.

Note the Total Revenue on this table includes capital revenues (Transfers recognized – capital) and so does not balance to the operating revenue shown on Table B4.

Note that as a general principle the revenues for the Trading Services should exceed their expenditures.

Table 4 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote)

KZN291 Mandeni - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 28-02-2021												
Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2020/21									Budget Year +1 2021/22	Budget Year +2 2022/23
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid .	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
R thousands												
Revenue by Vote												
Vote 1 - Executive and council	1	7 498	7 498	-	-	-	-	-	-	7 498	7 805	8 149
Vote 2 - Finance and administration		247 525	293 787	-	-	-	-	(10 988)	(10 988)	282 799	294 394	307 347
Vote 3 - Internal audit		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and social services		5 166	5 166	-	-	-	-	2 483	2 483	7 650	7 964	8 314
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Public safety		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Housing		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Planning and Development		35 478	35 478	-	-	-	-	8 460	8 460	43 938	46 188	48 221
Vote 9 - Road transport		4 123	4 123	-	-	-	-	-	-	4 123	4 292	4 481
Vote 10 - Energy sources		29 696	29 696	-	-	-	-	(5 237)	(5 237)	24 459	25 462	26 582
Vote 11 - Waste Management		16 784	16 784	-	-	-	-	(3 882)	(3 882)	12 902	13 431	14 022
Vote 12 - Environmental Protection		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	346 270	392 532	-	-	-	-	(9 163)	(9 163)	383 369	399 536	417 115
Expenditure by Vote												
Vote 1 - Executive and council	1	44 648	45 428	-	-	-	-	2 027	2 027	47 454	49 389	51 562
Vote 2 - Finance and administration		102 503	108 463	-	-	-	-	401	401	108 864	113 327	118 314
Vote 3 - Internal audit		300	300	-	-	-	-	400	400	700	729	761
Vote 4 - Community and social services		32 365	32 365	-	-	-	-	(124)	(124)	32 241	33 563	35 040
Vote 5 - Sport and Recreation		8 444	8 444	-	-	-	-	700	700	9 144	9 519	9 938
Vote 6 - Public safety		902	902	-	-	-	-	140	140	1 042	1 085	1 133
Vote 7 - Housing		-	200	-	-	-	-	(200)	(200)	-	-	-
Vote 8 - Planning and Development		20 343	21 393	-	-	-	-	(407)	(407)	20 985	21 846	22 807
Vote 9 - Road transport		40 901	40 901	-	-	-	-	(1 020)	(1 020)	39 881	41 516	43 343
Vote 10 - Energy sources		39 722	40 472	-	-	-	-	1 310	1 310	41 782	43 495	45 409
Vote 11 - Waste Management		11 437	11 437	-	-	-	-	(315)	(315)	11 122	11 578	12 088
Vote 12 - Environmental Protection		7 461	7 461	-	-	-	-	-	-	7 461	7 767	8 109
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	309 026	317 766	-	-	-	-	2 911	2 911	320 677	333 815	348 503
Surplus/ (Deficit) for the year	2	37 244	74 766	-	-	-	-	(12 074)	(12 074)	62 692	65 721	68 613

Explanatory notes to MBRR Table B3 – Adjusted Budgeted Financial Performance (revenue and expenditure by municipal vote)

Table B3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

Table 5 Adjustments Budget Financial Performance (revenue and expenditure)

KZN291 Mandeni - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 28-02-2021												
Description	Ref	Budget Year 2020/21									Budget Year +1	Budget Year +2
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
Revenue By Source												
Property rates	2	52 479	52 479	-	-	-	-	-	-	52 479	54 631	57 035
Service charges - electricity revenue	2	33 865	33 865	-	-	-	-	-	-	33 865	35 253	36 805
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	9 938	9 938	-	-	-	-	-	-	9 938	10 544	11 029
Rental of facilities and equipment		280	280	-	-	-	-	(100)	(100)	180	188	196
Interest earned - external investments		3 500	3 500	-	-	-	-	650	650	4 150	4 320	4 510
Interest earned - outstanding debtors		18 136	18 136	-	-	-	-	(12 000)	(12 000)	6 136	6 387	6 668
Dividends received		-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		449	449	-	-	-	-	-	-	449	468	488
Licences and permits		1 381	1 381	-	-	-	-	-	-	1 381	1 437	1 501
Agency services		-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		191 346	237 608	-	-	-	(7 872)	-	(7 872)	229 735	239 155	249 677
Other revenue	2	689	689	-	-	-	-	-	-	689	582	609
Gains		-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		312 062	358 324	-	-	-	(7 872)	(11 450)	(19 322)	339 002	352 965	368 517
Expenditure By Type												
Employee related costs		110 037	110 037	-	-	-	-	-	-	110 037	114 549	119 589
Remuneration of councillors		14 087	14 087	-	-	-	-	-	-	14 087	14 665	15 310
Debt impairment		32 708	32 708	-	-	-	-	-	-	32 708	34 049	35 547
Depreciation & asset impairment		30 188	30 188	-	-	-	-	-	-	30 188	31 426	32 808
Finance charges		650	650	-	-	-	-	-	-	650	677	706
Bulk purchases		29 201	29 201	-	-	-	-	1 200	1 200	30 401	31 647	33 040
Other materials		3 523	3 523	-	-	-	-	(37)	(37)	3 486	3 629	3 788
Contracted services		49 861	54 791	-	-	-	-	1 724	1 724	56 515	58 821	61 410
Transfers and subsidies		1 622	1 622	-	-	-	-	-	-	1 622	1 689	1 763
Other expenditure		37 149	40 959	-	-	-	-	25	25	40 984	42 664	44 541
Losses		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		309 026	317 766	-	-	-	-	2 911	2 911	320 677	333 815	348 503
Surplus/(Deficit)		3 036	40 558	-	-	-	(7 872)	(14 361)	(22 233)	18 325	19 150	20 014
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit		34 208	34 208	-	-	-	10 159	-	10 159	44 367	46 634	48 686
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) before taxation		37 244	74 766	-	-	-	2 287	(14 361)	(12 074)	62 692	65 784	68 701
Taxation		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		37 244	74 766	-	-	-	2 287	(14 361)	(12 074)	62 692	65 784	68 701
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		37 244	74 766	-	-	-	2 287	(14 361)	(12 074)	62 692	65 784	68 701
Share of surplus/ (deficit) of		-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		37 244	74 766	-	-	-	2 287	(14 361)	(12 074)	62 692	65 784	68 701

CHART B4 ADJUSTMENT BUDGET FINANCIAL PERFORMANCE (REVENUE)

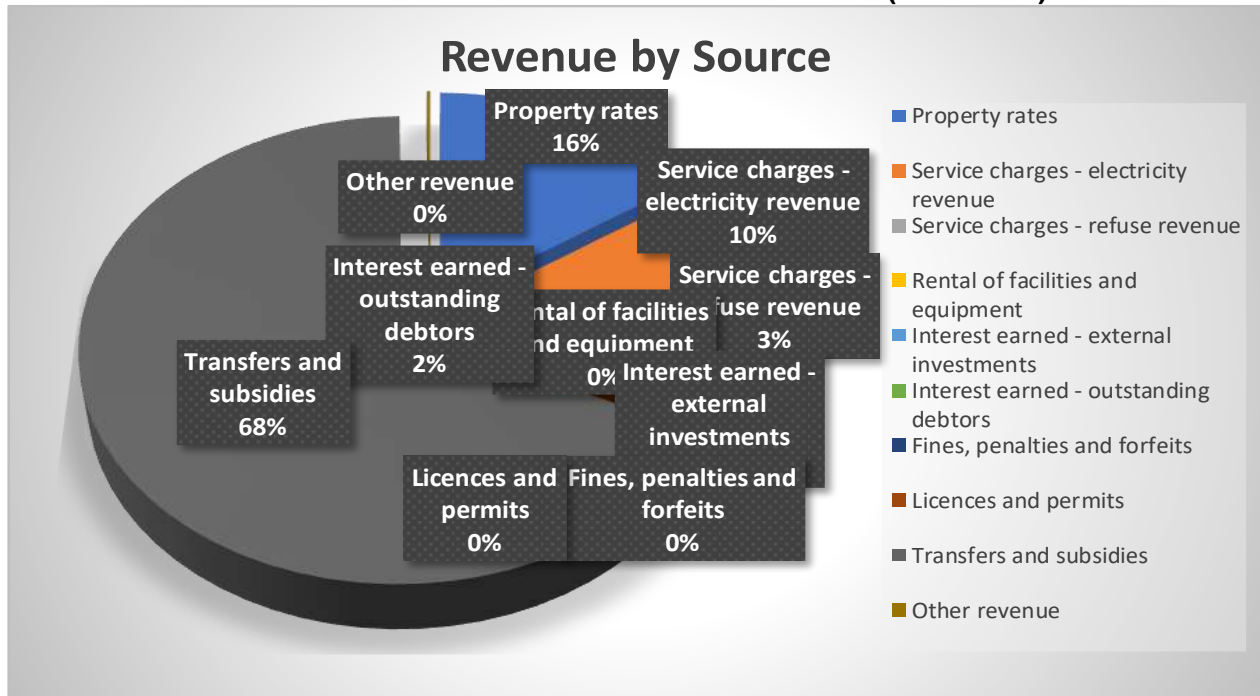


CHART B4 ADJUSTMENT BUDGET FINANCIAL PERFORMANCE (EXPENDITURE)

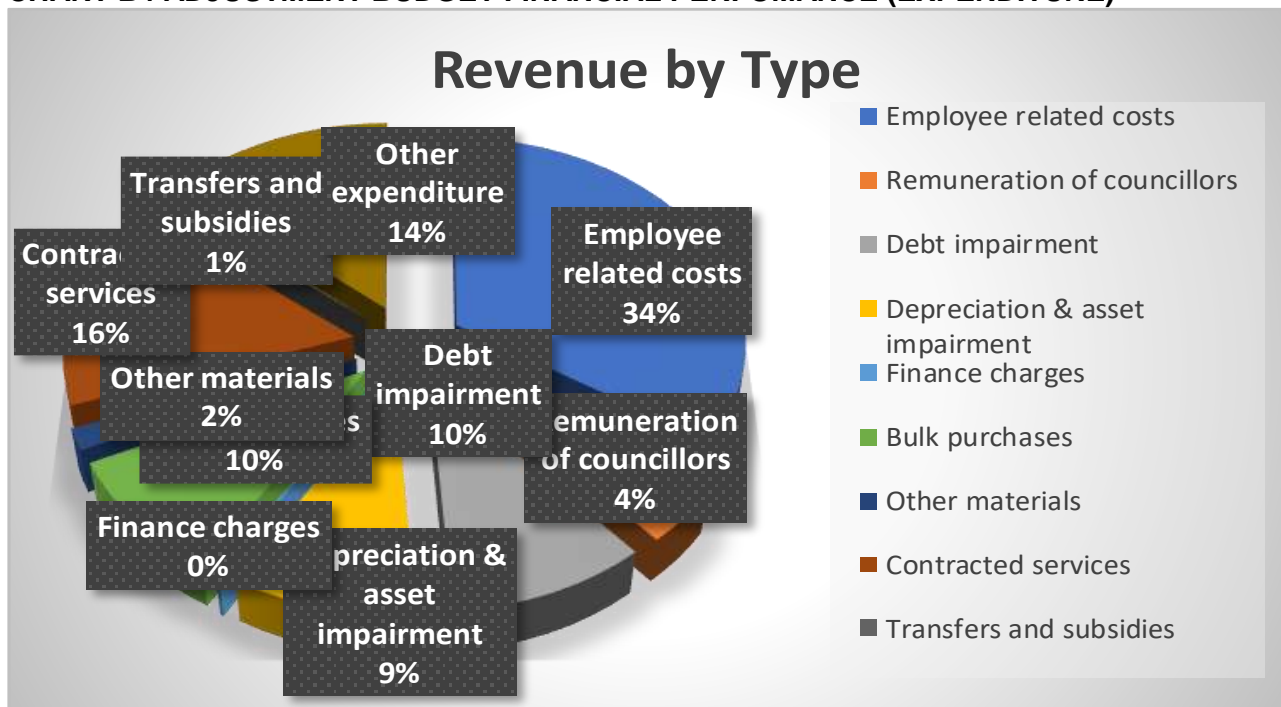


Table 6 Adjustments Capital Expenditure Budget by vote and funding

KZN291 Mandeni - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 28-02-2021												
Description	Ref	Budget Year 2020/21									Budget Year +1	Budget Year +2
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
Single-year expenditure to be adjusted	2											
Vote 1 - Executive and council		650	650	-	-	-	-	-	-	650	-	-
Vote 2 - Finance and administration		1 650	4 150	-	-	-	-	(1 175)	(1 175)	2 975	-	-
Vote 3 - Internal audit		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and social services		1 788	7 238	-	-	-	-	884	884	8 122	3 810	3 978
Vote 5 - Sport and Recreation		8 110	8 630	-	-	-	-	(960)	(960)	7 670	-	-
Vote 6 - Public safety		1 790	1 790	-	-	-	-	(60)	(60)	1 730	-	-
Vote 7 - Housing		200	200	-	-	-	-	-	-	200	-	-
Vote 8 - Planning and Development		15 651	22 511	-	-	-	-	(4 611)	(4 611)	17 900	-	-
Vote 9 - Road transport		26 176	44 397	-	-	-	-	5 548	5 548	49 945	45 234	47 224
Vote 10 - Energy sources		2 150	2 150	-	-	-	-	110	110	2 260	-	-
Vote 11 - Waste Management		840	2 090	-	-	-	-	(350)	(350)	1 740	-	-
Vote 12 - Environmental Protection		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		59 005	93 806	-	-	-	-	(613)	(613)	93 192	49 044	51 202
Total Capital Expenditure - Vote		59 005	93 806	-	-	-	-	(613)	(613)	93 192	49 044	51 202
Capital Expenditure - Functional												
Governance and administration		2 300	4 800	-	-	-	-	(1 175)	(1 175)	3 625	-	-
Executive and council		650	650	-	-	-	-	-	-	650	-	-
Finance and administration		1 650	4 150	-	-	-	-	(1 175)	(1 175)	2 975	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-	-
Community and public safety		11 888	17 858	-	-	-	-	(136)	(136)	17 722	3 810	3 978
Community and social services		1 788	7 238	-	-	-	-	884	884	8 122	3 810	3 978
Sport and recreation		8 110	8 630	-	-	-	-	(960)	(960)	7 670	-	-
Public safety		1 790	1 790	-	-	-	-	(60)	(60)	1 730	-	-
Housing		200	200	-	-	-	-	-	-	200	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		41 827	66 908	-	-	-	-	937	937	67 845	45 234	47 224
Planning and development		15 651	22 511	-	-	-	-	(4 611)	(4 611)	17 900	-	-
Road transport		26 176	44 397	-	-	-	-	5 548	5 548	49 945	45 234	47 224
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		2 990	4 240	-	-	-	-	(240)	(240)	4 000	-	-
Energy sources		2 150	2 150	-	-	-	-	110	110	2 260	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		840	2 090	-	-	-	-	(350)	(350)	1 740	-	-
Other		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	59 005	93 806	-	-	-	-	(613)	(613)	93 192	49 044	51 202
Funded by:												
National Government		33 977	36 777	-	-	-	-	7 243	7 243	44 020	45 234	47 224
Provincial Government		972	972	-	-	-	-	2 120	2 120	3 092	3 810	3 978
District Municipality		-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies,		-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	34 949	37 749	-	-	-	-	9 363	9 363	47 113	49 044	51 202
Borrowing		-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		24 056	56 056	-	-	-	-	(9 977)	(9 977)	46 080	-	-
Total Capital Funding		59 005	93 806	-	-	-	-	(613)	(613)	93 192	49 044	51 202

Explanatory notes to Table B6 – Adjusted Budgeted Capital Expenditure by vote, standard classification and funding source

Table B5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

Table 7 Adjustment Budget Financial Position

KZN291 Mandeni - Table B6 Adjustments Budget Financial Position - 28-02-2021												
Description	Ref	Budget Year 2020/21									Budget Year +1	Budget Year +2
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
ASSETS												
Current assets												
Cash		58 759	103 921					15 978	15 978	119 899	–	–
Call investment deposits	1	–	–	–	–	–	–	–	–	–	–	–
Consumer debtors	1	59 175	59 175	–	–	–	–	(11 247)	(11 247)	47 929	50 081	51 439
Other debtors		4 000	4 000	–	–	–	–	2 885	2 885	6 885	4 000	4 000
Current portion of long-term receivab		–	–	–	–	–	–	–	–	–	–	–
Inventory		508	508	–	–	–	–	471	471	980	1 020	1 065
Total current assets		122 443	167 605	–	–	–	–	8 088	8 088	175 693	55 101	56 503
Non current assets												
Long-term receivables		–	–	–	–	–	–	–	–	–	–	–
Investments		–	–	–	–	–	–	–	–	–	–	–
Investment property		57 877	57 877	–	–	–	–	12 239	12 239	70 116	70 116	70 116
Investment in Associate		–	–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	1	534 711	569 512	–	–	–	–	(64 464)	(64 464)	505 047	558 773	583 918
Biological		–	–	–	–	–	–	–	–	–	–	–
Intangible		619	619	–	–	–	–	160	160	780	812	848
Other non-current assets		–	–	–	–	–	–	–	–	–	–	–
Total non current assets		593 207	628 008	–	–	–	–	(52 065)	(52 065)	575 943	629 701	654 881
TOTAL ASSETS		715 650	795 612	–	–	–	–	(43 976)	(43 976)	751 636	684 802	711 385
LIABILITIES												
Current liabilities												
Bank overdraft		–	–	–	–	–	–	–	–	–	–	–
Borrowing		568	568	–	–	–	–	225	225	793	324	–
Consumer deposits		211	211	–	–	–	–	109	109	320	121	91
Trade and other payables		27 557	27 557	–	–	–	–	(4 596)	(4 596)	22 961	13 500	12 000
Provisions		–	–	–	–	–	–	–	–	–	–	–
Total current liabilities		28 335	28 335	–	–	–	–	(4 261)	(4 261)	24 074	13 945	12 091
Non current liabilities												
Borrowing	1	857	857	–	–	–	–	(416)	(416)	440	425	–
Provisions	1	17 764	17 764	–	–	–	–	1 881	1 881	19 645	19 645	19 645
Total non current liabilities		18 621	18 621	–	–	–	–	1 465	1 465	20 085	20 070	19 645
TOTAL LIABILITIES		46 956	46 956	–	–	–	–	(2 796)	(2 796)	44 160	34 015	31 736
NET ASSETS	2	668 694	748 657	–	–	–	–	(41 180)	(41 180)	707 476	650 787	679 649
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		666 925	746 887	–	–	–	2 287	(27 826)	(25 539)	721 349	648 949	677 712
Reserves		1 759	1 759	–	–	–	–	78	78	1 837	1 838	1 937
TOTAL COMMUNITY WEALTH/EQU		668 684	748 647	–	–	–	2 287	(27 747)	(25 460)	723 186	650 787	679 649

The adjustments will enhance the service delivery and budget implementation plan and long-term financial sustainability.

Explanatory notes to Table B6 – Adjustments Budgeted Financial Position

1. Table B6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table B6 is supported by an extensive table of notes providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non-current;
 - Changes in net assets; and
 - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition, the funding compliance assessment is informed directly by forecasting the statement of financial position.

TOTAL ASSETS

- **Cash** have been adjusted by R15.9 million to R119.9 million this has been based on the estimated cash that will be available at year end of 20/21.
- **Consumer Debtors** have been adjusted to R47.9 million with an adjusted budget of R11.2 million. Adjustment has taken into consideration the closing balance as per the pre-audited AFS and movement from Debtors for this financial year.
- The allocated budget for Debt write off of R15 million will remain the same as the municipality has already written off debt for Ithala as per agreement entered, further to that debtors will be written off as we are currently busy reviewing the indigent register annually and further to that 60/40 incentive scheme that the municipality has piloted for consumers is still proceeding.
- Other Debtors have been adjusted by R2.9 million to R6.9 million. Adjustment has considered other debtors of R4.1 million as per pre-audited AFS and VAT Receivables of R2.5 million.

- **Inventory** has been adjusted to R980 thousand with an adjusted budget of R471 thousand as per the pre-audited AFS.
- **Investment property** have been adjusted to R70.1 million with an adjusted budget of R12.3 million as per the pe-audited AFS, there were properties identified in the 2019/20 financial year which were additional investment properties based on the supplementary valuation roll.
- **Property, plant and equipment** have been adjusted to R505 million with an adjusted budget of R64.5 million, adjusted has taken into consideration last year's asset register and acquisitions for this financial year which will be capitalized by the municipality also any estimates in the Accumulated Depreciation.
- **Intangible** have been adjusted by R160 thousand to R780 thousand as per the pre-audited AFS.

TOTAL LIABILITIES

- **Borrowing (current)** have been adjusted to R793 thousand with an adjusted budget of R225 thousand, adjusted has been effected based on the outstanding balance of the leased printers.
- **Borrowing (non-current)** have been adjusted to R440 thousand with an adjusted budget of R416 thousand, adjusted has been effected based on the outstanding balance of the leased municipal fleet.
- **Consumer Deposits** have been adjusted to R320 thousand with an adjusted budget of R109 thousand, as the municipality has been issuing out deposits for Hall Hire and Electricity as the municipality converted from metering system to prepaid.
- **Trade and other payables** have been adjusted to R22.9 million with an adjusted budget of R4.6 million. Adjustment has taken into consideration the estimated Grants that will not be fully spent ay year end for MIG Grant
- **Provisions** (employee benefit obligation) have been adjusted to R19,6 million with an adjusted budget of R4.6 million as per the pre-audited AFS.
- **Reserves (Housing Grant)** have been adjusted to R1.8 million with an adjusted budget of R78 thousand, adjustment has taken into consideration interest generated in the pre-audited AFS for 2019/20.

Table 8 Adjustments Budget Cash Flows

KZN291 Mandeni - Table B7 Adjustments Budget Cash Flows - 28-02-2021												
Description	Ref	Budget Year 2020/21									Budget Year +1	Budget Year +2
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates		35 686	35 686					(4 198)	(4 198)	31 488	32 779	34 221
Service charges		37 581	37 581					(1 615)	(1 615)	35 966	39 344	41 075
Other revenue		2 373	2 373					(100)	(100)	2 273	33 596	35 074
Transfers and Subsidies - Operational	1	197 752	242 914				(4 327)	-	(4 327)	238 587	249 668	260 654
Transfers and Subsidies - Capital	1	34 208	34 208				10 159	-	10 159	44 367	45 336	47 330
Interest		4 347	4 347					49	49	4 395	255	267
Dividends		-	-					-	-	-	-	-
Payments												
Suppliers and employees		(247 760)	(256 500)					991	991	(255 509)	(265 975)	(277 677)
Finance charges		(650)	(650)					-	-	(650)	(677)	(706)
Transfers and Grants	1	(1 622)	(1 622)					-	-	(1 622)	(1 689)	(1 763)
NET CASH FROM/(USED) OPERATING AC		61 914	98 336	-	-	-	5 833	(4 873)	959	99 295	132 638	138 474
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE		-	-					-	-	-	-	-
Decrease (increase) in non-current receivables		-	-					4 168	4 168	4 168	-	-
Decrease (increase) in non-current investments		-	-					-	-	-	-	-
Payments												
Capital assets		(59 005)	(93 806)					613	613	(93 192)	(49 044)	(51 202)
NET CASH FROM/(USED) INVESTING AC		(59 005)	(93 806)	-	-	-	-	4 782	4 782	(89 024)	(49 044)	(51 202)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans		-	-					-	-	-	-	-
Borrowing long term/refinancing		-	-					-	-	-	-	-
Increase (decrease) in consumer deposits		(211)	(211)					-	-	(211)	(121)	(91)
Payments												
Repayment of borrowing		(1 317)	(1 317)					-	-	(1 317)	(1 371)	(1 432)
NET CASH FROM/(USED) FINANCING AC		(1 528)	(1 528)	-	-	-	-	-	-	(1 528)	(1 492)	(1 522)
NET INCREASE/ (DECREASE) IN CASH H		1 380	3 002	-	-	-	5 833	(91)	5 741	8 743	82 102	85 749
Cash/cash equivalents at the year begin	2	57 379	179 313					(68 167)	(68 167)	111 146	-	-
Cash/cash equivalents at the year end:	2	58 759	182 315				5 833	(68 258)	(62 426)	119 889	82 102	85 749

Explanatory notes to Table B8 - Budgeted Cash Flow Statement**Receipts**

- The budgeted cash flow statement is the first measurement in determining if the budget is funded. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
- The municipality has increased receipts from cash flow under other revenue with R2.7 million, which have been actually received to-date from SARS for VAT refunds that were due to the municipality.
- The municipality has reviewed the collection rate of 68 per cent to a collection rate of 60 per cent for Property Rates, adjustment has considered the implications of COVID as most customers have been retrenched. This has an impact on the municipality's collection rate as there has been low performance during mid-year.

4. The municipality has reduced collection rate receipts from cash flow under Service charges refuse to 45 per cent thus taking into consideration COVID implication and performance of the mid-year with regards to the billed revenue for refuse.
5. Cash Flow: Service Charges electricity the municipality have maintained the same collection rate of 93 per cent of billed revenue for electricity due to prepaid metering system which has been introduced by the municipality and additional bulk scheme by Umngeni water which will improve collection to the municipality.
6. Rental of facilities and equipment the municipality anticipates a 100 per cent collection rate for the utilization of the municipal properties.
7. Interest on outstanding debtors a collection rate has been reduced from 5 per cent to 4 per cent, taking into consideration the revised interest rate as approved by Council.
8. Fines a collection rate of 5 per cent has been applied, as we have taken into consideration the mid-year performance, as the fines are classified on a cash basis.
9. Licenses and permits a 100 percent collection rate has been applied due to the mid-year performance and performance of the traffic department.

Payments

10. The municipality has increased payments from cash flow under suppliers and employees with R991 thousand, which has been split in the following categories contracted Services and Other expenditure. Adjustment is due to reprioritization of expenditure.
11. Cash and cash equivalents total to R119.9 million as at the end of the 2020/21 financial year. The 2020/21 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
12. Capital Payments have been decreased from R93.8 million to R93.2 million with an adjustment of R613 thousand

Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget.

13. Cash flow from financing activities under receipts for Increase/decrease in consumer deposits have remained with the same budget of R211 thousand. Budget allocation has considered refund to consumers as the municipality has converted electricity to prepaid metering system, as deposit for disconnection fee will no longer be paid for prepaid.
14. Cash and cash equivalents have been increased with R68.2 million, to reconcile with the closing balance as at 30 June 2019 of R111.1 million. This has then resulted in closing balance for 2020/21 of cash and cash equivalent is R119.9 million.

As part of the 2020/21 Adjustments Budget this unsustainable cash position had to be addressed as a matter of urgency and various interventions were implemented such as the reduction of expenditure allocations and rationalization of spending priorities.

The 2020/21 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.

Table 9 Cash Backed reserves/accumulated surplus reconciliation

KZN291 Mandeni - Table B8 Cash backed reserves/accumulated surplus reconciliation - 28-02-2021												
Description	Ref	Budget Year 2020/21									Budget Year +1 2021/22	Budget Year +2 2022/23
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
Cash and investments available												
Cash/cash equivalents at the year end	1	58 759	182 315	-	-	-	5 833	(68 248)	(62 416)	119 899	82 102	85 749
Other current investments > 90 days		0	(78 394)	-	-	-	(5 833)	84 227	78 394	(0)	(82 102)	(85 749)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		58 759	103 921	-	-	-	-	15 978	15 978	119 899	-	-
Applications of cash and investments												
Unspent conditional transfers		11 684	11 684	-	-	-	-	(6 095)	(6 095)	5 589	2 500	3 000
Unspent borrowing		-	-	-	-	-	-	-	-	-	-	-
Statutory requirements		-	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	2	(24 895)	(24 895)	-	-	-	5 907	5 907	(18 988)	(41 218)	(44 518)	(44 518)
Other provisions		17 764	17 764	-	-	-	1 881	1 881	19 645	-	-	-
Long term investments committed		-	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investment		1 759	1 759	-	-	-	78	78	1 837	1 838	1 838	1 937
Total Application of cash and investments		6 313	6 313	-	-	-	-	1 771	1 771	8 084	(36 880)	(39 581)
Surplus(shortfall)		52 446	97 608	-	-	-	-	14 207	14 207	111 816	36 880	39 581

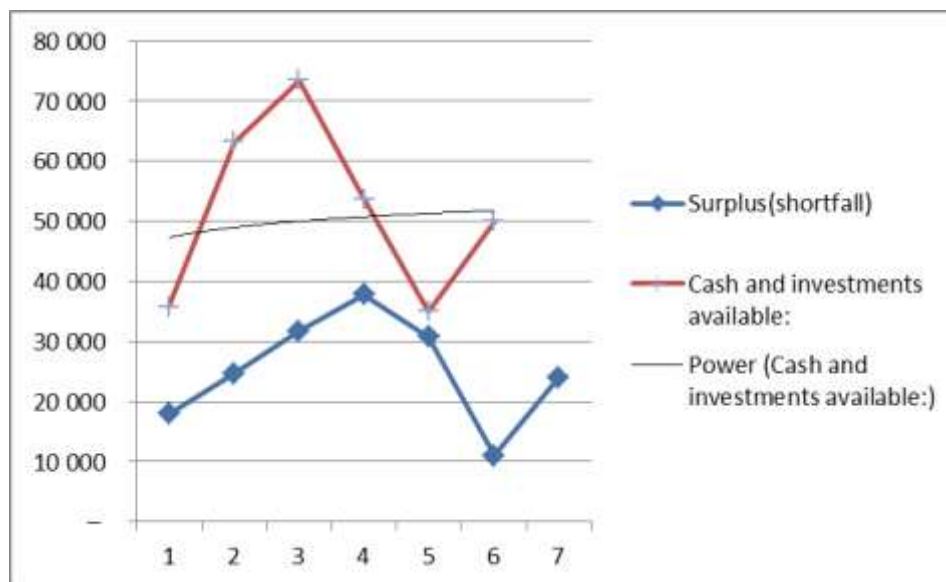
The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. This place the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Consequently, Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations in accordance with the Funding and Reserves Policy. This cannot be achieved in one financial year. But over the MTREF there is progressive improvement in the level of cash-backing of obligations. It is anticipated that the goal of having all obligations cash-back will be achieved by 2020/21, when a small surplus is reflected.

From the above table it can be seen that the cash and investments available total R111.9 million in the 2020/21 financial year and decreases to R39.6 million by 2022/23, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year.

It can be concluded that the Municipality has a surplus against the cash backed and accumulated surpluses reconciliation. It needs to be noted that for all practical purposes the 2020/21 MTREF was funded when considering the funding requirements of section 18 and 19 of the MFMA.

The following graph supplies an analysis of the trends relating cash and cash equivalents and the cash backed reserves/accumulated funds reconciliation over a seven-year perspective.



Notes to Table B8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the Adjustment budget is not appropriately funded.
5. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2020/21 MTREF was funded to the significant surplus of R111.9 million.
6. As part of the budgeting and planning guidelines that informed the compilation of the 2020/21 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

7. As can be seen the budget has been modelled to progressively move to a surplus of R111.9 million by 2020/21.

Table 10 Asset Management

KZN291 Mandeni - Table B9 Asset Management - 28-02-2021												
Description	Ref	Budget Year 2020/21									Budget Year +1	Budget Year +2
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
CAPITAL EXPENDITURE												
Total New Assets to be adjusted	1	32 963	52 444	-	-	-	-	(4 603)	(4 603)	47 841	12 094	12 626
Roads Infrastructure		604	604	-	-	-	-	(404)	(404)	200	12 094	12 626
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		500	500	-	-	-	-	60	60	560	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		740	1 640	-	-	-	-	-	-	1 640	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		1 844	2 744	-	-	-	-	(344)	(344)	2 400	12 094	12 626
Community Facilities		14 872	23 172	-	-	-	-	(6 569)	(6 569)	16 603	-	-
Sport and Recreation Facilities		6 930	6 930	-	-	-	-	(160)	(160)	6 770	-	-
Community Assets		21 802	30 102	-	-	-	-	(6 729)	(6 729)	23 373	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		300	600	-	-	-	-	(200)	(200)	400	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets		300	600	-	-	-	-	(200)	(200)	400	-	-
Biological or Cultivated Assets	6	-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-
Computer Equipment		620	680	-	-	-	-	120	120	800	-	-
Furniture and Office Equipment		1 237	1 237	-	-	-	-	-	-	1 237	-	-
Machinery and Equipment		1 760	11 281	-	-	-	-	3 350	3 350	14 631	-	-
Transport Assets		5 400	5 800	-	-	-	-	(800)	(800)	5 000	-	-
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	-	8 020	-	-	-	-	(4 500)	(4 500)	3 520	3 664	3 825
Roads Infrastructure		-	8 020	-	-	-	-	(4 500)	(4 500)	3 520	3 664	3 825
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	8 020	-	-	-	-	(4 500)	(4 500)	3 520	3 664	3 825
Community Facilities		-	-	-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	2a	26 042	33 342	-	-	-	-	8 490	8 490	41 832	33 286	34 751
Roads Infrastructure		22 492	24 492	-	-	-	-	9 002	9 002	33 494	33 286	34 751
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		1 200	1 200	-	-	-	-	-	-	1 200	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		23 692	25 692	-	-	-	-	9 002	9 002	34 694	33 286	34 751
Community Facilities		1 700	2 100	-	-	-	-	288	288	2 388	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	-
Community Assets		1 700	2 100	-	-	-	-	288	288	2 388	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		-	4 900	-	-	-	-	(800)	(800)	4 100	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets		-	4 900	-	-	-	-	(800)	(800)	4 100	-	-
Intangible Assets	6	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment		650	650	-	-	-	-	-	-	650	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure to be adjusted	4	59 005	93 806	-	-	-	-	(613)	(613)	93 192	49 044	51 202
Roads Infrastructure		23 096	33 116	-	-	-	-	4 098	4 098	37 214	49 044	51 202
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		1 700	1 700	-	-	-	-	60	60	1 760	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		740	1 640	-	-	-	-	-	-	1 640	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		25 536	36 456	-	-	-	-	4 158	4 158	40 614	49 044	51 202
Community Facilities		16 572	25 272	-	-	-	-	(6 281)	(6 281)	18 991	-	-
Sport and Recreation Facilities		6 930	6 930	-	-	-	-	(160)	(160)	6 770	-	-
Community Assets		23 502	32 202	-	-	-	-	(6 441)	(6 441)	25 761	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		300	5 500	-	-	-	-	(1 000)	(1 000)	4 500	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets		300	5 500	-	-	-	-	(1 000)	(1 000)	4 500	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-
Computer Equipment		1 270	1 330	-	-	-	-	120	120	1 450	-	-
Furniture and Office Equipment		1 237	1 237	-	-	-	-	-	-	1 237	-	-
Machinery and Equipment		1 760	11 281	-	-	-	-	3 350	3 350	14 631	-	-
Transport Assets		5 400	5 800	-	-	-	-	(800)	(800)	5 000	-	-
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE	4	59 005	93 806	-	-	-	-	(613)	(613)	93 192	49 044	51 202

KZN291 Mandeni - Table B9 Asset Management - 28-02-2021												
Description	Ref	Budget Year 2020/21									Budget Year +1	Budget Year +2
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7	8	9	10	11	12	13	14		
R thousands												
ASSET REGISTER SUMMARY - PPE	5	590 667	626 508	-	-	-	-	(50 565)	(50 565)	575 943	589 344	505 264
Roads Infrastructure		497 558	510 118	-	-	-	-	(203 035)	(203 035)	307 083	290 883	197 646
Storm water Infrastructure		-	-	-	-	-	-	14 832	14 832	14 832	15 440	16 120
Electrical Infrastructure		1 750	1 750	-	-	-	-	24 190	24 190	25 940	27 004	28 111
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		740	1 640	-	-	-	-	-	-	1 640	1 707	1 782
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		500 048	513 508	-	-	-	-	(164 012)	(164 012)	349 496	335 035	243 660
Community Assets		21 666	31 066	-	-	-	-	41 030	41 030	72 096	97 259	101 539
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		57 877	57 877	-	-	-	-	12 239	12 239	70 116	70 116	70 116
Other Assets		300	3 700	-	-	-	-	25 287	25 287	28 987	30 176	31 504
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		619	619	-	-	-	-	160	160	780	812	848
Computer Equipment		1 270	1 330	-	-	-	-	8 121	8 121	9 451	9 838	10 271
Furniture and Office Equipment		1 807	1 807	-	-	-	-	8 210	8 210	10 017	10 427	10 886
Machinery and Equipment		1 680	10 801	-	-	-	-	-	-	10 801	11 243	11 738
Transport Assets		5 400	5 800	-	-	-	-	-	-	5 800	6 038	6 303
Land		-	-	-	-	-	-	18 400	18 400	18 400	18 400	18 400
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY	5	590 667	626 508	-	-	-	-	(50 565)	(50 565)	575 943	589 344	505 264
EXPENDITURE OTHER ITEMS												
Depreciation & asset impairment		30 188	30 188	-	-	-	-	-	8 490	30 188	31 426	32 808
Repairs and Maintenance by asset	3	45 918	46 368	-	-	-	-	(30)	(30)	46 338	48 672	51 060
Roads Infrastructure		14 729	14 729	-	-	-	-	(930)	(930)	13 799	14 189	14 609
Storm water Infrastructure		4 280	4 280	-	-	-	-	-	-	4 280	5 066	5 739
Electrical Infrastructure		5 575	5 575	-	-	-	-	-	-	5 575	5 804	6 059
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		880	880	-	-	-	-	-	-	880	916	956
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		350	350	-	-	-	-	-	-	350	364	380
Infrastructure		25 814	25 814	-	-	-	-	(930)	(930)	24 884	26 338	27 743
Community Facilities		6 232	6 682	-	-	-	-	-	-	6 682	6 956	7 262
Sport and Recreation Facilities		6 433	6 433	-	-	-	-	-	-	6 433	6 697	6 991
Community Assets		12 665	13 115	-	-	-	-	-	-	13 115	13 652	14 253
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		3 239	3 239	-	-	-	-	700	700	3 939	4 101	4 281
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets		3 239	3 239	-	-	-	-	700	700	3 939	4 101	4 281
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-
Computer Equipment		150	150	-	-	-	-	-	-	150	156	163
Furniture and Office Equipment		300	300	-	-	-	-	-	-	300	312	326
Machinery and Equipment		3 750	3 750	-	-	-	-	200	200	3 950	4 112	4 293
Transport Assets		-	-	-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS	6	76 106	76 556	-	-	-	-	(30)	8 460	76 526	80 097	83 868
Renewal and upgrading of Existing Assets		44.1%	44.1%	-	-	-	-	-	-	48.7%	75.3%	75.3%
Renewal and upgrading of Existing Assets as a % of PPE		86.3%	137.0%	-	-	-	-	-	-	150.2%	117.6%	117.6%
R&M as a % of PPE		7.8%	7.4%	-	-	-	-	-	-	8.0%	8.3%	10.1%
Renewal and upgrading and R&M as a % of PPE		12.2%	14.0%	-	-	-	-	-	-	15.9%	14.5%	17.7%

Explanatory notes to Table B9 - Asset Management

Table B9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

Table 11 Basic Service delivery measurement

KZN291 Mandeni - Table B10 Basic service delivery measurement - 28-02-2021												
Description	Ref	Budget Year 2020/21									Budget	Budget
		Original A	Prior 7 A1	Accum. 8 B	Multi- 9 C	Unfore. 10 D	Nat. or 11 E	Other 12 F	Total 13 G	Adjusted 14 H	Adjusted	Adjusted
Household service targets	1											
Water:												
Piped water inside dwelling		12825	12825							13	12825	12825
Piped water inside yard (but not in dwelling)		14243	14243							14	14243	14243
Using public tap (at least min.service level)	2											
Other water supply (at least min.service level)		22760	22760							23	23	23
<i>Minimum Service Level and Above sub-total</i>		50	50							50	50	50
Using public tap (< min.service level)	3											
Other water supply (< min.service level)	3,4											
No water supply												
<i>Below Minimum Service Level sub-total</i>												
Total number of households	5	50	50							50	50	50
Sanitation/sewerage:												
Flush toilet (connected to sewerage)		14088	14088							14 088	14088	14088
Flush toilet (with septic tank)												
Chemical toilet		10693	10693							10 693	10693	10693
Pit toilet (ventilated)		18895	18895							18 895	18895	18895
Other toilet provisions (> min.service level)		3350	3350							3 350	3350	3350
<i>Minimum Service Level and Above sub-total</i>		47 026	47 026							47 026	47 026	47 026
Bucket toilet		150	150							150	150	150
Other toilet provisions (< min.service level)												
No toilet provisions												
<i>Below Minimum Service Level sub-total</i>		150	150							150	150	150
Total number of households	5	47 176	47 176							47 176	47 176	47 176
Energy:												
Electricity (at least min. service level)		389	389							389	389	389
Electricity - prepaid (> min.service level)		625	625							625	625	625
<i>Minimum Service Level and Above sub-total</i>		1 014	1 014							1 014	1 014	1 014
Electricity (< min.service level)												
Electricity - prepaid (< min. service level)												
Other energy sources												
<i>Below Minimum Service Level sub-total</i>												
Total number of households	5	1 014	1 014							1 014	1 014	1 014
Refuse:												
Removed at least once a week (min.service level)		4601	4601							4 601	4601	4601
<i>Minimum Service Level and Above sub-total</i>		4 601	4 601							4 601	4 601	4 601
Removed less frequently than once a week												
Using communal refuse dump												
Using own refuse dump												
Other rubbish disposal												
No rubbish disposal												
<i>Below Minimum Service Level sub-total</i>												
Total number of households	5	4 601	4 601							4 601	4 601	4 601
Households receiving Free Basic Services:	15											
Water (6 kilolitres per household per month)												
Sanitation (free minimum level service)												
Electricity/other energy (50kwh per household)		2								2	2	2
Refuse (removed at least once a week)		26	26							26	26	26
Cost of Free Basic Services provided (R):	16											
Water (6 kilolitres per indigent household)												
Sanitation (free sanitation service to indigent)												
Electricity/other energy (50kwh per household)		727	727							727	760	795
Refuse (removed once a week for indigent)												
Cost of Free Basic Services provided - Total cost of FBS provided		727	727							727	760	795
Revenue cost of free services provided:	17											
Property rates (tariff adjustment) (indigent)												
Property rates exemptions, reductions		15 030	15 030							15 030	15 152	16 444
Water (in excess of 6 kilolitres per month)												
Sanitation (in excess of free sanitation)												
Electricity/other energy (in excess of 50kwh)												
Refuse (in excess of one removal a week)												
Municipal Housing - rental rebates												
Housing - top structure subsidies	6											
Other												
Total revenue cost of subsidised		15 030	15 030							15 030	15 152	16 444

Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

Part 2 – Supporting Documentation

2.1 ADJUSTMENT TO BUDGET ASSUMPTION

There were no adjustments to budget assumption.

2.2 ADJUSTMENTS TO BUDGET FUNDING

Section 18(1) of the MFMA states that an annual budget may only be funded from:

- Realistically anticipated revenues to be collected,
- Cash backed accumulated funds from previous year's surpluses not committed for other purposes; and
- Borrowed funds, but only for the capital budget referred to in section.

This refers to the narrative summary of the impact of the adjustment budget on the funding of operation and capital expenditure for the municipality.

The adjustment budget is funded by realistically anticipated revenues. This then ensures the financial sustainability of the municipality that both operating and capital expenditure is funded appropriately.

2.3 ADJUSTMENT TO CAPITAL EXPENDITURE

Capital Expenditure have been adjusted by R93.8 million to R93.2 million. Adjustments in capital has considered the reduced equitable share that was overstated during special adjustment budget, further to that capex has also considered the approved rollover for MIG of R8.4 million and Library Grant of R2.2 million which have been reprioritized during adjustment budget.

Table 12 Supporting Table SB1- Budgeted Financial Performance

KZN291 Mandeni - Supporting Table SB1 Supporting detail to 'Budgeted Financial Performance' - 28-02-2021												
Description	Ref	Budget Year 2020/21									Budget Year +1	Budget Year +2
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	6 A1	7 B	8 C	9 D	10 E	11 F	12 G	13 H		
R thousands												
REVENUE ITEMS												
Property rates												
Total Property Rates		67 509	67 509							67 509	70 277	73 369
<i>(exemptions, reductions and rebates and impermissible)</i>		15 030	15 030							15 030	15 646	16 334
Net Property Rates		52 479	52 479	-	-	-	-	-	-	52 479	54 631	57 035
Service charges - electricity revenue												
Total Service charges - electricity revenue		33 865	33 865							33 865	35 253	36 805
<i>less Revenue Foregone (in excess of 50 kwh per indigent household)</i>		-	-							-	-	-
<i>less Cost of Free Basis Services (50 kwh per indigent household)</i>		-	-							-	-	-
Net Service charges - electricity revenue		33 865	33 865	-	-	-	-	-	-	33 865	35 253	36 805
Service charges - refuse revenue												
Total refuse removal revenue		10 664	10 664							10 664	11 304	11 824
Total landfill revenue		-	-							-	-	-
<i>less Revenue Foregone (in excess of one removal a week to indigent households)</i>		-	-							-	-	-
<i>less Cost of Free Basis Services (removed once a week to indigent households)</i>		727	727							727	760	795
Net Service charges - refuse		9 938	9 938	-	-	-	-	-	-	9 938	10 544	11 029
Other Revenue By Source												
Collection Charges		132	132							132	138	144
Other Revenue		-	-							-	-	-
Tender Documents		174	174							174	182	191
Building Plan Approval		101	101							101	105	110
Clearance Certificates		52	52							52	55	57
Photocopies and Faxes		60	60							60	63	66
Town Planning and Servit		134	134							134	1	1
Fire Services & Escort Fees		37	37							37	38	40
Total 'Other' Revenue	1	689	689	-	-	-	-	-	-	689	582	609

KZN291 Mandeni - Supporting Table SB1 Supporting detail to 'Budgeted Financial Performance' - 28-02-2021												
Description	Ref	Budget Year 2020/21									Budget Year +1	Budget Year +2
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	6 A1	7 B	8 C	9 D	10 E	11 F	12 G	13 H		
R thousands												
EXPENDITURE ITEMS												
Employee related costs												
Basic Salaries and Wages		72 695	72 695							72 695	75 676	79 005
Pension and UIF Contributions		10 906	10 906							10 906	11 353	11 853
Medical Aid Contributions		5 310	5 310							5 310	5 527	5 770
Overtime		-	-							-	-	-
Performance Bonus		3 866	3 866							3 866	4 025	4 202
Motor Vehicle Allowance		5 295	5 295							5 295	5 512	5 754
Cellphone Allowance		671	671							671	699	730
Housing Allowances		411	411							411	428	446
Other benefits and allowances		5 383	5 383							5 383	5 604	5 850
Payments in lieu of leave		5 500	5 500							5 500	5 726	5 977
Long service awards		-	-							-	-	-
Post-retirement benefit obligations	4	-	-							-	-	-
sub-total		110 037	110 037	-	-	-	-	-	-	110 037	114 549	119 589
Less: Employees costs capitalised to PP		-	-							-	-	-
Total Employee related costs	1	110 037	110 037	-	-	-	-	-	-	110 037	114 549	119 589
Depreciation & asset impairment												
Depreciation of Property, Plant & Equipment		30 108	30 108							30 108	31 342	32 721
Lease amortisation		80	80							80	83	87
Capital asset impairment		-	-							-	-	-
Total Depreciation & asset impairment	1	30 188	30 188	-	-	-	-	-	-	30 188	31 426	32 808
Bulk purchases												
Electricity Bulk Purchases		29 201	29 201						1 200	1 200	30 401	31 647
Water Bulk Purchases		-	-						-	-	-	-
Total bulk purchases	1	29 201	29 201	-	-	-	-	-	1 200	1 200	30 401	31 647
Transfers and grants												
Cash transfers and grants		-	-							-	-	-
Non-cash transfers and grants		-	-							-	-	-
Total transfers and grants		-	-	-	-	-	-	-	-	-	-	-
Contracted services												
Outsourced Services		21 580	22 110						340	340	22 450	23 360
Consultants and Professional Services		5 103	6 303						1 457	1 457	7 759	8 077
Contractors		23 179	26 379						(73)	(73)	26 306	27 384
Total contracted services		49 861	54 791	-	-	-	-	-	1 724	1 724	56 515	58 821
Other Expenditure By Type												
Collection costs		520	1 240							1 240	1 291	1 348
Contributions to 'other' provisions		-	-							-	-	-
Consultant fees		2 500	2 500							2 500	2 603	2 717
Audit fees		34 129	37 219						25	25	37 244	38 771
General expenses		-	-							-	-	-
Other Expenditure		-	-							-	-	-
Total Other Expenditure	1	37 149	40 959	-	-	-	-	-	25	25	40 984	42 664
Repairs and Maintenance												
Employee related costs	14	22 007	22 007							22 007	22 998	23 033
Other materials		11 020	11 020							11 020	11 527	12 057
Contracted Services		11 242	11 242							11 242	10 748	11 277
Other Expenditure		1 648	1 648							1 648	1 910	1 956
Total Repairs and Maintenance Expense	15	45 918	45 918	-	-	-	-	-	-	45 918	47 182	48 322

Table 13 Supporting Table SB2- Financial Position Budget

KZN291 Mandeni - Supporting Table SB2 Supporting detail to 'Financial Position Budget' - 28-02-2021												
Description	Ref	Budget Year 2020/21									Budget Year +1	Budget Year +2
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	4 A1	5 B	6 C	7 D	8 E	9 F	10 G	11 H		
ASSETS												
Call investment deposits												
Call deposits		-	-					(1 839)	(1 839)	(1 839)	(1 914)	(1 998)
Other current investments		-	-					-	-	-	-	-
Total Call investment deposits		-	-	-	-	-	-	(1 839)	(1 839)	(1 839)	(1 914)	(1 998)
Consumer debtors												
Consumer debtors		59 175	59 175					(59 175)	(59 175)	-	-	-
Less: provision for debt impairment		-	-					-	-	-	-	-
Total Consumer debtors	1	59 175	59 175	-	-	-	-	(59 175)	(59 175)	-	-	-
Debt impairment provision												
Balance at the beginning of the year		-	-					-	-	-	-	-
Contributions to the provision		-	-					-	-	-	-	-
Bad debts written off		-	-					-	-	-	-	-
Balance at end of year		-	-	-	-	-	-	-	-	-	-	-
Property, plant & equipment												
PPE at cost/valuation (excl. finance leases)	2	534 721	569 522					(475 898)	(475 898)	93 623	97 462	101 750
Leases recognised as PPE		-	-					-	-	-	-	-
Less: Accumulated depreciation		10	10					10	10	20	-	-
Total Property, plant & equipment	1	534 711	569 512	-	-	-	-	(475 908)	(475 908)	93 603	97 462	101 750
LIABILITIES												
Current liabilities - Borrowing												
Short term loans (other than bank overdraft)		1 317	1 317					(1 317)	(1 317)	-	-	-
Current portion of long-term liabilities		-	-					1 317	1 317	1 317	1 371	1 432
Total Current liabilities - Borrowing		1 317	1 317	-	-	-	-	-	-	1 317	1 371	1 432
Trade and other payables												
Trade Payables		15 873	15 873					333 935	333 935	349 808	364 150	380 173
Other creditors		-	-					1 622	1 622	1 622	1 689	1 763
Unspent conditional transfers		11 685	11 685					(11 685)	(11 685)	-	-	-
VAT		-	-					-	-	-	-	-
Total Trade and other payables	1	27 557	27 557	-	-	-	-	323 873	323 873	351 430	365 839	381 936
Non current liabilities - Borrowing												
Borrowing	3	568	568					(568)	(568)	-	-	-
Finance leases (including PPP asset elements)		857	857					(857)	(857)	-	-	-
Total Non current liabilities - Borrowing		1 425	1 425	-	-	-	-	(1 425)	(1 425)	-	-	-
Provisions - non current												
Retirement benefits		-	-					17 764	17 764	17 764	18 492	19 306
Refuse landfill site rehabilitation		-	-					-	-	-	-	-
Other		-	-					-	-	-	-	-
Total Provisions - non current		-	-	-	-	-	-	17 764	17 764	17 764	18 492	19 306
CHANGES IN NET ASSETS												
Accumulated surplus/(Deficit)												
Accumulated surplus/(Deficit) - opening balance		1 759	-					(1 759)	(1 759)	-	-	-
GRAP adjustments		-	-					-	-	-	-	-
Restated balance		1 759	-					(1 759)	(1 759)	-	-	-
Surplus/(Deficit)		37 254	74 776					(11 643)	(11 643)	63 133	65 721	68 613
Transfers to/from Reserves		-	-					-	-	-	-	-
Depreciation offsets		-	-					-	-	-	-	-
Other adjustments		628 364	625 642					-	-	625 642	651 294	679 950
Accumulated Surplus/(Deficit)	1	667 377	700 418	-	-	-	-	(13 402)	(13 402)	688 775	717 015	748 563
Reserves												
Housing Development Fund		-	-					-	-	-	-	-
Capital replacement		-	-					-	-	-	-	-
Self-insurance		-	-					-	-	-	-	-
Other reserves		-	-					-	-	-	-	-
Revaluation		-	-					-	-	-	-	-
Total Reserves	2	-	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	667 377	700 418	-	-	-	-	(13 402)	(13 402)	688 775	717 015	748 563

Table 14 Supporting Table SB4- Adjustments to Budgeted performance indicators

KZN291 Mandeni - Supporting Table SB4 Adjustments to budgeted performance indicators and benchmarks - 28-02-2021									
Description of financial indicator	Basis of calculation	2017/18	2018/19	2019/20	Budget Year 2020/21			Budget Year +1	Budget Year +2
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Prior Adjusted	Adjusted Budget	Adjusted Budget	Adjusted Budget
<u>Borrowing Management</u>									
Credit Rating	Short term/long term rating								
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure				0.6%	0.6%	0.6%	0.6%	0.6%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue				0.0%	0.0%	0.0%	0.0%	0.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants				0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>									
Gearing	Long Term Borrowing/ Funds & Reserves				0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>									
Current Ratio	Current assets/current liabilities				421.0%	421.0%	80.6%	33.3%	33.3%
Current Ratio adjusted for aged debtors	Current assets/current liabilities less debtors > 90 days/current liabilities				421.0%	421.0%	0.0%	0.0%	0.0%
Liquidity Ratio	Monetary Assets/Current Liabilities				2.0	2.0	0.3	0.2	0.2
<u>Revenue Management</u>									
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing								
Current Debtors Collection Rate (Cash receipts % of Ratepayer Outstanding Debtors to Revenue)	Total Outstanding Debtors to Annual Revenue				20.2%	17.6%	93.7%	7.2%	7.2%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old				0.0%	0.0%	0.0%	0.0%	0.0%
<u>Creditors Management</u>									
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))								
Creditors to Cash and Investments					46.9%	15.1%	543.6%	172.8%	172.7%
<u>Other Indicators</u>									
Electricity Distribution Losses (2)	Total Volume Losses (kW) Total Cost of Losses (Rand '000) % Volume (units purchased and generated less units sold)/units purchased and generated								
Water Distribution Losses (2)	Total Volume Losses (kℓ) Total Cost of Losses (Rand '000) % Volume (units purchased and generated less units sold)/units purchased and generated								
Employee costs	Employee costs/(Total Revenue - capital revenue)				35.3%	30.7%	32.5%	32.5%	32.5%
Remuneration	Total remuneration/(Total Revenue - capital revenue)								
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)				5.1%	4.6%	4.8%	4.8%	4.8%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)				9.9%	8.6%	9.1%	9.1%	9.1%
<u>IDP regulation financial viability indicators</u>									
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial				5894.7%	5894.7%	5335.6%	5323.2%	5558.5%
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services				19.0%	16.5%	86.4%	0.0%	0.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure				0.0	0.0	0.0	0.0	0.0

Table 15 Supporting Table SB6- Adjustment Budget- Funding Measurement

KZN291 Mandeni - Supporting Table SB6 Adjustments Budget - funding measurement - 28-02-2021										
Description	Ref	MFMA section	2017/18	2018/19	2019/20	Medium Term Revenue and Expenditure Framework				
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Prior Adjusted	Adjusted Budget	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousands										
Funding measures										
Cash/cash equivalents at the year end - R'000	1	18(1)b				58 759	182 315	119 899	82 102	85 749
Cash + investments at the yr end less applicat	2	18(1)b				54 205	54 205	(302 726)	(149 042)	(155 605)
Cash year end/monthly employee/supplier pay	3	18(1)b				-	-	-	-	-
Surplus/(Deficit) excluding depreciation offsets	4	18(1)				37 244	74 766	62 692	65 784	68 701
Service charge rev % change - macro CPIX ta	5	18(1)a,(2)				0.0%	0.0%	0.0%	-1.7%	-1.6%
Cash receipts % of Ratepayer & Other revenu	6	18(1)a,(2)	0.0%	0.0%	0.0%	64.5%	64.5%	66.3%	96.6%	96.5%
Debt impairment expense as a % of total billat	7	18(1)a,(2)				33.9%	33.9%	33.9%	33.8%	33.8%
Capital payments % of capital expenditure	8	18(1)c;19				100.0%	100.0%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (e	9	18(1)c				0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocatio	10	18(1)a				0.0%	0.0%	0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	11	18(1)a							-92.0%	4.4%
Long term receivables % change - incr(decr)	12	18(1)a							0.0%	0.0%
R&M % of Property Plant & Equipment	13	20(1)(vi)				2.7%	2.6%	2.7%	9.3%	9.3%
Asset renewal % of capital budget	14	20(1)(vi)				0.0%	8.5%	3.8%	9.9%	9.9%

Table 16 Supporting Table SB7- Adjustment Budget- Transfers and grant receipts

KZN291 Mandeni - Supporting Table SB7 Adjustments Budget - transfers and grant receipts - 28-02-2021										
Description	Ref	Budget Year 2020/21							Budget Year +1	Budget Year +2
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	7 A1	8 B	9 C	10 D	11 E	12 F		
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		194 117	239 379	-	(4 818)	-	(4 818)	234 560	207 209	221 576
Local Government Equitable Share		181 342	227 604		(9 202)		(9 202)	218 402	196 779	210 674
Finance Management	3	1 900	1 900		446		446	2 346	1 900	1 900
EPWP Incentive		2 387	2 387				-	2 387		
Integrated National Electrification Program		6 000	5 000		3 545		3 545	8 545	6 631	7 000
Municipal Sytems Improvement		-	-				-	-		
Disaster Relief Grant COVID 19		745	745		393		393	1 138		
Municipal Infrastructure Grant(PMU)		1 743	1 743				-	1 743	1 899	2 002
Provincial Government:		3 636	3 536	-	491	-	491	4 027	4 214	4 923
Library Grant		2 714	2 714				-	2 714	2 806	2 946
Provincialization of Government		515	515				-	515	1 408	1 477
Ward Based Plan	4						-	-		500
Tittle deeds restoration programme		407	307				-	307		
Other transfers and grants [Single Land	5				491		491	491		
District Municipality: [insert description]		-	-	-	-	-	-	-	-	-
Other grant providers: [insert description]		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	6	197 753	242 915	-	(4 327)	-	(4 327)	238 587	211 423	226 499
Capital Transfers and Grants										
National Government:		33 408	33 408	-	7 969	-	7 969	41 377	36 077	38 042
Municipal Infrastructure Grant (MIG)		33 408	33 408		7 969		7 969	41 377	36 077	38 042
Other capital transfers [insert description]							-	-		
Provincial Government: [Provincialisation of Libraries]		800	800	-	2 190	-	2 190	2 990	-	-
		800	800		2 190		2 190	2 990		
District Municipality: [insert description]		-	-	-	-	-	-	-	-	-
Other grant providers: [insert description]		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	6	34 208	34 208	-	10 159	-	10 159	44 367	36 077	38 042
TOTAL RECEIPTS OF TRANSFERS & GR		231 960	277 122	-	5 832	-	5 832	282 954	247 500	264 541

Table 17 Supporting Table SB8- Adjustment Budget- Transfers and grant expenditure

KZN291 Mandeni - Supporting Table SB8 Adjustments Budget - expenditure on transfers and grant programme - 28-02-2021										
Description	Ref	Budget Year 2020/21						Budget	Budget	
		Original	Prior	Multi-	Nat. or	Other	Total	Adjusted	Adjusted	
		Budget	Adjusted	year	Prov.	Adjusts.	Adjusts.	Budget	Budget	
		capital	Govt				Year +1	Year +2		
		3	4	5	6	7	2021/22	2022/23		
		B	C	D	E	F				
		A	A1							
R thousands										
EXPENDITURE ON TRANSFERS AND GRANTS										
Operating expenditure of Transfers and Grants										
National Government:										
		194 117	239 379	-	(4 818)	-	(4 818)	234 560	207 209	221 576
Local Government Equitable Share		181 342	227 604		(9 202)		(9 202)	218 402	196 779	210 674
Finance Management		1 900	1 900		446		446	2 346	1 900	1 900
EPWP Incentive		2 387	2 387				-	2 387	-	-
Integrated National Electrification Programme		6 000	5 000		3 545		3 545	8 545	6 631	7 000
Municipal Systems Improvement			-				-	-		
Disaster Relief Grant COVID 19		745	745		393		393	1 138		
Municipal Infrastructure Grant(PMU)		1 743	1 743				-	1 743	1 899	2 002
Provincial Government:		3 636	3 536	-	491	-	491	4 027	4 214	4 923
Library Grant		2 714	2 714				-	2 714	2 806	2 946
Provincialization of Government		515	515				-	515	1 408	1 477
Ward Based Plan			-				-	-		500
Title deeds restoration programme		407	307				-	307		
Other transfers and grants [Single Land use Scheme]			-		491		491	491		
District Municipality:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Other grant providers:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Total operating expenditure of Transfers and Grants		197 753	242 915	-	(4 327)	-	(4 327)	238 587	211 423	226 499
Capital expenditure of Transfers and Grants										
National Government:										
		33 408	33 408	-	7 969	-	7 969	41 377	36 077	38 042
Municipal Infrastructure Grant (MIG)		33 408	33 408		7 969		7 969	41 377	36 077	38 042
Other capital transfers [insert description]							-	-		
Provincial Government:		800	800	-	2 190	-	2 190	2 990	-	-
[Provincialisation of Libraries]		800	800		2 190		2 190	2 990		
District Municipality:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Other grant providers:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Total capital expenditure of Transfers and Grants		34 208	34 208	-	10 159	-	10 159	44 367	36 077	38 042
Total capital expenditure of Transfers and Grants		231 960	277 122	-	5 832	-	5 832	282 954	247 500	264 541

Table 18 Supporting Table SB9- Adjustment Budget- Reconciliation of Transfers

KZN291 Mandeni - Supporting Table SB9 Adjustments Budget - reconciliation of transfers, grant receipts, and unspent funds - 28-02-2021									
Description	Ref	Budget Year 2020/21						Budget Year +1	Budget Year +2
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget
R thousands		A	2 A1	3 B	4 C	5 D	6 E	7 F	
Operating transfers and grants:									
National Government:									
Balance unspent at beginning of the year							-	-	
Current year receipts		194 132	239 394		(4 818)		(4 818)	234 575	207 209
Conditions met - transferred to revenue		190 647	235 909	-	(4 818)	-	(4 818)	231 091	205 709
Conditions still to be met - transferred to liabilities		3 484	3 484				-	3 484	1 500
Provincial Government:									
Balance unspent at beginning of the year							-	-	
Current year receipts		3 636	3 536		491		491	4 027	4 214
Conditions met - transferred to revenue		3 636	3 536	-	491	-	491	4 027	4 214
Conditions still to be met - transferred to liabilities							-	-	
District Municipality:									
Balance unspent at beginning of the year							-	-	
Current year receipts							-	-	
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities							-	-	
Other grant providers:									
Balance unspent at beginning of the year							-	-	
Current year receipts							-	-	
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities							-	-	
Total operating transfers and grants revenue		194 283	239 445	-	(4 327)	-	(4 327)	235 118	209 923
Total operating transfers and grants - CTBM	2	3 484	3 484	-	-	-	-	3 484	1 500
Capital transfers and grants:									
National Government:									
Balance unspent at beginning of the year							-	-	
Current year receipts		33 393	33 393		7 969		7 969	41 362	36 077
Conditions met - transferred to revenue		30 193	30 193	-	7 969	-	7 969	38 162	35 077
Conditions still to be met - transferred to liabilities		3 200	3 200				-	3 200	1 000
Provincial Government:									
Balance unspent at beginning of the year							-	-	
Current year receipts		800	800		2 190		2 190	2 990	
Conditions met - transferred to revenue		800	800	-	2 190	-	2 190	2 990	-
Conditions still to be met - transferred to liabilities							-	-	
District Municipality:									
Balance unspent at beginning of the year							-	-	
Current year receipts							-	-	
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities							-	-	
Other grant providers:									
Balance unspent at beginning of the year							-	-	
Current year receipts							-	-	
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities							-	-	
Total capital transfers and grants revenue		30 993	30 993	-	10 159	-	10 159	41 152	35 077
Total capital transfers and grants - CTBM		3 200	3 200	-	-	-	-	3 200	1 000
TOTAL TRANSFERS AND GRANTS REVENUE		225 276	270 438	-	5 832	-	5 832	276 270	245 000
TOTAL TRANSFERS AND GRANTS - CTBM		6 684	6 684	-	-	-	-	6 684	2 500

Table 19 Supporting Table SB10- Adjustment Budget- Transfers and grants

KZN291 Mandeni - Supporting Table SB10 Adjustments Budget - transfers and grants made by the municipality - 28-02-2021												
Description	Ref	Budget Year 2020/21									Budget Year +1	Budget Year +2
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid .	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	6 A1	7 B	8 C	9 D	10 E	11 F	12 G	13 H		
R thousands												
Cash transfers to other municipalities												
[insert description]	1								-	-		
[insert description]									-	-		
[insert description]									-	-		
TOTAL ALLOCATIONS TO MUNICIPALITIES		-	-	-	-	-	-	-	-	-	-	-
Cash transfers to Entities/Other External Mechanisms												
Eskom (Free Basic Electricity)	2	1 622							-	1 622	1 697	1 775
[insert description]									-	-		
[insert description]									-	-		
TOTAL ALLOCATIONS TO ENTITIES/EMs		1 622	-	-	-	-	-	-	-	1 622	1 697	1 775
Cash transfers to other Organs of State												
[insert description]	3								-	-		
[insert description]									-	-		
[insert description]									-	-		
TOTAL ALLOCATIONS TO OTHER ORGANS OF STATE		-	-	-	-	-	-	-	-	-	-	-
Cash transfers to other Organisations												
[insert description]	4								-	-		
[insert description]									-	-		
[insert description]									-	-		
TOTAL CASH TRANSFERS TO OTHER ORGANS OF STATE		-	-	-	-	-	-	-	-	-	-	-
TOTAL CASH TRANSFERS	5	1 622	-	-	-	-	-	-	-	1 622	1 697	1 775
Non-cash transfers to other municipalities												
[insert description]	1								-	-		
[insert description]									-	-		
[insert description]									-	-		
TOTAL ALLOCATIONS TO MUNICIPALITIES		-	-	-	-	-	-	-	-	-	-	-
TOTAL NON-CASH TRANSFERS	5	-	-	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS		1 622	-	-	-	-	-	-	-	1 622	1 697	1 775

Table 20 Supporting Table SB11- Adjustment Budget- Councilor and staff benefits

KZN291 Mandeni - Supporting Table SB11 Adjustments Budget - councillor and staff benefits - 28-02-2021												
Summary of remuneration	Ref	Budget Year 2020/21										% change
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget		
		A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
R thousands												
Councillors (Political Office Bearers plus Other)												
Basic Salaries and Wages		10 462	10 462							10 462	0.0%	
Pension and UIF Contributions		–	–							–		
Medical Aid Contributions		–	–							–		
Motor Vehicle Allowance		1 388	1 388							1 388	0.0%	
Cellphone Allowance		1 514	1 514							1 514		
Housing Allowances		724	724							724		
Other benefits and allowances		–	–							–		
Sub Total - Councillors		14 087	14 087							14 087	0.0%	
% increase												
Senior Managers of the Municipality												
Basic Salaries and Wages		5 526	5 526							5 526	0.0%	
Pension and UIF Contributions		11	11							11	0.0%	
Medical Aid Contributions		–	–							–		
Overtime		–	–							–		
Performance Bonus		–	–							–		
Motor Vehicle Allowance		785	785							785	0.0%	
Cellphone Allowance		186	186							186	0.0%	
Housing Allowances		114	114							114		
Other benefits and allowances		1	1							1		
Payments in lieu of leave		–	–							–		
Long service awards		–	–							–		
Post-retirement benefit obligations	5	–	–							–		
Sub Total - Senior Managers of Municipality		6 623	6 623							6 623	0.0%	
% increase												
Other Municipal Staff												
Basic Salaries and Wages		67 170	67 170							67 170	0.0%	
Pension and UIF Contributions		10 895	10 895							10 895	0.0%	
Medical Aid Contributions		5 310	5 310							5 310	0.0%	
Overtime		–	–							–		
Performance Bonus		3 866	3 866							3 866		
Motor Vehicle Allowance		4 510	4 510							4 510	0.0%	
Cellphone Allowance		485	485							485	0.0%	
Housing Allowances		297	297							297		
Other benefits and allowances		5 382	5 382							5 382		
Payments in lieu of leave		5 500	5 500							5 500	0.0%	
Long service awards		–	–							–		
Post-retirement benefit obligations	5	–	–							–		
Sub Total - Other Municipal Staff		103 414	103 414							103 414	0.0%	
% increase												
Total Parent Municipality		124 124	124 124							124 124	0.0%	
TOTAL SALARY, ALLOWANCES & BENEFITS		124 124	124 124							124 124	0.0%	
% increase												
TOTAL MANAGERS AND STAFF		110 037	110 037							110 037	0.0%	

Table 21 Supporting Table SB12- Adjustment Budget- Monthly revenue and expenditure

KZN291 Mandeni - Supporting Table SB15 Adjustments Budget - monthly cash flow - 28-02-2021																	
Monthly cash flows	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Full year budget	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget		Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands																	
Cash Receipts By Source																	
Property rates	1	3 253	3 641	1 527	2 004	5 636	2 384	-	-	-	-	-	13 043	31 488	31 488	32 779	34 221
Service charges - electricity revenue		3 471	2 598	2 563	2 909	2 456	2 891						14 607	31 494	31 494	32 786	34 228
Service charges - water revenue													-	-	-	-	-
Service charges - sanitation revenue													-	-	-	-	-
Service charges - refuse		212	236	234	198	139	309						3 143	4 472	4 472	4 655	4 860
Rental of facilities and equipment		11	2	4	3	13							148	180	180	188	196
Interest earned - external investments		17	225	1 251	243	189	296						1 928	4 150	4 150	4 320	4 510
Interest earned - outstanding debtors													245	245	245	255	267
Dividends received													-	-	-	-	-
Fines, penalties and forfeits						4	4						15	22	22	23	24
Licences and permits		37	85	54	20	6	51						1 129	1 381	1 381	1 437	1 501
Agency services													-	-	-	-	-
Transfers and Subsidies - Operational		81 603	2 497	5 269	4 029	4 047	84 140	-	-	79 079	-	-	(22 077)	238 587	238 587	211 423	226 499
Other revenue			92	1 434									(836)	689	689	718	749
Cash Receipts by Source		88 604	9 376	12 335	9 406	12 490	90 075	-	-	79 079	-	-	11 344	312 710	312 710	288 584	307 055
Other Cash Flows by Source																	
Transfers and subsidies - capital (monetary allocations) (National / (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Proceeds on Disposal of Fixed and Intangible Assets		7 000	3 868	-	-	15 000	10 590			7 909			-	44 367	44 367	288 584	307 055
Short term loans													-	-	-	-	-
Borrowing long term/refinancing													-	-	-	-	-
Increase (decrease) in consumer deposits		4	7	9	6		11						(248)		(211)		
Decrease (increase) in non-current receivables													4 168		4 168		
Decrease (increase) in non-current investments			199	3 059		471	440						(4 168)				
Total Cash Receipts by Source		95 608	13 450	15 403	9 412	27 961	101 115	-	-	86 988	-	-	11 097	357 076	361 034	577 168	614 111
Cash Payments by Type																	
Employee related costs		8 311	8 296	8 647	8 350	8 387	8 402	9 941	9 941	9 941	9 941	9 941	9 941	110 037	110 037	114 549	119 589
Remuneration of councillors		1 129	1 129	1 138	1 138	1 138	1 138	1 213	1 213	1 213	1 213	1 213	1 213	14 087	14 087	14 665	15 310
Finance charges								108	108	108	108	108	108	650	650	677	706
Bulk purchases - Electricity		3 081	3 187	2 747	2 088	2 062	2 054	2 531	2 531	2 531	2 531	2 531	2 531	30 401	30 401	31 647	33 040
Bulk purchases - Water & Sewer														-	-	-	-
Other materials		208	209	162	114	419	133	1 733	1 733	1 733	1 733	1 733	(6 423)	3 486	3 486	3 629	3 788
Contracted services		1 665	3 324	2 376	4 829	2 958	2 093	4 274	4 274	4 274	4 274	4 274	17 898	56 515	58 821	61 410	
Transfers and grants - other municipalities														-	-	-	-
Transfers and grants - other		147	144	116	135	129	129	137	137	137	137	137	137		1 622	1 689	1 763
Other expenditure		1 262	2 602	5 966	4 550	4 120	2 354	4 271	4 271	4 271	4 271	4 271	(1 223)	40 984	40 984	42 664	44 541
Cash Payments by Type		15 804	18 890	21 152	21 203	19 213	16 303	24 207	24 207	24 207	24 207	24 207	24 182	199 644	257 781	268 340	280 147
Other Cash Flows/Payments by Type																	
Capital assets		452	971	2 785	1 821	3 298	6 853	711	190	32	5	1	76 073	93 192	93 192	49 044	51 202
Repayment of borrowing		156	74	84	70	69	56	9	2	0	0	0	796	1 317	1 317		
Other Cash Flows/Payments		1 417	132	1 205	1 950	4 785							(9 488)	-	-	-	-
Total Cash Payments by Type		17 829	20 067	25 226	25 044	27 364	23 211	24 928	24 399	24 239	24 213	24 208	91 563	294 154	352 291	317 384	331 349
NET INCREASE/(DECREASE) IN CASH		77 778	(6 617)	(9 823)	(15 632)	597	77 904	(24 928)	(24 399)	62 749	(24 213)	(24 208)	(80 466)	62 922	8 743	259 784	282 762
Cash/cash equivalents at the month/year		111 146	188 925	182 308	172 485	156 853	157 450	235 354	210 427	186 028	248 776	224 564	200 356		111 146	119 889	379 673
Cash/cash equivalents at the month/year		188 925	182 308	172 485	156 853	157 450	235 354	210 427	186 028	248 776	224 564	200 356	119 889		119 889	379 673	662 435

Table 23 Supporting Table SB17- Adjustment Budget- Monthly Capital Expenditure

KZN291 Mandeni - Supporting Table SB17 Adjustments Budget - monthly capital expenditure (functional classification) - 28-02-2021

Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands																
Capital Expenditure - Functional																
Governance and administration		-	-	-	265	158	-	534	534	534	534	534	534	3 625	-	-
Executive and council		-	-	-	-	-	-	108	108	108	108	108	108	650	-	-
Finance and administration		-	-	-	265	158	-	425	425	425	425	425	425	2 975	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety		-	-	98	97	1 343	1 402	2 464	2 464	2 464	2 464	2 464	2 464	17 722	3 810	3 978
Community and social services		-	-	-	97	-	617	1 235	1 235	1 235	1 235	1 235	1 235	8 122	3 810	3 978
Sport and recreation		-	-	98	-	662	682	1 038	1 038	1 038	1 038	1 038	1 038	7 670	-	-
Public safety		-	-	-	-	681	102	158	158	158	158	158	158	1 730	-	-
Housing		-	-	-	-	-	-	33	33	33	33	33	33	200	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		1 582	971	2 061	1 460	2 315	5 058	9 066	9 066	9 066	9 066	9 066	9 066	67 845	45 234	47 224
Planning and development		1 582	143	-	-	171	1 646	2 393	2 393	2 393	2 393	2 393	2 393	17 900	-	-
Road transport		-	828	2 061	1 460	2 144	3 412	6 673	6 673	6 673	6 673	6 673	6 673	49 945	45 234	47 224
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services		-	-	-	-	-	119	647	647	647	647	647	647	4 000	-	-
Energy sources		-	-	-	-	-	119	357	357	357	357	357	357	2 260	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	290	290	290	290	290	290	1 740	-	-
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure -		1 582	971	2 158	1 822	3 816	6 579	12 711	12 711	12 711	12 711	12 711	12 711	93 192	49 044	51 202

Table 24 Supporting Table SB19- Adjustment Budget- Capital Expenditure

Table with columns: Function, Project Description, Project Number, Type, MTSF Service Outcome, IUDF, Own Strategic Objectives, Asset Class, Asset Sub-Class, Ward Location, GPS Longitude, GPS Latitude, and Medium Term Revenue and Expenditure Framework (Budget Year 2020/21, Budget Year +1, Budget Year +2). Includes sub-sections like ROADS & STORMWATER, MECHANICAL WORKSHOP, ELECTRICAL, and PROJECT MANAGEMENT.

KZN291 Mandeni - Supporting Table SB19 List of capital programmes and projects affected by Adjustments Budget - 28-02-2021																		
Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Medium Term Revenue and Expenditure Framework						
												Budget Year 2020/21		Budget Year +1		Budget Year +2		
												Original Budget	Adjusted Budget	Original Budget	Adjusted Budget	Original Budget	Adjusted Budget	
R thousands																		
LIBRARIES	Work Extensions and Wifi Upgrade	CSD 01	New	effective and efficient local		Inclusion and access	Software and Applications	Libraries	3,6,14,17	29°59.59'S	31°25'9.475"E							
	Purchase of New Computers	CSD 02	New	effective and efficient local		Inclusion and access	Computer Equipment	Libraries	3,6,14,17	29°59.59'S	31°25'9.475"E							
	Cleaning Equipments and hoovers for the Carpet and Tiles	CSD 03	New	effective and efficient local		Inclusion and access	re and Office Equipment	Libraries	3,6,14,17	29°59.59'S	31°25'9.475"E							
	Building maintenances and Upgrade New Airconditioning and Repair Library Furniture	CSD 04	New	effective and efficient local		Inclusion and access	re and Office Equipment	Libraries	3,6,14,17	29°59.59'S	31°25'9.475"E							
	Computer and Electrical Equipment	CSD 07	New	effective and efficient local		Inclusion and access	re and Office Equipment	Libraries	3,6,14,17	29°59.59'S	31°25'9.475"E							
	Camera	CSD 08	New	effective and efficient local		Inclusion and access	re and Office Equipment	Libraries	3,6,14,17	29°59.59'S	31°25'9.475"E							
	New ICT Equipment	CSD 09	New	effective and efficient local		Inclusion and access	re and Office Equipment	Libraries	3,6,14,17	29°59.59'S	31°25'9.475"E							
	Library Upgrade Fencing	CSD 10	New	effective and efficient local		Inclusion and access	re and Office Equipment	Libraries	3,6,14,17	29°59.59'S	31°25'9.475"E							
	Mobile Library	CSD 11	Upgrading	effective and efficient local		Inclusion and access	operational Building	Libraries	3,6,14,17	29°59.59'S	31°25'9.475"E							
	construction of parking at isithebe modular fencing at isithebe modular library and library	CSD 12	Upgrading	effective and efficient local		Inclusion and access	operational Building	Libraries	3,6,14,17	29°59.59'S	31°25'9.475"E							
	Construction of Storm water drain	CSD 13	Upgrading	effective and efficient local		Inclusion and access	revenue Generation	Libraries	3,6,14,17	29°59.59'S	31°25'9.475"E							
	Construction of Retaining wall Sithembe	CSD 14	Upgrading	effective and efficient local		Inclusion and access	revenue Generation	Libraries	3,6,14,17	29°59.59'S	31°25'9.475"E							
	Installation of External Water Tank	CSD 15	New	effective and efficient local		Inclusion and access	revenue Generation	Libraries	3,6,14,17	29°59.59'S	31°25'9.475"E							
	Book Security	CSD 16	New	effective and efficient local		Inclusion and access	achinery and Equipment	Libraries	3,6,14,17	29°59.59'S	31°25'9.475"E							
	CORPORATE SERVICES	Laptops and Computers	IDT 28	New	effective and efficient local		Inclusion and access	Computer Equipment	Municipal Office	Ward 3	29°9'36.796"S	31°25'4.321"E						
		Equipment/Furniture	IDT 24	New	effective and efficient local		Inclusion and access	Computer Equipment	Municipal Office	Ward 3	29°9'36.796"S	31°25'4.321"E						
Procurement of political office building		IDT 24	New	effective and efficient local		Inclusion and access	Transport Assets	Municipal Office	Ward 3	29°9'36.796"S	31°25'4.321"E							
Upgrade of Servers		IDT 24	Upgrading	effective and efficient local		Inclusion and access	Computer Equipment	Software and Applications	Ward 3	29°9'36.796"S	31°25'4.321"E							
COMMUNICATIONS & YOUTH	Procurement of Video camera	GPP03	New	effective and efficient local		Inclusion and access	Computer Equipment	Unspecified	All Wards									
	Procurement of Braille	GPP03	New	effective and efficient local		Inclusion and access	achinery and Equipment	Unspecified	All Wards									
	Procurement of Fleet	GPP03	New	effective and efficient local		Inclusion and access	achinery and Equipment	Unspecified	All Wards									
	Procurement of Sound System Loud Hailer	GPP03	New	effective and efficient local		Inclusion and access	achinery and Equipment	Unspecified	All Wards									
WASTE & FACILITIES	Procurement of 30 skips	ML_BSD_04.4	New	effective and efficient local		Inclusion and access	Non-revenue Generating	Non-revenue Generating	11,12,13,14	29°7'50.959"S	1°23'31.154"E							
	Procurement of 65 wheelie bins	ML_BSD_04.5	New	effective and efficient local		Inclusion and access	achinery and Equipment	Waste Drop-off Points	All wards									
	Procurement of EPWP Administration	ML_BSD_04.6	New	effective and efficient local		Inclusion and access	achinery and Equipment	Municipal Office	All wards									
	Procurement of ride on mower	ML_BSD_04.7	New	effective and efficient local		Inclusion and access	achinery and Equipment	Public Open Space	All wards									
	Procurement of Coastal management	ML_CSSD_02	New	effective and efficient local		Inclusion and access	achinery and Equipment	Public Open Space	1 and 2	29°4'31.773"S	1°38'56.216"E							
	Procurement of Homendlini hall furniture	ML_CSSD_03	New	effective and efficient local		Inclusion and access	achinery and Equipment	Public Open Space	4	29°5'1.737"S	1°24'41.846"E							
	Procurement of brushcutting machine	ML_CSSD_03	New	effective and efficient local		Inclusion and access	achinery and Equipment	Community Facilities	Municipality									
	Procurement of 300 Chairs at Isibusiwini	ML_CSSD_03	New	effective and efficient local		Inclusion and access	achinery and Equipment	Community Facilities	Halls	Ward 7	29°7'48.126"S	31°23'35.216"E						
	Procurement of Isithebe Hall Furniture	ML_CSSD_03	New	effective and efficient local		Inclusion and access	achinery and Equipment	Community Facilities	Halls	Ward 15	29°7'50.959"S	1°23'31.154"E						
	Procurement of Washing Machine for Community	ML_CSSD_03	New	effective and efficient local		Inclusion and access	achinery and Equipment	Community Facilities	Halls	Municipality								
	Procurement of 80 concrete Bin	ML_CSSD_03	New	effective and efficient local		Inclusion and access	achinery and Equipment	Community Facilities	Waste Drop-off Points	All wards								
	Procurement of Fans at Isibusiwini Community	ML_CSSD_03	New	effective and efficient local		Inclusion and access	achinery and Equipment	Community Facilities	Halls	Ward 7	29°7'48.126"S	31°23'35.216"E						
	Procurement of Sport field marking	ML_CSSD_03	New	effective and efficient local		Inclusion and access	achinery and Equipment	Community Facilities	Public Open Space	Ward 7	29°7'48.126"S	31°23'35.216"E						
	Construction of Pitch Fence at Ngedo	ML_CSSD_03	New	effective and efficient local		Inclusion and access	achinery and Equipment	Community Facilities	Public Open Space	Ward 7	29°7'48.126"S	31°23'35.216"E						
	Procurement of Isibusiwini Back up Generator	ML_CSSD_03	New	effective and efficient local		Inclusion and access	achinery and Equipment	Community Facilities	Halls	Ward 7	29°7'48.126"S	31°23'35.216"E						
	Procurement of Enembe hall furniture	ML_CSSD_03	New	effective and efficient local		Inclusion and access	achinery and Equipment	Community Facilities	Halls	7, 13,14,15	29°7'48.126"S	31°23'35.216"E						
Procurement of 4x4 Quad bike	ML_CSSD_03	New	effective and efficient local		Inclusion and access	achinery and Equipment	Community Facilities	Public Open Space	Ward 1 and 2	29°4'31.773"S	1°38'56.216"E							
Weigh pad/bridge for weighing reclaimed waste	ML_CSSD_03	New	effective and efficient local		Inclusion and access	achinery and Equipment	Community Facilities	Processing Facilities										
PUBLIC SAFETY	Procurement of two (2) Traffic Vehicles	CSD 04_02	New	effective and efficient local		Inclusion and access	achinery and Equipment	Testing Stations	All Wards	29°9'36.796"S	31°25'4.321"E							
	Procurement of 8 X 5 seater Steel chairs (DL)	CSD 04_02	New	effective and efficient local		Inclusion and access	achinery and Equipment	Testing Stations	All Wards	29°9'36.796"S	31°25'4.321"E							
	Procurement of DLTC Steel filing cabinet	CSD 04_02	New	effective and efficient local		Inclusion and access	achinery and Equipment	Testing Stations	All Wards	29°9'36.796"S	31°25'4.321"E							
	Calibration of Speed Enforcement Camera	FVM 09_03	New	effective and efficient local		Inclusion and access	achinery and Equipment	Testing Stations	All Wards	29°9'36.796"S	31°25'4.321"E							
	Back-up Generator	CSD 04_03	New	effective and efficient local		Inclusion and access	achinery and Equipment	Testing Stations	Ward 3	29°9'36.796"S	31°25'4.321"E							
	Parking shade & Paving of Public Safety	CSD 04_04	New	effective and efficient local		Inclusion and access	achinery and Equipment	Testing Stations	Ward 3	29°9'36.796"S	31°25'4.321"E							
PARKS	Woodchipper	ML_CS_03	New	effective and efficient local		Spatial integration	achinery and Equipment	Public Open Space	All Wards									
	Procurement of Brushcutter machine	ML_CS_04	New	effective and efficient local		Spatial integration	achinery and Equipment	Public Open Space	All Wards									
	Procurement of Truck with crew cab and Crane	ML_CS_05	New	effective and efficient local		Spatial integration	achinery and Equipment	Public Open Space	All Wards									
	Procurement of Park Staff Small Equipment Chainsaw	ML_CS_06	New	effective and efficient local		Spatial integration	achinery and Equipment	Community Facilities	Public Open Space	All Wards								
EDPHS	Cemetery Establishment	CSD_01	New	effective and efficient local		Inclusion and access	achinery and Equipment	atories/Crematorium	Ward 16									
	Dokodweni North Beach Upgrade	SDF02	Upgrading	effective and efficient local		Inclusion and access	achinery and Equipment	Public Open Space	Ward 02	29°4'31.773"S	31°25'4.321"E							
	Plotter machine	SDF03	New	effective and efficient local		Inclusion and access	achinery and Equipment	Public Open Space	All Wards									
HOUSING	Laptop for GIS Intern	SDF04	New	effective and efficient local		Inclusion and access	achinery and Equipment	Public Open Space	All Wards									
	Isithebe Housing Project	BSD_05	New	effective and efficient local		Inclusion and access	achinery and Equipment	Social Housing	Ward 3	29°9'36.796"S	31°25'4.321"E							
FINANCE	Safe Filing room for SCM bid documents	FVM03	New	effective and efficient local		Inclusion and access	achinery and Equipment	Public Open Space	Ward 3	29°9'36.796"S	31°25'4.321"E							
	Procurement of Scanner	FVM03	New	effective and efficient local		Inclusion and access	achinery and Equipment	Public Open Space	Ward 3	29°9'36.796"S	31°25'4.321"E							

2.8 Municipal Manager's quality certificate

I S.G. Khuzwayo, Acting Municipal Manager of Mandeni Municipality,

hereby certify that the Adjustment budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the:

- mSCOA Adjustment budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name Mr. S.G. Khuzwayo

Municipal manager of Mandeni Municipality (KZN 291)

Signature_____

Date 25th February 2021

