

**MANDENI MUNICIPALITY
(KZN 291)
mSCOA ADJUSTMENT BUDGET
2021/22**



**MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS**

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Part 1 –mSCOA Adjustment Budget

1.1MAYOR’S REPORT – ADJUSTMENT BUDGET: 2021/22

**SPEECH BY HIS WORSHIP, THE MAYOR CLLR TP MDLALOSE TABLING
THE ADJUSTED MSCOA BUDGET AND SERVICE DELIVERY BUDGET AND
IMPLEMENTATION PLAN/SCORECARDS FOR 2021/22 FINANCIAL YEAR
AT COUNCIL MEETING HELD ON 24 FEBRUARY 2022 AT COUNCIL
CHAMBER**

PRESENTATION

OF:

2021/22 ADJUSTMENT 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**

It gives me a great honour and gratitude to stand in front of this house to table the 2021/22 Adjustment Budget after the mid-term performance assessment which will be a tool to enable the municipality to continue with its Mandate which is service delivery

The Finance Minister Enoch Godongwana delivered his first full budget speech to South Africa yesterday, Tuesday afternoon, 23 February 2022, he continues where President Cyril Ramaphosa left off. The Minister said his speech repeated what the President made clear in his State of the Nation Address earlier in February – South Africa needs to strike a balance between saving lives, livelihoods and supporting economic growth.

The highlights of the speech include more spending on the vulnerable population and service delivery. There is also some tax relief and further stated that Residents will no doubt be disappointed – but not surprised – that sin taxes have increased.

Other Highlights on his speech

- South African Revenue Service (SARS) continues to rake in more revenue than expected.
- More money is dedicated to public employment
- More money to support basic and higher education and healthcare
- Police, justice system and courts also receive further backing where more funds were allocated
- More social assistance will be provided, and Social Relief Distress grant extended by further year
- Personal income tax brackets increase by 4,5 percent – in line with inflation
- Global and domestic outlook is worse than expected. The continued imbalances in global value chains have limited the pace of the world's economic recovery and the omicron has caused so many trade restriction since Countries continue implementing CoVID-19 restrictions and regulations to prevent the spread
- South African debt burden remains a matter of concern
- He highlighted that 175 out of 257 municipalities in financial distress; he stated that basic municipal services require more support, especially for the poor. Also emphasise that municipalities and other institutions cannot survive if they don't receive payment from those who consume their services

Annual Budget through an Adjustment Budget

Speaker, this municipal 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 apprise Council of the 2021/2022 budgeted figures versus the actual figures and to obtain Council's approval on the revised budget as tabled

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 5.1 per cent in 2021, following an expected contraction of 6.4 per cent in 2020. Real GDP growth is expected to moderate to 1.8 per cent in 2022, 1.6 per cent in 2023 and 1.7 per cent in 2024

South Africa experienced its largest recorded decline in economic output in 2020 due to the strict COVID-19 lockdown. Real GDP contracted by 7.2 per cent in 2020 compared to 0.1 per cent increase in 2019. It is expected to increase by 6.2 per cent in 2021/22 and moderate by an average increase of 1.7 per cent over the 2022/23 MTEF.

FINANCIAL OVERVIEW 2021/2022

The 2021/2022 annual budget, Integrated Development Plan and service delivery and budget implementation plan was adopted on the 26th August 2021.

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 R188 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.

Total Revenue for 2021/22 has been increased from R345.7 million to R366.4 million with an adjusted budget of R20.7 million. The adjustment is mainly triggered by the approved rollover grants that were unspent in the previous financial year 2020/21 these have been appropriately allocated in the adjustment budget. The Municipal Infrastructure Grant (MIG) has increased by R1.7 million and the Equitable Share Covid-19 of R20 million has been adjusted accordingly

Further to that the Interest Earned on external investment has been adjusted by R550 thousand to an adjusted budget of R5.5 million which has been based on cash investments

Interest on outstanding debtors has been reduced by R3 million to an adjusted budget R3.7 million reduction is due to Council approving to write off bulk debt by Ingonyama Trust which was contributing towards interest charged on this item. This is to ensure that the municipality set realistic budget estimates as it was noted that this item was overstated during mid-year

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

Speaker, the following factors informing the need for expenditure adjustment;

Total adjusted operating expenditure for the 2021/22 financial year has been appropriated at R341.2 million and translates into a surplus of R25,2 million, when compared to the 2021/22 Original operational expenditure has been increased by 5.5 per cent in the adjusted budget.

Employee Related Cost have been increased by R1.3 million to an adjusted budget R109 million, adjustment is due to mid-year performance noted towards contractual employees EPWP and Zibamabele this is due to an increase in their stipend approved by Public Works and hours that they work which has determined this adjustment.

Bulk purchases have been increased by R1.5 million to total adjusted budget of R36.6 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.

Debt Impairment has been increased by R4 million to total adjusted budget of R34.6 million. Adjustment has been based on debtors outstanding as at December 2021 further to that the municipality has also considered Audited AFS for 2020/21 this is to ensure that this item is not understated and also avoid unauthorised expenditure

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 overall Capital expenditure has been increased by R5.4 million to total adjusted budget of R79.3 million. Adjustment in CAPEX is due to the approved rollovers for Equitable Share Covid-19 of R20 million and MIG Grant of R1.7 million that are linked to capital budget which have been prioritised.

The approved Rollover of **R20 million** for Equitable Share Disaster (Covid-19) has been allocated on the following projects

- Landscaping and Beautification of P459 CDB Intersection- R1.2 million
- Procurement of Truck with crew cab and Cherry picker- R1.2 million
- Construction of Phase 1 of New Protection Services Centre – R4 million
- Procurement Grader – R4.2 million
- Overlaying of top surface in spar parking area in ward 3 – R2 million
- Hlomendlini taxi Route Sidewalks – R1.1 million
- Msomuhle Road Rehabilitation – R2 million
- Construction of Guard House – R1.6 million
- Procurement of Lowbed – R3.1 million

This municipality has availed a total of R52,6 million 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 R419,0 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 2021/2022 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 22nd 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, at end of mid-year term the Municipality had a total of 278 Key Performance Indicators (KPIs) and during the adjustment process, only 1 KPI removed from EDPHS, other adjustments occur due to moving targets to Quarter 3 and Quarter 4 after the adjustment the total KPI's is 277 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.

Somlomo, 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 2021/22 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 9 of our Agenda for Budget Adjustment and as per recommendations on page 105 of our Agenda in relation to adjusted SDBIPs.

I thank you all.

CLLR TP MDLALOSE

THE MAYOR

1.1 Council Resolutions

Resolution No:C49

COUNCIL: 24/02/2022

On the 24th of February 2022 the Council of Mandeni Municipality met at Mandeni Council Chamber to consider the Adjustment Budget of the municipality for the financial year 2021/22. 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 2021/22 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
2. The Council approves the reprioritized programs/projects funded through the approved rollover of Equitable Share (Covid 19).
3. The Council acting in terms of 23(1)(b) of the MFMA has considered the 2021/22 Mid-year budget and performance assessment feedback report from Provincial Treasury, and that it has considered comments raised in the Adjustment Budget.

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 2021/22 Adjustment Budget;

KZN291 Mandeni - Table B1 Adjustments Budget Summary - 24-02-2022											
Description	Budget Year 2021/22									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	2022/23	2023/24
Total Revenue (excluding capital transfers and contributions)	309 163	-	-	-	-	-	18 829	18 829	327 992	335 661	349 641
Total Expenditure	323 462	-	-	-	-	-	16 267	16 267	339 729	332 965	346 208
Surplus/(Deficit)	(14 299)	-	-	-	-	-	2 562	2 562	(11 737)	2 696	3 433
Surplus/ (Deficit) for the year	22 241	-	-	-	-	-	4 437	4 437	26 679	40 738	43 069
Capital expenditure & funds sources											
Capital expenditure	73 920	-	-	-	-	-	5 360	5 360	79 280	40 886	43 881

As can be seen from the table above, the Total Revenue for 2021/22 has been increased from R345.7 million to R366.4 million with an adjusted budget of R20.7 million. Adjustment is due to considering approved rollovers by National and Provincial Government for Equitable Share (Covid 19) of R20 million, MIG for R1.7 million and Single Land use Scheme of R43 thousand from COGTA. Further to that there has been decrease in Interest on outstanding debtors based on the debtor's book and an additional Insurance Claims and LG Seta Funding that that were received but not included in the budget.

Total adjusted operating expenditure for the 2021/22 financial year has been appropriated at R339.7 million and translates into a surplus of R26,7 million, when compared to the 2021/22 Original operational expenditure has been increased by 5.0 per cent in the adjusted budget.

The adjusted capital budget of R79.3 million for 2021/22 is 7.3 per cent less when compared to the 2021/22 Original Budget. Adjustment to capital has considered the approved rollover from National Government of Equitable Share (Covid 19) and MIG of R1.7 million which have been appropriately allocated for capital budget.

2. ADJUSTMENT BUDGET GUIDELINES, ASSUMPTIONS AND PRIORITIES

The South African economy and inflation targets

The National Treasury projects real economic growth of 5.1 per cent in 2021, following an expected contraction of 6.4 per cent in 2020. Real GDP growth is expected to moderate to 1.8 per cent in 2022, 1.6 per cent in 2023 and 1.7 per cent in 2024.

South Africa experienced its largest recorded decline in economic output in 2020 due to the strict COVID-19 lockdown. Real GDP contracted by 7.2 per cent in 2020 compared to 0.1 per cent increase in 2019. It is expected to increase by 6.2 per cent in 2021/22 and moderate by an average increase of 1.7 per cent over the 2022/23 MTEF.

Manufacturing production grew by 17 per cent in the first six months of 2021 compared with the same period in 2020. Production has not recovered to pre-pandemic levels, although the Absa Purchasing Managers' Index remains above the neutral 50-point mark. Electricity disruptions, raw material shortages and rising input costs will continue to limit output in the short to medium term.

The main risks to the economic outlook are slowdown in economic growth. The evolution of COVID-19 and slow progress in vaccine rollout reinforces uncertainty and poses risks to economic recovery.

Slow implementation of structural reforms continues to weigh on business confidence and private investment. Electricity supply constraints, which could worsen over the short term, are a drag on economic growth. In contrast, progress on energy reforms poses upside risks to fixed investment and the overall economic outlook.

A further deterioration in the public finances due to various spending pressures and the materialization of contingent liabilities could trigger further credit rating downgrades. Pressures on the government wage bill ceiling, including the implementation of the no pensionable salary increases undermine fiscal consolidation measures.

The fiscal framework does not include any additional support to state-owned companies, but the poor financial condition and operational performance of several of these companies remains a large contingent risk. A number of entities may request further bailouts.

Government is strictly enforcing minimum criteria before guaranteeing the debt of state-owned companies, as outlined in the 2021 Budget, which has led to a decline in guarantee requests.

Nonetheless, the broader context of financial distress, weak governance and unsustainable operations in many of these companies remains unaddressed.

Since the 2008 global financial crisis, economic growth has trended downwards, resulting in persistent shortfalls in tax revenue that have not been matched by adjustments to spending growth. This in turn has led to wider budget deficits, higher borrowing and a rapid increase in the ratio of debt to GDP. The reason that the debt servicing costs are growing at a pace that is faster than the rate of GDP growth, and this ratio will continue to increase until government runs a sufficiently large primary budget surplus.

To maximise the value of spending, government needs to contain costs, more especially consumption related spending, exercise prudent and compliant financial management, and eradicate wasteful treatment of public funds and resources. Compensation of employees remains a major cost pressure. It remains critical for municipalities to adhere to compensation ceilings, manage headcounts proactively and conduct staff audit to ensure the staff complement is aligned to the approved organogram. This will assist government is to improve its fiscal position.

Medium-term priorities include: reindustrializing through implementation of the master plans; growing exports through the African Continental Free Trade Area; implementing the Tourism Sector Recovery Plan; supporting township and rural economies; and promoting localization, inclusive economic growth and job creation.

Headline inflation is expected to remain between 3 to 6 per cent target range over the 2022/23 MTEF.

In summary, the tax revenue in 2021/22 was higher than projections and this was mainly due to commodity price rally. However, these are projected to be short term, and as such long-term spending commitments should not be made based on short term revenue benefits.

There are measures in place to reduce expenditure to narrow the budget deficit.

3. 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:

Property Rates: Based on performance reported at mid-year, the budget allocated will remain the same at R46.6 million during an adjustment budget.

Service Charges Electricity Revenue: Based on performance reported at mid-year, the budget allocated of R39.3 million will remain the same during an adjustment budget as the planned target will be met.

Services Charges_ Refuse Revenue: Based on performance reported at mid-year, the budget allocated of R9.5 million will remain the same during an adjustment budget as the planned target will be met.

Rental of facilities and Equipment: have been increased by R40 thousand to an adjusted budget of R170 thousand. Adjustment has considered performance for the 1st half of the year further to that since COVID regulations have been loosened and gathering of more people is allowed. We have then seen improvement for this item.

Interest on external investment: have been increased by R550 thousand to R5.5 million, adjustment has considered interest which will be generated by the month of June when investments from Nedbank and Standard bank will be maturing. Therefore, we have adjusted this line item so as to ensure realistic estimated for interest that will be generated from grants and cash backed reserved from previous years.

Interest on outstanding debtors: have been reduced by R3 million to an adjusted budget of R3.7 million, adjustment has been based on mid-year performance since we have noted after Council took a decision in June 2021 to write off old debt of Ingonyama Trust an amount of R71.3 million this has contributed in the debtors outstanding. Interest on outstanding debtors has been determined based on debtors' book and an approved interest rate of 2 per cent.

Fines, penalties and forfeits: Based on performance for mid-year, budget allocated will remain the same. However, we do acknowledge that the municipalities still need to improve in recognizing fines issued and not only those collected on a monthly basis.

Licenses and permits (rental of market stalls): have been reduced by R35 thousand to an adjusted budget of R660 thousand which has been based on mid-year performance, further to that the municipality has considered the Ministerial Gazette which granted that market stall to be exempted from rental due to Impact of COVID 19.

Transfers and subsidies operational: have been increased by R19.9 million to an adjusted budget of R220.3 million. Adjustment has considered the rollovers approved by national and provincial government and reallocation of Library Grant as per their support plan.

Grant rollovers which were approved by National and Provincial Treasury as follows:

- Equitable Share Disaster (Covid 19) of R20 million;
- Single Land Use Scheme (Cogta) of R43 thousand;

Further to that Library Grant have been reclassified R100 thousand from Transfers recognized Operational to Capital so as to ensure that there is sufficient budget to cover their projects.

Transfers and subsidies capital: have been increased by R1.8 million to R38.4 million, adjustment has considered approved rollovers by National & Provincial Government and reallocation of Library Grant as per their support plan as follows:

- MIG of R1.7 million;
- Sports and recreation grant of R57 thousand;
- Library Grant of R100 thousand;

Other Revenue: Other revenue has been increased by R1.3 million based on mid-year performance. Adjustment is due to Insurance refund of R1.2 million, LG SETA Funding of R78 thousand which have been received by municipality during 1st half of the financial year which were not budgeted for. Further to that the municipality have also adjusted Tender Fees and Sale of goods for rendering Photocopies due to performance noted during first half of the year as these items budget appear to be understated.

3.1.2 Expenditure

Expenditure by vote have been adjusted from R 323,5 million to R 339.7 million with an adjusted budget of R 16.3 million with a percentage increase of 5.0 per cent.

Factors informing the need for expenditure adjustment

- **Employee Related Cost:** have been increased by R1.3 million to R109 million, adjustment is due to mid-year performance noted towards contractual employees EPWP and Zibamabele this is due to an increase in their stipend approved by Public Works and hours that they work which has determined this adjustment.
- **Remuneration of Councilors:** have been reduced by R450 thousand to R14.2 million, adjustment is due to increase that was allocated towards Councilors upper limits since COGTA has confirmed that there will be no increase therefore funds have been adjusted to other items. Further to that it should be noted that employee related costs ratio is still within the norm at 36 per cent of the Total Expenditure.
- **Debt Impairment** has been increased by R4 million to total adjusted budget of R34.6 million. Adjustment has been based on debtors outstanding as at December 2021 further to that the municipality has also considered Audited AFS for 2020/21 this is to ensure that this item is not understated and also avoid unauthorized expenditure.

Further to that it should be noted the Municipal Council has agreed to revive the 60/40 incentive scheme which is part of Credit Control and Debt Management mechanism.

The assumption used is to exclude all debtors with credit balances when calculating the provision. Provision for Bad debt is therefore calculated using the collection rate of 65% for debt within 90 days and 20% for any debt older than 90 days for all categories except Electricity. With Electricity the assumption is that 90% of the debt older than 90 days is still collectable.

- **Depreciation & asset impairment:** based on performance reported at mid-year the municipality will remain with the same budget of R32.7 million during adjustment. Budget allocated will be met during year end as we anticipate that all planned acquisition of capital assets and projects which are still under WIP will be completed.
- **Finance Charges:** have been adjusted by R2.6 million to an adjusted budget of R3 million, adjusted budget has considered interest costs towards retirement benefit obligation in accordance with GRAP 25. However, it should be noted that budget estimate allocated has been based on previous year audited AFS this is due to the fact that Actuarial Report is obtained from external services with expertise in Actuarial Reporting and this service comes with cost implications.

- **Bulk purchases:** have been increased by R1.4 million to adjusted budget of R36.6 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.
- **Inventory Consumed:** These are inventory items that are procured by municipality and are kept at stores for repairs & maintenance. Budget have been reduced by R167 thousand, adjustment has reprioritized projects as per repairs and maintenance plan, further to that there has been reallocation of funds from Other material to Contracted services as it has been noted that there are some arears R&M which cannot be done internally therefore they have to be outsourced.
- **Contracted Services:** have been increased by R256 thousand to R56.9 million, Adjustment is due to reprioritization of projects that are being outsourced by the municipality such and repairs & maintenance also we have considered commitments on existing contracts further to that the municipality has planned to undertake community consultation on IDP & Budget since this is the new development of 5-year strategic plan i.e IDP. The municipality will be consulting community per each ward since Covid regulation have been loosened.
- **Transfers and subsidies:** budget allocated for this item is for Free Basic Electricity that is paid to Eskom for qualifying beneficiaries as per the approved indigent register. However, this item has been reclassified and now forms part of Other expenditure budget of R1.9 million.
- **Other expenditure** has been increased by R5.8 million to adjusted budget allocation of R48.9 million, adjustment has prioritized projects such as Fuel Consumption and other operational projects which will be implemented during the second half of the financial year and also prioritized projects as per approved rollovers. However, it should be noted that the municipality has still considered cost containment for this item of expenditure.
- **Losses:** have been adjusted by R1.5 million this budget has been based on prior year Audited AFS, this adjustment has considered any loses which are due to inventory as we undertake stock count at year end. This will further ensure that we avoid an unauthorized expenditure.

Table 2 MBRR Table B1 - Budget Summary

KZN291 Mandeni - Table B1 Adjustments Budget Summary - 24-02-2022											
Description	Budget Year 2021/22									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	1	2	3	4	5	6	7	8	2022/23	2023/24
R thousands		A1	B	C	D	E	F	G	H		
Financial Performance											
Property rates	46 642	-	-	-	-	-	-	-	46 642	52 239	60 255
Service charges	48 762	-	-	-	-	-	-	-	48 762	57 728	64 765
Investment revenue	4 950	-	-	-	-	-	550	550	5 500	5 158	5 385
Transfers recognised - operational	200 340	-	-	-	-	-	19 958	19 958	220 298	211 711	210 023
Other own revenue	8 470	-	-	-	-	-	(1 679)	(1 679)	6 791	8 826	9 214
Total Revenue (excluding capital transfers and contributions)	309 163	-	-	-	-	-	18 829	18 829	327 992	335 661	349 641
Employee costs	107 819	-	-	-	-	-	1 250	1 250	109 069	112 304	117 192
Remuneration of councillors	14 643	-	-	-	-	-	(450)	(450)	14 193	15 258	15 929
Depreciation & asset impairment	32 726	-	-	-	-	-	-	-	32 726	33 751	34 001
Finance charges	400	-	-	-	-	-	2 603	2 603	3 003	328	320
Inventory consumed and bulk purchase	37 432	-	-	-	-	-	1 333	1 333	38 764	38 775	40 486
Transfers and grants	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	130 442	-	-	-	-	-	11 531	11 531	141 973	132 548	138 280
Total Expenditure	323 462	-	-	-	-	-	16 267	16 267	339 729	332 965	346 208
Surplus/(Deficit)	(14 299)	-	-	-	-	-	2 562	2 562	(11 737)	2 696	3 433
Transfers and subsidies - capital (monetary allocations) (National /	35 370	-	-	-	-	-	1 775	1 775	37 145	38 042	39 636
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational	1 170	-	-	-	-	-	100	100	1 270	-	-
Surplus/(Deficit) after capital transfers & contributions	22 241	-	-	-	-	-	4 437	4 437	26 679	40 738	43 069
Share of surplus/ (deficit) of	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	22 241	-	-	-	-	-	4 437	4 437	26 679	40 738	43 069
Capital expenditure & funds sources											
Capital expenditure	73 920	-	-	-	-	-	5 360	5 360	79 280	40 886	43 881
Transfers recognised - capital	33 540	-	-	-	-	-	4 875	4 875	38 415	38 042	19 579
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	40 380	-	-	-	-	-	485	485	40 865	2 844	24 302
Total sources of capital funds	73 920	-	-	-	-	-	5 360	5 360	79 280	40 886	43 881
Financial position											
Total current assets	118 289	-	-	-	-	-	80 832	80 832	199 121	224 177	220 742
Total non current assets	620 443	-	-	-	-	-	(33 283)	(33 283)	587 160	587 749	624 092
Total current liabilities	16 838	-	-	-	-	-	15 447	15 447	32 285	29 150	28 699
Total non current liabilities	20 924	-	-	-	-	-	3 403	3 403	24 327	25 349	26 464
Community wealth/Equity	700 971	-	-	-	-	-	28 698	28 698	729 669	757 427	789 672
Cash flows											
Net cash from (used) operating	25 161	-	-	-	-	-	65 055	65 055	90 216	62 363	53 292
Net cash from (used) investing	(73 920)	-	-	-	-	-	(24 371)	(24 371)	(98 291)	(43 042)	(47 409)
Net cash from (used) financing	(400)	-	-	-	-	-	-	-	(400)	(328)	(320)
Cash/cash equivalents at the year end	(49 159)	-	-	-	-	-	221 758	221 758	172 599	191 593	197 157
Cash backing/surplus reconciliation											
Cash and investments available	65 925	-	-	-	-	-	106 674	106 674	172 599	191 593	197 157
Application of cash and investments	(18 817)	-	-	-	-	-	30 395	30 395	11 578	8 733	14 865
Balance - surplus (shortfall)	84 742	-	-	-	-	-	76 279	76 279	161 021	182 860	182 292
Asset Management											
Asset register summary (WDV)	620 443	-	-	-	-	-	(33 283)	(33 283)	587 160	587 749	624 092
Depreciation	32 726	-	-	-	-	-	-	-	32 726	33 751	34 001
Renewal and Upgrading of Existing	39 131	-	-	-	-	-	6 454	6 454	45 585	27 892	36 461
Repairs and Maintenance	19 275	-	-	-	-	-	(100)	(100)	19 175	19 868	16 647
Free services											
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	17 226	-	-	-	-	-	6 000	6 000	23 226	41 937	43 512
Households below minimum service level											
Water:	-	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-	-
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 2021/22, 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) - 24-02-2022												
Standard Description	Ref	Budget Year 2021/22									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 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
Revenue - Functional												
Governance and administration		247 561	-	-	-	-	-	58 432	58 432	305 993	276 477	284 095
Executive and council		7 806	-	-	-	-	-	-	-	7 806	8 048	8 362
Finance and administration		239 755	-	-	-	-	-	58 432	58 432	298 187	268 429	275 733
Internal audit		-	-	-	-	-	-	-	-	-	-	-
Community and public safety		4 364	-	-	-	-	-	118	118	4 482	4 579	4 586
Community and social services		4 364	-	-	-	-	-	60	60	4 424	4 579	4 586
Sport and recreation		-	-	-	-	-	-	58	58	58	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		40 782	-	-	-	-	-	1 804	1 804	42 586	41 206	42 935
Planning and development		39 832	-	-	-	-	-	1 839	1 839	41 671	40 216	41 901
Road transport		950	-	-	-	-	-	(35)	(35)	915	990	1 033
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		52 997	-	-	-	-	-	(39 650)	(39 650)	13 347	49 758	55 908
Energy sources		39 454	-	-	-	-	-	(36 500)	(36 500)	2 954	45 346	51 300
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		13 543	-	-	-	-	-	(3 150)	(3 150)	10 393	4 412	4 608
Other		-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	345 704	-	-	-	-	-	20 704	20 704	366 408	372 021	387 524
Expenditure - Functional												
Governance and administration		151 860	-	-	-	-	-	15 348	15 348	167 208	158 306	164 746
Executive and council		47 939	-	-	-	-	-	2 009	2 009	49 948	48 973	48 647
Finance and administration		102 382	-	-	-	-	-	13 339	13 339	115 721	107 730	114 425
Internal audit		1 539	-	-	-	-	-	-	-	1 539	1 604	1 674
Community and public safety		44 710	-	-	-	-	-	(1 223)	(1 223)	43 487	45 309	46 146
Community and social services		31 218	-	-	-	-	-	(333)	(333)	30 885	31 448	32 137
Sport and recreation		12 592	-	-	-	-	-	(750)	(750)	11 842	12 955	13 209
Public safety		880	-	-	-	-	-	(140)	(140)	740	886	779
Housing		20	-	-	-	-	-	-	-	20	21	22
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		68 538	-	-	-	-	-	182	182	68 720	69 703	73 223
Planning and development		21 226	-	-	-	-	-	5	5	21 232	21 116	22 946
Road transport		44 643	-	-	-	-	-	226	226	44 869	45 859	47 427
Environmental protection		2 669	-	-	-	-	-	(50)	(50)	2 619	2 729	2 849
Trading services		58 354	-	-	-	-	-	1 960	1 960	60 314	59 646	62 094
Energy sources		47 420	-	-	-	-	-	1 800	1 800	49 220	48 232	51 322
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		2 809	-	-	-	-	-	-	-	2 809	2 927	3 055
Waste management		8 125	-	-	-	-	-	160	160	8 285	8 487	7 717
Other		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	323 462	-	-	-	-	-	16 267	16 267	339 729	332 965	346 208
Surplus/ (Deficit) for the year		22 241	-	-	-	-	-	4 437	4 437	26 679	39 056	41 316

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) - 24-02-2022												
Vote Description	Ref	Budget Year 2021/22									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
<i>[Insert departmental structure etc]</i>			3	4	5	6	7	8	9	10		
R thousands		A	A1	B	C	D	E	F	G	H		
Revenue by Vote	1											
Vote 1 - Executive and council		7 806	-	-	-	-	-	-	-	7 806	8 048	8 362
Vote 2 - Finance and administration		239 755	-	-	-	-	-	58 432	58 432	298 187	268 429	275 733
Vote 3 - Internal audit		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and social services		4 364	-	-	-	-	-	60	60	4 424	4 579	4 586
Vote 5 - Sport and Recreation		-	-	-	-	-	-	58	58	58	-	-
Vote 6 - Public safety		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Housing		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Planning and Development		39 832	-	-	-	-	-	1 839	1 839	41 671	40 216	41 901
Vote 9 - Road transport		950	-	-	-	-	-	(35)	(35)	915	990	1 033
Vote 10 - Energy sources		39 454	-	-	-	-	-	(36 500)	(36 500)	2 954	45 346	51 300
Vote 11 - Waste Management		13 543	-	-	-	-	-	(3 150)	(3 150)	10 393	4 412	4 608
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	345 704	-	-	-	-	-	20 704	20 704	366 408	372 021	387 524
Expenditure by Vote	1											
Vote 1 - Executive and council		47 939	-	-	-	-	-	2 009	2 009	49 948	48 973	48 647
Vote 2 - Finance and administration		102 382	-	-	-	-	-	13 339	13 339	115 721	107 730	114 425
Vote 3 - Internal audit		1 539	-	-	-	-	-	-	-	1 539	1 604	1 674
Vote 4 - Community and social services		31 218	-	-	-	-	-	(333)	(333)	30 885	31 448	32 137
Vote 5 - Sport and Recreation		12 592	-	-	-	-	-	(750)	(750)	11 842	12 955	13 209
Vote 6 - Public safety		880	-	-	-	-	-	(140)	(140)	740	886	779
Vote 7 - Housing		20	-	-	-	-	-	-	-	20	21	22
Vote 8 - Planning and Development		21 226	-	-	-	-	-	5	5	21 232	21 116	22 946
Vote 9 - Road transport		47 451	-	-	-	-	-	226	226	47 678	48 785	50 483
Vote 10 - Energy sources		47 420	-	-	-	-	-	1 800	1 800	49 220	48 232	51 322
Vote 11 - Waste Management		8 125	-	-	-	-	-	160	160	8 285	8 487	7 717
Vote 12 - Environmental Protection		2 669	-	-	-	-	-	(50)	(50)	2 619	2 729	2 849
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	323 462	-	-	-	-	-	16 267	16 267	339 729	332 965	346 208
Surplus/ (Deficit) for the year	2	22 241	-	-	-	-	-	4 437	4 437	26 679	39 056	41 316

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) - 24-02-2022												
Description	Ref	Budget Year 2021/22									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	46 642	-	-	-	-	-	-	-	46 642	52 239	60 255
Service charges - electricity revenue	2	39 216	-	-	-	-	-	-	-	39 216	54 079	60 958
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	9 546	-	-	-	-	-	-	-	9 546	3 649	3 807
Rental of facilities and equipment		130	-	-	-	-	-	40	40	170	135	141
Interest earned - external investments		4 950	-	-	-	-	-	550	550	5 500	5 158	5 385
Interest earned - outstanding debtors		6 740	-	-	-	-	-	(3 000)	(3 000)	3 740	7 023	7 332
Dividends received		-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		265	-	-	-	-	-	-	-	265	276	288
Licences and permits		695	-	-	-	-	-	(35)	(35)	660	724	756
Agency services		-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		200 340	-	-	-	-	-	19 958	19 958	220 298	211 711	210 023
Other revenue	2	640	-	-	-	-	-	1 316	1 316	1 956	667	696
Gains		-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		309 163	-	-	-	-	-	18 829	18 829	327 992	335 661	349 641
Expenditure By Type												
Employee related costs		107 819	-	-	-	-	-	1 250	1 250	109 069	112 304	117 192
Remuneration of councillors		14 643	-	-	-	-	-	(450)	(450)	14 193	15 258	15 929
Debt impairment		30 635	-	-	-	-	-	4 000	4 000	34 635	31 922	33 326
Depreciation & asset impairment		32 726	-	-	-	-	-	-	-	32 726	33 751	34 001
Finance charges		400	-	-	-	-	-	2 603	2 603	3 003	328	320
Bulk purchases - electricity		35 143	-	-	-	-	-	1 500	1 500	36 643	36 619	38 231
Inventory consumed		2 288	-	-	-	-	-	(167)	(167)	2 121	2 156	2 255
Contracted services		56 718	-	-	-	-	-	256	256	56 975	56 945	59 487
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-
Other expenditure		43 089	-	-	-	-	-	5 775	5 775	48 864	43 682	45 467
Losses		-	-	-	-	-	-	1 500	1 500	1 500	-	-
Total Expenditure		323 462	-	-	-	-	-	16 267	16 267	339 729	332 965	346 208
Surplus/(Deficit)		(14 299)	-	-	-	-	-	2 562	2 562	(11 737)	2 696	3 433
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		35 370	-	-	-	-	-	1 775	1 775	37 145	38 042	39 636
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)		1 170	-	-	-	-	-	100	100	1 270	-	-
Surplus/(Deficit) before taxation		22 241	-	-	-	-	-	4 437	4 437	26 679	40 738	43 069
Taxation		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		22 241	-	-	-	-	-	4 437	4 437	26 679	40 738	43 069
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		22 241	-	-	-	-	-	4 437	4 437	26 679	40 738	43 069
Share of surplus/ (deficit) of		-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		22 241	-	-	-	-	-	4 437	4 437	26 679	40 738	43 069

CHART B4 ADJUSTMENT BUDGET FINANCIAL PERFORMANCE (REVENUE)

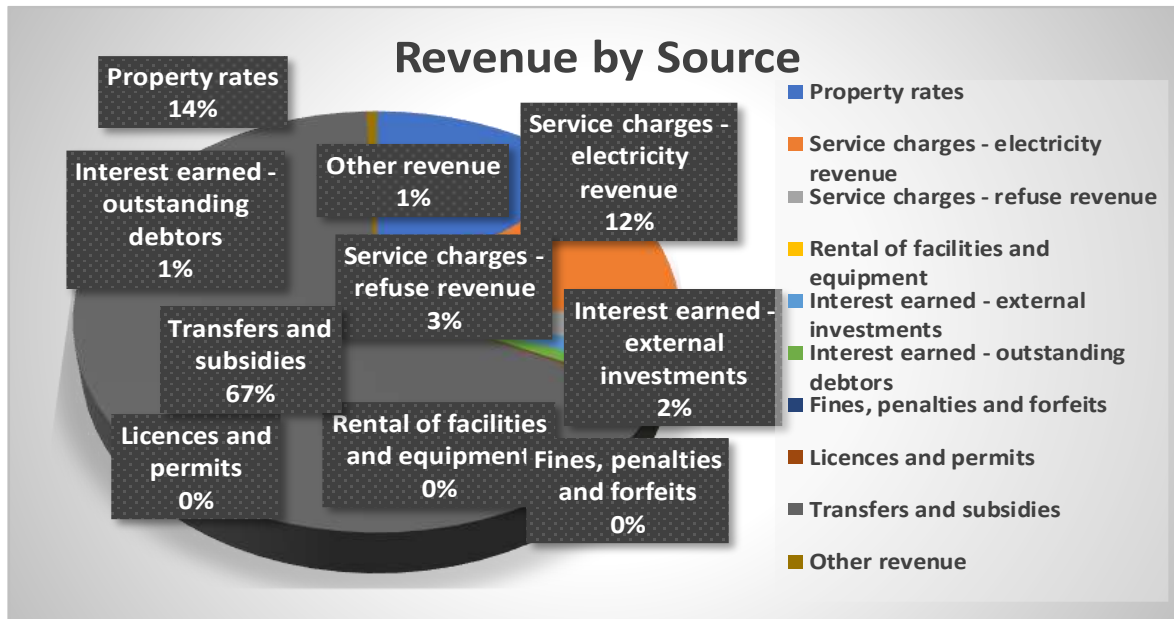


CHART B4 ADJUSTMENT BUDGET FINANCIAL PERFORMANCE (EXPENDITURE)

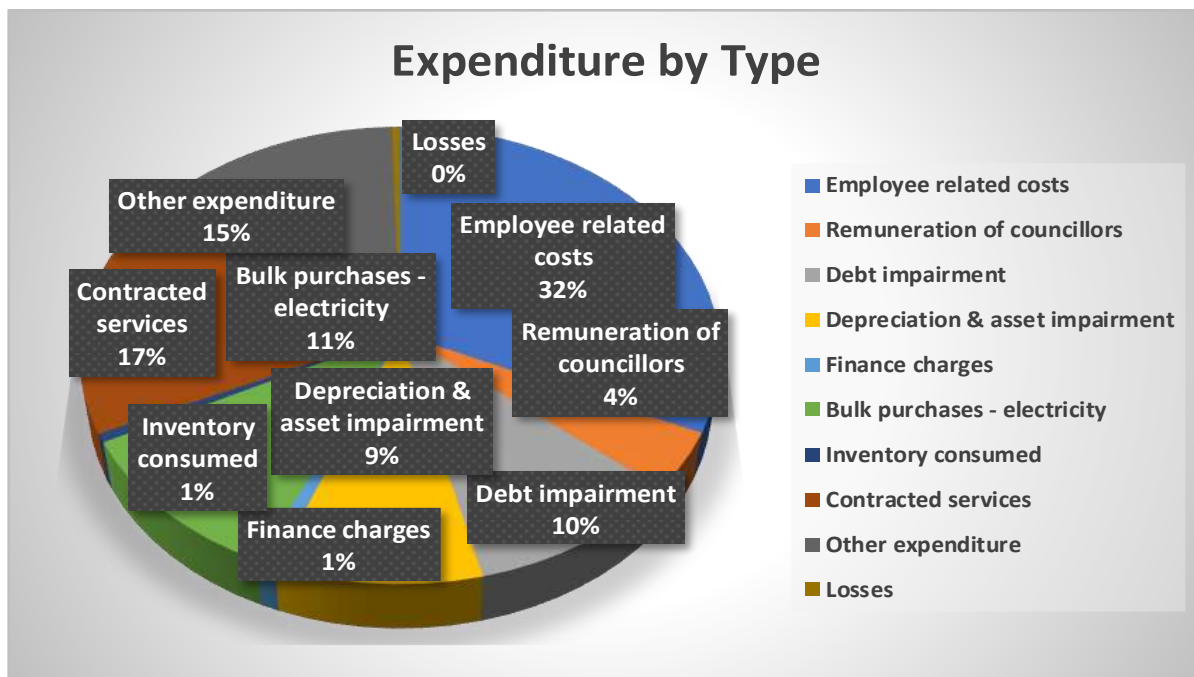


Table 6 Adjustments Capital Expenditure Budget by vote and funding

KZN291 Mandeni - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 28-02-2022												
Description	Ref	Budget Year 2021/22									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 - [NAME OF VOTE]		20	-	-	-	-	-	30	30	50	-	-
Vote 2 - [NAME OF VOTE]		5 150	-	-	-	-	-	1 469	1 469	6 619	-	5 976
Vote 3 - [NAME OF VOTE]		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - [NAME OF VOTE]		11 958	-	-	-	-	-	(4 861)	(4 861)	7 097	-	1 038
Vote 5 - [NAME OF VOTE]		5 754	-	-	-	-	-	2 152	2 152	7 907	10 150	1 239
Vote 6 - [NAME OF VOTE]		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE]		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE]		8 135	-	-	-	-	-	173	173	8 308	2 844	8 270
Vote 9 - [NAME OF VOTE]		30 703	-	-	-	-	-	7 807	7 807	38 510	27 892	27 249
Vote 10 - [NAME OF VOTE]		8 200	-	-	-	-	-	(1 811)	(1 811)	6 389	-	109
Vote 11 - [NAME OF VOTE]		4 000	-	-	-	-	-	400	400	4 400	-	-
Vote 12 - [NAME OF VOTE]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE]		-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		73 920	-	-	-	-	-	5 360	5 360	79 280	40 886	43 881
Total Capital Expenditure - Vote		73 920	-	-	-	-	-	5 360	5 360	79 280	40 886	43 881
Capital Expenditure - Functional												
Governance and administration		5 170	-	-	-	-	-	1 499	1 499	6 669	-	5 976
Executive and council		20	-	-	-	-	-	30	30	50	-	-
Finance and administration		5 150	-	-	-	-	-	1 469	1 469	6 619	-	5 976
Internal audit		-	-	-	-	-	-	-	-	-	-	-
Community and public safety		17 713	-	-	-	-	-	(2 709)	(2 709)	15 003	10 150	2 277
Community and social services		11 958	-	-	-	-	-	(4 861)	(4 861)	7 097	-	1 038
Sport and recreation		5 754	-	-	-	-	-	2 152	2 152	7 907	10 150	1 239
Public safety		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		38 838	-	-	-	-	-	7 980	7 980	46 818	30 736	35 519
Planning and development		8 135	-	-	-	-	-	173	173	8 308	2 844	8 270
Road transport		30 703	-	-	-	-	-	7 807	7 807	38 510	27 892	27 249
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		12 200	-	-	-	-	-	(1 411)	(1 411)	10 789	-	109
Energy sources		8 200	-	-	-	-	-	(1 811)	(1 811)	6 389	-	109
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		4 000	-	-	-	-	-	400	400	4 400	-	-
Other		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	73 920	-	-	-	-	-	5 360	5 360	79 280	40 886	43 881
Funded by:												
National Government		32 370	-	-	-	-	-	4 717	4 717	37 088	38 042	19 579
Provincial Government		1 170	-	-	-	-	-	158	158	1 328	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public		-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	33 540	-	-	-	-	-	4 875	4 875	38 415	38 042	19 579
Borrowing		-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		40 380	-	-	-	-	-	485	485	40 865	2 844	24 302
Total Capital Funding		73 920	-	-	-	-	-	5 360	5 360	79 280	40 886	43 881

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.

CAPITAL BUDGET

Capital Budget have been adjusted from R73.9 to R 79.3 million with an increase of R5.4 million.

Capital Budget funded by National Government has been adjusted by R1.7 million to R37.0 million which has considered the MIG approved rollover of R1.7 million. Further to that Capital budget funded by Provincial Government has considered approved rollover by Sports & Recreation grant of R58 thousand and also reallocated R100 thousand within library grant as per the approved support plan.

Capital Budget funded through National & Provincial Grants (MIG, Library & Sports) of R48.5 million equates to 49 per cent.

Capital Budget funded from internally generated funds has been adjusted from R40.3 million to R40.9 million with an increase of R484 thousand equates to 52 per cent. Adjustment to capital budget has considered the approved rollover of equitable share disaster funds that were identified to mitigate risks of the impact of COVID 19.

- Approved Rollover of **R20 million** for Equitable Share Disaster (Covid 19) has been allocated on the following projects:
 - i). Landscaping and Beautification of P459 CDB Intersection- R1.2 million
 - ii). Procurement of Truck with crew cab and Cherry picker- R1.2 million
 - iii). Construction of Phase 1 of New Protection Services Centre – R4 million
 - iv). Procurement Grader – R4.2 million
 - v). Overlaying of top surface in spar parking area in ward 3 – R2 million
 - vi). Hlomendlini taxi Route Sidewalks – R1.1 million
 - vii). Msomuhle Road Rehabilitation – R2 million
 - viii). Construction of Guard House – R1.6 million
 - ix). Procurement of Lowbed – R3.1 million

For 2021/22 Adjustment Budget an amount of R46.8 million have been appropriated for the development of infrastructure which represents 59.1 per cent of the total capital budget and they have been allocated the highest budget allocation. In the outer years this amount totals R30.7 million and increases to R35.5 million respectively for each of the financial years.

Community assets have been allocated R15.0 which represents 18.9 per cent. Trading services receive have been allocated budget of R10.8 million in 2021/22 which equates to 13.6 per cent followed by Other Assets at 8.4 per cent or R6.7 million.

Total new assets represent 42.5 per cent or R33.7 million of the total capital budgets while renewal of existing assets represents 0.03 per cent or 219 thousand and upgrading of existing assets equates to 57.2 per cent or R45.4 million.

Table 7 Adjustment Budget Financial Position

KZN291 Mandeni - Table B6 Adjustments Budget Financial Position - 24-02-2022												
Description	Ref	Budget Year 2021/22									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		6 448	–					166 151	166 151	172 599	191 593	197 157
Call investment deposits	1	59 477	–					(59 477)	(59 477)	–	–	–
Consumer debtors	1	44 093	–	–	–	–	–	(21 950)	(21 950)	22 143	24 000	14 441
Other debtors		7 247	–					(3 899)	(3 899)	3 348	7 553	8 114
Current portion of long-term receivables		–	–					–	–	–	–	–
Inventory		1 025	–	–	–	–	–	6	6	1 031	1 031	1 031
Total current assets		118 289	–	–	–	–	–	80 832	80 832	199 121	224 177	220 742
Non current assets												
Long-term receivables		–	–					–	–	–	–	–
Investments		–	–					–	–	–	–	–
Investment property		70 116	–					14 471	14 471	84 587	84 587	84 587
Investment in Associate		–	–					–	–	–	–	–
Property, plant and equipment	1	549 237	–	–	–	–	–	(47 212)	(47 212)	502 024	502 559	538 872
Biological		–	–					–	–	–	–	–
Intangible		1 091	–					(542)	(542)	549	602	633
Other non-current assets		–	–					–	–	–	–	–
Total non current assets		620 443	–	–	–	–	–	(33 283)	(33 283)	587 160	587 749	624 092
TOTAL ASSETS		738 733	–	–	–	–	–	47 548	47 548	786 281	811 926	844 834
LIABILITIES												
Current liabilities												
Bank overdraft		–	–					–	–	–	–	–
Borrowing		780	–	–	–	–	–	(14)	(14)	766	1 023	1 091
Consumer deposits		283	–					(100)	(100)	183	201	210
Trade and other payables		15 826	–	–	–	–	–	15 510	15 510	31 336	27 927	27 398
Provisions		(51)	–					51	51	–	–	–
Total current liabilities		16 838	–	–	–	–	–	15 447	15 447	32 285	29 150	28 699
Non current liabilities												
Borrowing	1	725	–	–	–	–	–	(725)	(725)	–	–	–
Provisions	1	20 198	–	–	–	–	–	4 129	4 129	24 327	25 349	26 464
Total non current liabilities		20 924	–	–	–	–	–	3 403	3 403	24 327	25 349	26 464
TOTAL LIABILITIES		37 762	–	–	–	–	–	18 850	18 850	56 612	54 499	55 162
NET ASSETS	2	700 971	–	–	–	–	–	28 698	28 698	729 669	757 427	789 672
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		699 050	–	–	–	–	–	28 698	28 698	727 748	755 425	787 582
Reserves		1 921	–	–	–	–	–	0	0	1 921	2 002	2 090
TOTAL COMMUNITY WEALTH/EQUITY		700 971	–	–	–	–	–	28 698	28 698	729 669	757 427	789 672

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 R166.2 million to R172.6 million this has been based on the estimated cash that will be available at year end of 2022/23.
- **Call Investment deposits:** have been adjusted by R59.5 million to nil budget. Adjustment is due to mSCOA reclassification, since there is a link between cash and cash equivalents at the beginning of the year in B7- C Flow these GUID numbers are linked to Cash in B6 Fin Pos. This was to ensure that B Schedule extracted from the system has been populated.

- **Consumer Debtors:** have been reduced by R21.9 million to an adjusted budget of R22.1 million. Adjustment has taken into consideration the closing balance as per the pre-audited AFS and movement from Debtors for this financial year.

Further to that it should be noted that the municipal Council has agreed to reinstate the 60/40 incentive scheme that the municipality is currently piloting to consumers. Also, the municipality on an annual basis is reviewing its indigent register and qualifying beneficiary's outstanding debt gets written off as per indigent policy.

- **Other Debtors:** have been reduced by R3.9 million to R3.3 million. Adjustment has considered other debtors of R1.5 million as per pre-audited AFS and VAT Receivables of R1.8 million.
- **Inventory:** has been adjusted to R1.0 million with an adjusted budget of R6 thousand as per the pre-audited AFS.
- **Investment property:** have been adjusted to R84.6 million with an adjusted budget of R14.5 million as per the pre-audited AFS, there were properties identified in the 2021/22 financial year which were additional investment properties based on the supplementary valuation roll.
- **Property, plant and equipment:** have been adjusted to R502 million with an adjusted budget of R47.2 million, adjusted has taken into consideration audited AFS 2020/21 as per 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 reduced by R542 thousand to R549 thousand so as to align with the pre-audited AFS and current years estimated amortisation.

TOTAL LIABILITIES

- **Borrowing (current):** have been adjusted to R766 thousand with an adjusted budget of R14 thousand, adjusted has been effected based on the outstanding balance of the leased printers.
- **Borrowing (non-current):** have been adjusted to nil with an adjusted budget of R725 thousand, adjusted budget is due to the fact that the finance lease municipal fleet with Wesbank will be coming to end as at the month of March 2022. Further discussion to lease new fleet will be considered when preparing budget for next financial year.

- **Consumer Deposits:** have been adjusted to R183 thousand with an adjusted budget of R100 thousand, as the municipality has been issuing out deposits for Hall Hire and Electricity as the municipality is still busy with customers who are converting from metering system to prepaid.
- **Trade and other payables:** have been adjusted to R31.3 million with an adjusted budget of R15.5 million. Adjustment has taken into consideration the pre-audited AFS for provision of Bonus and Leave, also the retentions and estimated Trade payables. Further to that Trade and payables as also estimated grants that will not be fully spent as at year end for INEP of R1.2 million and Title Deed Grant of R5.5 million
- **Provisions:** (employee benefit obligation) have been adjusted to R24,3 million with an adjusted budget of R4.2 million as per the pre-audited AFS and projected estimates for the current financial year.
- **Reserves (Housing Grant):** have been remained the same with and adjustment budget of to R1.9 million adjustment has taken into consideration interest generated in the pre-audited AFS for 2020/21.

Table 8 Adjustments Budget Cash Flows

KZN291 Mandeni - Table B7 Adjustments Budget Cash Flows - 24-02-2022												
Description	Ref	Budget Year 2021/22									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	A1	B	C	D	E	F	G	H		
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates		26 586	-					(5 597)	(5 597)	20 989	26 926	27 277
Service charges		42 028	-					(955)	(955)	41 074	43 794	45 721
Other revenue		1 478	-					15 669	15 669	17 147	1 540	1 595
Transfers and Subsidies - Operational	1	204 520	-					20 650	20 650	225 170	216 709	215 937
Transfers and Subsidies - Capital	1	37 232	-					20 194	20 194	57 426	40 044	41 722
Interest		5 085	-					565	565	5 650	5 298	5 531
Dividends		-	-					-	-	-	-	-
Payments												
Suppliers and employees		(289 485)	-					15 249	15 249	(274 237)	(271 620)	(284 171)
Finance charges		(400)	-					(2 603)	(2 603)	(3 003)	(328)	(320)
Transfers and Grants	1	(1 883)	-					1 883	1 883	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		25 161	-	-	-	-	-	65 055	65 055	90 216	62 363	53 292
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE		-	-					-	-	-	-	-
Decrease (increase) in non-current receivables		-	-					-	-	-	-	-
Decrease (increase) in non-current investments		-	-					-	-	-	-	-
Payments												
Capital assets		(73 920)	-					(24 371)	(24 371)	(98 291)	(43 042)	(47 409)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(73 920)	-	-	-	-	-	(24 371)	(24 371)	(98 291)	(43 042)	(47 409)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans		-	-					-	-	-	-	-
Borrowing long term/refinancing		-	-					-	-	-	-	-
Increase (decrease) in consumer deposits		-	-					-	-	-	-	-
Payments												
Repayment of borrowing		(400)	-					-	-	(400)	(328)	(320)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(400)	-	-	-	-	-	-	-	(400)	(328)	(320)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		(49 159)	-	-	-	-	-	40 684	40 684	(8 475)	18 993	5 564
Cash/cash equivalents at the year beginning	2	-	-					181 074	181 074	181 074	172 600	191 593
Cash/cash equivalents at the year end:	2	(49 159)	-					221 758	221 758	172 599	191 593	197 157

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 revised the collection rate of 57 per cent to a collection rate of 45 per cent for Property Rates in the adjustment budget, adjustment has considered performance reported for mid-year and also based on debtors' age analysis we have noted none payment of households as they are committing bulk of outstanding debt.

However, it should be noted that municipality has developed strategies to ensure that there is an improved collection rate such as review of credit control and debt management policy, also we have recently procured a credit control management system with debt pack, further appointed debt collectors to assist with credit control mechanisms that have been put in place.

3. The municipality has reduced collection rate receipts from cash flow under Service charges refuse from 50 per cent to 40 per cent thus taking into consideration performance reported during mid-year, this is due to non-payment by households.
4. Cash Flow: Service Charges electricity the municipality have maintained the same collection rate of 95 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.
5. The municipality has increased receipts from cash flow under other revenue with R14.3 million, which have been actually received to-date from SARS for VAT refunds that were due to the municipality. Further to that other revenue has adjusted budget so as to agree with B4 Fin Perf on all items that relates to other revenue.
6. Rental of facilities and equipment the municipality anticipates a 100 per cent collection rate at R170 thousands for the utilization of the municipal properties.
7. Interest on outstanding debtors a collection rate has remained the same at 4 per cent to adjusted budget of R150 thousand taking into consideration the outstanding det as per Debtors Age Analysis.
8. Fines a collection rate of 5 per cent has been at R13 thousand applied, as we have taken into consideration performance noted during mid-year, as the fines are classified on a cash basis.
9. Licenses and permits a 100 percent collection rate at R660 thousand has been applied based on mid-year performance and performance of the traffic department.
10. Transfers and Subsidies -Operational have been adjusted to R225 million with an adjustment of R20.7 million which has considered approved rollovers grants that were remained unspent in 2020/21 financial year, further to that this line item has also considered INEP grant of R4.9 million as it was publicized in DORA. However, it should be noted that the municipality serves as an agent in relation to this grant in accordance with GRAP 109.
11. Transfers and Subsidies -Capital have been adjusted to R57 million with an adjustment of R20.2 million which has considered approved rollovers grants that were remained unspent in 2020/21 financial year, further to that this line item has also considered Housing Grant (USDG) of R19 million as it was received by the municipality based on agreement entered into between the municipality and the Department of Human Settlement. However, it should be noted that the municipality serves as an agent in relation to this grant in accordance with GRAP 109.

Payments

12. The municipality has increased payments from cash flow under suppliers and employees with R15.2 million to an adjusted budget of R274 million, which has been split in the following categories contracted Services and Other expenditure. Adjustment is due to reprioritization of expenditure. Further to that suppliers and employees have considered INEP Grant of R4.9 million as it forms part of payments.
13. Finance charges have been adjusted to R3 million with an adjusted budget of R2.6 million. Adjustment has considered prior year audited AFS for finance cost towards retirement benefit obligation.
14. Capital Payments have been increased from R73.9 million to R98.3 million with an adjustment of R24.4 million. Adjustment agrees with adjustments in B5 capex, further to that it has also considered funding from Human Settlement of R19 million towards payments of Housing Project within Mandeni as per agreement.

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.

15. Cash flow from financing activities under payments for repayment of borrowing have remained with the same budget of R400 thousand. Budget allocation has considered payments towards lease of vehicles and equipment.
16. Cash and cash equivalents total to R172.6 million as at the end of the 2021/22 financial year. The 2021/22 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
17. Cash and cash equivalents have been increased with R92 million, to reconcile with the closing balance as at 30 June 2021 of R181.0 million. This has then resulted in closing balance for 2021/22 of cash and cash equivalent is R172.6 million.

As part of the 2021/22 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 2021/22 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 - 24-02-2022												
Description	Ref	Budget Year 2021/22									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 and investments available												
Cash/cash equivalents at the year end	1	(49 159)	-	-	-	-	-	221 758	221 758	172 599	191 593	197 157
Other current investments > 90 days		115 084	-	-	-	-	-	(115 084)	(115 084)	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		65 925	-	-	-	-	-	106 674	106 674	172 599	191 593	197 157
Applications of cash and investments												
Unspent conditional transfers		6 720	-	-	-	-	-	26	26	6 746	-	-
Unspent borrowing												
Statutory requirements												
Other working capital requirements	2	(25 537)	-	-	-	-	-	30 369	30 369	4 832	8 733	14 865
Other provisions												
Long term investments committed		-	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investment		-	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments		(18 817)	-	-	-	-	-	30 395	30 395	11 578	8 733	14 865
Surplus(shortfall)		84 742	-	-	-	-	-	76 279	76 279	161 021	182 860	182 292

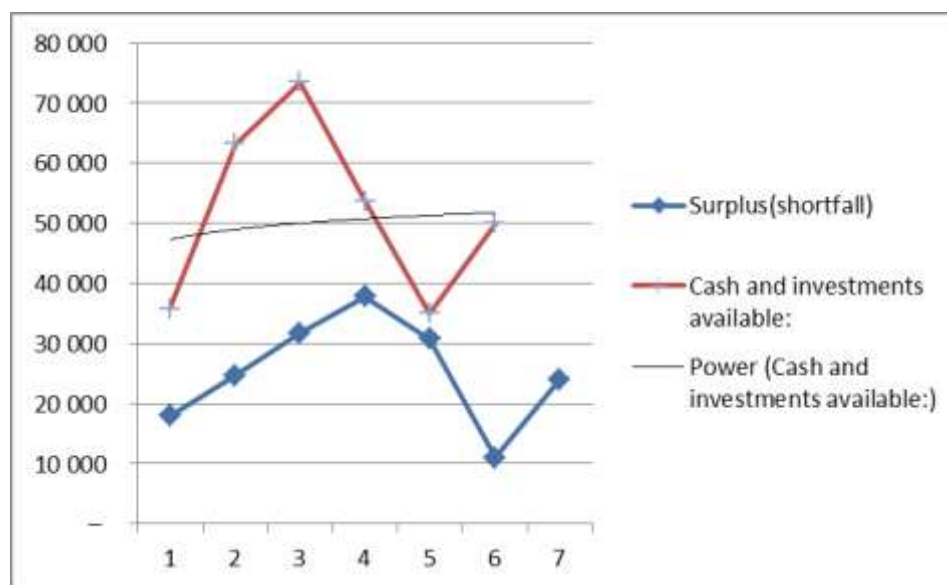
The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. This place the municipality in a very vulnerable financial position, as 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 2021/22, when a small surplus is reflected.

From the above table it can be seen that the cash and investments available total R161.0 million in the 2021/22 financial year and increases to R182.3 million by 2023/24, 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 2021/22 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 2021/22 MTREF was funded to the significant surplus of R161.0 million.
6. As part of the budgeting and planning guidelines that informed the compilation of the 2021/22 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 R161.0 million by 2021/22.

Table 10 Asset Management

KZN291 Mandeni - Table B9 Asset Management - 24-02-2022												Budget Year +1	Budget Year +2
Description	Ref	Budget Year 2021/22									2022/23	2023/24	
		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 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H			
R thousands													
CAPITAL EXPENDITURE													
Total New Assets to be adjusted	1	34 790	-	-	-	-	-	(1 094)	(1 094)	33 695	12 994	7 420	
Roads Infrastructure		2 062	-	-	-	-	-	(2 062)	(2 062)	-	-	-	
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Infrastructure		2 062	-	-	-	-	-	(2 062)	(2 062)	-	-	-	
Community Facilities		14 903	-	-	-	-	-	(6 479)	(6 479)	8 425	2 844	6 500	
Sport and Recreation Facilities		3 364	-	-	-	-	-	1 786	1 786	5 151	10 150	920	
Community Assets		18 268	-	-	-	-	-	(4 693)	(4 693)	13 575	12 994	7 420	
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-	
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-	
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-	
Investment properties		-	-	-	-	-	-	-	-	-	-	-	
Operational Buildings		300	-	-	-	-	-	-	-	300	-	-	
Housing		-	-	-	-	-	-	-	-	-	-	-	
Other Assets		300	-	-	-	-	-	-	-	300	-	-	
Biological or Cultivated Assets	6	-	-	-	-	-	-	-	-	-	-	-	
Servitudes		-	-	-	-	-	-	-	-	-	-	-	
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-	
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	
Computer Equipment		1 330	-	-	-	-	-	1 510	1 510	2 840	-	-	
Furniture and Office Equipment		710	-	-	-	-	-	(140)	(140)	570	-	-	
Machinery and Equipment		7 770	-	-	-	-	-	2 920	2 920	10 690	-	-	
Transport Assets		4 350	-	-	-	-	-	950	950	5 300	-	-	
Land		-	-	-	-	-	-	420	420	420	-	-	
Zoo's, Marine and Non-biological Ani		-	-	-	-	-	-	-	-	-	-	-	
Total Renewal of Existing Assets	2	4 700	-	-	-	-	-	(4 481)	(4 481)	219	-	8 677	
Roads Infrastructure		4 000	-	-	-	-	-	(4 000)	(4 000)	-	-	4 251	
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Information and Communication Inf		-	-	-	-	-	-	-	-	-	-	-	
Infrastructure		4 000	-	-	-	-	-	(4 000)	(4 000)	-	-	4 251	
Community Facilities		300	-	-	-	-	-	(300)	(300)	-	-	300	
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	-	
Community Assets		300	-	-	-	-	-	(300)	(300)	-	-	300	
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-	
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-	
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-	
Investment properties		-	-	-	-	-	-	-	-	-	-	-	
Operational Buildings		400	-	-	-	-	-	(181)	(181)	219	-	4 126	
Housing		-	-	-	-	-	-	-	-	-	-	-	
Other Assets		400	-	-	-	-	-	(181)	(181)	219	-	4 126	
Biological or Cultivated Assets	6	-	-	-	-	-	-	-	-	-	-	-	
Total Upgrading of Existing Asset	2a	34 431	-	-	-	-	-	10 934	10 934	45 365	27 892	27 784	
Roads Infrastructure		24 491	-	-	-	-	-	8 846	8 846	33 337	27 892	23 868	
Storm water Infrastructure		700	-	-	-	-	-	-	-	700	-	-	
Electrical Infrastructure		3 000	-	-	-	-	-	(120)	(120)	2 880	-	-	
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Infrastructure		28 191	-	-	-	-	-	8 726	8 726	36 917	27 892	23 868	
Community Facilities		960	-	-	-	-	-	1 700	1 700	2 660	-	709	
Sport and Recreation Facilities		400	-	-	-	-	-	(62)	(62)	338	-	320	
Community Assets		1 368	-	-	-	-	-	1 638	1 638	2 998	-	1 029	
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-	
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-	
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-	
Investment properties		-	-	-	-	-	-	-	-	-	-	-	
Operational Buildings		3 880	-	-	-	-	-	570	570	4 450	-	2 888	
Housing		-	-	-	-	-	-	-	-	-	-	-	
Other Assets		3 880	-	-	-	-	-	570	570	4 450	-	2 888	
Biological or Cultivated Assets	6	-	-	-	-	-	-	-	-	-	-	-	
Servitudes		-	-	-	-	-	-	-	-	-	-	-	
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-	
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	
Computer Equipment		1 000	-	-	-	-	-	-	-	1 000	-	-	
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-	-	-	
Machinery and Equipment		-	-	-	-	-	-	-	-	-	-	-	
Total Capital Expenditure to be at	4	73 920	-	-	-	-	-	5 360	5 360	79 280	40 886	43 881	
Roads Infrastructure		30 553	-	-	-	-	-	2 784	2 784	33 337	27 892	28 119	
Storm water Infrastructure		700	-	-	-	-	-	-	-	700	-	-	
Electrical Infrastructure		3 000	-	-	-	-	-	(120)	(120)	2 880	-	-	
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Information and Communication Inf		-	-	-	-	-	-	-	-	-	-	-	
Infrastructure		34 253	-	-	-	-	-	2 664	2 664	36 917	27 892	28 119	
Community Facilities		16 163	-	-	-	-	-	(5 079)	(5 079)	11 085	2 844	7 509	
Sport and Recreation Facilities		3 764	-	-	-	-	-	1 724	1 724	5 489	10 150	1 239	
Community Assets		19 928	-	-	-	-	-	(3 354)	(3 354)	16 573	12 994	8 748	
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-	
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-	
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-	
Investment properties		-	-	-	-	-	-	-	-	-	-	-	
Operational Buildings		4 580	-	-	-	-	-	389	389	4 969	-	7 013	
Housing		-	-	-	-	-	-	-	-	-	-	-	
Other Assets		4 580	-	-	-	-	-	389	389	4 969	-	7 013	
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-	
Servitudes		-	-	-	-	-	-	-	-	-	-	-	
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-	
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	
Computer Equipment		2 330	-	-	-	-	-	1 510	1 510	3 840	-	-	
Furniture and Office Equipment		710	-	-	-	-	-	(140)	(140)	570	-	-	
Machinery and Equipment		7 770	-	-	-	-	-	2 920	2 920	10 690	-	-	
Transport Assets		4 350	-	-	-	-	-	950	950	5 300	-	-	
Land		-	-	-	-	-	-	420	420	420	-	-	
Zoo's, Marine and Non-biological Ani		-	-	-	-	-	-	-	-	-	-	-	
TOTAL CAPITAL EXPENDITURE	4 4	73 920	-	-	-	-	-	5 360	5 360	79 280	40 886	43 881	

KZN291 Mandeni - Table B9 Asset Management - 24-02-2022												
Description	Ref	Budget Year 2021/22									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 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
R thousands												
ASSET REGISTER SUMMARY - PPE	5	620 443	-	-	-	-	-	(33 283)	(33 283)	587 160	587 749	624 092
<i>Roads Infrastructure</i>		242 938	-	-	-	-	-	(64 575)	(64 575)	178 363	261 584	272 127
<i>Storm water Infrastructure</i>		75 968	-	-	-	-	-	-	-	75 968	(18 382)	(19 191)
<i>Electrical Infrastructure</i>		16 622	-	-	-	-	-	(1 215)	(1 215)	15 407	11 936	12 462
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		1 862	-	-	-	-	-	960	960	2 822	2 941	3 070
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Infrastructure</i>		337 390	-	-	-	-	-	(64 830)	(64 830)	272 561	258 079	268 468
<i>Community Assets</i>		126 825	-	-	-	-	-	249	249	127 074	152 099	127 654
<i>Heritage Assets</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Investment properties</i>		70 116	-	-	-	-	-	14 471	14 471	84 587	84 587	84 587
<i>Other Assets</i>		39 152	-	-	-	-	-	984	984	40 136	35 118	43 677
<i>Biological or Cultivated Assets</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Intangible Assets</i>		1 091	-	-	-	-	-	(542)	(542)	549	602	633
<i>Computer Equipment</i>		3 007	-	-	-	-	-	2 006	2 006	5 013	868	906
<i>Furniture and Office Equipment</i>		896	-	-	-	-	-	1 856	1 856	2 752	1 430	41 493
<i>Machinery and Equipment</i>		15 839	-	-	-	-	-	7 085	7 085	22 924	22 934	23 460
<i>Transport Assets</i>		7 727	-	-	-	-	-	3 527	3 527	11 254	11 304	11 577
<i>Land</i>		18 400	-	-	-	-	-	1 910	1 910	20 310	20 725	21 637
<i>Zoo's, Marine and Non-biological Assets</i>		-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY	5	620 443	-	-	-	-	-	(33 283)	(33 283)	587 160	587 749	624 092
EXPENDITURE OTHER ITEMS												
Depreciation & asset impairment		32 726	-	-	-	-	-	-	-	32 726	33 751	34 001
Repairs and Maintenance by asset	3	19 275	-	-	-	-	-	(100)	(100)	19 175	19 868	16 647
<i>Roads Infrastructure</i>		4 950	-	-	-	-	-	200	200	5 150	5 118	4 897
<i>Storm water Infrastructure</i>		1 250	-	-	-	-	-	-	-	1 250	1 303	1 244
<i>Electrical Infrastructure</i>		3 250	-	-	-	-	-	300	300	3 550	3 367	3 370
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		3 000	-	-	-	-	-	(850)	(850)	2 150	3 126	-
<i>Infrastructure</i>		12 450	-	-	-	-	-	(350)	(350)	12 100	12 913	9 512
<i>Community Facilities</i>		825	-	-	-	-	-	(200)	(200)	625	860	871
<i>Sport and Recreation Facilities</i>		1 250	-	-	-	-	-	(500)	(500)	750	1 198	1 251
Community Assets		2 075	-	-	-	-	-	(700)	(700)	1 375	2 058	2 122
Heritage Assets												
<i>Revenue Generating</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Non-revenue Generating</i>		-	-	-	-	-	-	-	-	-	-	-
Investment properties												
<i>Operational Buildings</i>		250	-	-	-	-	-	(50)	(50)	200	208	218
<i>Housing</i>		-	-	-	-	-	-	-	-	-	-	-
Other Assets		250	-	-	-	-	-	(50)	(50)	200	208	218
Biological or Cultivated Assets												
<i>Servitudes</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>		-	-	-	-	-	-	-	-	-	-	-
Intangible Assets												
Computer Equipment												
Furniture and Office Equipment												
Machinery and Equipment		4 500	-	-	-	-	-	1 000	1 000	5 500	4 689	4 795
Transport Assets		-	-	-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Assets	6											
TOTAL EXPENDITURE OTHER ITEMS		52 001	-	-	-	-	-	(100)	(100)	51 901	53 619	50 648
Renewal and upgrading of Existing Assets		52.9%	0.0%							57.5%	68.2%	83.1%
Renewal and upgrading of Existing Assets as a % of PPE		119.6%	0.0%							139.3%	82.6%	107.2%
R&M as a % of PPE		3.1%	0.0%							3.3%	3.4%	2.7%
Renewal and upgrading and R&M as a % of PPE		9.4%	0.0%							11.0%	8.1%	8.5%

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 - Supporting Table SB5 Adjustments Budget - social, economic and demographic statistics and assumptions - 24-02-2022										
Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2018/19	2019/20	2020/21	Budget Year 2021/22	2021/22 Medium Term Revenue Outcome
						Outcome	Outcome	Outcome	Original Budget	Outcome
Demographics										
Population						133 559	133 559	133 559	133 559	133 559
Females aged 5 - 14										
Males aged 5 - 14										
Females aged 15 - 34										
Males aged 15 - 34										
Unemployment						58 329	58 329	58 329	58 329	58 329
Monthly Household income (no. of										
None	1, 12					55 740	55 740	55 740	55 740	55 740
R1 - R1 600						33 612	33 612	33 612	33 612	33 612
R1 601 - R3 200						3 971	3 971	3 971	3 971	3 971
R3 201 - R6 400						9 818	9 818	9 818	9 818	9 818
R6 401 - R12 800						8 735	8 735	8 735	8 735	8 735
R12 801 - R25 600						4 414	4 414	4 414	4 414	4 414
R25 601 - R51 200						516	516	516	516	516
R52 201 - R102 400						-	-	-	-	-
R102 401 - R204 800						616	616	616	616	616
R204 801 - R409 600						88	88	88	88	88
R409 601 - R819 200						34	34	34	34	34
> R819 200						28	28	28	28	28
Poverty profiles (no. of households)										
< R2 060 per household per month	13					17 270	17 270	17 270	17 270	17 270
Insert description	2									
Household/demographics (000)										
Number of people in municipal area						138	138	138	138	138
Number of poor people in municipal						66	66	66	66	66
Number of households in municipal area						38	38	38	38	38
Number of poor households in municipal						25	25	25	25	25
Definition of poor household (R per										
Housing statistics										
Formal	3					33 519	33 519	33 519	33 519	33 519
Informal						4 716	4 716	4 716	4 716	4 716
Total number of households						38 235	38 235	38 235	38 235	38 235
Dwellings provided by municipality	4									
Dwellings provided by province/s										
Dwellings provided by private sector	5									
Total new housing dwellings						-	-	-	-	-

Detail on the provision of municipal services for B10		2018/19	2019/20	2020/21	Budget Year 2021/22			2021/22
Total municipal services	Ref.	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Medium Budget Year
		Household service targets (000)						
		Water:						
	8	Piped water inside dwelling	10 501	11 152	11 152	11 152	11 152	12 825
	10	Piped water inside yard (but not using public tap (at least min.service level)	11 622	12 385	12 385	12 385	12 385	14 243
	9	Other water supply (at least min.service level)	18 636	19 791	19 791	19 791	19 791	22 760
	10	Other water supply (< min.service level)	40 759	43 329	43 329	43 329	43 329	49 828
		No water supply (< min.service level)						
		Below Minimum Service Level						
		Total number of households	40 759	43 329	43 329	43 329	43 329	49 828
		Sanitation/sewerage:						
		Flush toilet (connected to sewerage)	12 060	12 807	12 807	12 807	12 807	14 088
		Flush toilet (with septic tank)						
		Chemical toilet	9 154	9 721	9 721	9 721	9 721	10 693
		Pit toilet (ventilated)	16 174	17 177	17 177	17 177	17 177	18 895
		Other toilet provisions (> min.service level)	2 868	3 045	3 045	3 045	3 045	3 350
		Below Minimum Service Level						
		Bucket toilet	40 255	42 751	42 751	42 751	42 751	47 026
		No toilet provisions (< min.service level)	472	300	300	300	300	150
		Below Minimum Service Level						
		Total number of households	40 727	43 051	43 051	43 051	43 051	47 176
		Energy:						
		Electricity (at least min.service level)						
		Electricity - prepaid (min.service level)						
		Below Minimum Service Level						
		Electricity (< min.service level)	1 040	389	389	389	389	389
		Electricity - prepaid (< min.service level)		574	574	574	574	625
		Other energy sources						
		Below Minimum Service Level						
		Total number of households	1 040	963	963	963	963	1 014
		Refuse:						
		Removed at least once a week	11 705	11 705	23 700	28 152	28 152	29 032
		Removed less frequently than once a week	11 705	11 705	23 700	28 152	28 152	29 032
		Using communal refuse dump						
		Using own refuse dump						
		Other rubbish disposal						
		No rubbish disposal						
		Below Minimum Service Level						
		Total number of households	11 705	11 705	23 700	28 152	28 152	29 032
Municipal in-house services	Ref.	2018/19	2019/20	2020/21	Budget Year 2021/22			2021/22
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Medium Budget Year
		Household service targets (000)						
		Water:						
	8	Piped water inside dwelling	9 851	10 501	11 152	11 152	11 152	12 825
	10	Piped water inside yard (but not in dwelling)	10 902	11 622	12 385	12 385	12 385	14 243
	9	Using public tap (at least min.service level)	17 482	18 636	19 791	19 791	19 791	22 760
	10	Other water supply (at least min.service level)	38 235	40 759	43 329	43 329	43 329	49 828
		Below Minimum Service Level						
		Total number of households	38 235	40 759	43 329	43 329	43 329	49 828
		Sanitation/sewerage:						
		Flush toilet (connected to sewerage)	11 313	12 060	12 807	12 807	12 807	14 088
		Flush toilet (with septic tank)						
		Chemical toilet	8 587	9 154	9 721	9 721	9 721	10 693
		Pit toilet (ventilated)	15 173	16 174	17 177	17 177	17 177	18 895
		Other toilet provisions (> min.service level)	2 690	2 868	3 045	3 045	3 045	3 350
		Below Minimum Service Level						
		Bucket toilet	37 763	40 255	42 751	42 751	42 751	47 026
		No toilet provisions (< min.service level)	472	300	300	300	300	150
		Below Minimum Service Level						
		Total number of households	38 235	40 727	43 051	43 051	43 051	47 176
		Energy:						
		Electricity (at least min.service level)	1 040	1 040	389	389	389	389
		Electricity - prepaid (min.service level)			574	574	574	625
		Below Minimum Service Level						
		Electricity (< min.service level)	1 040	1 040	963	963	963	1 014
		Electricity - prepaid (< min.service level)						
		Other energy sources						
		Below Minimum Service Level						
		Total number of households	1 040	1 040	963	963	963	1 014
		Refuse:						
		Removed at least once a week	11 705	11 705	23 700	4 452	4 452	4 601
		Removed less frequently than once a week	11 705	11 705	23 700	4 452	4 452	4 601
		Using communal refuse dump						
		Using own refuse dump						
		Other rubbish disposal						
		No rubbish disposal						
		Below Minimum Service Level						
		Total number of households	11 705	11 705	23 700	4 452	4 452	4 601
Municipal entity services	Ref.	2018/19	2019/20	2020/21	Budget Year 2021/22			2021/22
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Medium Budget Year
Name of municipal entity		Household service targets (000)						
		Water:						
	8	Piped water inside dwelling						
	10	Piped water inside yard (but not in dwelling)						
	9	Using public tap (at least min.service level)						
	10	Other water supply (at least min.service level)						
		Below Minimum Service Level						
		Total number of households						
Name of municipal entity		Sanitation/sewerage:						
		Flush toilet (connected to sewerage)						
		Flush toilet (with septic tank)						
		Chemical toilet						
		Pit toilet (ventilated)						
		Other toilet provisions (> min.service level)						
		Below Minimum Service Level						
		Bucket toilet						
		No toilet provisions (< min.service level)						
		Below Minimum Service Level						
		Total number of households						
Name of municipal entity		Energy:						
		Electricity (at least min.service level)						
		Electricity - prepaid (min.service level)						
		Below Minimum Service Level						
		Electricity (< min.service level)						
		Electricity - prepaid (< min.service level)						
		Other energy sources						
		Below Minimum Service Level						
		Total number of households						
Name of municipal entity		Refuse:						
		Removed at least once a week			23 700	23 700	23 700	24 431
		Removed less frequently than once a week			23 700	23 700	23 700	24 431
		Using communal refuse dump						
		Using own refuse dump						
		Other rubbish disposal						
		No rubbish disposal						
		Below Minimum Service Level						
		Total number of households			23 700	23 700	23 700	24 431

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 Budget have been adjusted from R73.9 to R 79.3 million with an increase of R5.4 million.

Capital Budget funded by National Government has been adjusted by R1.7 million to R37.1 million which has considered the MIG approved rollover of R1.7 million. Further to that Capital budget funded by Provincial Government has considered approved rollover by Sports & Recreation grant of R58 thousand and also reallocated R100 thousand within library grant as per the approved support plan.

Capital Budget funded from internally generated funds has been adjusted from R40.3 million to R41.9 million with an increase of R485 thousand. Adjustment to capital budget has considered the approved rollover of equitable share disaster funds that were identified to mitigate risks of the impact of COVID 19.

Table 12 Supporting Table SB1- Budgeted Financial Performance

KZN291 Mandeni - Supporting Table SB1 Supporting detail to 'Budgeted Financial Performance' - 24-02-2022

Description	Ref	Budget Year 2021/22									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		63 060	-					6 000	6 000	69 060	95 016	104 643
Less Revenue Foregone (exemptions, reductions and rebates and impermissible)		16 418	-					6 000	6 000	22 418	42 778	44 388
Net Property Rates		46 642	-	-	-	-	-	-	-	46 642	52 239	60 255
Service charges - electricity revenue												
Total Service charges - electricity revenue		39 216	-					-	-	39 216	54 079	60 958
Less Revenue Foregone (in excess of 50 kwh per indigent Less Cost of Free Basis Services (50 kwh per indigent		-	-					-	-	-	-	-
Net Service charges - electricity revenue		39 216	-	-	-	-	-	-	-	39 216	54 079	60 958
Service charges - refuse revenue												
Total refuse removal revenue		10 353	-					-	-	10 353	2 808	2 931
Total landfill revenue		-	-					-	-	-	-	-
Less Revenue Foregone (in excess of one removal a week to indigent households)		807	-					-	-	807	(841)	(876)
Less Cost of Free Basis Services (removed once a week to indigent households)		-	-					-	-	-	-	-
Net Service charges - refuse		9 546	-	-	-	-	-	-	-	9 546	3 649	3 807
Other Revenue By Source												
Fuel Levy		-	-					-	-	-	-	-
Administrative Handling Fees		-	-					-	-	-	-	-
Bad Debts Recovered		-	-					-	-	-	-	-
Breakages and Losses Recovered		-	-					-	-	-	-	-
Collection Charges		132	-					-	-	132	138	144
Commission		100	-					-	-	100	104	109
Insurance Refund		-	-					1 167	1 167	1 167	-	-
Skills Development Levy Refund		-	-					79	79	79	-	-
Arbor City Awards Competition		-	-					-	-	-	-	-
Other Revenue		408	-					70	70	478	425	444
Total 'Other' Revenue	1	640	-	-	-	-	-	1 316	1 316	1 956	667	696

KZN291 Mandeni - Supporting Table SB1 Supporting detail to 'Budgeted Financial Performance' - 24-02-2022												
Description	Ref	Budget Year 2021/22									Budget	Budget
		Original	Prior	Accum.	Multi-	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	year	Unavoid	Prov.	Adjus.	Adjus.	Budget	Budget	Budget
			capital	.	Govt							
		A	6	7	8	9	10	11	12	13		
R thousands		A	A1	B	C	D	E	F	G	H		
EXPENDITURE ITEMS												
Employee related costs												
Basic Salaries and Wages		76 772	-					1 250	1 250	78 022	79 973	83 468
Pension and UIF Contributions		10 766	-					-	-	10 766	11 168	11 466
Medical Aid Contributions		3 949	-					-	-	3 949	4 115	4 296
Overtime		920	-					-	-	920	959	979
Performance Bonus		5 581	-					-	-	5 581	5 816	6 071
Motor Vehicle Allowance		5 101	-					-	-	5 101	5 315	5 549
Cellphone Allowance		651	-					-	-	651	679	709
Housing Allowances		522	-					-	-	522	543	567
Other benefits and allowances		57	-					-	-	57	60	62
Payments in lieu of leave		3 500	-					-	-	3 500	3 627	3 757
Long service awards		-	-					-	-	-	50	268
Post-retirement benefit obligations	4	-	-					-	-	-	-	-
sub-total		107 819	-	-	-	-	-	1 250	1 250	109 069	112 304	117 192
Less: Employees costs capitalised to PP		-	-					-	-	-	-	-
Total Employee related costs	1	107 819	-	-	-	-	-	1 250	1 250	109 069	112 304	117 192
Depreciation & asset impairment												
Depreciation of Property, Plant & Equipm		32 726	-					-	-	32 726	33 595	33 838
Lease amortisation		-	-					-	-	-	156	163
Capital asset impairment		-	-					-	-	-	-	-
Total Depreciation & asset impairme	1	32 726	-	-	-	-	-	-	-	32 726	33 751	34 001
Bulk purchases												
Electricity Bulk Purchases		35 143	-					1 500	1 500	36 643	36 619	38 231
Total bulk purchases	1	35 143	-	-	-	-	-	1 500	1 500	36 643	36 619	38 231
Transfers and grants												
Cash transfers and grants		-	-					-	-	-	-	-
Non-cash transfers and grants		-	-					-	-	-	-	-
Total transfers and grants		-	-	-	-	-	-	-	-	-	-	-
Contracted services												
Outsourced Services		24 428	-					(1 188)	(1 188)	23 240	23 939	29 613
Consultants and Professional Services		7 313	-					1 875	1 875	9 188	7 585	7 825
Contractors		24 978	-					(430)	(430)	24 547	25 420	22 049
Total contracted services		56 718	-	-	-	-	-	256	256	56 975	56 945	59 487
Other Expenditure By Type												
Collection costs		1 350	-					1 850	1 850	3 200	417	320
Contributions to 'other' provisions		-	-					-	-	-	-	-
Audit fees		39 739	-					3 925	3 925	43 664	41 181	42 971
Other Expenditure		2 000	-					-	-	2 000	2 084	2 176
Total Other Expenditure	1	43 089	-	-	-	-	-	5 775	5 775	48 864	43 682	45 467
Repairs and Maintenance by Expend	14											
Employee related costs		-	-					-	-	-	-	-
Inventory Consumed (Project Maintenance)		-	-					-	-	-	-	-
Contracted Services		-	-					-	-	-	19 868	16 647
Other Expenditure		-	-					-	-	-	-	-
Total Repairs and Maintenance Expe	15	-	-	-	-	-	-	-	-	-	19 868	16 647
Inventory Consumed												
Inventory Consumed - Water		-	-					-	-	-	-	-
Inventory Consumed - Other		2 288	-					(167)	(167)	2 121	2 156	2 255
Total Inventory Consumed & Other Mate		2 288	-	-	-	-	-	(167)	(167)	2 121	2 156	2 255

Table 13 Supporting Table SB2- Financial Position Budget

KZN291 Mandeni - Supporting Table SB2 Supporting detail to 'Financial Position Budget' - 24-02-2022												
Description	Ref	Budget Year 2021/22									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	A1	B	C	D	E	F	G	H		
R thousands												
ASSETS												
Consumer debtors												
Consumer debtors		287 437	-	-	-	-	-	(84 096)	(84 096)	203 342	241 196	267 846
Less: provision for debt impairment		(243 344)	-	-	-	-	-	62 146	62 146	(181 199)	(217 196)	(253 405)
Total Consumer debtors	1	44 093	-	-	-	-	-	(21 950)	(21 950)	22 143	24 000	14 441
Debt impairment provision												
Balance at the beginning of the year		(205 859)	-	-	-	-	-	66 046	66 046	(139 813)	(181 199)	(217 196)
Contributions to the provision		(30 635)	-	-	-	-	-	(4 000)	(4 000)	(34 635)	(33 751)	(34 001)
Bad debts written off		(6 850)	-	-	-	-	-	100	100	(6 750)	(2 247)	(2 207)
Balance at end of year		(243 344)	-	-	-	-	-	62 146	62 146	(181 199)	(217 196)	(253 405)
Consumables												
Standard Rated												
Opening Balance		815	-	-	-	-	-	(150)	(150)	666	833	843
Acquisitions		623	-	-	-	-	-	-	-	623	666	700
Issues	13	(623)	-	-	-	-	-	167	167	(456)	(656)	(685)
Adjustments	14	-	-	-	-	-	-	-	-	-	-	-
Write-offs	15	-	-	-	-	-	-	-	-	-	-	-
Closing balance - Consumables Standard Rated		815	-	-	-	-	-	18	18	833	843	857
Zero Rated												
Opening Balance		-	-	-	-	-	-	-	-	-	-	-
Acquisitions		800	-	-	-	-	-	-	-	800	834	870
Issues	13	(800)	-	-	-	-	-	-	-	(800)	(834)	(870)
Adjustments	14	-	-	-	-	-	-	-	-	-	-	-
Write-offs	15	-	-	-	-	-	-	-	-	-	-	-
Closing balance - Consumables Zero Rated		-	-	-	-	-	-	-	-	-	-	-
Materials and Supplies												
Opening Balance		209	-	-	-	-	-	(11)	(11)	198	198	188
Acquisitions		865	-	-	-	-	-	-	-	865	656	685
Issues	13	(865)	-	-	-	-	-	-	-	(865)	(666)	(700)
Adjustments	14	-	-	-	-	-	-	-	-	-	-	-
Write-offs	15	-	-	-	-	-	-	-	-	-	-	-
Closing balance - Materials and Supplies		209	-	-	-	-	-	(11)	(11)	198	188	174
Closing Balance - Inventory & Consumables		1 025	-	-	-	-	-	6	6	1 031	1 031	1 031
Property, plant & equipment												
PPE at cost/valuation (excl. finance lease)		752 711	-	-	-	-	-	(110 509)	(110 509)	642 202	679 551	723 354
Leases recognised as PPE	2	-	-	-	-	-	-	-	-	-	-	-
Less: Accumulated depreciation		203 475	-	-	-	-	-	(63 297)	(63 297)	140 178	176 991	184 482
Total Property, plant & equipment	1	549 237	-	-	-	-	-	(47 212)	(47 212)	502 024	502 559	538 872
LIABILITIES												
Current liabilities - Borrowing												
Short term loans (other than bank overdraft)		-	-	-	-	-	-	-	-	-	-	-
Current portion of long-term liabilities		780	-	-	-	-	-	(14)	(14)	766	1 023	1 091
Total Current liabilities - Borrowing		780	-	-	-	-	-	(14)	(14)	766	1 023	1 091
Trade and other payables												
Trade Payables		9 106	-	-	-	-	-	15 484	15 484	24 590	27 927	27 398
Other creditors		-	-	-	-	-	-	-	-	-	-	-
Unspent conditional transfers		6 720	-	-	-	-	-	26	26	6 746	-	-
VAT		-	-	-	-	-	-	-	-	-	-	-
Total Trade and other payables	1	15 826	-	-	-	-	-	15 510	15 510	31 336	27 927	27 398
Non current liabilities - Borrowing												
Borrowing	3	725	-	-	-	-	-	(725)	(725)	-	-	-
Finance leases (including PPP asset element)		-	-	-	-	-	-	-	-	-	-	-
Total Non current liabilities - Borrowing		725	-	-	-	-	-	(725)	(725)	-	-	-
Provisions - non current												
Retirement benefits		20 198	-	-	-	-	-	4 129	4 129	24 327	25 349	26 464
Refuse landfill site rehabilitation		-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-
Total Provisions - non current		20 198	-	-	-	-	-	4 129	4 129	24 327	25 349	26 464
CHANGES IN NET ASSETS												
Accumulated surplus/(Deficit)												
Accumulated surplus/(Deficit) - opening balance		654 567	-	-	-	-	-	11 006	11 006	665 573	656 463	657 280
GRAP adjustments		-	-	-	-	-	-	-	-	-	-	-
Restated balance		654 567	-	-	-	-	-	11 006	11 006	665 573	656 463	657 280
Surplus/(Deficit)		22 241	-	-	-	-	-	4 437	4 437	26 679	40 738	43 069
Transfers to/from Reserves		22 241	-	-	-	-	-	13 255	13 255	35 496	58 224	87 233
Depreciation offsets		-	-	-	-	-	-	-	-	-	-	-
Other adjustments		-	-	-	-	-	-	-	-	-	-	-
Accumulated Surplus/(Deficit)	1	699 050	-	-	-	-	-	28 698	28 698	727 748	755 425	787 582
Reserves												
Housing Development Fund		1 921	-	-	-	-	-	0	0	1 921	2 002	2 090
Capital replacement		-	-	-	-	-	-	-	-	-	-	-
Self-insurance		-	-	-	-	-	-	-	-	-	-	-
Other reserves		-	-	-	-	-	-	-	-	-	-	-
Revaluation		-	-	-	-	-	-	-	-	-	-	-
Total Reserves	2	1 921	-	-	-	-	-	0	0	1 921	2 002	2 090
TOTAL COMMUNITY WEALTH/EQUITY	2	700 971	-	-	-	-	-	28 698	28 698	729 669	757 427	789 672

Table 14 Supporting Table SB4- Adjustments to Budgeted performance indicators

KZN291 Mandeni - Supporting Table SB4 Adjustments to budgeted performance indicators and benchmarks - 24-02-2022									
Description of financial indicator	Basis of calculation	2018/19	2019/20	2020/21	Budget Year 2021/22			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				0.2%	0.0%	1.0%	0.2%	0.2%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing				0.0%	0.0%	0.0%	0.0%	0.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl transfers				0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>									
Gearing	Long Term Borrowing/ Funds & Reserves				37.8%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>									
Current Ratio	Current assets/current liabilities				702.5%	0.0%	616.8%	769.0%	769.2%
Current Ratio adjusted for aged debtors	Current assets/current liabilities less debtors > 90 days/current liabilities				702.5%	0.0%	0.0%	0.0%	0.0%
Liquidity Ratio	Monetary Assets/Current Liabilities				3.9	0.0	5.3	6.6	6.9
<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				16.6%	0.0%	7.8%	9.4%	6.5%
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					-32.2%	0.0%	18.2%	14.6%	13.9%
<u>Other Indicators</u>									
Electricity Distribution Losses (2)	Total Volume Losses (kW) Total Cost of Losses % Volume (units purchased and generated less units sold)/units purchased and sold								
Water Distribution Losses (2)	Total Volume Losses (kℓ) Total Cost of Losses % Volume (units purchased and generated less units sold)/units purchased and sold								
Employee costs	Employee costs/(Total Revenue - capital revenue)				34.9%	0.0%	33.3%	33.5%	33.5%
Remuneration	Total remuneration/(Total Revenue - capital revenue)								
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)				6.2%	0.0%	5.8%	5.9%	4.8%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)				10.7%	0.0%	10.9%	10.2%	9.8%
<u>IDP regulation financial viability indicators</u>									
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due				16582.6%	0.0%	16410.5%	19383.8%	21834.1%
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services				14.3%	0.0%	6.8%	7.2%	4.1%
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 - 24-02-2022										
Description	Ref	MFMA section	2018/19	2019/20	2020/21	Medium Term Revenue and Expenditure Framework				
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Prior Adjusted	Adjusted Budget	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousands										
Funding measures										
Cash/cash equivalents at the year end - R'000	1	18(1)b				(49 159)	–	172 599	191 593	197 157
Cash + investments at the yr end less applicat	2	18(1)b				84 742	–	161 021	182 860	182 292
Cash year end/monthly employee/supplier pay	3	18(1)b				–	–	–	–	–
Surplus/(Deficit) excluding depreciation offsets	4	18(1)				44 482	–	62 175	98 962	130 302
Service charge rev % change - macro CPIX ta	5	18(1)a,(2)				0.0%	0.0%	0.0%	9.3%	7.7%
Cash receipts % of Ratepayer & Other revenu	6	18(1)a,(2)	0.0%	0.0%	0.0%	67.5%	0.0%	77.5%	60.8%	55.6%
Debt impairment expense as a % of total billat	7	18(1)a,(2)				32.1%	0.0%	36.2%	29.0%	26.6%
Capital payments % of capital expenditure	8	18(1)c;19				100.0%	0.0%	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 allocatid	10	18(1)a				0.0%	0.0%	0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	11	18(1)a							23.8%	-28.5%
Long term receivables % change - incr(decr)	12	18(1)a							0.0%	0.0%
R&M % of Property Plant & Equipment	13	20(1)(vi)				3.1%	0.0%	3.3%	3.4%	2.7%
Asset renewal % of capital budget	14	20(1)(vi)				6.4%	0.0%	0.3%	0.0%	19.8%

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

KZN291 Mandeni - Supporting Table SB7 Adjustments Budget - transfers and grant receipts - 24-02-2022										
Description	Ref	Budget Year 2021/22						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	7	8	9	10	11	12		
		A	A1	B	C	D	E	F		
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		202 168	-	-	20 015	-	20 015	222 183	214 288	213 600
Local Government Equitable Share		191 149			20 015		20 015	211 164	203 436	201 664
Finance Management		1 850					-	1 850	1 850	1 850
EPWP Incentive		2 435					-	2 435	-	-
Integrated National Electrification Prog		4 872					-	4 872	7 000	8 000
Municipal Infrastructure Grant(PMU)		1 862					-	1 862	2 002	2 086
Disaster Relief Grant COVID 19		-					-	-	-	-
Other transfers and grants [insert description]		-					-	-	-	-
Provincial Government:		3 044	-	-	(57)	-	(57)	2 987	4 423	4 423
Community Library Services Grant		1 315					-	1 315	1 477	1 477
Provincialization of Government		1 729			(100)		(100)	1 629	2 946	2 946
Ward Based Plan	4	-					-	-	-	-
Sport and Recreation		-					-	-	-	-
Single Land Use Scheme (COGTA)	5	-			43		43	43	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-					-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-					-	-	-	-
Total Operating Transfers and Grants	6	205 212	-	-	19 958	-	19 958	225 170	218 711	218 023
Capital Transfers and Grants										
National Government:		35 370	-	-	1 717	-	1 717	37 088	38 042	39 636
Municipal Infrastructure Grant (MIG)		35 370			1 717		1 717	37 088	38 042	39 636
KwaZulu-Natal Capacity Building and C		-			-		-	-	-	-
KwaZulu-Natal Infrastructure Infrastruc		-			-		-	-	-	-
Other capital transfers [insert description]		-			-		-	-	-	-
Provincial Government:		1 170	-	-	19 169	-	19 169	20 339	-	-
Provincialization of Libraries		1 170			100		100	1 270	-	-
Sport and Recreation		-			58		58	58	-	-
Human Settlement		-			19 011		19 011	19 011	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-					-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-					-	-	-	-
Total Capital Transfers and Grants	6	36 540	-	-	20 886	-	20 886	57 426	38 042	39 636
TOTAL RECEIPTS OF TRANSFERS & GR		241 752	-	-	40 844	-	40 844	282 596	256 753	257 659

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

KZN291 Mandeni - Supporting Table SB8 Adjustments Budget - expenditure on transfers and grant programme - 24-02-2022										
Description	Ref	Budget Year 2021/22							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	2 A1	3 B	4 C	5 D	6 E	7 F		
EXPENDITURE ON TRANSFERS AND GRANTS	1									
Operating expenditure of Transfers and Grants										
National Government:		202 168	-	-	20 015	-	20 015	222 183	214 288	213 600
Local Government Equitable Share		191 149			20 015		20 015	211 164	203 436	201 664
Finance Management		1 850					-	1 850	1 850	1 850
EPWP Incentive		2 435					-	2 435	-	-
Integrated National Electrification Programme		4 872					-	4 872	7 000	8 000
Municipal Infrastructure Grant(PMU)		1 862					-	1 862	2 002	2 086
Disaster Relief Grant COVID 19		-					-	-	-	-
Other transfers and grants [insert description]		-					-	-	-	-
Provincial Government:		3 044	-	-	(57)	-	(57)	2 987	4 423	4 423
Community Library Services Grant		1 315					-	1 315	1 477	1 477
Provincialization of Government		1 729			(100)		(100)	1 629	2 946	2 946
Ward Based Plan		-					-	-	-	-
Sport and Recreation		-					-	-	-	-
Single Land Use Scheme (COGTA)		-			43		43	43	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-					-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-					-	-	-	-
Total operating expenditure of Transfers and Grants		205 212	-	-	19 958	-	19 958	225 170	218 711	218 023
Capital expenditure of Transfers and Grants										
National Government:		35 370	-	-	1 717	-	1 717	37 088	38 042	39 636
Municipal Infrastructure Grant (MIG)		35 370			1 717		1 717	37 088	38 042	39 636
KwaZulu-Natal_Capacity Building and Other_Capacity Building and Other_RECEIPTS		-					-	-	-	-
KwaZulu-Natal_Infrastructure_Infrastructure_RECEIPTS		-					-	-	-	-
Other capital transfers [insert description]		-					-	-	-	-
Provincial Government:		1 170	-	-	19 169	-	19 169	20 339	-	-
Provincialization of Libraries		1 170			100		100	1 270	-	-
Sport and Recreation		-			58		58	58	-	-
Human Settlement		-			19 011		19 011	19 011	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-					-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-					-	-	-	-
Total capital expenditure of Transfers and Grants		36 540	-	-	20 886	-	20 886	57 426	38 042	39 636
Total capital expenditure of Transfers and Grants		241 752	-	-	40 844	-	40 844	282 596	256 753	257 659

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 - 24-02-2022									
Description	Ref	Budget Year 2021/22						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
		A	2	3	4	5	6	7	
R thousands			A1	B	C	D	E	F	
Operating transfers and grants:									
National Government:									
Balance unspent at beginning of the year		1 000			21 054		21 054	22 054	
Current year receipts		202 168	-	-	-	-	-	202 168	214 288
Conditions met - transferred to revenue		1 000	-	-	1 039	-	1 039	2 039	-
Conditions still to be met - transferred to liability		202 168	-	-	20 015	-	20 015	222 183	214 288
Provincial Government:									
Balance unspent at beginning of the year		20			6 230		6 230	6 250	
Current year receipts		3 044	-	-	-	-	-	3 044	4 423
Conditions met - transferred to revenue		20	-	-	(20)	-	(20)	-	-
Conditions still to be met - transferred to liability		3 044	-	-	6 250	-	6 250	9 294	4 423
District Municipality:									
Balance unspent at beginning of the year		-			-		-	-	
Current year receipts		-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liability		-	-	-	-	-	-	-	-
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 liability		-	-	-	-	-	-	-	-
Total operating transfers and grants revenue		1 020	-	-	1 019	-	1 019	2 039	-
Total operating transfers and grants - CTBM 2		205 212	-	-	26 265	-	26 265	231 477	218 711
Capital transfers and grants:									
National Government:									
Balance unspent at beginning of the year		5 700			(3 983)		(3 983)	1 717	
Current year receipts		35 370	-	-	-	-	-	35 370	38 042
Conditions met - transferred to revenue		-	-	-	(3 983)	-	(3 983)	(3 983)	-
Conditions still to be met - transferred to liability		41 070	-	-	-	-	-	41 070	38 042
Provincial Government:									
Balance unspent at beginning of the year		-			58		58	58	
Current year receipts		1 170	-	-	27 969	-	27 969	29 139	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liability		1 170	-	-	28 027	-	28 027	29 197	-
District Municipality:									
Balance unspent at beginning of the year		-			-		-	-	
Current year receipts		-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liability		-	-	-	-	-	-	-	-
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 liability		-	-	-	-	-	-	-	-
Total capital transfers and grants revenue		-	-	-	(3 983)	-	(3 983)	(3 983)	-
Total capital transfers and grants - CTBM		42 241	-	-	28 027	-	28 027	70 267	38 042
TOTAL TRANSFERS AND GRANTS REVENUE		1 020	-	-	(2 964)	-	(2 964)	(1 944)	-
TOTAL TRANSFERS AND GRANTS - CTBM		247 452	-	-	54 292	-	54 292	301 744	256 753

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

KZN291 Mandeni - Supporting Table SB10 Adjustments Budget - transfers and grants made by the municipality - 24-02-2022												Budget Year +1	Budget Year +2
Description	Ref	Budget Year 2021/22									2022/23	2023/24	
		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	6 A1	7 B	8 C	9 D	10 E	11 F	12 G	13 H			
Cash transfers to other municipalities													
[insert description]	1	-	-					-	-	-	-	-	
[insert description]		-	-					-	-	-	-	-	
[insert description]		-	-					-	-	-	-	-	
TOTAL ALLOCATIONS TO MUNICIPALITIES		-	-	-	-	-	-	-	-	-	-	-	
Cash transfers to Entities/Other External Mechanisms													
[insert description]	2	-	-					-	-	-	-	-	
[insert description]		-	-					-	-	-	-	-	
[insert description]		-	-					-	-	-	-	-	
TOTAL ALLOCATIONS TO ENTITIES/EMS		-	-	-	-	-	-	-	-	-	-	-	
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													
Eskom	4	1 883	-					-	-	1 883	1 918	1 999	
[insert description]		-	-					-	-	-	-	-	
[insert description]		-	-					-	-	-	-	-	
TOTAL CASH TRANSFERS TO OTHER ORGANISATIONS		1 883	-	-	-	-	-	-	-	1 883	1 918	1 999	
TOTAL CASH TRANSFERS	5	1 883	-	-	-	-	-	-	-	1 883	1 918	1 999	
Non-cash transfers to other municipalities													
[insert description]	1	-	-					-	-	-	-	-	
[insert description]		-	-					-	-	-	-	-	
[insert description]		-	-					-	-	-	-	-	
TOTAL ALLOCATIONS TO MUNICIPALITIES		-	-	-	-	-	-	-	-	-	-	-	
Non-cash transfers to Entities/Other External Mechanisms													
[insert description]	2	-	-					-	-	-	-	-	
[insert description]		-	-					-	-	-	-	-	
[insert description]		-	-					-	-	-	-	-	
TOTAL ALLOCATIONS TO ENTITIES/EMS		-	-	-	-	-	-	-	-	-	-	-	
Non-cash transfers to other Organs of State													
[insert description]	3	-	-					-	-	-	-	-	
[insert description]		-	-					-	-	-	-	-	
[insert description]		-	-					-	-	-	-	-	
TOTAL ALLOCATIONS TO OTHER ORGANS OF STATE		-	-	-	-	-	-	-	-	-	-	-	
Non-cash transfers to other Organisations													
[insert description]	4	-	-					-	-	-	-	-	
[insert description]		-	-					-	-	-	-	-	
[insert description]		-	-					-	-	-	-	-	
TOTAL NON-CASH TRANSFERS TO OTHER ORGANISATIONS:		-	-	-	-	-	-	-	-	-	-	-	
TOTAL NON-CASH TRANSFERS	5	-	-	-	-	-	-	-	-	-	-	-	
TOTAL TRANSFERS		1 883	-	-	-	-	-	-	-	1 883	1 918	1 999	

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

KZN291 Mandeni - Supporting Table SB11 Adjustments Budget - councillor and staff benefits - 24-02-2022												
Summary of remuneration	Ref	Budget Year 2021/22										% change
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid .	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget		
R thousands		A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
Councillors (Political Office Bearers plus Other)												
Basic Salaries and Wages		11 225	-					(450)	(450)	10 775	-4.0%	
Pension and UIF Contributions		-	-					-	-	-		
Medical Aid Contributions		-	-					-	-	-		
Motor Vehicle Allowance		1 279	-					-	-	1 279	0.0%	
Cellphone Allowance		1 455	-					-	-	1 455		
Housing Allowances		684	-					-	-	684		
Other benefits and allowances		-	-					-	-	-		
Sub Total - Councillors		14 643	-					(450)	(450)	14 193	-3.1%	
% increase			(0)							(0)		
Senior Managers of the Municipality												
Basic Salaries and Wages		5 823	-					-	-	5 823	0.0%	
Pension and UIF Contributions		11	-					-	-	11	0.0%	
Medical Aid Contributions		-	-					-	-	-		
Overtime		-	-					-	-	-		
Performance Bonus		408	-					-	-	408		
Motor Vehicle Allowance		737	-					-	-	737	0.0%	
Cellphone Allowance		186	-					-	-	186	0.0%	
Housing Allowances		264	-					-	-	264		
Other benefits and allowances		1	-					-	-	1		
Payments in lieu of leave		-	-					-	-	-		
Long service awards		-	-					-	-	-		
Post-retirement benefit obligations	5	-	-					-	-	-		
Sub Total - Senior Managers of Municipality		7 430	-					-	-	7 430	0.0%	
% increase			(0)							-		
Other Municipal Staff												
Basic Salaries and Wages		70 949	-					1 250	1 250	72 199	1.8%	
Pension and UIF Contributions		10 755	-					-	-	10 755	0.0%	
Medical Aid Contributions		3 949	-					-	-	3 949	0.0%	
Overtime		920	-					-	-	920	0.0%	
Performance Bonus		5 174	-					-	-	5 174		
Motor Vehicle Allowance		4 364	-					-	-	4 364	0.0%	
Cellphone Allowance		465	-					-	-	465	0.0%	
Housing Allowances		258	-					-	-	258		
Other benefits and allowances		56	-					-	-	56		
Payments in lieu of leave		3 500	-					-	-	3 500	0.0%	
Long service awards		-	-					-	-	-		
Post-retirement benefit obligations	5	-	-					-	-	-		
Sub Total - Other Municipal Staff		100 389	-					1 250	1 250	101 639	1.2%	
% increase												
Total Parent Municipality		122 462	-					800	800	123 262	0.7%	
TOTAL SALARY, ALLOWANCES & BENEFITS		122 462	-					800	800	123 262	0.7%	
% increase												
TOTAL MANAGERS AND STAFF		107 819	-					1 250	1 250	109 069	1.2%	

Table 21 Supporting Table SB14- Adjustment Budget- Monthly revenue and expenditure

KZN291 Mandeni - Supporting Table SB14 Adjustments Budget - monthly revenue and expenditure - 24-02-2022																
Description	Ref	Budget Year 2021/22											Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands																
Revenue By Source																
Property rates		0	2 352	22 715	2 315	2 358	2 362	2 423	2 423	2 423	2 423	2 423	2 423	46 642	52 239	60 255
Service charges - electricity revenue		3 082	3 461	2 442	2 890	2 947	2 683	3 618	3 618	3 618	3 618	3 618	3 618	39 216	54 079	60 958
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		822	827	896	934	929	919	703	703	703	703	703	703	9 546	3 649	3 807
Rental of facilities and equipment		8	5	28	14	7	14	16	16	16	16	16	16	170	135	141
Interest earned - external investments		942	253	169	264	161	223	582	582	582	582	582	582	5 500	5 158	5 385
Interest earned - outstanding debtors		136	140	117	144	145	148	485	485	485	485	485	485	3 740	7 023	7 332
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		4	5	8	11	8	5	37	37	37	37	37	37	265	276	288
Licences and permits		55	131	58	19	38	37	54	54	54	54	54	54	660	724	756
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		79 645	1 688	779	548	575	62 437	12 438	12 438	12 438	12 438	12 438	12 438	220 298	211 711	210 023
Other revenue		1 300	(600)	48	87	64	521	89	89	89	89	89	89	1 956	667	696
Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue		85 994	8 264	27 261	7 226	7 233	69 348	20 444	20 444	20 444	20 444	20 444	20 444	327 992	335 661	349 641
Expenditure By Type																
Employee related costs		8 790	9 059	8 803	9 599	9 147	9 536	9 023	9 023	9 023	9 023	9 023	9 023	109 069	112 304	117 192
Remuneration of councillors		1 128	1 128	1 128	1 128	1 069	1 076	1 256	1 256	1 256	1 256	1 256	1 256	14 193	15 258	15 929
Debt impairment		-	-	-	-	-	18 972	2 610	2 610	2 610	2 610	2 610	2 610	34 635	31 922	33 326
Depreciation & asset impairment		-	5 152	2 519	2 613	2 520	2 605	2 886	2 886	2 886	2 886	2 886	2 886	32 726	33 751	34 001
Finance charges		-	1	-	-	-	56	491	491	491	491	491	491	3 003	328	320
Bulk purchases - electricity		3 353	3 664	3 139	2 343	2 810	2 813	3 087	3 087	3 087	3 087	3 087	3 087	36 643	36 619	38 231
Inventory consumed		5	51	39	202	178	167	246	246	246	246	246	246	2 121	2 156	2 255
Contracted services		2 659	4 361	3 162	2 968	4 637	4 223	5 828	5 828	5 828	5 828	5 828	5 828	56 975	56 945	59 487
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure		1 711	2 521	4 440	3 132	3 752	2 961	5 058	5 058	5 058	5 058	5 058	5 058	48 864	43 682	45 467
Losses		-	-	3	-	1	-	249	249	249	249	249	249	1 500	-	-
Total Expenditure		17 645	25 936	23 233	21 984	24 113	42 410	30 735	30 735	30 735	30 735	30 735	30 735	339 729	332 965	346 208
Surplus/(Deficit)		68 349	(17 672)	4 028	(14 758)	(16 880)	26 938	(10 290)	(10 290)	(10 290)	(10 290)	(10 290)	(10 290)	(11 737)	2 696	3 433
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies,		-	1 856	95	11 376	3 732	2 513	2 929	2 929	2 929	2 929	2 929	2 929	37 145	38 042	39 636
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	212	212	212	212	212	212	1 270	-	-
Surplus/(Deficit) after capital transfers &		68 349	(15 816)	4 123	(3 382)	(13 148)	29 451	(7 150)	(7 150)	(7 150)	(7 150)	(7 150)	(7 150)	26 679	40 738	43 069

Table 22 Supporting Table SB15- Adjustment Budget- Monthly Cash Flow

KZN291 Mandeni - Supporting Table SB15 Adjustments Budget - monthly cash flow - 24-02-2022															Medium Term Revenue and Expenditure Framework			
Monthly cash flows	Ref	Budget Year 2021/22												Full year budget	Budget Year	Budget Year +1	Budget Year +2	
		July	August	Sept.	October	November	December	January	February	March	April	May	June		2021/22	2022/23	2023/24	
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget		Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands																		
Cash Receipts By Source																		
Property rates	1	927	418	1 594	1 527	4 644	1 451	1 738	1 738	1 738	1 738	1 738	1 738	1 738	20 989	20 989	26 926	27 277
Service charges - electricity revenue		2 892	3 052	2 990	2 327	2 705	2 625	3 444	3 444	3 444	3 444	3 444	3 444	3 444	37 255	37 255	38 820	40 528
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse		246	264	273	275	204	287	378	378	378	378	378	378	378	3 818	3 818	4 974	5 192
Rental of facilities and equipment		8	5	25	14	10	14	16	16	16	16	16	16	16	170	170	135	141
Interest earned - external investments		942	253	169	264	161	223	606	606	606	606	606	606	606	5 650	5 650	5 298	5 531
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		4	5	8	11	8	5	-	-	-	-	-	-	(27)	13	13	13	14
Licences and permits		55	131	58	19	38	37	54	54	54	54	54	54	54	660	660	724	756
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Operational		79 645	2 459	1 862	-	7 011	63 716	-	-	70 477	-	-	-	-	225 170	225 170	216 709	215 937
Other revenue		1 321	1 418	509	1 364	7 819	534	557	557	557	557	557	557	557	16 304	16 304	667	683
Cash Receipts by Source		86 038	8 005	7 487	5 800	22 601	68 891	6 793	6 793	77 270	6 793	6 793	6 765	310 029	310 029	294 267	296 061	
Other Cash Flows by Source																		
Transfers and subsidies - capital (monetary allocations) (National / Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public		10 266	-	11 334	1 694	5 980	17 500	650	550	8 778	550	125	0	57 426	57 426	40 044	41 722	
Proceeds on Disposal of Fixed and Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Short term loans		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Cash Receipts by Source		96 304	8 005	18 821	7 495	28 581	86 391	7 443	7 343	86 048	7 343	6 918	6 765	367 455	367 455	334 311	337 783	
Cash Payments by Type																		
Employee related costs		8 790	9 059	8 790	9 612	9 147	9 546	9 021	9 021	9 021	9 021	9 021	9 021	109 069	109 069	112 304	117 192	
Remuneration of councillors		1 128	1 128	1 128	1 128	1 069	1 076	1 128	1 128	1 128	1 128	1 128	1 901	14 193	14 193	15 258	15 929	
Finance charges		-	1	-	-	-	56	491	491	491	491	491	491	3 003	3 003	328	320	
Bulk purchases - Electricity	2	3 353	3 664	3 139	2 343	2 810	2 813	3 087	3 087	3 087	3 087	3 087	3 087	36 643	36 643	36 619	38 231	
Acquisitions - water & other inventory	3	5	51	39	202	178	167	274	274	274	274	274	274	2 288	2 288	2 156	2 255	
Contracted services		2 659	4 075	3 527	2 968	4 558	4 223	5 828	5 828	5 828	5 828	5 828	5 828	56 975	56 975	56 945	59 478	
Transfers and grants - other municipalities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers and grants - other		-	-	5 146	2 729	3 655	3 244	-	-	-	-	-	(14 773)	-	-	-	-	
Other expenditure		10 296	2 631	4 329	3 132	3 753	2 961	5 689	4 689	4 929	4 689	4 689	3 281	55 068	55 068	47 554	50 213	
Cash Payments by Type		28 889	24 682	29 624	25 081	29 727	28 309	21 849	20 849	21 089	20 849	20 849	9 110	220 265	277 240	271 164	283 618	
Other Cash Flows/Payments by Type																		
Capital assets		500	7 504	6 313	8 174	3 439	4 141	9 854	9 854	10 244	11 756	12 854	13 660	98 291	98 291	40 886	43 881	
Repayment of borrowing		-	-	-	-	-	-	67	67	67	67	67	67	400	400	-	-	
Other Cash Flows/Payments		95	95	95	95	95	95	-	-	-	-	-	(570)	-	-	-	-	
Total Cash Payments by Type		29 484	32 281	36 032	33 350	33 261	32 546	31 769	30 769	31 399	32 671	33 769	22 267	318 956	375 931	312 050	327 499	
NET INCREASE/(DECREASE) IN CASH																		
Cash/cash equivalents at the month/year		181 074	247 894	223 618	206 407	180 552	175 872	229 717	205 391	181 964	236 612	211 283	184 432	181 074	181 074	172 599	194 860	
Cash/cash equivalents at the month/year		247 894	223 618	206 407	180 552	175 872	229 717	205 391	181 964	236 612	211 283	184 432	168 931	172 599	172 599	194 860	205 144	

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

KZN291 Mandeni - Supporting Table SB17 Adjustments Budget - monthly capital expenditure (functional classification) - 24-02-2022														Medium Term Revenue and Expenditure Framework		
Description	Ref	Budget Year 2021/22												Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Budget	Budget	Budget
Capital Expenditure - Functional																
Governance and administration		-	68	-	89	74	695	957	957	957	957	957	957	6 669	-	5 976
Executive and council		-	-	-	-	-	-	8	8	8	8	8	8	50	-	-
Finance and administration		-	68	-	89	74	695	949	949	949	949	949	949	6 619	-	5 976
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety		133	569	448	463	567	623	2 033	2 033	2 033	2 033	2 033	2 033	15 003	10 150	2 277
Community and social services		133	308	25	494	274	612	875	875	875	875	875	875	7 097	-	1 038
Sport and recreation		-	261	423	(31)	293	11	1 158	1 158	1 158	1 158	1 158	1 158	7 907	10 150	1 239
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental serv		367	6 703	5 107	7 404	2 784	2 698	3 626	3 626	3 626	3 626	3 626	3 626	46 818	30 736	35 519
Planning and development		294	1 825	919	456	-	608	701	701	701	701	701	701	8 308	2 844	8 270
Road transport		73	4 878	4 187	6 948	2 784	2 090	2 925	2 925	2 925	2 925	2 925	2 925	38 510	27 892	27 249
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services		-	-	-	-	14	125	1 775	1 775	1 775	1 775	1 775	1 775	10 789	-	109
Energy sources		-	-	-	-	14	125	1 042	1 042	1 042	1 042	1 042	1 042	6 389	-	109
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	733	733	733	733	733	733	4 400	-	-
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure -		500	7 340	5 555	7 955	3 439	4 141	8 392	8 392	8 392	8 392	8 392	8 392	79 280	40 886	43 881

KZN291 Mandeni - Supporting Table SB19 List of capital programmes and projects affected by Adjustments Budget - 28-02-2022															
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 2021/22 Original Budget	Budget Year 2021/22 Adjusted Budget	Budget Year +1 Original Budget	Budget Year +1 Adjusted Budget
R thousands															
Parent municipality: List all capital projects grouped by Function															
LIBRARIES	Work Extensions and WiFi Upgrade	CSD 01	Upgrading	e, effective and inclusion and access		the library s	Computer Software and Applications	Libraries	3,6,14,17	29°59.59'S	31°259.475'E	-	-	-	-
	Purchase of New Computers	CSD 02	New	e, effective and inclusion and access		the library s	Computer Equipment	Libraries	3,6,14,17	29°59.59'S	31°259.475'E	150	-	-	-
	Library Upgrades fencing	CSD 11	Upgrading	e, effective and inclusion and access		the library s	Operational Buildings	Libraries	3,6,14,17	29°59.59'S	31°259.475'E	260	-	-	-
	New Airconditioning	CSD 06	New	e, effective and inclusion and access		the library s	Furniture and Office Equipment	Libraries	3,6,14,17	29°59.59'S	31°259.475'E	-	-	-	-
	Library Furniture	CSD 07	New	e, effective and inclusion and access		the library s	Furniture and Office Equipment	Libraries	3,6,14,17	29°59.59'S	31°259.475'E	150	-	-	-
	Library Book System	CSD 17	New	e, effective and inclusion and access		the library s	Machinery and Equipment	Libraries	3,6,14,17	29°59.59'S	31°259.475'E	180	(180)	-	-
	Library Parkhome Ndulude	CSD 12	New	e, effective and inclusion and access		the library s	Operational Buildings	Libraries	3,6,14,17	29°59.59'S	31°259.475'E	250	100	-	-
	Camera	CSD 09	Upgrading	e, effective and inclusion and access		the library s	Furniture and Office Equipment	Libraries	3,6,14,17	29°59.59'S	31°259.475'E	180	-	-	-
	New ICT Equipment	CSD 10	New	e, effective and inclusion and access		the library s	Computer Equipment	Libraries	3,6,14,17	29°59.59'S	31°259.475'E	180	180	-	-
	Mobile Library Truck									29°43'1.773"S	31°38'56.216"E				
										29°51.737"S	31°24'41.846"E				
CORPORATE SERVICES	Laptops and Computers	IDT 28	New	e, effective and inclusion and access	Governance		Computer Equipment	Municipal Offices	Ward 3			1 000	1 000		
	Office Equipment/Furniture	IDT 24	New	e, effective and inclusion and access	Governance		Furniture and Office Equipment	Municipal Offices	Ward 3	29°7'48.126"S	31°23'35.216"E	300	-	-	-
	Upgrade of servers	IDT 24	Upgrading	e, effective and inclusion and access	Governance		Computer Equipment	Computer Software and Applications	Ward 3	29°7'50.959"S	31°23'31.154"E	1 000	-	-	-
COMMUNICATIONS & YOUTH OF	Procurement of fleet	GPP03	New	e, effective and inclusion and access	Governance		Transport Assets	Unspecified	All wards			20	30		
	Loud Hailer	GPP03	New	e, effective and inclusion and access	Governance		Machinery and Equipment	Unspecified	All wards						
	Back up car for Mayor	GPP04	New	e, effective and inclusion and access	Governance		Transport Assets	Unspecified	All wards				450		
BTO	filling room for SCM bid docum	FVM03	New	South Africa are inclusion and access		Chain Manag	Furniture and Office Equipment	Building Plan Offices	Ward 3						
	Procurement of Scanner	FVM04	New	South Africa are inclusion and access		Chain Manag	Furniture and Office Equipment	Building Plan Offices	Ward 3				200		
WASTE & FACILITIES	Procurement of 15 skips	ML_BSD_04.4	New	e, effective and inclusion and access		to commu	Non-revenue Generating	Waste Drop-off Points	4,5,6,8,9,10,11,12,13,14,15,16,17,1	29°7'48.126"S	31°23'35.216"E	100	-	-	-
	Procurement of 80 concrete Bin	ML_CSSD_03.3	New	e, effective and inclusion and access		to commu	Non-revenue Generating	Waste Drop-off Points	All wards	29°7'48.126"S	31°23'35.216"E	80	-	-	-
	Procurement of 65 Wheelie Bin	ML_BSD_05.5	New	e, effective and inclusion and access		to commu	Non-revenue Generating	Waste Drop-off Points	All wards	29°43'1.773"S	31°38'56.216"E	-	-	-	-
	Procurement of Fans at Isibusisive Com	ML_CSSD_03.3	New	e, effective and inclusion and access		to commu	Community Facilities	Halls	Ward 07	29°7'48.126"S	31°23'35.216"E	-	-	-	-
	Procurement of Sports field mar	ML_CSSD_03.3	New	e, effective and inclusion and access		to commu	Community Facilities	Public Open Space	Ward 07	29°7'48.126"S	31°23'35.216"E	-	-	-	-
	Construction of Pitch Fence at Ngcedo	ML_CSSD_03.3	Upgrading	e, effective and inclusion and access		to commu	Community Facilities	Public Open Space	Ward 07	29°7'48.126"S	31°23'35.216"E	500	358	-	-
	Procurement of Isibusisive Back up	GML_CSSD_03.3	New	e, effective and inclusion and access		to commu	Community Facilities	Halls	Ward 07	29°9'36.796"S	31°25'4.321"E	-	-	-	-
	Procurement of Coastal management equi	ML_CSSD_02.2	New	e, effective and inclusion and access		to commu	Machinery and Equipment	Public Open Space	1 and 2	29°43'1.773"S	31°38'56.216"E	-	-	-	-
	Procurement of Enembe hall furnitur	ML_CSSD_03.3	New	e, effective and inclusion and access		to commu	Community Facilities	Halls	7, 13,14,15	29°7'48.126"S	31°23'35.216"E	-	-	-	-
	Procurement of 4 x4 Quard bik	ML_CSSD_03.3	New	e, effective and inclusion and access		to commu	Machinery and Equipment	Public Open Space	1 and 2	29°43'1.773"S	31°38'56.216"E	400	-	-	-
	Weigh pad/bride for weighing reclaimed w	ML_CSSD_03.4	New	e, effective and inclusion and access		to commu	Solid Waste Infrastructure	Waste Drop-off Points	1 and 2	29°43'1.773"S	31°38'56.216"E	400	-	-	-
	Renovation of Isithebe Sports fie	ML_CSSD_03.8	Upgrading	e, effective and inclusion and access		to commu	Sport and Recreation Facilities	Public Open Space				250	-	-	-
	Procurement of 3 Rescue Boat	ML_CSSD_03.6	New	e, effective and inclusion and access		to commu	Solid Waste Infrastructure	Waste Separation Facilities				400	-	-	-
	Acquisitions (bailor Machine)	ML_CSSD_03.7	New	e, effective and inclusion and access		to commu	Solid Waste Infrastructure	Waste Separation Facilities				100	-	-	-
	Acquisitions (botte crusher)	ML_CSSD_03.8	New	e, effective and inclusion and access		to commu	Solid Waste Infrastructure	Waste Separation Facilities				600	-	-	-
	Fencing of Chilli and Sithebe Sport	ML_CSSD_03.5	New	e, effective and inclusion and access		to commu	Community Facilities	Public Open Space	Ward 07	29°7'48.126"S	31°23'35.216"E	-	-	-	-
	Beach Development: uThukela MML	ML_CSSD_03.1	Upgrading	e, effective and inclusion and access		to commu	Community Facilities	Public Open Space	Ward 5	29°5'15.685"S	31°26'34.232"E	120	-	-	-
	Procurement of Ride on Mower for sp	ML_CSSD_03.1	New	e, effective and inclusion and access		to commu	Sport and Recreation Facilities					-	-	-	-
	Procurement of Compactor Tru	ML_CSSD_03.1	New	e, effective and inclusion and access		to commu	Solid Waste Infrastructure	Waste Separation Facilities				-	-	-	-
PUBLIC SAFETY	net of two (2) Traffic Vehicle	CSD 04_02	New	e, effective and inclusion and access		contribution	Transport Assets	Testing Stations	3	29°9'36.796"S	31°25'4.321"E	-	-	-	-
	Procurement of 8 X 5 seater Steel chairs (DL	CSD 04_02	New	e, effective and inclusion and access		contribution	Furniture and Office Equipment	Testing Stations	3	29°9'36.796"S	31°25'4.321"E	-	-	-	-
	Procurement of DLTC Steel filling ca	CSD 04_02	New	e, effective and inclusion and access		contribution	Furniture and Office Equipment	Testing Stations	3	29°9'36.796"S	31°25'4.321"E	-	-	-	-
	Back-up Generator for DLTC	FVM 09_03	New	e, effective and inclusion and access		contribution	Machinery and Equipment	Testing Stations	3	29°9'36.796"S	31°25'4.321"E	-	-	-	-
	Parking shade & Paving of Public safety	CSD 04_03	Upgrading	e, effective and inclusion and access		contribution	Machinery and Equipment	Testing Stations	3	29°9'36.796"S	31°25'4.321"E	-	-	-	-
	Fencing at Public Safety Departm	CSD 04_04	Upgrading	e, effective and inclusion and access		contribution	Revenue Generating	Testing Stations	3	29°9'36.796"S	31°25'4.321"E	-	-	-	-
	Bakkie for Disaster	CSD 04_05	New	e, effective and inclusion and access		contribution	Transport Assets	Testing Stations	3	29°9'36.796"S	31°25'4.321"E	-	-	-	-
PARKS	urement of Brushcutter mach	ML_CS_04	New	e, effective and inclusion and access		contribution	Machinery and Equipment	Public Open Space	All wards			110	-	-	-
	Procurement of Truck with crew cab and C	ML_CS_05	New	e, effective and inclusion and access		contribution	Transport Assets	Public Open Space	All wards			1 100	100	-	-
	Procurement of Parks Staff Small Equipment (Pole	ML_CS_06	New	e, effective and inclusion and access		contribution	Machinery and Equipment	Public Open Space	All wards			70	-	-	-
	Upgrade of Existing Nursery	ML_CS_06	Upgrading	e, effective and inclusion and access		contribution	Community Facilities	Public Open Space	Ward 07			30	(30)	-	-
	Wood chipper	ML_CS_03	New	e, effective and inclusion and access		contribution	Machinery and Equipment	Public Open Space	All wards						
EDPHS	okodweni North Beach Upgrade	SDF03	New	e, effective and inclusion and access		contribution	Machinery and Equipment	Public Open Space	All wards			300	(300)	-	-
	Revamping of Market Stalls	SDF01	Upgrading	e, effective and inclusion and access		contribution	Community Facilities	Public Open Space	Ward 02			-	850	-	-
	Dokodweni North Beach Upgrade	BSD/T/SID 26	Upgrading	e, effective and inclusion and access		contribution	Community Facilities	Public Open Space	1	29°43'1.773"S	31°38'56.216"E	-	-	-	-
	Laptop and GIS Software for GIS Int	SDF04	New	e, effective and inclusion and access		contribution	Furniture and Office Equipment	Municipal Offices				-	-	-	-
	Acquisition of Land	SDF05	New	e, effective and inclusion and access		contribution	Transport Assets	Public Open Space	3	29°9'36.796"S	31°25'4.321"E	-	420	-	-

2.8 Municipal Manager's quality certificate

I S.G. Khuzwayo, 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 24th February 2022

