

**MANDENI MUNICIPALITY
(KZN 291)
mSCOA ADJUSTMENT BUDGET
2023/24**



**MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS**

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Part 1 –mSCOA Adjustment Budget

1.1 MAYOR'S REPORT – ADJUSTMENT BUDGET: 2023/24

**SPEECH BY HIS WORSHIP, THE MAYOR CLLR TP MDLALOSE TABLING THE
ADJUSTED MSCOA BUDGET AND SERVICE DELIVERY BUDGET AND
IMPLEMENTATION PLAN/SCORECARDS FOR 2023/24 FINANCIAL YEAR AT
COUNCIL MEETING HELD ON 28 FEBRUARY 2024 AT COUNCIL CHAMBER**

PRESENTATION

OF:

2023/24 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

I am immensely grateful to be given this opportunity to deliver the 2023/24 Adjustment Budget before this august seating.

Hon Speaker and Council, I am presenting this proposed Budget Adjustment after the Hon Minister of Finance Mr E Godongwane has presented his Budget Speech at the Parliament which outlined the fiscal strategy for the Country for the next Financial Year in line with the Medium-Term Budget Policy Framework. The Budget Speech by Hon Minister was preceded by State of the Nation Address as delivered by His Excellence the President of the Republic of South Africa. Madam Speaker and Council, it is clear that the Country is heading towards a right direction and of course were aware of a number of challenges that are facing the Country and I urge that we all play our part to contribute towards resolving some of these challenges.

The 2024 National and Provincial government Elections

Madam Speaker and Council, we also noted the pronouncement made by the President of the date of the 29th of May 2024 as the date for Elections and subsequent proclamation on the government gazette of the said date on the 23rd of February 2024. This therefore means its all systems go and I would like to emphasise that Political Parties exercise tolerance to one another when engaging in their campaigns for the elections.

Annual Budget through an Adjustment Budget

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

Further the adjusted budget has also considered progress on spending against national and provincial grants, spending on infrastructure delivery and cash position as at mid-year and most importantly the impact of the recent disaster incidents that took place by end of December 2023 and January 2024.

FINANCIAL OVERVIEW 2023/2024

5.1 REVENUE ADJUSTMENT BUDGET

The total Revenue for 2023/24 have been increased from R382.4 million to R418.6 million with an adjusted budget of R36.2 million at 9.5 per cent.

Further to that it should be note that service charges for electricity and refuse are vatable therefore VAT of 15 per cent has been excluded and budgeted for in these items. Total Revenue inclusive of vat is R489.9 million with vat of R11.2 million:

- Service Charges Electricity have been adjusted by R9.1 million to a budget of R61.7 million, adjustment has considered performance for mid-year. Increase in electricity is due to level of demand by Umngeni Water. The plant increased its water generating capacity to circumvent the Hezelmere Dam shortfalls which came because of the KZN April 2022 and 2023 floods which resulted in a serious destruction of the Bulk Water Infrastructure particularly in Ethekwini and the Southern part of KwaDukuza. As expected, the increase in the demand for the generation and subsequent transmission resulted in a rapid increase of electricity consumption. Consequently, the Municipal Electricity Revenue then followed the same upsurge resulting in the over performance of the initially recognized budget.
- Sale of Goods and rendering services have been increased by R12.2 million to an adjusted budget of R12.9 million which has considered INEP of R7.4 million and Massification Grant of R4.8 million, which were previously budgeted for in accordance with GRAP 109, however during preparation of Annual Financial Statement for 2022/23 an accounting guideline was issued by National Treasury as how should a municipality budget and transact in relation to these grants. These grants have been adjusted and budgeted in accordance with GRAP11 to comply with the new treatment which recognises revenue and expenditure.
- Further to that Sale of goods have been adjusted for swimming pool entrance fees by R100 thousand which has been based on mid-year performance as it was noted that this item was understated.
- Interest Earned on external investment has been adjusted by R13 million to an adjusted budget of R23.5 million which has been based on external investments with Nedbank which are going to mature on the 30th June 2024 and interest is transferred when investments are maturing, which will result in this item being understated.

- Further to that this adjustment has considered performance of mid-year for R14.1 million.
- Operational Revenue has been adjusted by R1.6 million to a budget of R2.0 million. Adjustment is due to an insurance refund of R300 thousand, LG SETA Funding of R710 thousand and Sale of Property of R155 thousand which have been received by municipality during 1st half of the financial year which were not budgeted in the original budget.
- Further to that transaction handling fee of 3rd parties' salary have been adjusted with R300 thousand, which is due to performance noted during first half of the year as this item appears to be understated.
- Transfers and Subsidies Operational: The following unspent rollover grants for 2022/23 financial were approved by National and Provincial Treasury for Disaster Relief Grant of R15.5 million and Massification Grant of R4.8 million which have been considered in the adjustment budget.
- INEP Grant of R624 thousand which was not fully spent in the previous financial year of 2022/23, rollover application was not approved by treasury, and it has been set off against the second trench of Equitable Share.
 - Further to that it should be noted that the municipality was affected by the changes tabled as part of mid-term budget policy by National Treasury which had financial implications. The adjusted DORA has been considered in the adjustment budget and implementation plan have been revised to align with these adjustments for EPWP and MIG Grant.

5.2 EXPENDITURE ADJUSTMENT BUDGET

The total adjusted operating expenditure for the 2023/24 financial year has been appropriated at R438.9 million and translates into a surplus of R39,9 million, when compared to the 2023/24, Original operational expenditure has been increased by 9.2 per cent in the adjustment budget.

Further to that it should be noted that other expenditure items are vatable therefore VAT of 15 per cent have been budgeted and excluded for other line items. Total Expenditure inclusive of vat is R464.4 million and vat of R25.5 million.

Factors informing the need for expenditure adjustment are outlined below as follows:

- Bulk purchases have increased by R8.2 million to total adjustment budget of R51.9 million. Adjustment has been based on mid-year performance as it was noted that there was an over expenditure for this item, this is to ensure that the municipality avoids incurring unauthorised expenditure. Further to that it should be noted that this increase will be set off by an increase in revenue for service charges electricity.
- Inventory consumed has been decreased by R3.4 million to an adjusted budget of R3.9 million, adjustment has reclassified budget to repairs and maintenance for pothole patching.
- Interest budget (finance cost) have been increased by R3.2 million to an adjusted budget of R3.3 million which has considered the interest cost for retirement benefit obligation, this will ensure that the municipality avoids incurring an unauthorised expenditure at year end.
- Contracted Services: have been increased by R20.6 million to an adjusted budget of R84.8 million, adjustment is due to reprioritization of disaster related projects which have been identified also we have considered commitments for existing contracts.
- Further to that increase in contracted services has considered the new reporting guideline as per GRAP 11 for INEP and Massification Grant of R12.1 million, which has been budgeted under contractors electrical. The municipality had to top up an amount of R624 thousand for INEP Projects (Okhovithi and Emhlangeni) where rollover application was not approved and R1.4 million for massification grant (Khenana and Mantshangula) where budget allocated was not sufficient to complete project.

The operational Cost has been increased by R8.1 million to budget allocation of R56.3 million, adjustment has considered performance as at mid-year and reprioritised projects applicable under this item this is to ensure that the municipality does not incur and unauthorised expenditure during the remaining months of the financial year.

The overall **CAPITAL EXPENDITURE** has decreased by R4.2 million to adjusted budget of R139.8 million. Adjustment has considered the adjusted allocation for MIG funded projects and reprioritisation of capital projects that are funded internally which has been based on mid-year performance.

Further to that it should be noted that capital expenditure items are vat-able therefore VAT of 15 per cent have been budgeted. Total Capital Budget inclusive of vat is R160.7 million and vat exclusive of R20.9 million.

The municipality has considered the approved rollovers that were not fully spent in the previous financial year which have been approved for spending in this financial year. Disaster Relief Grant of R15.6 million, Massification Grant of R4.8 million.

The revised DORA has an impact on grant receipts and expenditure which have been considered in this adjustment budget. This review has an impact on revenue and expenditure as we review the Budget.

The proposed Amendments as per the attached DORA Government Gazette No. 49550 issued on 24 October 2023 affect Mandeni Municipal Budget Allocation for 2023/24 as follows:

- Expanded Public Works Programme (EPWP) Grant is reduced from R2 553 000.00 with **R143 000.00** will now be **R2 410 000.00**.
- Municipal Infrastructure Grant (MIG) is reduced from R49 717 000.00 with **R3 325 000.00** will now be **R46 392 000.00**.
- MIG Ring-fenced funding for Sports Infrastructure- construction of Endlondlweni Sports Field is reduced from R8 000 000.00 with **R536 000.00** will now be **R7 464 000.00**. Madam Speaker and Council I can confirm that the contractor to implement this project has been appointed and this project will be officially launched at the public meeting on the 1st of March 2024. This amount of R7.6 mil must be fully spent by end of the Financial Year.

Further to that the municipal Council has allocated an adjustment budget of R9.3 million towards disaster related projects, budget allocated is addressing the damages that were experienced during floods which occurred in December 2023. This is an urgent intervention to that will allow community to access these services.

Hon Speaker and Council, the adjusted SDBIP for 2023/24 proposes removal of 5 KPIs from the initial 305 KPIs due to funding availability and KPIs that are not within the control of the municipality. It 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 2023/24 Financial Year as per recommendations on pages 15 to 16 for Budget Adjustment and as per recommendations on page 65 of our Agenda in relation to adjusted SDBIPs.

I thank you all.

I thank you all.

CLLR TP MDLALOSE

THE MAYOR

1.1 Council Resolutions

Resolution No:C91

COUNCIL: 28/02/2024

On the 28th of February 2024 the Council of Mandeni Municipality met at Mandeni Council Chamber to consider the Adjustment Budget of the municipality for the financial year 2023/24. 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 2023/24 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 13;
 - 1.1.2. Adjustments Budget Financial Performance (revenue and expenditure by standard classification) as contained in Table 3 on page 22;
 - 1.1.3. Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) as contained in Table 4 on page 23.
 - 1.1.4. Adjustments Budget Financial Performance (revenue by source and expenditure by type) as contained in Table 5 on page 24; 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 26.
 - 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 28;
 - 1.2.2. Adjustments Budget Cash Flows as contained in Table 8 on page 31;
 - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table 9 on page 34;
 - 1.2.4. Assets management as contained in Table 10 on page 36; and
 - 1.2.5. Basic Service delivery measurement as contained in Table 11 on page 38
2. The Council acting in terms of 23(1)(b) of the MFMA has considered the 2023/24 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

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore and 'nice to have' items.

The Municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the Municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

National Treasury's MFMA Circular No.122 and Provincial Treasury Circular PT/MF 06 of 2023-24 were considered during compilation of Adjustment Budget 2023/24 financial year.

The main challenges experienced during the compilation of the 2023/24 & MTREF can be summarized as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained electricity, roads and municipal infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- Wage increases for municipal staff that continues to exceed consumer inflation, as well as the need to fill critical vacancies;
- The continued difficulty in collecting all that is due to the municipality by consumers: and Affordability of capital projects – original allocations had to be reduced and the operational expenditure associated with prior year's capital investments needed to be factored into the adjustment budget as part of the 2023/24 MTREF process.

The following budget principles and guidelines directly informed the compilation of the 2023/24 Adjustments Budget priorities and targets. Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals; The commitments made with Auditor General in maintaining the clean audit initiatives; The need to fulfill the municipal mandate on the provision of services on disaster management and public safety;

The mSCOA Regulations applied to all municipalities and municipal entities with effect from 1 July 2017. Mandeni municipality has compiled its 2023/24 MTREF Budget transacting across all the mSCOA seven segments in Version 6.7.1 as per MFMA Circular 122.

Furthermore, we have ensured a seamless integration of the Integrated Development Plan (IDP), Service Delivery and Budget Implementation Plan (SDBIP) and Budget facilities into the core financial system as these documents create a point of departure for the transacting. Mandeni municipality has tabled its mSCOA Adjustment Budget & IDP for 2023/24 MTREF in an mSCOA classification framework and the data string (IDP and Budget) will be uploaded to the LG Database portal on the 28th of February 2024 immediately after tabling at a Council Meeting. The municipality has also ensured that our main core system (SAGE Evolution) and all subsystems are integrating seamless.

ADJUSTMENT BUDGET OVERVIEW

- (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)."

In view of the aforementioned, the following table is a consolidated overview of the proposed 2023/24 Medium-term Revenue and Expenditure Framework:

The following Table represents an Executive Summary for the 2023/24 Adjustment Budget;

KZN291 Mandeni - Table B1 Adjustments Budget Summary - 28-02-2024											
Description	Budget Year 2023/24									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		
Total Revenue (excluding capital transfers and contributions)	382,369	382,369	-	-	-	-	36,168	36,168	418,537	425,472	449,615
Total Expenditure	402,121	402,121	-	-	-	-	36,774	36,774	438,894	410,432	437,341
Surplus/(Deficit)	(19,752)	(19,752)	-	-	-	-	(606)	(606)	(20,357)	15,040	12,275
Transfers and subsidies - capital (monetary allocations)	48,381	48,381	-	-	-	-	11,911	11,911	60,292	41,323	43,086
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	28,629	28,629	-	-	-	-	11,305	11,305	39,935	56,363	55,361
Share of surplus/ (deficit) of other departments	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	28,629	28,629	-	-	-	-	11,305	11,305	39,935	56,363	55,361
Capital expenditure & funds sources											
Capital expenditure	143,945	143,945	-	-	-	-	(4,161)	(4,161)	139,784	35,933	19,681
Transfers recognised - capital	55,598	55,598	-	-	-	-	(3,170)	(3,170)	52,428	35,933	37,466
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	88,347	88,347	-	-	-	-	(991)	(991)	87,356	-	(17,785)
Total Budget	546,065	546,065	-	-	-	-	32,613	32,613	578,678	446,365	457,022

As can be seen from the table above, total operating revenue of R418.5 million has increased by 9.5 per cent or R36.2 million for the 2023/24 Adjustment budget when compared to the 2023/24 Original Budget of R382.4 million.

Total adjusted operating expenditure for the 2023/24 financial year has been appropriated at R438.9 million and translates into a surplus of R39.9 million, when compared to the 2023/24 Original Budget operational expenditure has been increased by 9.1 per cent in the adjustment budget.

The adjusted capital budget of R139.8 million for 2023/24 is 3.0 per cent less when compared to the 2023/24 Original Budget. Adjustment has considered the revised MIG allocation and reprioritisation of capital budget.

2. ADJUSTMENT BUDGET GUIDELINES, ASSUMPTIONS AND PRIORITIES

The South African economy and inflation targets

The National Treasury forecasts real GDP growth of 0.8 per cent in 2023, compared with 0.9 per cent projected in the 2023 Budget Review. Growth is projected to average 1.4 per cent from 2024 to 2026. Relative to the 2023 Budget, the weaker projection for 2023 mainly reflects lower household consumption expenditure due to higher inflation and interest rates, and lower net exports. Power cuts are expected to continue for the remainder of this year and to gradually ease in 2024. Faster, determined implementation of energy and logistics reforms remains critical to boosting economic growth.

In the context of weaker global growth and risks to the domestic outlook, government is working to position the economy for sustained growth and resilience to shocks. A combination of a stable macroeconomic framework, the rapid implementation of economic and structural reforms, and improvements in state capability remains central to achieving higher growth, employment, and competitiveness.

Headline inflation is expected to decelerate as the energy and food price shocks associated with global supply chain disruptions and the war in Ukraine dissipate. Headline consumer prices are expected to fall from an expected 6 per cent in 2023 to 4.9 per cent in 2024. Fuel prices have fallen since June 2023, largely reflecting base effects. Food price inflation, which peaked at 14.4 per cent in March 2023, slowed to 8.2 per cent by August 2023. However, the pace of deceleration has been slow relative to global food prices. This can be attributed to a weaker rand exchange rate and elevated production costs. Core inflation has remained near 5 per cent for most of 2023 due mainly to higher insurance and vehicle price inflation. Headline inflation is projected to return towards the mid-point of the 3 to 6 per cent target range in 2025.

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:

Exchange Revenue

Service Charges: Electricity Based on performance reported at mid-year, the budget allocated of R52.6 million has been increased to R61.7 million with an adjusted by 9.1 million or 17.4 per cent.

The increase in electricity is due to level of demand by Umngeni Water. The plant increased its water generating capacity to circumvent the Hezelmere Dam shortfalls which came as a result of the KZN April 2022 and 2023 floods which resulted in a serious destruction of the Bulk Water Infrastructure particularly in Ethekewini and the Southern part of KwaDukuza. As expected, the increase in the demand for the generation and subsequent transmission resulted in a rapid increase of electricity consumption.

Consequently, the Municipal Electricity Revenue then followed the same upsurge resulting in the over performance of the initially recognized budget.

Services Charges Refuse: Based on performance reported at mid-year, the budget allocated of R11.0 million will remain the same during an adjustment budget as the planned target will be met. As part of Revenue Enhancement Strategy, the municipality provides an incentive for consumers who wish to settle their annual refuse collection debt within the first two months of the financial year. As a result, the municipality has been receiving a number of requests for refuse billings in this regard. Furthermore, the budget will even out during the 2023/24 financial year

Sale of Goods and Rendering of Services: have been increased by R12.2 million to an adjusted budget of R12.9 million which has considered INEP of R7.4 million and Approved rollover for Massification Grant of R4.8 million, which were previously budgeted for in accordance with GRAP 109, however during preparation of Annual Financial Statement for 2022/23 an accounting guideline was issued by National Treasury as how should a municipality budget and transact in relation to these grants. These grants have been adjusted and budgeted in accordance with GRAP11 to comply with the new treatment which recognizes revenue and expenditure.

Further to that Sale of goods have been adjusted for swimming pool entrance fees by R100 thousand which has been based on mid-year performance as it was noted that this item was understated.

Interest received from receivables: have been remained the same in the adjustment budget of R918 thousand, performance reported at mid-year shows that allocated budget will be met at year end. Interest on outstanding debtors has been determined based on debtors' book and an approved interest rate of 2 per cent. Further to that the inconsistencies that were noted in the original budget have been corrected as we also considered the audited AFS for opening balances.

Interest earned from current and non-current assets: have been adjusted by R13 million to an adjusted budget of R23.5 million which has been based on external investments with Nedbank which are going to mature on the 30th June 2024 and interest is transferred when investments are maturing, which will result in this item being understated. Further to that this adjustment has considered performance of mid-year for R14.1 million.

Rental from fixed assets: have been adjusted by R50 thousand to an adjustment budget of R242 thousand. Based on performance reported at mid-year and as per audited AFS budget allocated has been understated based on the level of demand on usage of municipal facilities.

Operational Revenue: Other revenue have been adjusted by R1.6 million to a budget of R2.0 million. Adjustment is due to an insurance refund of R300 thousand, LG SETA Funding of R710 thousand and Sale of Property of R155 thousand which have been received by municipality during 1st half of the financial year which were not budgeted in the original budget.

Further to that transaction handling fee of 3rd parties salary have been adjusted with R300 thousand, which is due to performance noted during first half of the year as this item appears to be understated.

Non- exchange revenue

Property Rates: Based on performance reported at mid-year, the budget allocated will remain the same at R59.3 million during an adjustment budget. The municipality anticipates that the budget allocated will be achieved at year end.

Further to that the outstanding Annual Billings have been done during the month of January 2024 for all Government Departments in the newly implemented Valuation Roll.

Fines, penalties and forfeits: have remained the same with and adjustment budget of R1.2 million. Adjustment budget has considered performance reported as per 2022/23 Audited AFS as the municipality recognizes fines on cash basis and accounts as per requirement of I GRAP 1 during year end. However, we do acknowledge that the municipality still need to improve in recognizing fines in accordance with I GRAP 1 on a monthly basis and not account for them at year end. Engagement between Public Safety and Finance was convened to try and work on a system that will assist the municipality to address this gap.

Licenses or permits: budget allocated of R732 thousand will remain the same during an adjustment budget. Contributing factor for this budget has considered the mid-year performance and prior year audited actuals. However, the municipality anticipates that budget allocated will be met at year end.

Transfers and subsidies operational: have increased by R177 thousand to an adjusted budget of R242.2 million. Adjustment has reallocated funds from budget allocated towards MIG Grant for operational expenditure and capital projects for PMU top slide and relocated funds of R130 thousand which have been moved from Operational to capital budget. This will ensure that there is improvement performance for this grant.

Expanded Public Works Programme (EPWP) Grant is reduced from R2.6 million with **R143 000.00** will now be **R2.4 million** which has been considered in the adjustment budget.

Interest: have been remained the same in the adjustment budget of R2.8 million, performance reported at mid-year shows that allocated budget will be met at year end. Interest on outstanding debtors has been determined based on debtors' book and an approved interest rate of 2 per cent.

Transfers and subsidies capital: have been increased by R11.9 thousand to R60.3 million, Adjustment has considered the revised gazette in relation to MIG which has been reduced by R3.3 million. The municipality has also revised the implementation plan and identified projects that will improve performance for this grant.

The following unspent rollover grants for 2022/23 financial were approved by National Treasury for Disaster Relief Grant of R15.5 million have been considered in the adjustment budget.

3.1.2 Expenditure

Total operational expenditure for the 2023/24 financial year has been appropriated at R438.9 million and translates into a surplus of R39,9 million, when compared to the 2023/24, Original operational expenditure has been increased by 9.2 per cent in the adjustment budget.

Factors informing the need for expenditure adjustment.

- **Employee Related Cost:** have remained the same with an adjustment budget of R141.4 million. Performance noted at mid-year has reflected that the municipality will be able to spend budget allocated budget by year end.
- **Remuneration of Councilors:** have remained the same with an adjustment budget of R15.5 million, budget allocated has considered increase in Councilors upper limits since COGTA has confirms percentage increase in their remuneration in january of every year. Further to that it should be noted that employee related costs ratio is still within the norm at 39 per cent of the Total Expenditure.
- **Bulk purchases** have increased by R8.2 million to total adjustment budget of R51.9 million. Adjustment has been based on mid-year performance as it was noted that there was an over expenditure for this item, this is to ensure that the municipality avoids incurring unauthorized expenditure. Further to that it should be noted that this increase will be set off by an increase in revenue for service charges electricity.
- **Inventory consumed** have been decreased by R3.4 million to an adjusted budget of R3.9 million, adjustment has reclassified budget to repairs and maintenance for pothole patching.
- **Debt Impairment:** have remained the same with an adjustment budget of R37.3 million. Performance noted in 2022/23 audited AFS and mid-year performance has shown that budget allocated will be met at year end and ensure that the municipality does not incur an unauthorized expenditure.

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 and 2022/23 audited AFS the municipality will remain with the same budget of R35.5 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.

- **Interest:** have been increased by R3.2 million to an adjustment budget of R3.3 million, adjustment has considered interest cost for post-retirement medical, this will ensure that the municipality does not incur an unauthorized expenditure at year end.
- **Contracted Services:** have been increased by R20.7 million to R84.8 million, Adjustment is due to reprioritization of projects that are being outsourced by the municipality such as programs for public participation related projects, procurement of refuse bags and other related projects that are outsourced by the municipality.
- Further to that increase in contracted services has considered the new reporting guideline as per GRAP 11 for INEP and Massification Grant of R12.1 million, which has been budgeted under contractors electrical. The municipality had to top up an amount of R624 thousand for INEP Projects (Okhovithi and Emhlangeni) where rollover application was not approved and R1.4 million for massification grant (Khenana and Mantshangula) where budget allocated was not sufficient to complete project.
- **Irrevocable debts written off :** have remained the same with an adjustment budget of R7.5 million. Based on performance noted for mid-year target will be met at year end.
- **Operational Cost** have been increased by R8.1 million to an adjusted budget allocation of R56.8 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. Further to that it should be noted that the municipality has still considered cost containment for this item of expenditure.

Budget allocated for this item has considered cost containment regulations that were issued on the 7th June 2020

Furthermore, it should be noted that other expenditure exceeds the allocated norm of 10 per cent by 12.3 per cent, variance is due to critical operations by the municipality which needs to be prioritized as they contribute to improved service delivery, however this item will be regularly monitored so as to ensure realistic targets are met.

- **Losses on disposal of assets:** have remained the same with an adjustment budget of by R1.5 million this budget has been based on prior year Audited AFS, this adjustment has considered loses which are due to inventory write down and disposal of assets which have occurred as there was a disposal of assets through an auction.

Table 2 MBRR Table B1 - Budget Summary

KZN291 Mandeni - Table B1 Adjustments Budget Summary - 28-02-2024											
Description	Budget Year 2023/24									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		
R thousands	A	A1	B	C	D	E	F	G	H		
Financial Performance											
Property rates	59,329	-	-	-	-	-	(0)	(0)	59,329	60,779	80,022
Service charges	63,657	-	-	-	-	-	9,130	9,130	72,787	66,636	69,768
Investment revenue	10,500	-	-	-	-	-	13,000	13,000	23,500	38,004	41,543
Transfers recognised - operational	241,975	-	-	-	-	-	177	177	242,152	258,804	258,192
Other own revenue	6,908	-	-	-	-	-	13,911	13,911	20,818	22,250	22,590
Total Revenue (excluding capital transfers and contributions)	382,369	-	-	-	-	-	36,218	36,218	418,587	446,472	472,115
Employee costs	141,420	-	-	-	-	-	-	-	141,420	142,112	148,944
Remuneration of councillors	15,460	-	-	-	-	-	-	-	15,460	16,647	16,980
Depreciation & asset impairment	72,837	-	-	-	-	-	-	-	72,837	76,406	82,495
Finance charges	100	-	-	-	-	-	3,200	3,200	3,300	105	110
Inventory consumed and bulk purchase	51,014	-	-	-	-	-	4,824	4,824	55,837	48,391	50,770
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	121,290	-	-	-	-	-	28,750	28,750	150,040	127,995	138,766
Total Expenditure	402,121	-	-	-	-	-	36,774	36,774	438,894	411,656	438,064
Surplus/(Deficit)	(19,752)	-	-	-	-	-	(556)	(556)	(20,307)	34,817	34,052
Transfers and subsidies - capital (monetary allocations)	48,381	-	-	-	-	-	11,911	11,911	60,292	41,323	43,086
Transfers and subsidies - capital (in kind)	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	28,629	-	-	-	-	-	11,356	11,356	39,985	76,140	77,138
Share of surplus/ (deficit) of other municipalities	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	28,629	-	-	-	-	-	11,356	11,356	39,985	76,140	77,138
Capital expenditure & funds sources											
Capital expenditure	143,945	-	-	-	-	-	(4,161)	(4,161)	139,784	35,933	55,251
Transfers recognised - capital	55,598	-	-	-	-	-	(3,170)	(3,170)	52,428	35,933	37,466
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	88,347	-	-	-	-	-	(991)	(991)	87,356	-	17,785
Total sources of capital funds	143,945	-	-	-	-	-	(4,161)	(4,161)	139,784	35,933	55,251
Financial position											
Total current assets	161,279	-	-	-	-	-	103,668	103,668	264,948	390,704	393,275
Total non current assets	740,801	-	-	-	-	-	(36,044)	(36,044)	704,758	669,828	707,076
Total current liabilities	71,097	-	-	-	-	-	17,773	17,773	88,870	75,087	78,167
Total non current liabilities	22,795	-	-	-	-	-	(1,102)	(1,102)	21,693	17,108	17,482
Community wealth/Equity	824,758	-	-	-	-	-	76,728	76,728	901,487	949,071	982,749
Cash flows											
Net cash from (used) operating	74,381	-	-	-	-	-	(13,913)	(13,913)	60,468	137,856	141,773
Net cash from (used) investing	(165,536)	-	-	-	-	-	4,870	4,870	(160,666)	(41,323)	(63,539)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	116,824	-	-	-	-	-	37,502	37,502	154,326	315,540	310,987
Cash backing/surplus reconciliation											
Cash and investments available	121,544	-	-	-	-	-	22,174	22,174	143,718	320,401	315,993
Application of cash and investments	26,806	-	-	-	-	-	49,987	49,987	76,792	49,502	52,547
Balance - surplus (shortfall)	94,738	-	-	-	-	-	(27,813)	(27,813)	66,925	270,900	263,446
Asset Management											
Asset register summary (WDV)	740,801	-	-	-	-	-	(36,044)	(36,044)	704,758	669,828	707,076
Depreciation	35,534	-	-	-	-	-	-	-	35,534	37,276	39,028
Renewal and Upgrading of Existing	85,356	-	-	-	-	-	(4,162)	(4,162)	81,194	12,000	4,858
Repairs and Maintenance	16,377	-	-	-	-	-	3,927	3,927	20,303	16,951	17,748
Free services											
Cost of Free Basic Services provided	36	34	34	34	34	34	34	169	203	34	34
Revenue cost of free services provided	891	-	-	-	-	-	-	-	13,038	13,805	14,479
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 emphasizes 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 2023/24, when a small surplus as reflected.

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

As per table above

Table 3 Adjustments Budget Financial Performance (standard classification)

KZN291 Mandeni - Table B2 Adjustments Budget Financial Performance (functional classification) - 28-02-2024												
Standard Description	Ref	Budget Year 2023/24									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	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
R thousands	1, 4											
Revenue - Functional												
Governance and administration		305,464	305,464	-	-	-	-	13,850	13,850	319,314	353,904	376,059
Executive and council		7,806	7,806	-	-	-	-	-	-	7,806	8,270	8,597
Finance and administration		297,658	297,658	-	-	-	-	13,850	13,850	311,508	345,634	367,462
Internal audit		-	-	-	-	-	-	-	-	-	-	-
Community and public safety		4,692	4,692	-	-	-	-	50	50	4,743	4,901	4,983
Community and social services		4,692	4,692	-	-	-	-	50	50	4,743	4,901	4,983
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		54,327	54,327	-	-	-	-	12,954	12,954	67,281	45,656	47,613
Planning and development		49,857	49,857	-	-	-	-	(2,459)	(2,459)	47,398	43,645	45,507
Road transport		4,470	4,470	-	-	-	-	15,413	15,413	19,883	2,011	2,106
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		66,266	66,266	-	-	-	-	21,275	21,275	87,542	83,335	86,547
Energy sources		53,804	53,804	-	-	-	-	21,275	21,275	75,079	70,402	73,006
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		12,463	12,463	-	-	-	-	-	-	12,463	12,933	13,541
Other		-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	430,750	430,750	-	-	-	-	48,129	48,129	478,879	487,796	515,202
Expenditure - Functional												
Governance and administration		201,988	201,988	-	-	-	-	10,088	10,088	212,076	210,889	233,461
Executive and council		62,711	62,711	-	-	-	-	1,790	1,790	64,501	66,208	68,875
Finance and administration		139,277	139,277	-	-	-	-	8,298	8,298	147,575	144,680	164,586
Internal audit		-	-	-	-	-	-	-	-	-	-	-
Community and public safety		42,477	42,477	-	-	-	-	(203)	(203)	42,274	37,390	40,476
Community and social services		31,792	31,792	-	-	-	-	(510)	(510)	31,282	29,253	31,957
Sport and recreation		9,442	9,442	-	-	-	-	348	348	9,790	7,062	7,394
Public safety		1,223	1,223	-	-	-	-	(61)	(61)	1,162	1,055	1,105
Housing		20	20	-	-	-	-	20	20	40	20	20
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		81,845	81,845	-	-	-	-	4,040	4,040	85,885	85,763	84,555
Planning and development		22,164	22,164	-	-	-	-	993	993	23,157	23,568	24,804
Road transport		55,750	55,750	-	-	-	-	3,047	3,047	58,796	58,071	55,434
Environmental protection		3,931	3,931	-	-	-	-	-	-	3,931	4,124	4,317
Trading services		75,761	75,761	-	-	-	-	22,383	22,383	98,145	77,151	79,587
Energy sources		55,216	55,216	-	-	-	-	21,153	21,153	76,369	55,734	57,062
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		2,948	2,948	-	-	-	-	-	-	2,948	3,093	3,238
Waste management		17,597	17,597	-	-	-	-	1,231	1,231	18,828	18,324	19,287
Other		50	50	-	-	-	-	(50)	(50)	-	52	55
Total Expenditure - Functional	3	402,121	402,121	-	-	-	-	36,258	36,258	438,379	411,245	438,134
Surplus/ (Deficit) for the year		28,629	28,629	-	-	-	-	11,871	11,871	40,501	76,550	77,068

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

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

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

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

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

KZN291 Mandeni - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 28-02-2024												
Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2023/24									Budget Year +1 2024/25	Budget Year +2 2025/26
		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>R thousands</i>		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
Revenue by Vote	1											
Vote 1 - Executive and council		7,806	7,806	-	-	-	-	-	-	7,806	8,270	8,597
Vote 2 - Finance and administration		297,658	297,658	-	-	-	-	13,850	13,850	311,508	345,634	367,462
Vote 3 - Internal audit		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and social services		4,692	4,692	-	-	-	-	50	50	4,743	4,901	4,983
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Public safety		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Housing		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Planning and Development		49,857	49,857	-	-	-	-	(2,459)	(2,459)	47,398	43,645	45,507
Vote 9 - Road transport		4,470	4,470	-	-	-	-	15,413	15,413	19,883	2,011	2,106
Vote 10 - Energy sources		53,804	53,804	-	-	-	-	21,275	21,275	75,079	70,402	73,006
Vote 11 - Waste Management		12,463	12,463	-	-	-	-	-	-	12,463	12,933	13,541
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	430,750	430,750	-	-	-	-	48,129	48,129	478,879	487,796	515,202
Expenditure by Vote	1											
Vote 1 - Executive and council		62,711	62,711	-	-	-	-	1,790	1,790	64,501	66,208	68,875
Vote 2 - Finance and administration		139,277	139,277	-	-	-	-	8,298	8,298	147,575	144,680	164,586
Vote 3 - Internal audit		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and social services		31,792	31,792	-	-	-	-	(510)	(510)	31,282	29,253	31,957
Vote 5 - Sport and Recreation		9,442	9,442	-	-	-	-	348	348	9,790	7,062	7,394
Vote 6 - Public safety		1,223	1,223	-	-	-	-	(61)	(61)	1,162	1,055	1,105
Vote 7 - Housing		20	20	-	-	-	-	20	20	40	20	20
Vote 8 - Planning and Development		22,214	22,214	-	-	-	-	943	943	23,157	23,621	24,859
Vote 9 - Road transport		58,698	58,698	-	-	-	-	3,047	3,047	61,745	61,164	58,673
Vote 10 - Energy sources		55,216	55,216	-	-	-	-	21,153	21,153	76,369	55,734	57,062
Vote 11 - Waste Management		17,597	17,597	-	-	-	-	1,231	1,231	18,828	18,324	19,287
Vote 12 - Environmental Protection		3,931	3,931	-	-	-	-	-	-	3,931	4,124	4,317
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	402,121	402,121	-	-	-	-	36,258	36,258	438,379	411,245	438,134
Surplus/ (Deficit) for the year	2	28,629	28,629	-	-	-	-	11,871	11,871	40,501	76,550	77,068

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

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

Table 5 Adjustments Budget Financial Performance (revenue and expenditure)

KZN291 Mandeni - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 28-02-2024												
Description	Ref	Budget Year 2023/24									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												
Exchange Revenue												
Service charges - Electricity	2	52,613	52,613	-	-	-	-	9,130	9,130	61,743	55,191	57,785
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Man	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Managem	2	11,044	11,044	-	-	-	-	-	-	11,044	11,445	11,983
Sale of Goods and Rendering of Servic		618	618	-	-	-	-	12,245	12,245	12,862	15,648	15,679
Agency services		-	-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		918	918	-	-	-	-	-	-	918	963	1,008
Interest earned from Current and Non C		10,500	10,500	-	-	-	-	13,000	13,000	23,500	38,004	41,543
Dividends		-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		192	192	-	-	-	-	50	50	242	202	211
Licence and permits		-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		396	396	-	-	-	-	1,616	1,616	2,012	415	435
Non-Exchange Revenue												
Property rates	2	59,329	59,329	-	-	-	-	(0)	(0)	59,329	60,779	80,022
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1,210	1,210	-	-	-	-	-	-	1,210	1,269	1,329
Licences or permits		737	737	-	-	-	-	-	-	737	777	814
Transfer and subsidies - Operational		241,975	241,975	-	-	-	-	177	177	242,152	258,804	258,192
Interest		2,837	2,837	-	-	-	-	-	-	2,837	2,976	3,116
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		382,369	382,369	-	-	-	-	36,218	36,218	418,587	446,472	472,115
Expenditure By Type												
Employee related costs		141,420	141,420	-	-	-	-	-	-	141,420	142,112	148,944
Remuneration of councillors		15,460	15,460	-	-	-	-	-	-	15,460	16,647	16,980
Bulk purchases - electricity		43,603	43,603	-	-	-	-	8,261	8,261	51,864	43,659	45,667
Inventory consumed		7,411	7,411	-	-	-	-	(3,437)	(3,437)	3,974	4,732	5,102
Debt impairment		37,303	37,303	-	-	-	-	-	-	37,303	39,130	42,320
Depreciation and amortisation		35,534	35,534	-	-	-	-	-	-	35,534	37,276	40,675
Interest		100	100	-	-	-	-	3,200	3,200	3,300	105	110
Contracted services		64,092	64,092	-	-	-	-	20,792	20,792	84,884	69,074	72,241
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		7,500	7,500	-	-	-	-	-	-	7,500	6,804	7,174
Operational costs		48,198	48,198	-	-	-	-	7,958	7,958	56,155	50,543	59,351
Losses on disposal of Assets		1,500	1,500	-	-	-	-	-	-	1,500	1,574	-
Other Losses		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		402,121	402,121	-	-	-	-	36,774	36,774	438,894	411,656	438,564
Surplus/(Deficit)												
Transfers and subsidies - capital (monetary allocations)		48,381	48,381	-	-	-	-	11,911	11,911	60,292	41,323	43,086
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) before taxation		28,629	28,629	-	-	-	-	11,356	11,356	39,985	76,140	76,638
Income Tax		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		28,629	28,629	-	-	-	-	11,356	11,356	39,985	76,140	76,638
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Municipality		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		28,629	28,629	-	-	-	-	11,356	11,356	39,985	76,140	76,638
Share of Surplus/Deficit attributable to Associate Intercompany/Parent subsidiary transac		-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	1	28,629	28,629	-	-	-	-	11,356	11,356	39,985	76,140	76,638

CHART B4 ADJUSTMENT BUDGET FINANCIAL PERFORMANCE (REVENUE)

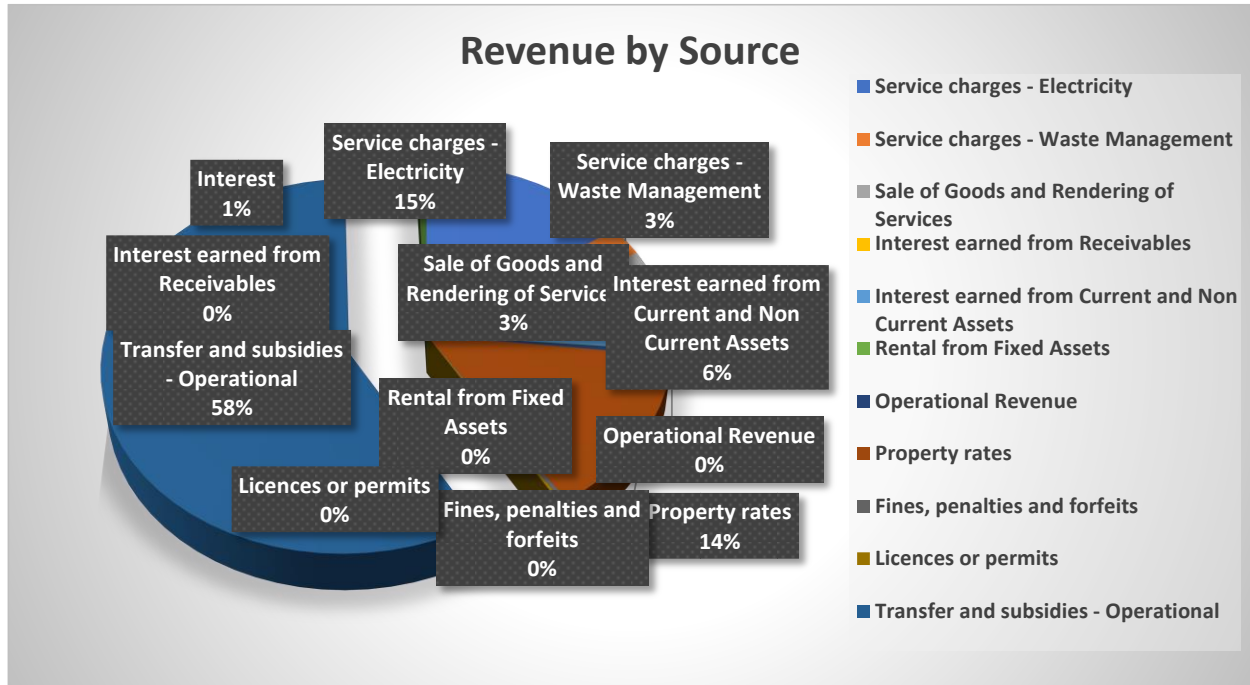


CHART B4 ADJUSTMENT BUDGET FINANCIAL PERFORMANCE (EXPENDITURE)

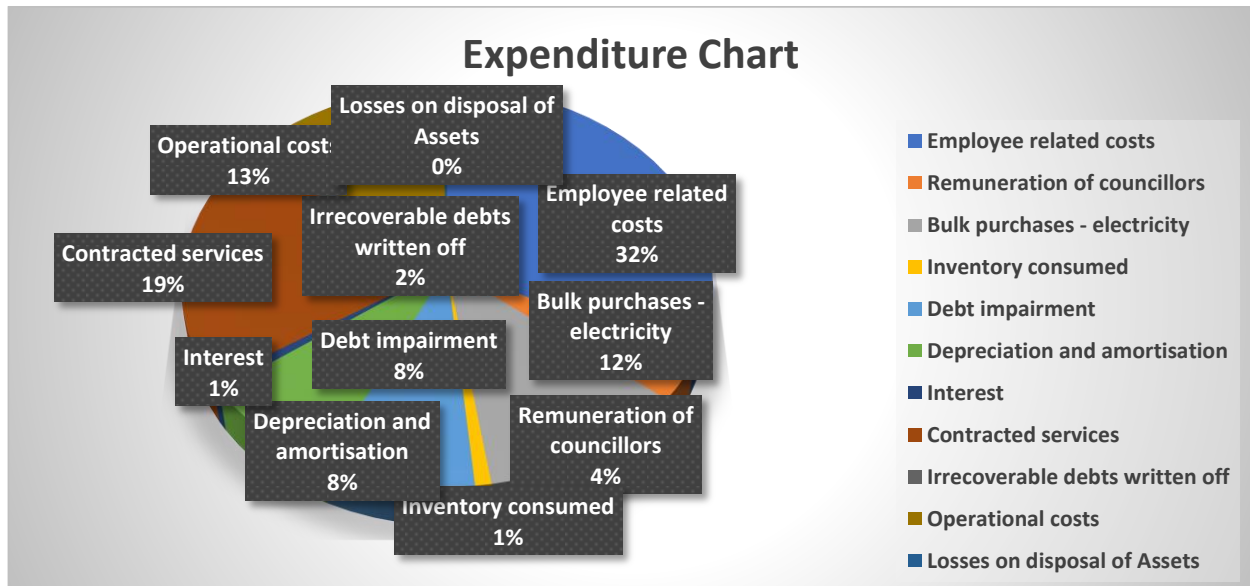


Table 6 Adjustments Capital Expenditure Budget by vote and funding

KZN291 Mandeni - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 28-02-2024											
Description	Ref	Budget Year 2023/24								Budget Year +1	Budget Year +2
		Original Budget	Prior Adjusted	Multi-year capital	Unfore. Unavoid	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	5 A1	7 C	8 D	9 E	10 F	11 G	12 H		
R thousands											
Capital expenditure - Vote											
Single-year expenditure to be adjusted											
Vote 1 - Executive and council	2	1,843	1,843	-	-	-	35	35	1,878	-	-
Vote 2 - Finance and administration		21,225	21,225	-	-	-	(3,896)	(3,896)	17,330	-	-
Vote 3 - Internal audit		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and social services		2,304	2,304	-	-	-	(539)	(539)	1,765	7,391	-
Vote 5 - Sport and Recreation		15,205	15,205	-	-	-	(1,120)	(1,120)	14,084	16,542	13,043
Vote 6 - Public safety		-	-	-	-	-	-	-	-	-	-
Vote 7 - Housing		-	-	-	-	-	-	-	-	-	-
Vote 8 - Planning and Development		16,435	16,435	-	-	-	2,130	2,130	18,565	-	-
Vote 9 - Road transport		79,374	79,374	-	-	-	(828)	(828)	78,546	12,000	4,858
Vote 10 - Energy sources		2,957	2,957	-	-	-	753	753	3,710	-	(17,785)
Vote 11 - Waste Management		4,602	4,602	-	-	-	(696)	(696)	3,906	-	19,565
Vote 12 - Environmental Protection		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		143,945	143,945	-	-	-	(4,161)	(4,161)	139,784	35,933	19,681
Total Capital Expenditure - Vote		143,945	143,945	-	-	-	(4,161)	(4,161)	139,784	35,933	19,681
Capital Expenditure - Functional											
Governance and administration		23,069	23,069	-	-	-	(3,861)	(3,861)	19,208	-	-
Executive and council		1,843	1,843	-	-	-	35	35	1,878	-	-
Finance and administration		21,225	21,225	-	-	-	(3,896)	(3,896)	17,330	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		17,509	17,509	-	-	-	(1,660)	(1,660)	15,850	23,933	13,043
Community and social services		2,304	2,304	-	-	-	(539)	(539)	1,765	7,391	-
Sport and recreation		15,205	15,205	-	-	-	(1,120)	(1,120)	14,084	16,542	13,043
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		95,809	95,809	-	-	-	1,302	1,302	97,111	12,000	4,858
Planning and development		16,435	16,435	-	-	-	2,130	2,130	18,565	-	-
Road transport		79,374	79,374	-	-	-	(828)	(828)	78,546	12,000	4,858
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		7,558	7,558	-	-	-	57	57	7,615	-	1,780
Energy sources		2,957	2,957	-	-	-	753	753	3,710	-	(17,785)
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		4,602	4,602	-	-	-	(696)	(696)	3,906	-	19,565
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	143,945	143,945	-	-	-	(4,161)	(4,161)	139,784	35,933	19,681
Funded by:											
National Government		55,119	55,119	-	-	-	(3,283)	(3,283)	51,837	35,933	37,466
Provincial Government		478	478	-	-	-	113	113	591	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	55,598	55,598	-	-	-	(3,170)	(3,170)	52,428	35,933	37,466
Borrowing		-	-	-	-	-	-	-	-	-	-
Internally generated funds		88,347	88,347	-	-	-	(991)	(991)	87,356	-	(17,785)
Total Capital Funding		143,945	143,945	-	-	-	(4,161)	(4,161)	139,784	35,933	19,681

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 expenditure: - have been decreased by R4.2 million to adjusted budget of R139.8 million. Adjustment has considered the adjusted allocation for MIG funded projects and reprioritization of capital projects that are funded internally which has been based on mid-year performance.

Capital Budget funded by National Government have been reduced by R3.3 million to an adjustment budget of R51.8 million. Adjusted has considered the reduced MIG allocation as per DORA. Further to that it should be noted that Disaster Relief Grant related projects were prioritized during original budget preparation.

Further to that Capital budget funded by Provincial Government has been increased by R113 thousand due to reprioritization and reallocation of funds for Library Grant. This is to ensure that grant is fully spent at year end since there is a commitment to procure library fleet.

Capital Budget funded through National & Provincial Grants (MIG, and Library) of R52.4 million equates to 37.5 per cent.

Capital Budget funded from internally generated funds has been adjusted from R88.3 million to R87.4 million with a decrease of R991 thousand at 1.1 per cent.

For 2023/24 Adjustment Budget an amount of R71.4 million have been appropriated for the development of infrastructure which represents 51.0 per cent of the total capital budget and they have been allocated the highest budget allocation.

Community assets have been allocated R28.5 which represents 20.4 per cent. Trading services receive have been allocated budget of R10.8 million in 2023/24 which equates to 13.6 per cent followed by Other Assets at 8.2 per cent or R11.4 million.

Total new assets represent 42.1 per cent or R58.6 million of the total capital budgets while renewal of existing assets represents 10.0 per cent or R14.0 million and upgrading of existing assets equates to 48.0 per cent or R67.2 million.

CAPITAL EXPENDITURE FUNCTIONAL:

Governance and administration: have been reduced by R3.9 million to an adjustment budget of R19.2 million. Adjustment has considered the level of performance noted for extension of workshop; therefore, funds have been redirected to planning and development.

Community and Public Safety: have been decreased by R1.7 million to an adjustment budget of R15.9 million, adjustments considered the reduced MIG allocation which resulted in reprioritization of capital budget.

Economic and environmental services: have increased by R1.3 million to an adjusted budget of R97.1 million. Adjustment is due to reprioritization of capital projects that were identified on the MIG acceleration plan.

Trading services: have increased by R57 thousand to an adjusted budget of R7.6 million.

Table 7 Adjustment Budget Financial Position

KZN291 Mandeni - Table B6 Adjustments Budget Financial Position - 28-02-2024												
Description	Ref	Budget Year 2023/24									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	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
R thousands												
ASSETS												
Current assets												
Cash and cash equivalents		116,789	-	-	-	-	-	20,222	20,222	137,011	315,504	310,604
Trade and other receivables from exchange	1	8,376	-	-	-	-	-	32,864	32,864	41,240	8,683	7,830
Receivables from non-exchange transactions	1	4,754	-	-	-	-	-	1,952	1,952	6,706	4,897	5,389
Current portion of non-current receivables	2	-	-	-	-	-	-	-	-	-	-	-
Inventory		739	-	-	-	-	-	42,013	42,013	42,752	45,493	48,215
VAT		30,621	-	-	-	-	-	6,617	6,617	37,238	16,126	21,236
Other current assets		-	-	-	-	-	-	-	-	-	-	-
Total current assets		161,279	-	-	-	-	-	103,668	103,668	264,948	390,704	393,275
Non current assets												
Investments		-	-	-	-	-	-	-	-	-	-	-
Investment property		88,164	-	-	-	-	-	(27,620)	(27,620)	60,544	88,164	88,164
Property, plant and equipment	3	652,214	-	-	-	-	-	(8,154)	(8,154)	644,060	580,326	618,466
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Living and non-living resources		-	-	-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Intangible assets		423	-	-	-	-	-	(270)	(270)	154	1,339	446
Trade and other receivables from exchange		-	-	-	-	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-	-	-	-	-	-	-
Other non-current assets		-	-	-	-	-	-	-	-	-	-	-
Total non current assets		740,801	-	-	-	-	-	(36,044)	(36,044)	704,758	669,828	707,076
TOTAL ASSETS		902,081	-	-	-	-	-	67,625	67,625	969,706	1,060,532	1,100,351
LIABILITIES												
Current liabilities												
Bank overdraft		-	-	-	-	-	-	-	-	-	-	-
Financial liabilities		-	-	-	-	-	-	-	-	-	-	-
Consumer deposits		245	-	-	-	-	-	(28)	(28)	216	265	277
Trade and other payables from exchange		35,888	-	-	-	-	-	12,157	12,157	48,045	57,183	60,297
Trade and other payables from non-exchange transactions		20,275	-	-	-	-	-	5,514	5,514	25,789	-	-
Provisions		4,872	-	-	-	-	-	(1,325)	(1,325)	3,547	5,110	5,350
VAT		9,818	-	-	-	-	-	1,455	1,455	11,272	12,528	12,244
Other current liabilities		-	-	-	-	-	-	-	-	-	-	-
Total current liabilities		71,097	-	-	-	-	-	17,773	17,773	88,870	75,087	78,167
Non current liabilities												
Borrowing	1	-	-	-	-	-	-	-	-	-	-	-
Provisions	1	-	-	-	-	-	-	-	-	-	-	-
Long term portion of trade payables		-	-	-	-	-	-	-	-	-	-	-
Other non-current liabilities		22,795	-	-	-	-	-	(1,102)	(1,102)	21,693	17,108	17,482
Total non current liabilities		22,795	-	-	-	-	-	(1,102)	(1,102)	21,693	17,108	17,482
TOTAL LIABILITIES		93,892	-	-	-	-	-	16,670	16,670	110,563	92,195	95,649
NET ASSETS	2	808,188	-	-	-	-	-	50,954	50,954	859,143	968,337	1,004,702
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		822,568	-	-	-	-	-	13,839	13,839	836,407	946,838	980,434
Funds and Reserves		2,191	-	-	-	-	-	62,889	62,889	65,080	2,233	2,315
Other		-	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY		824,758	-	-	-	-	-	76,728	76,728	901,487	949,071	982,749

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.
6. Further to that Financial Position as per table B6 has considered the opening balance as per the audited AFS 2023-24 and movement of current financial year.

Table 8 Adjustments Budget Cash Flows

KZN291 Mandeni - Table B7 Adjustments Budget Cash Flows - 28-02-2024												
Description	Ref	Budget Year 2023/24									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	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
R thousands												
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates		26,698	-					(0)	(0)	26,698	27,350	45,792
Service charges		62,465	-					8,348	8,348	70,813	65,397	68,471
Other revenue		18,972	-					1,959	1,959	20,931	19,346	19,814
Transfers and Subsidies - Operational	1	249,359	-					177	177	249,536	290,676	290,719
Transfers and Subsidies - Capital	1	48,381	-					11,911	11,911	60,292	41,323	43,086
Interest		10,500	-					13,000	13,000	23,500	38,004	41,543
Dividends		-	-					-	-	-	-	-
Payments												
Suppliers and employees		(341,895)	-					(40,526)	(40,526)	(382,421)	(338,287)	(361,406)
Finance charges		(100)	-					(3,200)	(3,200)	(3,300)	(105)	(110)
Transfers and Subsidies	1	-	-					-	-	-	-	-
NET CASH FROM/(USED) OPERATING AC		74,381	-	-	-	-	-	(8,332)	(8,332)	66,049	143,705	147,909
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		(165,536)	-					4,870	4,870	(160,666)	(41,323)	(63,539)
NET CASH FROM/(USED) INVESTING AC		(165,536)	-	-	-	-	-	4,870	4,870	(160,666)	(41,323)	(63,539)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans		-	-					-	-	-	-	-
Borrowing long term/refinancing		-	-					-	-	-	-	-
Increase (decrease) in consumer deposits		-	-					-	-	-	-	-
Payments												
Repayment of borrowing		-	-					-	-	-	-	-
NET CASH FROM/(USED) FINANCING AC		-	-	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH H		(91,156)	-	-	-	-	-	(3,462)	(3,462)	(94,617)	102,382	84,370
Cash/cash equivalents at the year begin	2	207,979	-					46,546	46,546	254,525	219,008	232,754
Cash/cash equivalents at the year end:	2	116,824	-					43,084	43,084	159,908	321,390	317,123

Explanatory notes to Table B8 - Budgeted Cash Flow Statement

Receipts

1. 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.
2. Property Rates budget have remained with the same collection rate of 45 per cent of R26.7 million during an adjustment budget. This has been based on mid-year budget performance and impact on the implementation of credit control and debt collection policy.

3. Service Charges: electricity have increased with an adjustment budget of R9.2 million to an adjustment budget of R65.9 million or 95 per cent of the electricity billing, the assumed collection rate will remain the same during adjustment budget which has been based on the actual performance during mid-year. Adjustment has considered electricity demand by Umngeni Water.

During the first half of the year, the finance team has been preoccupied with the preparation of the AFS as well as the Audit, some of the key elements of the Credit Control and Debt Management Policy have not been enforced optimally. We have already started with the vigorous implementation of the policy and this includes the Disconnection of Services, Continuous Meter Audit and institution of a Legal cycle for all debtors who are in errors for mor than 120 days. The results we have seen thus far are positive and we are confident that we will be able to maintain the budgeted collection rate in this line item.

4. Service Charges: Refuse budget have remained the same at R5.8 million with a collection rate of 45 per cent. This has been based on midyear performance as we anticipate that this collection rate will be met at year end.
5. Rental of facilities and equipment the municipality anticipates a 100 per cent collection rate at R301 thousands for the utilization of the municipal properties.
6. Licenses and permits a 100 percent collection rate at R737 thousand has been applied based on mid-year performance and performance of the traffic department.
7. Other Revenue has budgeted to collect 100 per cent at R20.9 million adjustment budget of all other revenue sources which agrees to B4 Fin Perf all the other revenue sources. Adjustment has considered the additional revenues received that were not budgeted for.
8. Transfers and Subsidies -Operational have been adjusted to R249.5 million with an adjustment of R177 thousand to the reallocation of Library Grant of R130 thousand from operational to capital budget and MIG reallocation.
9. Transfers and Subsidies -Capital have been adjusted to R60.3 million with an adjustment of R11.9 million which is due to the approved rollover grant for Disaster Grant R15.6 and reduction of MIG R3.3 million and revised Dora and reallocation of Library Grant of R130 thousand from operational to capital budget which is based on the revised support plan so as to ensure that grant is fully spent at year end.

Payments

It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

10. The municipality has increased payments from cash flow under suppliers and employees with R40.5 million to an adjusted budget of R382.4 million, which has been split in the following categories contracted Services and Other expenditure. Adjustment is due to reprioritization of expenditure and this expenditure is inclusive of VAT. Further to that suppliers and employees have considered the guideline as per GRAP 11 for INEP Grant of R7.6 million and Massification Grant of R4.8 million as they form part of contracted services.

Further to those payments has also considered other cash flow payments of R17.8 million which has been based on outstanding creditors as per the audited AFS.

11. Finance charges have increased with an adjustment budget of R3.2 million, adjustment has considered prior year audited AFS for finance cost towards retirement benefit obligation.

12. Capital Payments have been decreased from R166.5 million to R160.1 million which is inclusive of VAT with an adjustment of R4.8 million further to that this adjustment has considered the reduced MIG allocation and reallocation of capital projects. Adjustment in capital payments does not agree to B5 capex due to VAT exclusion in B5 of R20.9 million.

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

13. Cash and cash equivalents at the beginning have been adjusted to R254.5 million to align with Audited AFS 2022/23 financial year.

14. Cash and cash equivalents have been increased with R43.9 million, to reconcile with the closing balance as at 30 June 2023 of R254.5 million. This has then resulted in closing balance for 2023/24 of cash and cash equivalent is R160.7 million.

As part of the 2023/24 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 2023/24 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.

Table 9 Cash Backed reserves/accumulated surplus reconciliation

KZN291 Mandeni - Table B8 Cash backed reserves/accumulated surplus reconciliation - 28-02-2024												
Description	Ref	Budget Year 2023/24									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	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
R thousands												
Cash and investments available												
Cash/cash equivalents at the year end	1	116,824	-	-	-	-	-	37,502	37,502	154,326	315,540	310,987
Other current investments > 90 days		4,720	-	-	-	-	-	(15,328)	(15,328)	(10,608)	4,861	5,006
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		121,544	-	-	-	-	-	22,174	22,174	143,718	320,401	315,993
Applications of cash and investments												
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-	-
Statutory requirements		-	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	2	24,615	-	-	-	-	-	(12,902)	(12,902)	11,713	47,268	50,232
Other provisions		-	-	-	-	-	-	-	-	-	-	-
Long term investments committed		-	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investment		2,191	-	-	-	-	-	62,889	62,889	65,080	2,233	2,315
Total Application of cash and investments		26,806	-	-	-	-	-	49,987	49,987	76,792	49,502	52,547
Surplus(shortfall)		94,738	-	-	-	-	-	(27,813)	(27,813)	66,925	270,900	263,446

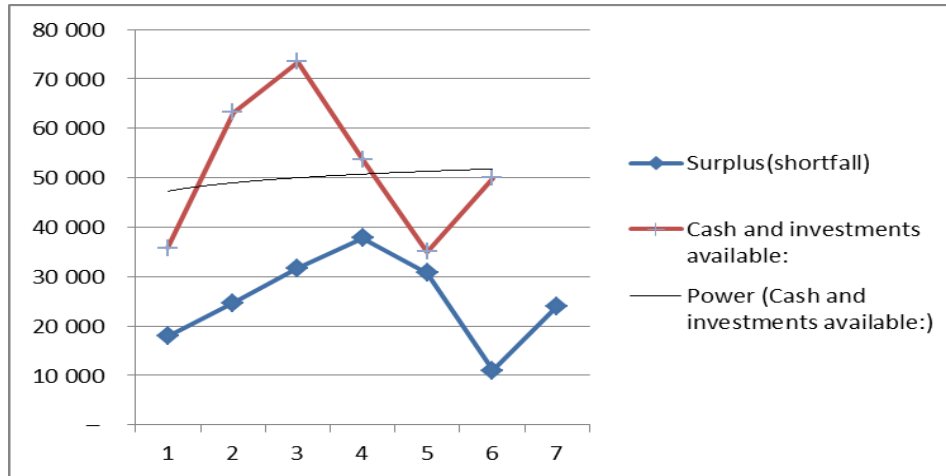
The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. This place the municipality in a very vulnerable financial position, as 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 2023/24, when a small surplus is reflected.

From the above table it can be seen that the cash and investments available at the end of 2021/23 financial year was R94.7 million and it has decreased to R66.9 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 2023/24 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 2023/24 MTREF was funded to the significant surplus of R66.9 million.
6. As part of the budgeting and planning guidelines that informed the compilation of the 2023/24 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 R66.9 million by 2023/24.

Table 10 Asset Management

KZN291 Mandeni - Table B9 Asset Management - 28-02-2024														
Description	Ref	Budget Year 2023/24									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														
CAPITAL EXPENDITURE														
Total New Assets to be adjusted	1	58,589	58,589	-	-	-	-	-	-	1	1	58,590	23,933	14,824
Roads Infrastructure		435	435	-	-	-	-	-	-	-	-	435	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		2,261	2,261	-	-	-	-	-	-	-	-	2,261	-	(17,785)
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		1,043	1,043	-	-	-	-	-	-	-	-	1,043	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		217	217	-	-	-	-	-	-	-	-	217	-	-
Information and Communication Inf		-	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure		3,957	3,957	-	-	-	-	-	-	-	-	3,957	-	(17,785)
Community Facilities		11,087	11,087	-	-	-	-	-	-	1,087	1,087	12,174	7,391	-
Sport and Recreation Facilities		12,779	12,779	-	-	-	-	-	-	(1,120)	(1,120)	11,658	16,542	13,043
Community Assets		23,866	23,866	-	-	-	-	-	-	(34)	(34)	23,832	23,933	13,043
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		2,391	2,391	-	-	-	-	-	-	-	-	2,391	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets		2,391	2,391	-	-	-	-	-	-	-	-	2,391	-	-
Biological or Cultivated Assets	6	-	-	-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment		348	348	-	-	-	-	-	-	548	548	896	-	-
Furniture and Office Equipment		565	565	-	-	-	-	-	-	43	43	609	-	-
Machinery and Equipment		10,078	10,078	-	-	-	-	-	-	(661)	(661)	9,417	-	-
Transport Assets		17,384	17,384	-	-	-	-	-	-	104	104	17,489	-	19,565
Land		-	-	-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological An		-	-	-	-	-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	17,609	17,609	-	-	-	-	-	-	(3,601)	(3,601)	14,008	7,391	-
Roads Infrastructure		12,391	12,391	-	-	-	-	-	-	(2,992)	(2,992)	9,399	7,391	-
Storm water Infrastructure		4,348	4,348	-	-	-	-	-	-	-	-	4,348	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure		16,739	16,739	-	-	-	-	-	-	(2,992)	(2,992)	13,747	7,391	-
Community Facilities		870	870	-	-	-	-	-	-	(609)	(609)	261	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	-	-	-
Community Assets		870	870	-	-	-	-	-	-	(609)	(609)	261	-	-
Total Upgrading of Existing Asset	2a	67,747	67,747	-	-	-	-	-	-	(561)	(561)	67,186	4,609	4,858
Roads Infrastructure		48,087	48,087	-	-	-	-	-	-	2,164	2,164	50,251	4,609	4,858
Storm water Infrastructure		2,174	2,174	-	-	-	-	-	-	-	-	2,174	-	-
Electrical Infrastructure		522	522	-	-	-	-	-	-	753	753	1,275	-	-
Infrastructure		50,783	50,783	-	-	-	-	-	-	2,917	2,917	53,699	4,609	4,858
Community Facilities		4,435	4,435	-	-	-	-	-	-	-	-	4,435	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	-	-	-
Community Assets		4,435	4,435	-	-	-	-	-	-	-	-	4,435	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		12,530	12,530	-	-	-	-	-	-	(3,478)	(3,478)	9,051	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets		12,530	12,530	-	-	-	-	-	-	(3,478)	(3,478)	9,051	-	-
Biological or Cultivated Assets	6	-	-	-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment		348	348	-	-	-	-	-	-	548	548	896	-	-
Furniture and Office Equipment		565	565	-	-	-	-	-	-	43	43	609	-	-
Machinery and Equipment		10,078	10,078	-	-	-	-	-	-	(661)	(661)	9,417	-	-
Transport Assets		17,384	17,384	-	-	-	-	-	-	104	104	17,489	-	19,565
Land		-	-	-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological An		-	-	-	-	-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE	4	143,945	143,945	-	-	-	-	-	-	(4,161)	(4,161)	139,784	35,933	19,681

KZN291 Mandeni - Table B9 Asset Management - 28-02-2024

Description	Ref	Budget Year 2023/24									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												
TOTAL CAPITAL EXPENDITURE	4	143,945	143,945	-	-	-	-	(4,161)	(4,161)	139,784	35,933	19,681
ASSET REGISTER SUMMARY - PPE	5	740,801	740,801	-	-	-	-	(39,957)	(39,957)	700,845	668,928	671,506
<i>Roads Infrastructure</i>		467,685	467,685	-	-	-	-	(116,100)	(116,100)	351,585	428,099	450,299
<i>Storm water Infrastructure</i>		1,937	1,937	-	-	-	-	-	-	1,937	(65)	(513)
<i>Electrical Infrastructure</i>		5,486	5,486	-	-	-	-	753	753	6,239	2,665	(12,697)
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		2,087	2,087	-	-	-	-	(696)	(696)	1,391	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Infrastructure</i>		477,195	477,195	-	-	-	-	(116,043)	(116,043)	361,152	430,699	437,088
<i>Community Assets</i>		103,191	103,191	-	-	-	-	10,587	10,587	113,777	98,175	90,233
<i>Heritage Assets</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Investment properties</i>		88,164	88,164	-	-	-	-	(27,620)	(27,620)	60,544	88,164	88,164
<i>Other Assets</i>		13,909	13,909	-	-	-	-	37,283	37,283	51,191	(743)	(778)
<i>Biological or Cultivated Assets</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Intangible Assets</i>		423	423	-	-	-	-	(2,026)	(2,026)	(1,603)	439	446
<i>Computer Equipment</i>		3,062	3,062	-	-	-	-	9,015	9,015	12,077	3,611	2,922
<i>Furniture and Office Equipment</i>		6,192	6,192	-	-	-	-	7,243	7,243	13,436	5,845	(1,995)
<i>Machinery and Equipment</i>		10,060	10,060	-	-	-	-	8,061	8,061	18,122	9,861	12,603
<i>Transport Assets</i>		18,715	18,715	-	-	-	-	21,450	21,450	40,166	12,192	21,310
<i>Land</i>		19,890	19,890	-	-	-	-	12,093	12,093	31,983	20,686	21,513
<i>Zoo's, Marine and Non-biological Animals</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Living Resources</i>		-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY	5	740,801	740,801	-	-	-	-	(39,957)	(39,957)	700,845	668,928	671,506
EXPENDITURE OTHER ITEMS												
Depreciation & asset impairment		35,534	35,534	-	-	-	-	-	-	35,534	37,276	39,028
Repairs and Maintenance by asset	3	16,377	16,377	-	-	-	-	4,361	4,361	20,738	16,951	17,748
<i>Roads Infrastructure</i>		5,522	5,522	-	-	-	-	739	739	6,261	5,792	6,065
<i>Storm water Infrastructure</i>		1,087	1,087	-	-	-	-	2,348	2,348	3,435	1,140	1,194
<i>Electrical Infrastructure</i>		2,778	2,778	-	-	-	-	304	304	3,083	2,914	3,051
<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>		609	609	-	-	-	-	130	130	739	639	669
<i>Infrastructure</i>		9,996	9,996	-	-	-	-	3,522	3,522	13,517	10,485	10,978
<i>Community Facilities</i>		294	294	-	-	-	-	-	-	294	308	323
<i>Sport and Recreation Facilities</i>		1,191	1,191	-	-	-	-	1,087	1,087	2,278	1,250	1,308
Community Assets		1,485	1,485	-	-	-	-	1,087	1,087	2,572	1,558	1,631
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
<i>Revenue Generating</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Non-revenue Generating</i>		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
<i>Operational Buildings</i>		70	70	-	-	-	-	(30)	(30)	40	73	77
<i>Housing</i>		-	-	-	-	-	-	-	-	-	-	-
Other Assets		70	70	-	-	-	-	(30)	(30)	40	73	77
Computer Equipment		-	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment		4,826	4,826	-	-	-	-	(217)	(217)	4,609	4,835	5,062
TOTAL EXPENDITURE OTHER ITEMS		51,911	51,911	-	-	-	-	4,361	4,361	56,273	54,227	56,776
<i>Renewal and upgrading of Existing Assets</i>		59.3%	59.3%							58.1%	33.4%	24.7%
<i>Renewal and upgrading of Existing Assets as a % of PPE</i>		240.2%	240.2%							228.5%	32.2%	12.4%
<i>R&M as a % of PPE</i>		2.2%	2.2%							3.0%	2.5%	2.6%
<i>Renewal and upgrading and R&M as a % of PPE</i>		13.7%	13.7%							14.5%	4.3%	3.4%

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 - 28-02-2024												
Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2020/21	2021/22	2022/23	Budget Year 2023/24	2023/24 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population					138,079	133,559	133,559	133,559	133,559	133,559	133,559	133559
Females aged 5 - 14												
Males aged 5 - 14												
Females aged 15 - 34												
Males aged 15 - 34												
Unemployment					56,829	58,329	58,329	58,329	58,329	58,329	58,329	58329
Monthly Household income (no. of												
None	1, 12				55,739	55,740	55,740	55,740	55,740	55,740	55,740	55740
R1 - R1 600					2,071	33,612	33,612	33,612	33,612	33,612	33,612	33612
R1 601 - R3 200					3,971	3,971	3,971	3,971	3,971	3,971	3,971	3971
R3 201 - R6 400					9,818	9,818	9,818	9,818	9,818	9,818	9,818	9818
R6 401 - R12 800					8,735	8,735	8,735	8,735	8,735	8,735	8,735	8735
R12 801 - R25 600					4,414	4,414	4,414	4,414	4,414	4,414	4,414	4414
R25 601 - R51 200					2,135	516	516	516	516	516	516	516
R52 201 - R102 400					1,220	-	-	-	-	-	-	0
R102 401 - R204 800					616	616	616	616	616	616	616	616
R204 801 - R409 600					88	88	88	88	88	88	88	88
R409 601 - R819 200					34	34	34	34	34	34	34	34
> R819 200					28	28	28	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	17,270	17,270	17270
Insert description	2											
Household/demographics (000)												
Number of people in municipal area					138	138	138	138	138	138	138	138079
Number of poor people in municipal					66	66	66	66	66	66	66	66264
Number of households in municipal					38	38	38	38	38	38	38	38235
Number of poor households in					25	25	25	25	25	25	25	24595
Definition of poor household (R per												
Housing statistics												
Formal	3				33,519	33,519	33,519	33,519	33,519	33,519	33,519	33519
Informal					4,716	4,716	4,716	4,716	4,716	4,716	4,716	4716
Total number of households					38,235	38,235	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												

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

Part 2 – Supporting Documentation

2.1 ADJUSTMENT TO BUDGET ASSUMPTION

There were no adjustments to budget assumption.

2.2 ADJUSTMENTS TO BUDGET FUNDING

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

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

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

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

2.3 ADJUSTMENT TO CAPITAL EXPENDITURE

Capital expenditure: - have decreased by R4.2 million to adjusted budget of R139.8 million. Adjustment has considered the adjusted allocation for MIG funded projects and reprioritization of capital projects that are funded internally which has been based on mid-year performance.

Capital Budget funded by National Government have been reduced by R3.3 million to an adjustment budget of R51.8 million. Adjusted has considered the reduced MIG allocation as per DORA. Further to that it should be noted that Disaster Relief Grant related projects were prioritized during original budget preparation.

Further to that Capital budget funded by Provincial Government has been increased by R113 thousand due to reprioritization and reallocation of funds for Library Grant. This is to ensure that grant is fully spent at year end since there is a commitment to procure library fleet.

Capital Budget funded through National & Provincial Grants (MIG, and Library) of R52.4 million equates to 37.5 per cent.

Capital Budget funded from internally generated funds has been adjusted from R88.3 million to R87.4 million with a decrease of R991 thousand at 1.1 per cent.

Table 12 Supporting Table SB1- Budgeted Financial Performance

KZN291 Mandeni - Supporting Table SB1 Supporting detail to 'Budgeted Financial Performance' - 28-02-2024												
Description	Ref	Budget Year 2023/24									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		
REVENUE ITEMS												
<u>Non-exchange revenue by source</u>												
<u>Property rates</u>												
Total Property Rates		71,477	71,477					(0)	(0)	71,477	73,509	93,376
Less Revenue Foregone (exemptions, reductions and rebates and impermissible values)		12,147	12,147					-	-	12,147	12,730	13,354
Net Property Rates		59,329	59,329	-	-	-	-	(0)	(0)	59,329	60,779	80,022
<u>Exchange revenue service charges</u>												
<u>Service charges - Electricity</u>												
Total Service charges - Electricity		52,613	52,613					9,130	9,130	61,743	55,191	57,785
Less Revenue Foregone (in excess of 50 kwh per indigent household Less Cost of Free Basis Services (50 kwh per indigent household)		-	-					-	-	-	-	-
Net Service charges - Electricity		52,613	52,613	-	-	-	-	9,130	9,130	61,743	55,191	57,785
<u>Service charges - Waste Management</u>												
Total refuse removal revenue		11,935	11,935					-	-	11,935	12,520	13,108
Total landfill revenue		-	-					-	-	-	-	-
Less Revenue Foregone (in excess of one removal a week to indigent households)		891	891					-	-	891	1,075	1,125
Less Cost of Free Basis Services (removed once a week to indigent households)		-	-					-	-	-	-	-
Service charges - Waste		11,044	11,044	-	-	-	-	-	-	11,044	11,445	11,983

KZN291 Mandeni - Supporting Table SB1 Supporting detail to 'Budgeted Financial Performance' - 28-02-2024

Description	Ref	Budget Year 2023/24									Budget	Budget
		Original	Prior	Accum.	Multi-	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	year capital	Unavoid	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
R thousands		A	6 A1	7 B	8 C	9 D	10 E	11 F	12 G	13 H		
EXPENDITURE ITEMS												
Employee related costs												
Basic Salaries and Wages		95,515	95,515					535	535	96,050	93,395	98,518
Pension and UIF Contributions		14,715	14,715					489	489	15,204	16,000	16,163
Medical Aid Contributions		5,886	5,886					45	45	5,931	6,175	6,466
Overtime		1,716	1,716					640	640	2,356	1,800	1,885
Performance Bonus		6,685	6,685					-	-	6,685	7,012	7,343
Motor Vehicle Allowance		6,011	6,011					60	60	6,071	6,306	6,605
Cellphone Allowance		712	712					50	50	762	746	782
Housing Allowances		610	610					-	-	610	639	670
Other benefits and allowances		767	767					400	400	1,167	804	842
Payments in lieu of leave		2,591	2,591					-	-	2,591	2,718	2,847
Long service awards		1,341	1,341					-	-	1,341	1,407	1,473
Post-retirement benefit obligations	4	4,872	4,872					(2,219)	(2,219)	2,652	5,110	5,350
Entertainment		-	-					-	-	-	-	-
Scarcity		-	-					-	-	-	-	-
Acting and post related allowance		-	-					-	-	-	-	-
In kind benefits		-	-					-	-	-	-	-
sub-total		141,420	141,420	-	-	-	-	-	-	141,420	142,112	148,944
Less: Employees costs capitalised to PPE		-	-					-	-	-	-	-
Total Employee related costs	1	141,420	141,420	-	-	-	-	-	-	141,420	142,112	148,944
Depreciation and amortisation												
Depreciation of Property, Plant & Equipment		35,534	35,534					(177)	(177)	35,358	37,276	39,028
Lease amortisation		-	-					177	177	177	-	-
Capital asset impairment		-	-					-	-	-	-	1,647
Total Depreciation and amortisation	1	35,534	35,534	-	-	-	-	-	-	35,534	37,276	40,675
Bulk purchases												
Electricity Bulk Purchases		43,603	43,603					8,261	8,261	51,864	43,659	45,667
Total bulk purchases	1	43,603	43,603	-	-	-	-	8,261	8,261	51,864	43,659	45,667
Transfers and grants												
Cash transfers and grants		-	-					-	-	-	-	-
Non-cash transfers and grants		-	-					-	-	-	-	-
Total transfers and grants		-	-	-	-	-	-	-	-	-	-	-
Contracted services												
Outsourced Services		28,937	28,937					(436)	(436)	28,501	30,327	31,722
Consultants and Professional Services		8,969	8,969					(673)	(673)	8,296	8,474	8,841
Contractors		26,186	26,186					21,901	21,901	48,087	30,273	31,678
Total contracted services		64,092	64,092	-	-	-	-	20,792	20,792	84,884	69,074	72,241
Operational Costs												
Collection costs		2,174	2,174					696	696	2,870	2,280	2,388
Contributions to 'other' provisions		-	-					-	-	-	-	-
Audit fees		2,435	2,435					-	-	2,435	2,554	2,674
Other Operational Costs		43,589	43,589					7,262	7,262	50,851	45,709	54,289
Total Other Operational Costs	1	48,198	48,198	-	-	-	-	7,958	7,958	56,155	50,543	59,351
Repairs and Maintenance by												
Employee related costs	14	-	-					-	-	-	-	-
Inventory Consumed (Project Maintenance)		16,377	16,377					-	-	16,377	16,951	17,748
Contracted Services		-	-					-	-	-	-	-
Other Expenditure		-	-					-	-	-	-	-
Total Repairs and Maintenance Expend	15	16,377	16,377	-	-	-	-	-	-	16,377	16,951	17,748
Inventory Consumed												
Inventory Consumed - Water		-	-					-	-	-	-	-
Inventory Consumed - Other		7,411	7,411					(3,437)	(3,437)	3,974	4,732	5,102
Total Inventory Consumed & Other Material		7,411	7,411	-	-	-	-	(3,437)	(3,437)	3,974	4,732	5,102

Table 13 Supporting Table SB2- Financial Position Budget

KZN291 Mandeni - Supporting Table SB2 Supporting detail to 'Financial Position Budget' - 28-02-2024												
Description	Ref	Budget Year 2023/24									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	4 A1	5 B	6 C	7 D	8 E	9 F	10 G	11 H		
R thousands												
ASSETS												
Trade and other receivables from exchange transactions												
Electricity		10,987	10,987					3,170	3,170	14,157	11,376	11,773
Water		-	-					-	-	-	-	-
Waste		71,337	71,337					(1,659)	(1,659)	69,678	73,518	75,810
Waste Water		812	812					-	-	812	852	892
Other trade receivables from exchange transaction		(5,036)	(5,036)					2,472	2,472	(2,564)	(5,154)	(5,492)
Gross: Trade and other receivables from exchange transactions		78,101	78,101					3,982	3,982	82,083	80,592	82,983
Less: Impairment for debt	1	(69,725)	(69,725)					16,023	16,023	(53,702)	(71,909)	(75,153)
Impairment for Electricity		(5,609)	(5,609)					926	926	(4,683)	(5,777)	(6,950)
Impairment for Water		-	-					-	-	-	-	-
Impairment for Waste		(64,116)	(64,116)					5,344	5,344	(58,772)	(66,132)	(68,202)
Impairment for Waste Water		-	-					-	-	-	-	-
Impairment for other trade receivables from exchange transactions		-	-					9,753	9,753	9,753	-	-
Total net Trade and other receivables from Exchange Transactions		8,376	8,376					20,006	20,006	28,381	8,683	7,830
Receivables from non-exchange transactions												
Property rates		112,308	112,308					32,632	32,632	144,939	116,110	119,492
Less: Impairment of Property rates		(95,738)	(95,738)					(11,924)	(11,924)	(107,662)	(98,827)	(102,448)
Net Property rates		16,570	16,570					20,708	20,708	37,278	17,284	17,044
Other receivables from non-exchange transactions		5,675	5,675					3,040	3,040	8,716	5,846	6,366
Impairment for other receivables from non-exchange transactions		(921)	(921)					(1,088)	(1,088)	(2,009)	(948)	(977)
Net other receivables from non-exchange transactions		4,754	4,754					1,952	1,952	6,706	4,897	5,389
Total net Receivables from non-exchange transactions		21,324	21,324					22,660	22,660	43,984	22,181	22,433
Consumables												
Standard Rated												
Opening Balance		535	535					37	37	572	572	572
Acquisitions		905	905					-	-	905	944	994
Issues	13	(905)	(905)					-	-	(905)	(944)	(994)
Adjustments	14	-	-					-	-	-	-	-
Write-offs	15	-	-					-	-	-	-	-
Closing balance - Consumables Standard Rated		535	535					37	37	572	572	572
Zero Rated												
Opening Balance		-	-					42,038	42,038	42,038	42,038	42,038
Acquisitions		-	-					-	-	-	-	-
Issues	13	-	-					-	-	-	-	-
Adjustments	14	-	-					-	-	-	-	-
Write-offs	15	-	-					-	-	-	-	-
Closing balance - Consumables Zero Rated		-	-					42,038	42,038	42,038	42,038	42,038
Materials and Supplies												
Opening Balance		203	203					(62)	(62)	141	141	2,883
Acquisitions		6,506	6,506					(3,437)	(3,437)	3,069	6,528	6,830
Issues	13	(6,506)	(6,506)					3,437	3,437	(3,069)	(3,787)	(4,108)
Adjustments	14	-	-					-	-	-	-	-
Write-offs	15	-	-					-	-	-	-	-
Closing balance - Materials and Supplies		203	203					(62)	(62)	141	2,883	5,604
Closing Balance - Inventory & Consumables		739	739					42,013	42,013	42,752	45,493	48,215
Property, plant & equipment												
PPE at cost/valuation (excl. finance leases)		757,710	757,710					4,812	4,812	762,522	689,756	696,136
Leases recognised as PPE	2	-	-					-	-	-	-	-
Less: Accumulated depreciation		(105,495)	(105,495)					(15,123)	(15,123)	(120,618)	(109,431)	(113,240)
Total Property, plant & equipment	1	652,214	652,214					(10,311)	(10,311)	641,904	580,326	582,896
LIABILITIES												
Current liabilities - Financial liabilities												
Short term loans (other than bank overdraft)		-	-					-	-	-	-	-
Current portion of long-term liabilities		-	-					-	-	-	-	-
Total Current liabilities - Financial liabilities		-	-					-	-	-	-	-
Trade and other payables												
Trade and other payables from exchange transactions		35,888	35,888					8,686	8,686	44,574	57,163	60,275
Other trade payables from exchange transactions		-	-					-	-	-	-	-
Trade payables from Non-exchange transactions		20,275	20,275					5,514	5,514	25,789	-	-
Trade payables from Non-exchange transactions		-	-					-	-	-	-	-
VAT		9,818	9,818					2,562	2,562	12,380	12,528	12,244
Total Trade and other payables	1	65,981	65,981					16,763	16,763	82,743	69,691	72,519
Non current liabilities - Financial liabilities												
Borrowing	3	-	-					-	-	-	-	-
Other financial liabilities		-	-					-	-	-	-	-
Total Non current liabilities - Financial liabilities		-	-					-	-	-	-	-
Provisions - non current												
Retirement benefits		22,795	22,795					(1,102)	(1,102)	21,693	25,185	26,167
Refuse landfill site rehabilitation		-	-					-	-	-	-	-
Other		-	-					-	-	-	-	-
Total Provisions - non current		22,795	22,795					(1,102)	(1,102)	21,693	25,185	26,167
CHANGES IN NET ASSETS												
Accumulated surplus/(Deficit)												
Accumulated surplus/(Deficit) - opening balance		793,938	793,938					1,185	1,185	795,123	861,721	895,111
GRAP adjustments		-	-					-	-	-	-	-
Restated balance		793,938	793,938					1,185	1,185	795,123	861,721	895,111
Surplus/(Deficit)		28,629	28,629					11,356	11,356	39,985	76,140	76,638
Transfers to/from Reserves		-	-					-	-	-	-	-
Depreciation offsets		-	-					-	-	-	-	-
Other adjustments		-	-					-	-	-	-	-
Accumulated Surplus/(Deficit)	1	822,568	822,568					12,540	12,540	835,108	937,861	971,749
Reserves												
Housing Development Fund		2,191	2,191					(205)	(205)	1,986	2,233	2,315
Capital replacement		-	-					-	-	-	-	-
Self-insurance		-	-					-	-	-	-	-
Other reserves		-	-					64,393	64,393	64,393	-	-
Revaluation		-	-					-	-	-	-	-
Total Reserves	2	2,191	2,191					64,188	64,188	66,379	2,233	2,315
TOTAL COMMUNITY WEALTH/EQUITY	2	824,758	824,758					76,728	76,728	901,487	940,094	974,064

Table 14 Supporting Table SB4- Adjustments to Budgeted performance indicators

KZN291 Mandeni - Supporting Table SB4 Adjustments to budgeted performance indicators and benchmarks - 28-02-2024									
Description of financial indicator	Basis of calculation	2020/21	2021/22	2022/23	Budget Year 2023/24			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				9.3%	9.3%	8.5%	9.5%	9.7%
Capital Charges to Own Revenue	Finance charges & Renavment 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				0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>									
Current Ratio	Current assets/current liabilities				226.8%	226.8%	314.5%	506.6%	534.3%
Current Ratio adjusted for aged debtors	Current assets/current liabilities less debtors > 90 days/current liabilities				226.8%	226.8%	0.0%	0.0%	0.0%
Liquidity Ratio	Monetary Assets/Current Liabilities				1.7	1.7	1.7	3.9	4.2
<u>Revenue Management</u>									
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing								
Current Debtors Collection Rate (Cash receipts % of Ratepayer Outstanding Debtors to Revenue)	Total Outstanding Debtors to Annual Revenue				34.7%	34.7%	45.7%	42.1%	40.4%
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					56.5%	56.5%	52.1%	23.5%	21.9%
<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								
Water Distribution Losses (2)	Total Volume Losses (kℓ) Total Cost of Losses % Volume (units purchased and generated less units sold)/units purchased and								
Employee costs	Employee costs/(Total Revenue - capital revenue)				37.0%	37.0%	33.8%	33.4%	33.1%
Remuneration	Total remuneration/(Total Revenue - capital revenue)								
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)				4.3%	4.3%	5.0%	4.0%	3.9%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)				11.7%	11.7%	9.9%	10.3%	10.5%
<u>IDP regulation financial viability indicators</u>									
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due				977.2%	977.2%	1069.6%	1005.4%	1062.4%
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services				2.2%	2.2%	6.8%	2.0%	1.7%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure				0.0	0.0	0.0	0.0	0.0

Table 15 Supporting Table SB6- Adjustment Budget- Funding Measurement

KZN291 Mandeni - Supporting Table SB6 Adjustments Budget - funding measurement - 28-02-2024										
Description	Ref	MFMA section	2020/21	2021/22	2022/23	Medium Term Revenue and Expenditure Framework				
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Prior Adjusted	Adjusted Budget	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousands										
Funding measures										
Cash/cash equivalents at the year end - R'000	1	18(1)b				116,824	116,824	158,766	291,235	326,528
Cash + investments at the yr end less applications - R'000	2	18(1)b				94,738	94,738	61,443	238,514	270,651
Cash year end/monthly employee/supplier payments	3	18(1)b				-	-	-	-	-
Surplus/(Deficit) excluding depreciation offsets: R'000	4	18(1)				28,629	28,629	-	-	-
Service charge rev % change - macro CPIX target exclusiv	5	18(1)a,(2)				0.0%	0.0%	0.0%	-11.8%	9.2%
Cash receipts % of Ratepayer & Other revenue	6	18(1)a,(2)	0.0%	0.0%	0.0%	85.9%	85.9%	69.1%	69.8%	73.6%
Debt impairment expense as a % of total billable revenue	7	18(1)a,(2)				31.9%	31.9%	30.0%	26.8%	24.4%
Capital payments % of capital expenditure	8	18(1)c;19				115.0%	115.0%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	9	18(1)c				0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	10	18(1)a				0.0%	0.0%	0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	11	18(1)a							-61.3%	2.6%
Long term receivables % change - incr(decr)	12	18(1)a							28.2%	5.4%
R&M % of Property Plant & Equipment	13	20(1)(vi)				2.2%	2.2%	3.0%	2.5%	2.6%
Asset renewal % of capital budget	14	20(1)(vi)				12.2%	12.2%	10.0%	20.6%	0.0%

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

KZN291 Mandeni - Supporting Table SB7 Adjustments Budget - transfers and grant receipts - 28-02-2024										
Description	Ref	Budget Year 2023/24							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
		A	7 A1	8 B	9 C	10 D	11 E	12 F		
R thousands										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		244,496	-	-	593	-	593	244,803	268,808	268,782
Local Government Equitable Share		230,823					230,823	250,161	249,287	
EPWP Incentive	-	2,553	-	-	143	-	143	2,410	-	-
Finance Management	-	1,850	-	-	-	-	1,850	1,850	1,950	
Integrated National Electrification Program	-	7,384	-	-	-	-	7,384	14,622	15,277	
Municipal Infrastructure Grant	-	1,886	-	-	450	-	450	2,336	2,175	2,268
Provincial Government:		4,863	-	-	4,631	-	-	9,494	4,618	4,825
Community Library Services Grant	-	1,477	-	-	-	-	1,477	1,542	1,611	
Provincialization of Government		2,396			(130)		2,266	3,076	3,214	
Non-revenue electricity - EDTEA	4	990					990			
Massification Grant	5				4,761		4,761			
District Municipality:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	6	249,359	-	-	5,224	-	593	254,297	273,426	273,607
Capital Transfers and Grants										
National Government:		47,831	-	-	11,781	-	11,781	59,612	41,323	43,086
Municipal Infrastructure Grant (MIG)	-	47,831	-	-	(3,775)	-	(3,775)	44,056	41,323	43,086
Municipal Disaster Recovery Grant	-	-	-	-	15,556	-	15,556	15,556	-	-
Provincial Government:		550	-	-	130	-	130	680	-	-
Provincialization of Libraries		550			130		130	680		
District Municipality:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Other grant providers:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Total Capital Transfers and Grants	6	48,381	-	-	11,911	-	11,911	60,292	41,323	43,086
TOTAL RECEIPTS OF TRANSFERS & GRANTS		297,740	-	-	17,135	-	12,504	314,589	314,749	316,693

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

KZN291 Mandeni - Supporting Table SB8 Adjustments Budget - expenditure on transfers and grant programme - 28-02-2024										
Description	Ref	Budget Year 2023/24						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:		244,496	-	-	307	-	-	244,803	268,808	268,782
Local Government Equitable Share		230,823						230,823	250,161	249,287
Expanded Public Works Programme Integrated		2,553			(143)			2,410		
Integrated National Electrification Programme		7,384						7,384	14,622	15,277
Local Government Financial Management Grant		1,850						1,850	1,850	1,950
Municipal Infrastructure Grant		1,886			450			2,336	2,175	2,268
Provincial Government:		4,863	-	-	4,631	-	-	9,494	4,618	4,825
Community Library Services Grant		1,477						1,477	1,542	1,611
Provincialization of Government		2,396			(130)			2,266	3,076	3,214
Non-revenue electricity - EDTEA		990						990		
Massification Grant					4,761			4,761		
District Municipality:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Other grant providers:		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants		249,359	-	-	4,938	-	-	254,297	273,426	273,607
Capital expenditure of Transfers and Grants										
National Government:		47,831	-	-	11,781	-	-	59,612	41,323	43,086
Integrated National Electrification Programme										
Municipal Disaster Recovery Grant					15,556			15,556		
Municipal Infrastructure Grant		47,831			(3,775)			44,056	41,323	43,086
Provincial Government:		550	-	-	130	-	-	680	-	-
Provincialization of Libraries		550			130			680		
District Municipality:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Other grant providers:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Total capital expenditure of Transfers and Grants		48,381	-	-	11,911	-	130	60,292	41,323	43,086
Total capital expenditure of Transfers and Grants		297,740	-	-	16,849	-	130	314,589	314,749	316,693

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

KZN291 Mandeni - Supporting Table SB9 Adjustments Budget - reconciliation of transfers, grant receipts, and unspent funds - 28-02-2023									
Description	Ref	Budget Year 2022/23						Budget Year +1	Budget Year +2
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget
R thousands		A	2 A1	3 B	4 C	5 D	6 E	7 F	
Operating transfers and grants:									
National Government:									
Balance unspent at beginning of the year					2,874		2,874	2,874	
Current year receipts		(226,202)		-	-	-	-	(226,202)	(244,091)
Conditions met - transferred to revenue		(452,404)	-	-	5,748	-	5,748	(446,656)	(488,183)
Conditions still to be met - transferred to liability		226,202		-	(2,874)	-	(2,874)	223,328	244,091
Provincial Government:									
Balance unspent at beginning of the year					5,831		5,831	5,831	
Current year receipts		(20,005)		-	10,618	-	10,618	(9,387)	(4,423)
Conditions met - transferred to revenue		(40,010)	-	-	21,236	-	21,236	(18,774)	(8,846)
Conditions still to be met - transferred to liability		20,005		-	(4,787)	-	(4,787)	15,218	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		(492,414)	-	-	26,984	-	26,984	(465,430)	(497,029)
Total operating transfers and grants - CTBM 2		246,207	-	-	(7,661)	-	(7,661)	238,546	248,514
Capital transfers and grants:									
National Government:									
Balance unspent at beginning of the year									
Current year receipts		(38,082)		-	-	-	-	(38,082)	(39,636)
Conditions met - transferred to revenue		(76,164)	-	-	-	-	-	(76,164)	(79,272)
Conditions still to be met - transferred to liability		38,082		-	-	-	-	38,082	39,636
Provincial Government:									
Balance unspent at beginning of the year									
Current year receipts		(380)		-	(656)	-	(656)	(1,036)	-
Conditions met - transferred to revenue		(760)	-	-	(1,312)	-	(1,312)	(2,072)	-
Conditions still to be met - transferred to liability		380		-	656	-	656	1,036	-
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		(76,924)	-	-	(1,312)	-	(1,312)	(78,236)	(79,272)
Total capital transfers and grants - CTBM		38,462	-	-	656	-	656	39,118	39,636
TOTAL TRANSFERS AND GRANTS REVENUE		(569,338)	-	-	25,672	-	25,672	(543,666)	(576,301)
TOTAL TRANSFERS AND GRANTS - CTBM		284,669	-	-	(7,005)	-	(7,005)	277,664	288,150

Table 19 Supporting Table SB11- Adjustment Budget- Councilor and staff benefits

KZN291 Mandeni - Supporting Table SB11 Adjustments Budget - councillor and staff benefits - 28-02-2024												
Summary of remuneration	Ref	Budget Year 2023/24										% 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		12,989	12,989							12,989	0.0%	
Pension and UIF Contributions		-	-							-		
Medical Aid Contributions		-	-							-		
Motor Vehicle Allowance		636	636							636	0.0%	
Cellphone Allowance		1,591	1,591							1,591		
Housing Allowances		244	244							244		
Other benefits and allowances		-	-							-		
Sub Total - Councillors		15,460	15,460							15,460	0.0%	
% increase												
Senior Managers of the Municipality												
Basic Salaries and Wages		5,602	5,602							5,602	0.0%	
Pension and UIF Contributions		11	11							11	0.0%	
Medical Aid Contributions		-	-					45	45	45	#DIV/0!	
Overtime		-	-							-		
Performance Bonus		476	476							476		
Motor Vehicle Allowance		773	773					60	60	833	7.8%	
Cellphone Allowance		186	186							186	0.0%	
Housing Allowances		265	265							265		
Other benefits and allowances		1	1					320	320	321		
Payments in lieu of leave		-	-							-		
Long service awards		-	-							-		
Post-retirement benefit obligations	5	-	-							-		
Entertainment		-	-							-		
Scarcity		-	-							-		
Acting and post related allowance		-	-							-		
In kind benefits		-	-							-		
Sub Total - Senior Managers of Municipality		7,314	7,314					425	425	7,739	5.8%	
% increase										0		
Other Municipal Staff												
Basic Salaries and Wages		89,913	89,913					535	535	90,448	0.6%	
Pension and UIF Contributions		14,704	14,704					489	489	15,193	3.3%	
Medical Aid Contributions		5,886	5,886							5,886	0.0%	
Overtime		1,716	1,716					640	640	2,356	37.3%	
Performance Bonus		6,209	6,209							6,209		
Motor Vehicle Allowance		5,239	5,239							5,239	0.0%	
Cellphone Allowance		526	526					50	50	576	9.5%	
Housing Allowances		345	345							345		
Other benefits and allowances		765	765					80	80	845		
Payments in lieu of leave		2,591	2,591							2,591	0.0%	
Long service awards		1,341	1,341							1,341	0.0%	
Post-retirement benefit obligations	5	4,872	4,872					(2,219)	(2,219)	2,652	-45.6%	
Entertainment		-	-							-		
Scarcity		-	-							-		
Acting and post related allowance		-	-							-		
In kind benefits		-	-							-		
Sub Total - Other Municipal Staff		134,106	134,106					(425)	(425)	133,681	-0.3%	
% increase												
Total Parent Municipality		156,880	156,880							156,880	0.0%	
TOTAL SALARY, ALLOWANCES & BENEFITS		156,880	156,880							156,880	0.0%	
% increase												
TOTAL MANAGERS AND STAFF		141,420	141,420							141,420	0.0%	

Table 20 Supporting Table SB14- Adjustment Budget- Monthly revenue and expenditure

KZN291 Mandeni - Supporting Table SB14 Adjustments Budget - monthly revenue and expenditure - 28-02-2024

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
		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																
Exchange Revenue																
Service charges - Electricity		5,145	5,145	5,145	5,145	5,145	5,145	5,145	5,145	5,145	5,145	5,145	5,145	61,743	55,191	57,785
Service charges - Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management		920	920	920	920	920	920	920	920	920	920	920	920	11,044	11,445	11,983
Sale of Goods and Rendering of Services		1,072	1,072	1,072	1,072	1,072	1,072	1,072	1,072	1,072	1,072	1,072	1,072	12,862	15,648	15,679
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		76	76	76	76	76	76	76	76	76	76	76	76	918	963	1,008
Interest earned from Current and Non Current Assets		1,958	1,958	1,958	1,958	1,958	1,958	1,958	1,958	1,958	1,958	1,958	1,958	23,500	38,004	41,543
Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		20	20	20	20	20	20	20	20	20	20	20	20	242	202	211
Licence and permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		168	168	168	168	168	168	168	168	168	168	168	168	2,012	415	435
Non-Exchange Revenue																
Property rates		4,944	4,944	4,944	4,944	4,944	4,944	4,944	4,944	4,944	4,944	4,944	4,944	59,329	60,779	80,022
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		101	101	101	101	101	101	101	101	101	101	101	101	1,210	1,269	1,329
Licences or permits		61	61	61	61	61	61	61	61	61	61	61	61	737	777	814
Transfer and subsidies - Operational		20,179	20,179	20,179	20,179	20,179	20,179	20,179	20,179	20,179	20,179	20,179	20,179	242,152	258,804	258,192
Interest		236	236	236	236	236	236	236	236	236	236	236	236	2,837	2,976	3,116
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue		8,288	34,882	34,882	34,882	34,882	34,882	34,882	34,882	34,882	34,882	34,882	33,810	418,587	446,472	472,115
Expenditure By Type																
Employee related costs		11,785	11,785	11,785	11,785	11,785	11,785	11,785	11,785	11,785	11,785	11,785	11,785	141,420	142,112	148,944
Remuneration of councillors		1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	15,460	16,647	16,980
Bulk purchases - electricity		4,322	4,322	4,322	4,322	4,322	4,322	4,322	4,322	4,322	4,322	4,322	4,322	51,864	43,659	45,667
Inventory consumed		331	331	331	331	331	331	331	331	331	331	331	331	3,974	4,732	5,102
Debt impairment		3,109	3,109	3,109	3,109	3,109	3,109	3,109	3,109	3,109	3,109	3,109	3,109	37,303	39,130	42,320
Depreciation and amortisation		2,961	2,961	2,961	2,961	2,961	2,961	2,961	2,961	2,961	2,961	2,961	2,961	35,534	37,276	40,675
Interest		275	275	275	275	275	275	275	275	275	275	275	275	3,300	105	110
Contracted services		7,074	7,074	7,074	7,074	7,074	7,074	7,074	7,074	7,074	7,074	7,074	7,074	84,884	69,074	72,241
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		625	625	625	625	625	625	625	625	625	625	625	625	7,500	6,804	7,174
Operational costs		4,680	4,680	4,680	4,680	4,680	4,680	4,680	4,680	4,680	4,680	4,680	4,680	56,155	50,543	59,351
Losses on disposal of Assets		125	125	125	125	125	125	125	125	125	125	125	125	1,500	1,574	-
Other Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		36,575	36,575	36,575	36,575	36,575	36,575	36,575	36,575	36,575	36,575	36,575	36,575	438,894	411,656	438,564
Surplus/(Deficit)		(28,286)	(1,692)	(1,692)	(1,692)	(1,692)	(1,692)	(1,692)	(1,692)	(1,692)	(1,692)	(1,692)	(2,764)	(20,307)	34,817	33,552
Transfers and subsidies - capital (monetary allocations)		5,024	5,024	5,024	5,024	5,024	5,024	5,024	5,024	5,024	5,024	5,024	5,024	60,292	41,323	43,086
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & subsidies		(23,262)	3,332	3,332	3,332	3,332	3,332	3,332	3,332	3,332	3,332	3,332	2,260	39,985	76,140	76,638

Table 21 Supporting Table SB15- Adjustment Budget- Monthly Cash Flow

KZN291 Mandeni - Supporting Table SB15 Adjustments Budget - monthly cash flow - 28-02-2024															Medium Term Revenue and Expenditure Framework		
Monthly cash flows	Ref	Budget Year 2023/24												Full year budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
		July	August	Sept.	October	November	December	January	February	March	April	May	June				
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget				
R thousands																	
Cash Receipts By Source																	
Property rates	1	2,225	2,225	2,225	2,225	2,225	2,225	2,225	2,225	2,225	2,225	2,225	2,225	26,698	26,698	27,350	45,792
Service charges - electricity revenue		5,488	5,488	5,488	5,488	5,488	5,488	5,488	5,488	5,488	5,488	5,488	5,488	65,857	65,857	60,327	63,163
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse		413	413	413	413	413	413	413	413	413	413	413	413	4,956	4,956	5,070	5,308
Rental of facilities and equipment		20	20	20	20	20	20	20	20	20	20	20	20	243	243	194	300
Interest earned - external investments		1,958	1,958	1,958	1,958	1,958	1,958	1,958	1,958	1,958	1,958	1,958	1,958	23,500	23,500	24,504	26,543
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		101	101	101	101	101	101	101	101	101	101	101	101	1,210	1,210	1,269	1,329
Licences and permits		71	71	71	71	71	71	71	71	71	71	71	71	848	848	894	936
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Operational		21,959	21,959	21,959	21,959	21,959	21,959	21,959	21,959	21,959	21,959	21,959	21,959	263,502	263,502	282,051	282,094
Other revenue		256	256	256	256	256	256	256	256	256	256	256	256	3,072	3,072	1,289	1,349
Cash Receipts by Source		32,491	32,491	32,491	32,491	32,491	32,491	32,491	32,491	32,491	32,491	32,491	32,491	389,887	389,887	402,949	426,813
Other Cash Flows by Source																	
Transfers and subsidies - capital (monetary allocations) (National / Transfers and subsidies - capital (monetary allocations) (Nat / Prov		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons,		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intan		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receiv		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current invest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source		32,491	32,491	32,491	32,491	32,491	32,491	32,491	32,491	32,491	32,491	32,491	32,491	389,887	389,887	402,949	426,813
Cash Payments by Type																	
Employee related costs		12,045	12,045	12,045	12,045	12,045	12,045	12,045	12,045	12,045	12,045	12,045	12,045	144,540	144,540	143,057	149,933
Remuneration of councillors		1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	15,460	15,460	16,647	16,980
Finance charges		275	275	275	275	275	275	275	275	275	275	275	275	3,300	3,300	105	110
Bulk purchases - Electricity		4,322	4,322	4,322	4,322	4,322	4,322	4,322	4,322	4,322	4,322	4,322	4,322	51,864	51,864	43,659	45,667
Acquisitions - water & other inventory	2	331	331	331	331	331	331	331	331	331	331	331	331	3,974	3,974	7,473	7,824
Contracted services		7,755	7,755	7,755	7,755	7,755	7,755	7,755	7,755	7,755	7,755	7,755	7,755	93,059	93,059	64,777	67,762
Transfers and grants - other municipalitie		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure		5,429	5,429	5,429	5,429	5,429	5,429	5,429	5,429	5,429	5,429	5,429	5,429	65,149	65,149	55,005	65,216
Cash Payments by Type		31,445	31,445	31,445	31,445	31,445	31,445	31,445	31,445	31,445	31,445	31,445	31,445	284,286	284,286	330,722	353,492
Other Cash Flows/Payments by Type																	
Capital assets		11,649	11,649	11,649	11,649	11,649	11,649	11,649	11,649	11,649	11,649	11,649	11,649	139,784	139,784	35,933	19,681
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type		43,094	43,094	43,094	43,094	43,094	43,094	43,094	43,094	43,094	43,094	43,094	43,094	424,070	424,070	517,129	373,174
NET INCREASE/(DECREASE) IN CASH		(10,604)	(10,604)	(10,604)	(10,604)	(10,604)	(10,604)	(10,604)	(10,604)	(10,604)	(10,604)	(10,604)	(10,604)	(34,183)	(34,183)	(127,243)	36,294
Cash/cash equivalents at the month/year		254,525	243,921	233,318	222,714	212,111	201,507	190,904	180,300	169,696	159,093	148,489	137,886		254,525	127,282	163,576
Cash/cash equivalents at the month/year		243,921	233,318	222,714	212,111	201,507	190,904	180,300	169,696	159,093	148,489	137,886	127,282		127,282	163,576	217,216

Table 22 Supporting Table SB17- Adjustment Budget- Monthly Capital Expenditure

KZN291 Mandeni - Supporting Table SB15 Adjustments Budget - monthly cash flow - 28-02-2024																
Monthly cash flows	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands																
Cash Receipts By Source																
Property rates	1	85	-	-	-	-	-	2,225	2,225	2,225	2,225	2,225	15,489	26,698	27,350	45,792
Service charges - electricity revenue		-	50,000	-	-	-	-	5,488	5,488	5,488	5,488	5,488	(11,583)	65,857	60,327	63,163
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse		-	-	-	-	-	-	481	481	481	481	481	3,369	5,776	6,059	6,343
Rental of facilities and equipment		-	-	-	-	-	-	25	25	25	25	25	175	301	194	300
Interest earned - external investments		-	-	-	-	-	-	1,958	1,958	1,958	1,958	1,958	13,708	23,500	38,004	41,543
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		3	14	16	15	7	6	101	101	101	101	101	644	1,210	1,269	1,329
Licences and permits		-	-	-	-	-	-	71	71	71	71	71	495	848	894	936
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Operational		147,976	-	-	-	2,500	172,493	20,795	20,795	20,795	20,795	20,795	(177,406)	249,536	290,676	290,719
Other revenue		-	-	-	-	-	-	1,548	1,548	1,548	1,548	1,548	10,834	18,572	16,989	17,249
Cash Receipts by Source		148,064	50,014	16	15	2,507	172,499	32,691	32,691	32,691	32,691	32,691	(144,276)	392,298	441,763	467,374
Other Cash Flows by Source																
Transfers and subsidies - capital (monetary allocations) (National / Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons,		15,096	96	16,094	96	93	43,086	5,024	5,024	5,024	5,024	5,024	(39,391)	60,292	41,323	43,086
Proceeds on Disposal of Fixed and Intan		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receiv		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current invest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source		163,160	50,110	16,110	111	2,600	215,586	37,716	37,716	37,716	37,716	37,716	(183,667)	452,590	483,086	510,460
Cash Payments by Type																
Employee related costs		6,284	6,241	6,801	6,703	6,472	6,569	12,045	12,045	12,045	12,045	12,045	45,245	144,540	143,057	149,933
Remuneration of councillors		-	-	-	-	-	-	1,288	1,288	1,288	1,288	1,288	9,018	15,460	16,647	16,980
Finance charges		-	-	-	-	-	-	275	275	275	275	275	1,925	3,300	105	110
Bulk purchases - Electricity	2	-	-	-	-	-	-	4,970	4,970	4,970	4,970	4,970	34,792	59,643	50,208	52,518
Acquisitions - water & other inventory	3	-	-	-	-	-	-	381	381	381	381	381	2,666	4,570	8,594	8,998
Contracted services		-	-	-	-	-	-	7,766	7,766	7,766	7,766	7,766	54,359	93,187	64,777	67,762
Transfers and grants - other municipalities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure		29,238	22,029	23,605	27,531	30,069	27,896	5,418	5,418	5,418	5,418	5,418	(122,438)	65,022	55,005	65,216
Cash Payments by Type		35,521	28,270	30,406	34,234	36,541	34,465	32,143	32,143	32,143	32,143	32,143	25,566	385,721	338,392	361,516
Other Cash Flows/Payments by Type																
Capital assets		5,285	5,003	4,975	7,265	10,552	8,157	11,649	11,649	11,649	11,649	11,649	40,304	139,784	35,933	55,251
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments		425	161	-	30	456	198	(7)	(7)	(7)	(7)	(7)	(1,319)	(85)	-	-
Total Cash Payments by Type		41,231	33,434	35,381	41,529	47,549	42,820	43,785	43,785	43,785	43,785	43,785	64,551	525,420	374,325	416,768
NET INCREASE/(DECREASE) IN CASH		121,929	16,677	(19,271)	(41,418)	(44,948)	172,765	(6,069)	(6,069)	(6,069)	(6,069)	(6,069)	(248,218)	(72,830)	108,761	93,692
Cash/cash equivalents at the month/year		254,525	376,453	393,130	373,859	332,441	287,493	460,258	454,189	448,120	442,051	435,981	429,912	254,525	181,695	290,456
Cash/cash equivalents at the month/year		376,453	393,130	373,859	332,441	287,493	460,258	454,189	448,120	442,051	435,981	429,912	181,695	181,695	290,456	384,148

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 28th February 2024

