

Mtubatuba Local Municipality

**Adjustment Budget in terms of Section 28 of
the MFMA act No:56 of 2003 and regulation 21
of Municipal Budget Reporting Regulations**

28 February 2024



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PART 1-ADJUSTMENT BUDGET

Mayor's report

The Mayor's Report is attached in annexure D

Resolutions

The Municipal Council resolved after Mid-Year budget Assessment that the Adjustment Budget, Service Delivery and Budget Implementation Plan (SDBIP) and the supporting schedule be approved on the 28 February 2024.

Background

Section 28 of the MFMA (Act no: 56 of 2003) Municipal adjustments budgets state that:

1. A municipality may revise an approved annual budget through an adjustments budget.
- 2) An adjustments budget-
 - a) must adjust the 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 the council;
 - f) may correct any errors in the annual budget; and
 - g) may provide for any other expenditure within a prescribed framework.
- 3) An adjustments 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.
- 5) When an adjustments budget is tabled, it must be accompanied by-
 - 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.

Executive Summary

The MFMA requires the accounting officer of a municipality to assess the municipality's performance for the first half of the financial year by 25 January of each year. Specific matters are to be reviewed and reported to the mayor of the municipality as well as National and Provincial Treasury.

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

The adjustment budget is based on the consultation with various departments, expenditure trends for the past six months of the financial year. The critical review is undertaken and non-core and nice to have expenditures were eliminated with a purpose of improving on service delivery as the core function of the Municipality.

Revenue and expenditure projections are projected in such a way that it is consistent with current and past performance and it does not jeopardize the financial viability of the municipality (ensures that the financial position is maintained within the generally acceptable prudential limits and obligations can be met in a short, medium and long term. The budget set out certain service delivery levels and associated financial implications.

The municipality will continue with its revenue enhancement project of implementing range of revenue collection strategies to optimize the collection of debt owed to the municipality.



**INKOSI MTUBATUBA
MUNICIPALITY**

ADJUSTMENT BUDGET TABLES

Table B1 Adjustment Budget Summary

KZN275 Mtubatuba - Table B1 Adjustments Budget Summary -

Description	Budget Year 2023/24										Budget Year	Budget Year
	Original	Prior	Accum.	Multi-year	Unfore.	Nat. or Prov.	Other	Total	Adjusted	Adjusted	Adjusted	Adjusted
	Budget	Adjusted	Funds	capital	Unavoid.	Govt	Adjusts.	Adjusts.	Budget	Budget	Budget	Budget
R thousands	A	A1	B	C	D	E	F	G	H			
Financial Performance												
Property rates	52 205	-	-	-	-	-	188	188	52 393	52 802	55 178	
Service charges	7 999	-	-	-	-	-	(1 447)	(1 447)	6 551	6 813	7 120	
Investment revenue	1 600	-	-	-	-	-	1 400	1 400	3 000	3 120	3 260	
Transfers recognised - operational	245 459	-	-	-	-	-	5 366	5 366	250 825	260 858	272 597	
Other own revenue	29 745	-	-	-	-	-	3 338	3 338	33 083	34 406	35 955	
Total Revenue (excluding capital transfers and contributions)	337 008	-	-	-	-	-	8 845	8 845	345 853	358 000	374 110	
Employee costs	124 684	-	-	-	-	-	(0)	(0)	124 684	129 672	135 507	
Remuneration of councillors	18 524	-	-	-	-	-	-	-	18 524	19 265	20 132	
Depreciation & asset impairment	41 234	-	-	-	-	-	(1 488)	(1 488)	39 746	41 335	43 196	
Finance charges	1 000	-	-	-	-	-	-	-	1 000	1 040	1 087	
Inventory consumed and bulk purchases	17 450	-	-	-	-	-	(17 450)	(17 450)	-	-	-	
Transfers and subsidies	80	-	-	-	-	-	-	-	80	83	87	
Other expenditure	88 410	-	-	-	-	-	12 038	12 038	100 448	103 815	108 459	
Total Expenditure	291 382	-	-	-	-	-	(6 901)	(6 901)	284 481	295 210	308 467	
Surplus/(Deficit)	45 626	-	-	-	-	-	15 746	15 746	61 372	62 789	65 643	
Transfers and subsidies - capital (monetary allocations)	47 975	-	-	-	-	-	(3 511)	(3 511)	44 464	43 123	45 063	
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) after capital transfers & contributions	93 601	-	-	-	-	-	12 235	12 235	105 836	105 912	110 706	
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	
Surplus/ (Deficit) for the year	93 601	-	-	-	-	-	12 235	12 235	105 836	105 912	110 706	
Capital expenditure & funds sources												
Capital expenditure	47 556	-	-	-	-	-	(1 275)	(1 275)	46 282	45 685	47 199	
Transfers recognised - capital	41 717	-	-	-	-	-	(3 044)	(3 044)	38 673	37 507	39 195	
Borrowing	-	-	-	-	-	-	-	-	-	-	-	
Internally generated funds	5 839	-	-	-	-	-	1 770	1 770	7 609	8 178	8 005	
Total sources of capital funds	47 556	-	-	-	-	-	(1 275)	(1 275)	46 282	45 685	47 199	
Financial position												
Total current assets	152 850	-	-	-	-	-	(71 216)	(71 216)	81 635	131 720	138 216	
Total non current assets	491 501	-	-	-	-	-	20 514	20 514	512 015	530 047	553 358	
Total current liabilities	68 007	-	-	-	-	-	(10 219)	(10 219)	57 788	107 510	112 348	
Total non current liabilities	(2 359)	-	-	-	-	-	40 614	40 614	38 255	39 785	41 575	
Community wealth/Equity	610 929	-	-	-	-	-	(113 322)	(113 322)	497 607	514 472	537 651	
Cash flows												
Net cash from (used) operating	113 402	-	-	-	-	-	(36 727)	(36 727)	76 675	112 504	117 599	
Net cash from (used) investing	(54 690)	-	-	-	-	-	1 466	1 466	(53 224)	(52 537)	(54 279)	
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-	-	
Cash/cash equivalents at the year end	65 354	-	-	-	-	-	(41 188)	(41 188)	24 166	60 710	64 097	
Cash backing/surplus reconciliation												
Cash and investments available	144 928	-	-	-	-	-	(69 615)	(69 615)	75 313	103 468	108 779	
Application of cash and investments	(15 141)	-	-	-	-	-	(4 145)	(4 145)	(19 286)	48 224	50 394	
Balance - surplus (shortfall)	160 069	-	-	-	-	-	(65 470)	(65 470)	94 599	55 244	58 385	
Asset Management												
Asset register summary (WDV)	491 501	-	-	-	-	-	20 514	20 514	512 015	530 047	553 358	
Depreciation	29 823	-	-	-	-	-	-	-	29 823	31 016	32 412	
Renewal and Upgrading of Existing Assets	7 923	-	-	-	-	-	6 392	6 392	14 315	14 887	15 557	
Repairs and Maintenance	2 200	-	-	-	-	-	2 400	2 400	4 600	4 784	4 999	
Free services												
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-	-	
Revenue cost of free services provided	-	-	-	-	-	-	-	-	3 146	3 271	3 419	
Households below minimum service level												
Water:	-	-	-	-	-	-	-	-	-	-	-	
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-	-	
Energy:	-	-	-	-	-	-	-	-	-	-	-	
Refuse:	-	-	-	-	-	-	-	-	-	-	-	

Table B1 summarizes the Revenue and Expenditure Operational, Capital Expenditure and Source of Funding, Financial Position, Cash Flow, Cash backing/Surplus reserve reconciliation, Assets Management and Free Services.

Table B2 Adjustment Budget Financial Performance (Standard Classification)

KZN275 Mtubatuba - Table B2 Adjustments Budget Financial Performance (functional classification) -												
Standard Description	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
R thousands	1, 4	A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
Revenue - Functional												
<i>Governance and administration</i>		165 255	-	-	-	-	-	4 390	4 390	169 645	174 743	182 606
Executive and council		19 554	-	-	-	-	-	-	-	19 554	20 337	21 252
Finance and administration		145 701	-	-	-	-	-	4 390	4 390	150 090	154 406	161 355
Internal audit		-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		62 373	-	-	-	-	-	7 831	7 831	70 203	73 011	76 297
Community and social services		42 590	-	-	-	-	-	70	70	42 660	44 366	46 363
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		17 682	-	-	-	-	-	7 761	7 761	25 443	26 461	27 652
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		2 100	-	-	-	-	-	-	-	2 100	2 184	2 282
<i>Economic and environmental services</i>		125 895	-	-	-	-	-	(4 890)	(4 890)	121 005	122 725	128 248
Planning and development		55 593	-	-	-	-	-	37	37	55 630	54 735	57 198
Road transport		70 302	-	-	-	-	-	(4 927)	(4 927)	65 375	67 990	71 049
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		31 460	-	-	-	-	-	(1 996)	(1 996)	29 464	30 643	32 022
Energy sources		-	-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		31 460	-	-	-	-	-	(1 996)	(1 996)	29 464	30 643	32 022
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	384 982	-	-	-	-	-	5 334	5 334	390 317	401 122	419 173
Expenditure - Functional												
<i>Governance and administration</i>		167 536	-	-	-	-	-	6 410	6 410	173 946	180 254	188 337
Executive and council		60 048	-	-	-	-	-	3 971	3 971	64 019	66 580	69 547
Finance and administration		107 488	-	-	-	-	-	2 439	2 439	109 927	113 674	118 789
Internal audit		-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		57 446	-	-	-	-	-	(7 197)	(7 197)	50 249	52 259	54 611
Community and social services		31 032	-	-	-	-	-	(6 427)	(6 427)	24 605	25 590	26 742
Sport and recreation		900	-	-	-	-	-	(30)	(30)	870	905	946
Public safety		25 514	-	-	-	-	-	(740)	(740)	24 774	25 765	26 924
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		47 396	-	-	-	-	-	(10 270)	(10 270)	37 126	38 611	40 348
Planning and development		24 266	-	-	-	-	-	(12 190)	(12 190)	12 076	12 559	13 124
Road transport		23 130	-	-	-	-	-	1 920	1 920	25 050	26 052	27 224
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		19 004	-	-	-	-	-	4 156	4 156	23 160	24 086	25 170
Energy sources		-	-	-	-	-	-	6 810	6 810	6 810	7 082	7 401
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		200	-	-	-	-	-	650	650	850	884	924
Waste management		18 804	-	-	-	-	-	(3 304)	(3 304)	15 500	16 120	16 845
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	291 382	-	-	-	-	-	(6 901)	(6 901)	284 481	295 210	308 467
Surplus/ (Deficit) for the year		93 601	-	-	-	-	-	12 235	12 235	105 836	105 912	110 706

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 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile „whole of government“ reports.

Table B3 Adjustment Budget Financial Performance (Revenue and Expenditure per Municipal Vote)

KZN275 Mtubatuba - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) -

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 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
		A	A1	B	C	D	E	F	G	H		
R thousands												
Revenue by Vote	1											
Vote 1 - Executive & Council		19 554	-	-	-	-	-	-	19 554	20 337	21 252	
Vote 2 - Finance & Administration		108 450	-	-	-	-	(4 107)	(4 107)	104 343	108 516	113 400	
Vote 3 - Finance & Administration		37 251	-	-	-	-	8 497	8 497	45 748	45 890	47 955	
Vote 4 - Planning & Development		55 593	-	-	-	-	37	37	55 630	54 735	57 198	
Vote 5 - Public Safety		17 682	-	-	-	-	7 761	7 761	25 443	26 461	27 652	
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-	
Vote 7 - Road Transport		70 302	-	-	-	-	(4 927)	(4 927)	65 375	67 990	71 049	
Vote 8 - Waste Management		33 560	-	-	-	-	(1 996)	(1 996)	31 564	32 827	34 304	
Vote 9 - Community & Social Services		42 590	-	-	-	-	70	70	42 660	44 366	46 363	
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	
Total Revenue by Vote	2	384 982	-	-	-	-	5 334	5 334	390 317	401 122	419 173	
Expenditure by Vote	1											
Vote 1 - Executive & Council		60 048	-	-	-	-	3 981	3 981	64 029	66 590	69 558	
Vote 2 - Finance & Administration		62 732	-	-	-	-	1 236	1 236	63 968	66 527	69 521	
Vote 3 - Finance & Administration		44 756	-	-	-	-	1 203	1 203	45 959	47 147	49 269	
Vote 4 - Planning & Development		24 266	-	-	-	-	(12 200)	(12 200)	12 066	12 548	13 113	
Vote 5 - Public Safety		25 514	-	-	-	-	(740)	(740)	24 774	25 765	26 924	
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-	
Vote 7 - Road Transport		24 030	-	-	-	-	8 700	8 700	32 730	34 039	35 571	
Vote 8 - Waste Management		19 004	-	-	-	-	(2 654)	(2 654)	16 350	17 004	17 769	
Vote 9 - Community & Social Services		31 032	-	-	-	-	(6 427)	(6 427)	24 605	25 590	26 742	
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	
Total Expenditure by Vote	2	291 382	-	-	-	-	(6 901)	(6 901)	284 481	295 210	308 467	
Surplus/ (Deficit) for the year	2	93 601	-	-	-	-	12 235	12 235	105 836	105 912	110 706	

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 organizational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

TableB4 Adjustment Budget Financial Performance (Revenue and Expenditure)

KZN275 Mtubatuba - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -												
Description	Ref	Budget Year 2023/24									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2024/25	+2 2025/26
R thousands	1	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H	Adjusted Budget	Adjusted Budget
Revenue By Source												
Exchange Revenue												
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	7 999	-	-	-	-	-	(1 447)	(1 447)	6 551	6 813	7 120
Sale of Goods and Rendering of Services		472	-	-	-	-	-	286	286	758	788	824
Agency services		-	-	-	-	-	-	946	946	946	983	1 028
Interest		-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		3 854	-	-	-	-	-	(549)	(549)	3 306	3 438	3 593
Interest earned from Current and Non Current Assets		1 600	-	-	-	-	-	1 400	1 400	3 000	3 120	3 260
Dividends		-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		350	-	-	-	-	-	(200)	(200)	150	156	163
Licence and permits		3 323	-	-	-	-	-	(100)	(100)	3 223	3 352	3 503
Operational Revenue		67	-	-	-	-	-	2 933	2 933	3 000	3 120	3 260
Non-Exchange Revenue												
Property rates	2	52 205	-	-	-	-	-	188	188	52 393	52 802	55 178
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1 545	-	-	-	-	-	155	155	1 700	1 768	1 848
Licences or permits		-	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		245 459	-	-	-	-	-	5 366	5 366	250 825	260 858	272 597
Interest		20 133	-	-	-	-	-	(133)	(133)	20 000	20 800	21 736
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		337 008	-	-	-	-	-	8 845	8 845	345 853	358 000	374 110
Expenditure By Type												
Employee related costs		124 684	-	-	-	-	-	(0)	(0)	124 684	129 672	135 507
Remuneration of councillors		18 524	-	-	-	-	-	-	-	18 524	19 265	20 132
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-	-	-
Invenbry consumed		17 450	-	-	-	-	-	(17 450)	(17 450)	-	-	-
Debt impairment		11 411	-	-	-	-	-	(1 488)	(1 488)	9 923	10 319	10 784
Depreciation and amortisation		29 823	-	-	-	-	-	-	-	29 823	31 016	32 412
Interest		1 000	-	-	-	-	-	-	-	1 000	1 040	1 087
Contracted services		59 699	-	-	-	-	-	8 987	8 987	68 685	70 783	73 968
Transfers and subsidies		80	-	-	-	-	-	-	-	80	83	87
Irrecoverable debts written of		1 268	-	-	-	-	-	(165)	(165)	1 103	1 147	1 198
Operational costs		27 443	-	-	-	-	-	3 216	3 216	30 660	31 886	33 293
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		291 382	-	-	-	-	-	(6 901)	(6 901)	284 481	295 210	308 467
Surplus/(Deficit)		45 626	-	-	-	-	-	15 746	15 746	61 372	62 789	65 643
Transfers and subsidies - capital (monetary allocations)		47 975	-	-	-	-	-	(3 511)	(3 511)	44 464	43 123	45 063
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) before taxation		93 601	-	-	-	-	-	12 235	12 235	105 836	105 912	110 706
Income Tax		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		93 601	-	-	-	-	-	12 235	12 235	105 836	105 912	110 706
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		93 601	-	-	-	-	-	12 235	12 235	105 836	105 912	110 706
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	1	93 601	-	-	-	-	-	12 235	12 235	105 836	105 912	110 706

The Statement of Financial Performance shown in Table C4, is prepared on the similar basis to the prescribed budget format, detailing Revenue by Source and Expenditure by Type. The following adjustment were made.

Property Rates

- Approved budget was R52 205 316 million adjusted upwards to R52 393 445 million.

Property rates was adjusted upwards by R 188 128.

The actual billing for Property Rates is R 39 041 173. This is because of once off billing for public works that is amounted to R 12 094 227.

The upwards adjusted is because of the performance of Property rates for the past seven months (July 2023 to January 2024). Also, the application of the tariffs increases, the supplementary valuation roll. The municipality to recommend a downwards adjustment in this line item.

Service Charge Refuse

- Approve budget was R 7 998 586 adjusted downwards by R1 447 160 to R 6 551 426.

This is because of the current billing for refuse which show a decline. The billing for refuse at Ndlovu village has also been removed. The municipality recommend a downwards adjustment in this line item.

Rentals of Facilities and Equipment

- Rentals of Facilities and Equipment was adjusted downwards by R200,000 when compared to the approved budget of R 350 000.

This is because the expected use of halls was slightly declined due to the use of outdoors premises rather than halls. The municipality recommend a downwards adjustment in this line item.

Interest: External Investments

- Interest Earned External investments was adjusted upwards by R1 400 000 when compared to the approved budget of R1 400 000.

This is because municipality reduce the expenditure through the Interim Finance Committee thus resulting in cash being kept to investment accounts. Conditional grants that are unspent are also kept on the investment's accounts. The municipality recommend upwards adjustment in this line item.

Interest: Outstanding debtors (Exchange and Non-Exchange Transactions)

- Interest Earned Outstanding Debtors- The Municipality will slightly adjust downwards in this line item.
- Similar to Interest from Exchange transactions, there would be a slight reduction in this line item.

Although there is 50 percent amnesty which will eventually reduce the debtor's book after customers has settled their accounts, this at the moments has not yield significant impact as debtors' book is still increasingly. Considering the pass trend for 7 months, the municipality will adjust down wards.

Fines

- Fines has been adjusted upwards adjustment by R 155 359 when compared to the approved budget.

The municipality has procured the new system for Traffic fines and has moved away from manual process of capturing. This line item has shown an improvement from the raising of fines and a collection of fines. There has also been set targets for traffics officers in terms of dealing with fines issues. The municipality recommend an upwards adjustment in this line item.

License and Permits

- License and Permits has been adjusted downwards by R 100 000 when compared to the approved budget.

The performance of this line item in the past 7 months have slightly decreased. The municipality recommends a downwards adjustment in this line item.

Transfers and Subsidies Operational

- Transfers and Subsidies operational will not adjusted. Transfers and Subsidies Capital will have a downwards adjustment due to Municipal Infrastructure Grant which have decreased by R 3 033 000. Other Grants Programs are in line with the budget.

Other Revenue

➤ Other revenue is as follows.

- ❖ Burial Fees Adjusted upwards by R 264 062 compared to the approved budget of R 266 164.
- ❖ Business Licences adjusted downwards by R10 000 compared to the approved budget of R 17 209.
- ❖ Town Planning and any other revenue will not be adjusted.

SB1. The municipality recommends an adjustment per each line item.

Transfers and Subsidies Capital

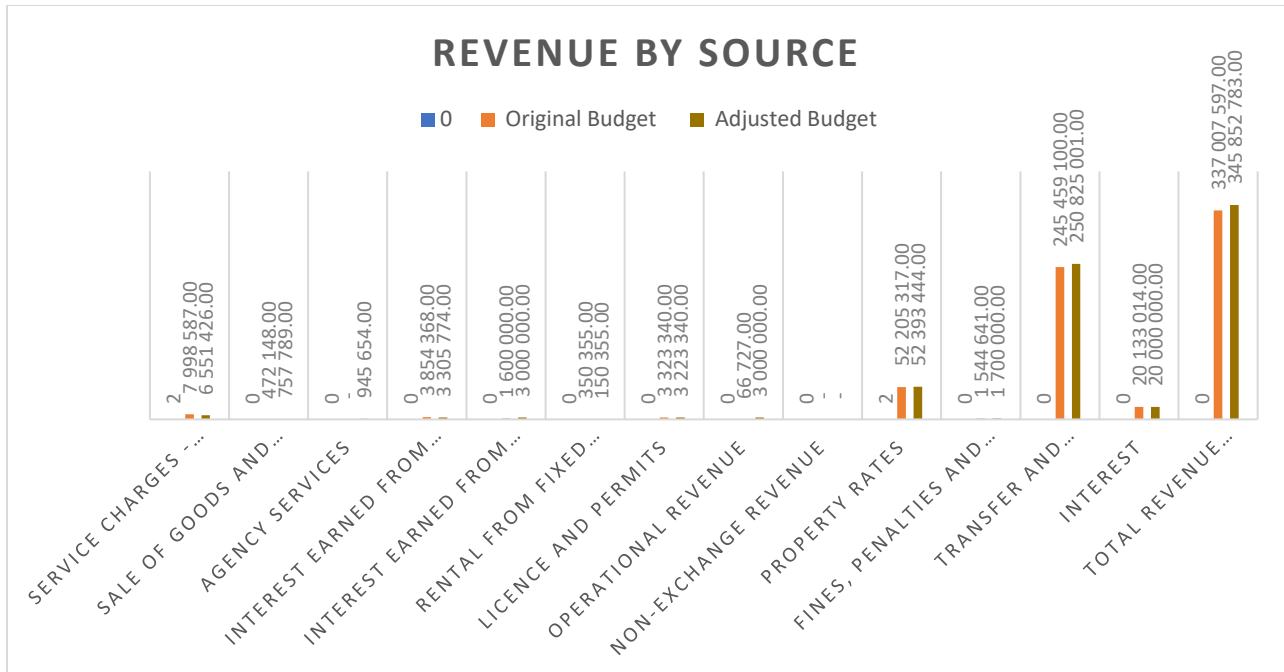
➤ Transfers and Subsidies Capital will have a downwards adjustment of R 3 033 000 because of a decrease to the Municipal Infrastructure Grant and an additional grant of R3 000 000 from EDTEA which will increase.

Overall observation is that total revenue has been adjusted upwards by R8 845 186. The following table and graph depict that.

Revenue by source

KZN275 Mtubatuba - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -

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	A1	B	C	D	E	F	G	H	0%	0%
Revenue By Source	0	-	-	-	-	-	-	-	-	-	-	-
Exchange Revenue	0											
Service charges - Waste Management	2	7 998 587.00	-	-	-	-	-	-1 447 161.00	-1 447 161.00	6 551 426.00	6 813 483.00	7 120 090.00
Sale of Goods and Rendering of Services	0	472 148.00	-	-	-	-	-	285 641.00	285 641.00	757 789.00	788 101.00	823 566.00
Agency services	0	-	-	-	-	-	-	945 654.00	945 654.00	945 654.00	983 480.00	1 027 737.00
Interest earned from Receivables	0	3 854 368.00	-	-	-	-	-	-548 594.00	-548 594.00	3 305 774.00	3 438 005.00	3 592 715.00
Interest earned from Current and Non Current Assets	0	1 600 000.00	-	-	-	-	-	1 400 000.00	1 400 000.00	3 000 000.00	3 120 000.00	3 260 400.00
Rental from Fixed Assets	0	350 355.00	-	-	-	-	-	-200 000.00	-200 000.00	150 355.00	156 369.00	163 406.00
Licence and permits	0	3 323 340.00	-	-	-	-	-	-100 000.00	-100 000.00	3 223 340.00	3 352 273.00	3 503 125.00
Operational Revenue	0	66 727.00	-	-	-	-	-	2 933 273.00	2 933 273.00	3 000 000.00	3 120 000.00	3 260 400.00
Non-Exchange Revenue	0	-	-	-	-	-	-	-	-	-	-	-
Property rates	2	52 205 317.00	-	-	-	-	-	188 127.00	188 127.00	52 393 444.00	52 801 836.00	55 177 919.00
Fines, penalties and forfeits	0	1 544 641.00	-	-	-	-	-	155 359.00	155 359.00	1 700 000.00	1 768 000.00	1 847 560.00
Transfer and subsidies - Operational	0	245 459 100.00	-	-	-	-	-	5 365 901.00	5 365 901.00	250 825 001.00	260 858 002.00	272 596 613.00
Interest	0	20 133 014.00	-	-	-	-	-	-133 014.00	-133 014.00	20 000 000.00	20 800 000.00	21 736 000.00
Total Revenue (excluding capital transfers and contributions)	0	337 007 597.00	-	-	-	-	-	8 845 186.00	8 845 186.00	345 852 783.00	357 999 549.00	374 109 531.00



Expenditure by Type

There were no adjustments made to Employee Related Costs, Remuneration to Councilor's, Debt Impairment, Depreciation and Assets Impairment, Interest, Transfers and Subsidies.

Employee Related Cost

- Employee-related costs were not adjusted. This is because this line item is above the treasury norm currently sitting at 43 percent. The are various cost cutting measures that has been implemented namely 30 percent reductions to Travelling allowances, Demotion, termination of in services trainees who do not qualify as such, Termination of EPWP, Reduction to Overtime, stand by, Call out, termination of absconding employees, etc. These monthly saving already be implemented in January 2024. The council took a decision not to increase the provision in this line item.

Remuneration to Councillors

- Remuneration to Councillors will have no adjustments compared to the approved budget. This is because of circular for upper limits that will be applicable to councillors has not been applied and no beck pays were paid. Savings will also be assisting the municipality to boost the cashflow.

Finance Charges

- Finance charges will have no adjustments compared to the approved budget. This relates to portion the provision for the landfill site rehabilitation after it reach it useful life. This will be monitored as we await the expect reports that will show the unwinding of landfill site.

Depreciation and asset impairment

- Depreciation will have no adjustments compared to the approved budget. This is because some of assets will be dispose before the end of the financial year. The municipal assets are fully depreciated and need to be written off and acquire the new assets. The current budget is at 6 percent instead of 8 percent. Cost over benefits was not assess and a determination was made to scrap out this item. The municipality recommend a no adjustment in this line item.

Contracted Services

Contracted Services was adjusted upwards by R8 986 million when compared to the approved budget. This is because of Higher expenditure is this line item for the past 7 months. A reduction in this line item will be implemented in the month of February 2024 for Services of Assets protection, Boady Guard. The municipality recommend an upwards adjustment in this line item.

Operational Costs

- Operational cost was adjusted downwards by R3 216 million. This related to operational items like rentals, telephone, audit fees, electricity, Stationary, special programs, fuel, and oil etc. The municipality recommend an adjustment in each of these line items based on the last 6 months performance.

The following table and graph represent expenditure by type.

KZN275 Mtubatuba - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -

Description	Ref	Budget Year 2023/24								
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget
		-	3.00	4.00	5.00	6.00	7.00	8.00	9.00	10.00
R thousands	1.00	A	A1	B	C	D	E	F	G	H
Expenditure By Type	-									
Employee related costs	-	124 684 138.00	-	-	-	-	-	1.00	1.00	124 684 137.00
Remuneration of councillors	-	18 523 917.00	-	-	-	-	-	-	-	18 523 917.00
Inventory consumed	-	17 450 000.00	-	-	-	-	-	17 450 000.00	17 450 000.00	-
Debt impairment	-	11 410 875.00	-	-	-	-	-	1 488 375.00	1 488 375.00	9 922 500.00
Depreciation and amortisation	-	29 823 160.00	-	-	-	-	-	-	-	29 823 160.00
Interest	-	1 000 000.00	-	-	-	-	-	-	-	1 000 000.00
Contracted services	-	59 698 875.00	-	-	-	-	-	9 986 605.00	9 986 605.00	69 685 480.00
Transfers and subsidies	-	79 875.00	-	-	-	-	-	-	-	79 875.00
Irrecoverable debts written off	-	1 267 875.00	-	-	-	-	-	165 375.00	165 375.00	1 102 500.00
Operational costs	-	27 443 206.00	-	-	-	-	-	3 216 425.00	3 216 425.00	30 659 631.00
Total Expenditure	-	291 381 921.00	-	-	-	-	-	5 900 721.00	5 900 721.00	285 481 200.00

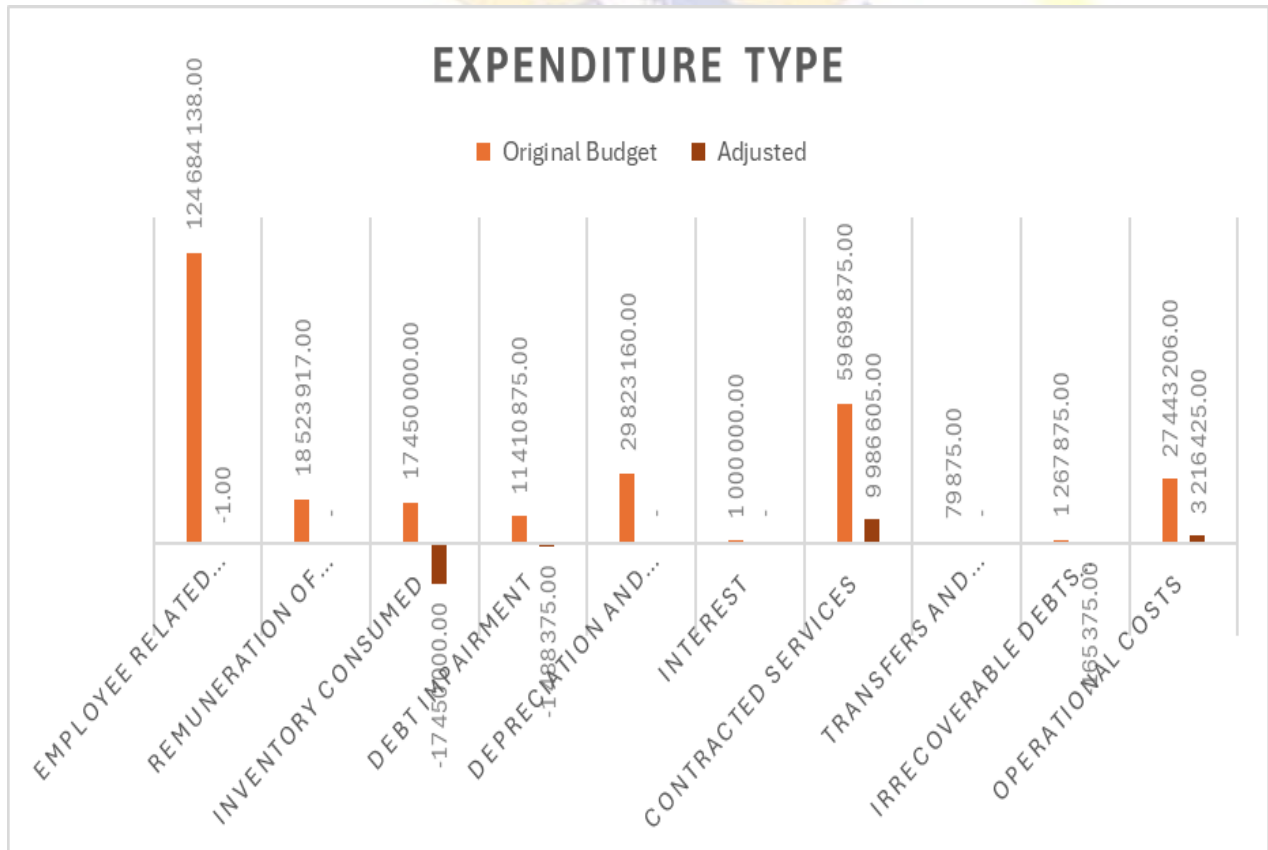


Table B5 Adjustment Capital Expenditure

KZN275 Mtubatuba - Table B5 Adjustments Capital Expenditure Budget by vote and funding -												
Description	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
R thousands		A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
Capital expenditure - Vote												
Multi-year expenditure to be adjusted	2											
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance & Administration		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Finance & Administration		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Planning & Development		-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Road Transport		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Waste Management		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Community & Social Services		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	3	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be adjusted	2											
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance & Administration		411	-	-	-	-	-	9 693	9 693	10 104	10 508	10 981
Vote 3 - Finance & Administration		2 161	-	-	-	-	-	(509)	(509)	1 652	1 718	1 796
Vote 4 - Planning & Development		5 109	-	-	-	-	-	3 152	3 152	8 261	6 143	5 878
Vote 5 - Public Safety		665	-	-	-	-	-	(404)	(404)	261	271	284
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Road Transport		25 474	-	-	-	-	-	(4 024)	(4 024)	21 449	22 307	23 311
Vote 8 - Waste Management		102	-	-	-	-	-	(59)	(59)	43	45	47
Vote 9 - Community & Social Services		13 635	-	-	-	-	-	(9 124)	(9 124)	4 511	4 692	4 903
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		47 556	-	-	-	-	-	(1 275)	(1 275)	46 282	45 685	47 199
Total Capital Expenditure - Vote		47 556	-	-	-	-	-	(1 275)	(1 275)	46 282	45 685	47 199
Capital Expenditure - Functional												
Governance and administration		2 572	-	-	-	-	-	9 184	9 184	11 756	12 226	12 776
Executive and council		-	-	-	-	-	-	-	-	-	-	-
Finance and administration		2 572	-	-	-	-	-	9 184	9 184	11 756	12 226	12 776
Internal audit		-	-	-	-	-	-	-	-	-	-	-
Community and public safety		14 300	-	-	-	-	-	(9 528)	(9 528)	4 772	4 963	5 186
Community and social services		13 635	-	-	-	-	-	(9 124)	(9 124)	4 511	4 692	4 903
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		665	-	-	-	-	-	(404)	(404)	261	271	284
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		30 582	-	-	-	-	-	(872)	(872)	29 710	28 450	29 189
Planning and development		5 109	-	-	-	-	-	3 152	3 152	8 261	6 143	5 878
Road transport		25 474	-	-	-	-	-	(4 024)	(4 024)	21 449	22 307	23 311
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		102	-	-	-	-	-	(59)	(59)	43	45	47
Energy sources		-	-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		102	-	-	-	-	-	(59)	(59)	43	45	47
Other		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	47 556	-	-	-	-	-	(1 275)	(1 275)	46 282	45 685	47 199
Funded by:												
National Government		37 456	-	-	-	-	-	(1 392)	(1 392)	36 064	37 507	39 195
Provincial Government		4 261	-	-	-	-	-	(1 652)	(1 652)	2 609	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	41 717	-	-	-	-	-	(3 044)	(3 044)	38 673	37 507	39 195
Borrowing		-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		5 839	-	-	-	-	-	1 770	1 770	7 609	8 178	8 005
Total Capital Funding		47 556	-	-	-	-	-	(1 275)	(1 275)	46 282	45 685	47 199

Capital Expenditure

The Municipality has decided to adjust its capital project as follows.

A reduction to capital project funded internally. Only the acquisition of Land for CHC, Tourism Centre, Motor Vehicles, Computer Equipment, Furniture and Fittings is provided for in this adjustment budget.

The following Capital Projects funded by MIG and Tourism is provided for in this adjustment budget.

1. Khula Village Taxi Route
2. Mtubatuba Urban Roads
3. Ebaswazini Access Roads
4. Velemptini Multi purpose Centre
5. Tourism Information Centre phase 2
6. Mtubatuba Sport Complex Phase 2
7. Dukuduku Sport Complex
8. Nkombose Sport Complex

Adjustments were made on the capital project considering cash flow position of the municipality and service delivery target. Although the Municipality has adjusted its Capex but it is still in line with its Integrated Development Plan (IDP) priorities and Services Delivery Budget and Implementation Plan (SDBIP).

The following table and graph depict budget for Capital Projects

Description	Budget Year 2023/24								
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget
		5	6	7	8	9	10	11	12
R thousands	A	A1	B	C	D	E	F	G	H
Single-year expenditure to be adjusted									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Finance & Administration	410 870.00	-	-	-	-	-	9 692 891.00	9 692 891.00	10 103 761.00
Vote 3 - Finance & Administration	2 160 870.00	-	-	-	-	-	508 696.00	508 696.00	1 652 174.00
Vote 4 - Planning & Development	5 108 696.00	-	-	-	-	-	3 152 174.00	3 152 174.00	8 260 870.00
Vote 5 - Public Safety	665 217.00	-	-	-	-	-	404 347.00	404 347.00	260 870.00
Vote 7 - Road Transport	25 473 521.00	-	-	-	-	-	4 024 106.00	4 024 106.00	21 449 415.00
Vote 8 - Waste Management	102 174.00	-	-	-	-	-	58 696.00	58 696.00	43 478.00
Vote 9 - Community & Social Services	13 635 089.00	-	-	-	-	-	9 123 852.00	9 123 852.00	4 511 237.00
Capital single-year expenditure sub-total	47 556 437.00	-	-	-	-	-	1 274 632.00	1 274 632.00	46 281 805.00
Total Capital Expenditure - Vote	47 556 437.00	-	-	-	-	-	1 274 632.00	1 274 632.00	46 281 805.00

CAPITAL EXPENDITURE

- Vote 1 - Executive & Council
 - Vote 3 - Finance & Administration
 - Vote 5 - Public Safety
 - Vote 8 - Waste Management
- Vote 2 - Finance & Administration
 - Vote 4 - Planning & Development
 - Vote 7 - Road Transport
 - Vote 9 - Community & Social Services

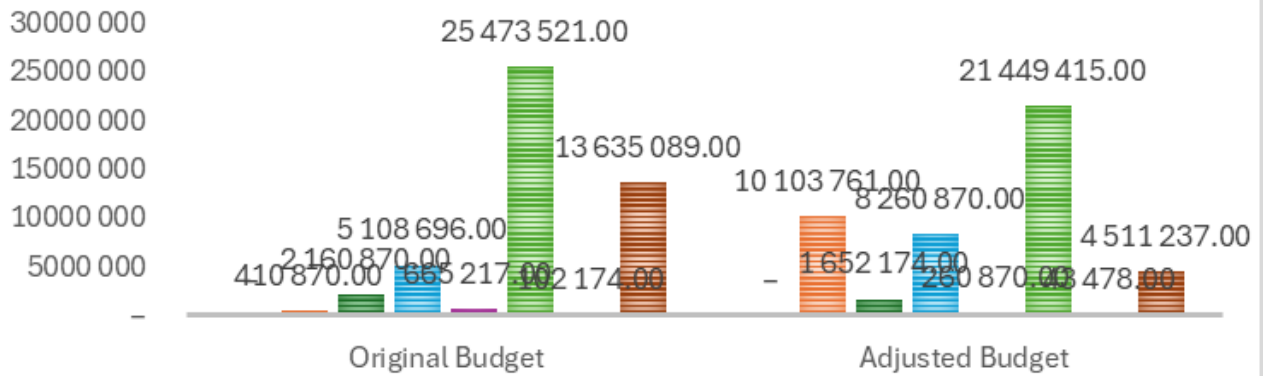


Table B6 Adjustment Budget Financial Position

KZN275 Mtubatuba - Table B6 Adjustments Budget Financial Position -

Description	Ref	Budget Year 2023/24									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
ASSETS												
Current assets												
Cash and cash equivalents		65 354	-					(41 188)	(41 188)	24 166	60 710	64 097
Trade and other receivables from exchange transactions	1	1 862	-	-	-	-	-	394	394	2 256	984	1 028
Receivables from non-exchange transactions	1	79 574	-	-	-	-	-	(28 427)	(28 427)	51 147	42 758	44 682
Current portion of non-current receivables	2	-	-	-	-	-	-	-	-	-	-	-
Inventory		-	-	-	-	-	-	-	-	-	-	-
VAT		6 061	-	-	-	-	-	(2 941)	(2 941)	3 120	26 284	27 381
Other current assets		-	-	-	-	-	-	946	946	946	983	1 028
Total current assets		152 850	-	-	-	-	-	(71 216)	(71 216)	81 635	131 720	138 216
Non current assets												
Investments		-	-	-	-	-	-	-	-	-	-	-
Investment property		31 758	-	-	-	-	-	(8 925)	(8 925)	22 833	23 747	24 815
Property, plant and equipment	3	458 096	-	-	-	-	-	29 789	29 789	487 886	504 953	527 134
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Living and non-living resources		-	-	-	-	-	-	-	-	-	-	-
Heritage assets		1 105	-	-	-	-	-	-	-	1 105	1 149	1 201
Intangible assets		542	-	-	-	-	-	(351)	(351)	191	199	208
Trade and other receivables from exchange transactions		-	-	-	-	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-	-	-	-	-	-	-
Other non-current assets		-	-	-	-	-	-	-	-	-	-	-
Total non current assets		491 501	-	-	-	-	-	20 514	20 514	512 015	530 047	553 358
TOTAL ASSETS		644 352	-	-	-	-	-	(50 702)	(50 702)	593 650	661 767	691 574
LIABILITIES												
Current liabilities												
Bank overdraft		-	-	-	-	-	-	-	-	-	-	-
Financial liabilities		-	-	-	-	-	-	-	-	-	-	-
Consumer deposits		-	-	-	-	-	-	-	-	-	-	-
Trade and other payables from exchange transactions		75 273	-	-	-	-	-	(30 875)	(30 875)	44 398	94 016	98 247
Trade and other payables from non-exchange transactions		(5 345)	-	-	-	-	-	13 660	13 660	8 315	8 216	8 586
Provisions		(3 753)	-	-	-	-	-	8 828	8 828	5 075	5 278	5 516
VAT		1 832	-	-	-	-	-	(1 832)	(1 832)	-	-	-
Other current liabilities		-	-	-	-	-	-	-	-	-	-	-
Total current liabilities		68 007	-	-	-	-	-	(10 219)	(10 219)	57 788	107 510	112 348
Non current liabilities												
Borrowing	1	-	-	-	-	-	-	-	-	-	-	-
Provisions	1	-	-	-	-	-	-	32 865	32 865	32 865	34 180	35 718
Long term portion of trade payables		-	-	-	-	-	-	-	-	-	-	-
Other non-current liabilities		(2 359)	-	-	-	-	-	7 749	7 749	5 390	5 605	5 857
Total non current liabilities		(2 359)	-	-	-	-	-	40 614	40 614	38 255	39 785	41 575
TOTAL LIABILITIES		65 648	-	-	-	-	-	30 394	30 394	96 043	147 295	153 923
NET ASSETS	2	578 704	-	-	-	-	-	(81 096)	(81 096)	497 607	514 472	537 651
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		610 929	-	-	-	-	-	(113 322)	(113 322)	497 607	514 472	537 651
Funds and Reserves		-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY		610 929	-	-	-	-	-	(113 322)	(113 322)	497 607	514 472	537 651

Financial Position

Community Wealth/ Equity

- Community wealth /Equity has a net decrease of 19 percent from R610 929 million to R497 607 million. This is because of derecognition of other assets including part of investment properties. Also, Assets which were written off because of their condition.

Table B7 Adjustment Budget Cash Flows

KZN275 Mtubatuba - Table B7 Adjustments Budget Cash Flows -												
Description	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
R thousands		A	A1	B	C	D	E	F	G	H		
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates		44 281	-					151	151	44 431	56 073	58 597
Service charges		7 359	-					(2 118)	(2 118)	5 241	6 813	7 120
Other revenue		21 205	-					9 472	9 472	30 677	8 400	8 778
Transfers and Subsidies - Operational	1	246 589	-					(2 924)	(2 924)	243 665	252 980	264 364
Transfers and Subsidies - Capital	1	47 975	-					3 249	3 249	51 224	50 153	52 410
Interest		1 600	-					1 400	1 400	3 000	3 120	3 260
Dividends		-	-					-	-	-	-	-
Payments												
Suppliers and employees		(255 527)	-					(45 957)	(45 957)	(301 483)	(264 953)	(276 844)
Finance charges		-	-					-	-	-	-	-
Transfers and Subsidies	1	(80)	-					-	-	(80)	(83)	(87)
NET CASH FROM/(USED) OPERATING ACTIVITIES		113 402	-	-	-	-	-	(36 727)	(36 727)	76 675	112 504	117 599
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		(54 690)	-					1 466	1 466	(53 224)	(52 537)	(54 279)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(54 690)	-	-	-	-	-	1 466	1 466	(53 224)	(52 537)	(54 279)
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 ACTIVITIES		-	-	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		58 712	-	-	-	-	-	(35 261)	(35 261)	23 451	59 967	63 319
Cash/cash equivalents at the year begin:	2	6 642	-					(5 927)	(5 927)	715	744	777
Cash/cash equivalents at the year end:	2	65 354	-					(41 188)	(41 188)	24 166	60 710	64 097

Cash Flows

The Municipality used an average collection rate for the past seven months to assess the income component of Property Rates, Service Charge-Refuse, Rentals Facilities and Equipment, Interest Earned- External Investments, Fines, License and Permits and Other Revenue. Different factors were considered in adjusting each of these operational revenues.

A reduction of MIG and an addition of Tourism grant was factors in in terms of Revenue and Expenditure

Expenditure on Employee related cost, Remuneration to councilors, Transfers and Subsides were not adjusted.

Inventory consumed, contracted services and Operational costs were adjusted per item of these expenditure component taken from B4.

Payments for capital projects have been adjusted as per the increase or decrease amount for capital project and the availability of cash for project funded internally.

The municipality budgeted to end with a positive cash flow of R24,1 million, the data strings correspond with that figure.

Table B8 Cash Beck Reserves/ Accumulated Surplus Reconciliation

KZN275 Mtubatuba - Table B8 Cash backed reserves/accumulated surplus reconciliation -

Description	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
R thousands		A	3	4	5	6	7	8	9	10		
Cash and investments available												
Cash/cash equivalents at the year end	1	65 354	-	-	-	-	-	(41 188)	(41 188)	24 166	60 710	64 097
Other current investments > 90 days		79 574	-	-	-	-	-	(28 427)	(28 427)	51 147	42 758	44 682
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		144 928	-	-	-	-	-	(69 615)	(69 615)	75 313	103 468	108 779
Applications of cash and investments												
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-	-
Statutory requirements		-	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	2	(15 141)	-	-	-	-	-	(4 145)	(4 145)	(19 286)	48 224	50 394
Other provisions		-	-	-	-	-	-	-	-	-	-	-
Long term investments committed		-	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments		-	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		(15 141)	-	-	-	-	-	(4 145)	(4 145)	(19 286)	48 224	50 394
Surplus(shortfall)		160 069	-	-	-	-	-	(65 470)	(65 470)	94 599	55 244	58 385

The municipal Reserves are cash-back as reflected by positive figures in the above table B8 for the current year and outer years. This will however slight decrease over the MTREF.

Opening balance for Audited AFS especially for cash and cash, creditors were factored in in this adjustment budget.

Table B9 Assets Management



KZN275 Mtubatuba - Table B9 Asset Management -

Description	Ref	Budget Year 2023/24										Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or Prov.	Other	Total Adjus.	Adjusted	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Govt	Adjus.	13	Budget	Budget	Budget	
R thousands	A	A1	B	C	D	E	F	G	H	+1 2024/25	+2 2025/26		
CAPITAL EXPENDITURE													
Total New Assets to be adjusted	1	39 634	-	-	-	-	-	(7 667)	(7 667)	31 967	30 797	31 642	
Roads Infrastructure		1 652	-	-	-	-	-	4 604	4 604	6 257	6 507	6 800	
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Infrastructure		1 652	-	-	-	-	-	4 604	4 604	6 257	6 507	6 800	
Community Facilities		16 244	-	-	-	-	-	(9 124)	(9 124)	7 120	4 692	4 903	
Sport and Recreation Facilities		16 299	-	-	-	-	-	(4 969)	(4 969)	11 330	11 783	12 313	
Community Assets		32 543	-	-	-	-	-	(14 093)	(14 093)	18 450	16 474	17 216	
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-	
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-	
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-	
Investment properties		-	-	-	-	-	-	-	-	-	-	-	
Operational Buildings		-	-	-	-	-	-	-	-	-	-	-	
Housing		-	-	-	-	-	-	-	-	-	-	-	
Other Assets	6	-	-	-	-	-	-	-	-	-	-	-	
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-	
Servitudes		-	-	-	-	-	-	-	-	-	-	-	
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-	
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	
Computer Equipment		300	-	-	-	-	-	(170)	(170)	130	136	142	
Furniture and Office Equipment		748	-	-	-	-	-	(574)	(574)	174	181	189	
Machinery and Equipment		391	-	-	-	-	-	(391)	(391)	-	-	-	
Transport Assets		1 500	-	-	-	-	-	(196)	(196)	1 304	1 357	1 418	
Land		2 500	-	-	-	-	-	3 152	3 152	5 652	6 143	5 878	
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-	
Mature		-	-	-	-	-	-	-	-	-	-	-	
Immature		-	-	-	-	-	-	-	-	-	-	-	
Living Resources		-	-	-	-	-	-	-	-	-	-	-	
Total Renewal of Existing Assets to be adjusted	2	400	-	-	-	-	-	4 900	4 900	5 300	5 512	5 760	
Roads Infrastructure		-	-	-	-	-	-	4 952	4 952	4 952	5 150	5 382	
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Infrastructure		-	-	-	-	-	-	4 952	4 952	4 952	5 150	5 382	
Community Facilities		-	-	-	-	-	-	-	-	-	-	-	
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	-	
Community Assets		-	-	-	-	-	-	-	-	-	-	-	
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-	
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-	
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-	
Investment properties		-	-	-	-	-	-	-	-	-	-	-	
Operational Buildings		-	-	-	-	-	-	-	-	-	-	-	
Housing		-	-	-	-	-	-	-	-	-	-	-	
Other Assets	6	-	-	-	-	-	-	-	-	-	-	-	
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-	
Servitudes		-	-	-	-	-	-	-	-	-	-	-	
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-	
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	
Computer Equipment		400	-	-	-	-	-	(52)	(52)	348	362	378	
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-	-	-	
Machinery and Equipment		-	-	-	-	-	-	-	-	-	-	-	
Transport Assets		-	-	-	-	-	-	-	-	-	-	-	
Land		-	-	-	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-	
Mature		-	-	-	-	-	-	-	-	-	-	-	
Immature		-	-	-	-	-	-	-	-	-	-	-	
Living Resources		-	-	-	-	-	-	-	-	-	-	-	
Total Upgrading of Existing Assets to be adjusted	2a	7 523	-	-	-	-	-	1 492	1 492	9 015	9 376	9 797	
Roads Infrastructure		7 523	-	-	-	-	-	1 492	1 492	9 015	9 376	9 797	
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Infrastructure		7 523	-	-	-	-	-	1 492	1 492	9 015	9 376	9 797	

Total Capital Expenditure to be adjusted	4	47 556	-	-	-	-	-	(1 275)	(1 275)	46 282	45 685	47 199
<i>Roads Infrastructure</i>		9 175	-	-	-	-	-	11 049	11 049	20 224	21 033	21 979
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<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>		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		9 175	-	-	-	-	-	11 049	11 049	20 224	21 033	21 979
<i>Community Facilities</i>		16 244	-	-	-	-	-	(9 124)	(9 124)	7 120	4 692	4 903
<i>Sport and Recreation Facilities</i>		16 299	-	-	-	-	-	(4 969)	(4 969)	11 330	11 783	12 313
Community Assets		32 543	-	-	-	-	-	(14 093)	(14 093)	18 450	16 474	17 216
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
<i>Revenue Generating</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Non-revenue Generating</i>		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
<i>Operational Buildings</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Housing</i>		-	-	-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
<i>Servitudes</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>		-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-
<i>Computer Equipment</i>		700	-	-	-	-	-	(222)	(222)	478	497	520
<i>Furniture and Office Equipment</i>		748	-	-	-	-	-	(574)	(574)	174	181	189
<i>Machinery and Equipment</i>		391	-	-	-	-	-	(391)	(391)	-	-	-
<i>Transport Assets</i>		1 500	-	-	-	-	-	(196)	(196)	1 304	1 357	1 418
<i>Land</i>		2 500	-	-	-	-	-	3 152	3 152	5 652	6 143	5 878
<i>Zoo's, Marine and Non-biological Animals</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Mature</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Immature</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Living Resources</i>		-	-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE to be adjusted	4	47 556	-	-	-	-	-	(1 275)	(1 275)	46 282	45 685	47 199
ASSET REGISTER SUMMARY - PPE (WDV)	5	491 501	-	-	-	-	-	20 514	20 514	512 015	530 047	553 358
<i>Roads Infrastructure</i>		91 760	-	-	-	-	-	16 743	16 743	108 503	112 843	117 921
<i>Storm water Infrastructure</i>		60 159	-	-	-	-	-	(7 182)	(7 182)	52 977	55 096	57 576
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		450	-	-	-	-	-	759	759	1 209	1 257	1 314
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		(6 561)	-	-	-	-	-	-	-	(6 561)	(6 824)	(7 131)
Infrastructure		145 807	-	-	-	-	-	10 321	10 321	156 128	162 373	169 680
Community Assets		195 683	-	-	-	-	-	12 089	12 089	207 772	213 370	222 972
Heritage Assets		1 105	-	-	-	-	-	-	-	1 105	1 149	1 201
Investment properties		31 758	-	-	-	-	-	(8 925)	(8 925)	22 833	23 747	24 815
Other Assets		41 979	-	-	-	-	-	(458)	(458)	41 521	43 182	45 125
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		542	-	-	-	-	-	(351)	(351)	191	199	208
<i>Computer Equipment</i>		(1 425)	-	-	-	-	-	1 507	1 507	82	85	89
<i>Furniture and Office Equipment</i>		4 741	-	-	-	-	-	(1 345)	(1 345)	3 396	3 532	3 691
<i>Machinery and Equipment</i>		4 692	-	-	-	-	-	(171)	(171)	4 522	4 703	4 914
<i>Transport Assets</i>		5 007	-	-	-	-	-	(768)	(768)	4 238	4 408	4 606
<i>Land</i>		61 611	-	-	-	-	-	8 614	8 614	70 225	73 299	76 056
<i>Zoo's, Marine and Non-biological Animals</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Living Resources</i>		-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	491 501	-	-	-	-	-	20 514	20 514	512 015	530 047	553 358
EXPENDITURE OTHER ITEMS												
Depreciation & asset impairment		29 823	-	-	-	-	-	-	-	29 823	31 016	32 412
Repairs and Maintenance by asset class	3	2 200	-	-	-	-	-	2 400	2 400	4 600	4 784	4 999
<i>Roads Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>		1 500	-	-	-	-	-	2 500	2 500	4 000	4 160	4 347
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<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>		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		1 500	-	-	-	-	-	2 500	2 500	4 000	4 160	4 347
<i>Community Facilities</i>		700	-	-	-	-	-	(100)	(100)	600	624	652
<i>Sport and Recreation Facilities</i>		-	-	-	-	-	-	-	-	-	-	-
Community Assets		700	-	-	-	-	-	(100)	(100)	600	624	652
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
<i>Revenue Generating</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Non-revenue Generating</i>		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
<i>Operational Buildings</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Housing</i>		-	-	-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
<i>Servitudes</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>		-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-
<i>Computer Equipment</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Furniture and Office Equipment</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Machinery and Equipment</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Transport Assets</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Land</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Zoo's, Marine and Non-biological Animals</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Mature</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Immature</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Living Resources</i>		-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS to be adjusted	6	32 023	-	-	-	-	-	2 400	2 400	34 423	35 800	37 411

The above table depict the assets management of the municipality where it starts with capital acquisition actual, Assets register summary, Depreciation, and repairs and maintenance of assets.

Table B10 Basic Services Delivery Measurement

KZN275 Mtubatuba - Table B10 Basic service delivery measurement -

Description	Ref	Budget Year 2023/24									Budget Year	Budget Year	
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget	
		A	7	8	9	10	11	12	13	14			
Household service targets	1												
Water:													
Piped water inside dwelling													
Piped water inside yard (but not in dwelling)	2												
Using public tap (at least min.service level)													
Other water supply (at least min.service level)													
<i>Minimum Service Level and Above sub-total</i>	3												
Using public tap (< min.service level)	3.4												
Other water supply (< min.service level)													
No water supply													
<i>Below Minimum Service Level sub-total</i>	5												
Total number of households													
Sanitation/sewerage:													
Flush toilet (connected to sewerage)													
Flush toilet (with septic tank)													
Chemical toilet													
Pit toilet (ventilated)													
Other toilet provisions (> min.service level)													
<i>Minimum Service Level and Above sub-total</i>													
Bucket toilet													
Other toilet provisions (< min.service level)													
No toilet provisions													
<i>Below Minimum Service Level sub-total</i>	5												
Total number of households													
Energy:													
Electricity (at least min. service level)													
Electricity - prepaid (> min.service level)													
<i>Minimum Service Level and Above sub-total</i>													
Electricity (< min.service level)													
Electricity - prepaid (< min. service level)													
Other energy sources													
<i>Below Minimum Service Level sub-total</i>	5												
Total number of households													
Refuse:													
Removed at least once a week (min.service)													
Minimum Service Level and Above sub-total													
Removed less frequently than once a week													
Using communal refuse dump													
Using own refuse dump													
Other rubbish disposal													
No rubbish disposal													
<i>Below Minimum Service Level sub-total</i>	5												
Total number of households													
Households receiving Free Basic Service	15												
Water (6 kilolitres per household per month)													
Sanitation (free minimum level service)													
Electricity/other energy (50kwh per household per month)													
Refuse (removed at least once a week)													
Informal Settlements													
Cost of Free Basic Services provided (R'000)	16												
Water (6 kilolitres per indigent household per month)													
Sanitation (free sanitation service to indigent households)													
Electricity/other energy (50kwh per indigent household per month)													
Refuse (removed once a week for indigent households)													
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)													
Total cost of FBS provided													
Highest level of free service provided													
Property rates (R'000 value threshold)													
Water (kilolitres per household per month)													
Sanitation (kilolitres per household per month)													
Sanitation (Rand per household per month)													
Electricity (kw per household per month)													
Refuse (average litres per week)													
Revenue cost of free services provided (R'000)	17												
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)													
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)													
Water (in excess of 6 kilolitres per indigent household per month)		3 146								3 146	3 271	3 419	
Sanitation (in excess of free sanitation service to indigent households)													
Electricity/other energy (in excess of 50 kw per indigent household per month)													
Refuse (in excess of one removal a week for indigent households)													
Municipal Housing - rental rebates													
Housing - top structure subsidies	6												
Other													
Total revenue cost of subsidised services provided										3 146	3 271	3 419	

The above table relates municipal basic service like water, electricity, refuse removal, to free basic electricity, rebates, revenue forgone etc. For Services that the municipality is not providing like water and electricity, these figures are taken from the district municipality.

PART 2- SUPPORTING DOCUMENTS

2.1. Adjustment to Budget Assumption

The adjustment budget was made on the assumption of the going concern basis. The Municipality used the historical information and past trends in preparing its adjustment budget. A zero based and incremental budgeting principle were incorporated in this adjustment budget. The Mid-Year Budget and performance assessment has informed the 2023/2024 adjustment budget because it has guided the Municipality and has assisted to detect projects that need to be cut and where opportunity for improvement is necessary.

2.3. Adjustment to Expenditure on Allocations and Grants Programs

- An adjustment was made on Capital Grants- Provincial Government
 - A downwards adjustment was made for Small town rehabilitation program for an amount of R1,9 million.
 - An upwards adjustment was made for R3 million for the construction of Tourism information centre phase 2.
- An adjustment was made on Capital Grant – National Government
 - A downwards adjustment was made for R3 033 000 from the MIG total allocation due to shortage of funds in the national fiscus.
 - New project has been registered for MIG namely Ebaswazini Gravel access road, Dukuduku Sport field, and Nkombose Sport Field.

Supporting Table SB7-Transfers and Grant Receipts Programs



INKOSI MTUBATUBA
MUNICIPALITY

KZN275 Mtubatuba - Supporting Table SB7 Adjustments Budget - transfers and grant receipts -

Description	Ref	Budget Year 2023/24							Budget Year	Budget Year
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F		
RECEIPTS:	1, 2									
<u>Operating Transfers and Grants</u>										
National Government:		237 033	-	-	(1 394)	-	(1 394)	235 639	245 065	256 092
Finance Management	-	1 920	-	-	-	-	-	1 920	1 997	2 087
Local Government Equitable Share	-	232 846	-	-	28	-	28	232 874	242 189	253 087
Municipal Infrastructure Grant	-	2 267	-	-	(1 422)	-	(1 422)	845	879	918
Provincial Government:		5 911	-	-	415	-	415	6 326	6 147	6 424
KwaZulu-Natal_Capacity Building and Other_Specify (Add grant	-	5 911	-	-	415	-	415	6 326	6 147	6 424
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	6	242 944	-	-	(979)	-	(979)	241 965	251 212	262 517
<u>Capital Transfers and Grants</u>										
National Government:		43 075	-	-	(1 611)	-	(1 611)	41 464	43 123	45 063
Municipal Infrastructure Grant (MIG)	-	43 075	-	-	(1 611)	-	(1 611)	41 464	43 123	45 063
Provincial Government:		3 000	-	-	-	-	-	3 000	-	-
KwaZulu-Natal_Infrastructure_Infrastructure_RECEIPTS	-	3 000	-	-	-	-	-	3 000	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	6	46 075	-	-	(1 611)	-	(1 611)	44 464	43 123	45 063
TOTAL RECEIPTS OF TRANSFERS & GRANTS		289 019	-	-	(2 590)	-	(2 590)	286 429	294 335	307 580

An additional allocation for Construction of the tourism centre to an extent of R3 million.

Supporting Table SB8-Expenditure on Transfers and Grant Program

KZN275 Mtubatuba - Supporting Table SB8 Adjustments Budget - expenditure on transfers and grant programme -

Description	Ref	Budget Year 2023/24							Budget Year	Budget Year
		Original	Prior Adjusted	Multi-year	Nat. or Prov.	Other Adjusts.	Total Adjusts.	Adjusted	Adjusted	Adjusted
		A	2 A1	3 B	4 C	5 D	6 E	7 F	+1 2024/25	+2 2025/26
R thousands										
EXPENDITURE ON TRANSFERS AND GRANT PROGRAM:										
<u>Operating expenditure of Transfers and Grants</u>										
National Government:										
		4 187	-	-	-	-	-	2 765	2 876	3 005
Local Government Financial Management Grant	-	1 920	-	-	-	-	-	1 920	1 997	2 087
Municipal Infrastructure Grant	-	2 267	-	-	-	-	-	845	879	918
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Provincial Government:										
KwaZulu-Natal	-	6 326	-	-	-	-	-	6 326	6 579	6 875
	-	6 326	-	-	-	-	-	6 326	6 579	6 875
District Municipality:										
<i>[insert description]</i>		-	-	-	-	-	-	-	-	-
Other grant providers:										
<i>Other Transfers Public Corporations</i>	-	-	-	-	-	-	-	6 760	7 030	7 347
	-	-	-	-	-	-	-	6 760	7 030	7 347
	-	-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		10 513	-	-	-	-	-	15 851	16 485	17 227
<u>Capital expenditure of Transfers and Grants</u>										
National Government:										
KwaZulu-Natal	-	3 000	-	-	-	-	-	3 000	-	-
Municipal Infrastructure Grant	-	43 075	-	-	-	-	-	41 464	43 123	45 063
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Provincial Government:										
KwaZulu-Natal	-	3 000	-	-	-	-	-	3 000	-	-
	-	3 000	-	-	-	-	-	3 000	-	-
District Municipality:										
<i>[insert description]</i>		-	-	-	-	-	-	-	-	-
Other grant providers:										
<i>[insert description]</i>		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		49 075	-	-	-	-	-	47 464	43 123	45 063
Total capital expenditure of Transfers and Grants		59 588	-	-	-	-	-	63 315	59 608	62 290

2.4. Adjustments to Allocations and Grants made by the Municipality.

- No allocations were made by the municipality to other institutions.

2.5. Adjustment to Councilor's, Board Members Allowance and Employee Benefits.

KZN275 Mtubatuba - Supporting Table SB11 Adjustments Budget - councillor and staff benefits -

Summary of remuneration	Ref	Budget Year 2023/24									
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	% change
R thousands		A	5	6	7	8	9	10	11	12	
Councillors (Political Office Bearers plus Other)											
Basic Salaries and Wages		15 494	-							15 494	0.0%
Pension and UIF Contributions		-	-							-	
Medical Aid Contributions		-	-							-	
Motor Vehicle Allowance		3 030	-							3 030	0.0%
Cellphone Allowance		-	-							-	
Housing Allowances		-	-							-	
Other benefits and allowances		-	-							-	
Sub Total - Councillors		18 524	-							18 524	0.0%
% increase			(0)							-	
Senior Managers of the Municipality											
Basic Salaries and Wages		-	-							-	
Pension and UIF Contributions		72	-							72	0.0%
Medical Aid Contributions		-	-							-	
Overtime		-	-							-	
Performance Bonus		843	-							843	
Motor Vehicle Allowance		2 000	-							2 000	0.0%
Cellphone Allowance		145	-							145	0.0%
Housing Allowances		148	-							148	
Other benefits and allowances		2	-							2	
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		3 209	-							3 209	0.0%
% increase			(0)							-	
Other Municipal Staff											
Basic Salaries and Wages		80 282	-							80 282	0.0%
Pension and UIF Contributions		12 694	-							12 694	0.0%
Medical Aid Contributions		6 429	-							6 429	0.0%
Overtime		2 066	-					(0)	(0)	2 066	0.0%
Performance Bonus		5 317	-							5 317	
Motor Vehicle Allowance		11 816	-							11 816	0.0%
Cellphone Allowance		447	-							447	0.0%
Housing Allowances		1 318	-							1 318	
Other benefits and allowances		1 106	-							1 106	
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 - Other Municipal Staff		121 475	-					(0)	(0)	121 475	0.0%
% increase											
Total Parent Municipality		143 208	-					(0)	(0)	143 208	0.0%

- No adjustment was made to Employee related cost, Remuneration to Councillors benefits and this was explained under table B4.

2.6. Adjustment to Services Delivery and Budget Implementation Plan.

Due to adjustments made to all departments, The SDBIP of Departments and the consolidated SDBIP will also be adjusted. The SDBIP will be attached as annexures.

2.7 Adjustment to Capital Expenditure on New and Existing Assets

A downwards adjustment was made on capital expenditure funded internally. Also, an adjustment was made to grant funded projects for MIG and Tourism.

2.8 Other Supporting Documents

All supporting documents will be attached as annexures.





28 February 2024

Municipal manager's quality certificate

I, municipal manager of Inkosi Mtubatuba Local Council, 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 adjustment budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name Mr T.V Xulu
Acting Municipal manager of Inkosi Mtubatuba Local Municipality (KZN275)

Signature _____

Date _____

Prepared by: Mr S Mthethwa and Ms. S Mkwanazi (Officer Budget, Compliance and Reporting)

Signature:

Date:

Reviewed by: Mr S.S Mavuma (Acting Manager Expenditure and Payroll)

Signature:

Date:

Approved by: Mr V.K Gumede (Acting Chief Financial Officer)

Signature:

Date:

Approved by: Mr T.V Xulu (Municipal Manager)

Signature:

Date:

Received by Cllr M Mthethwa (Honourable Mayor)

Signature:

Date:

