

# **SEKHUKHUNE DISTRICT MUNICIPALITY**



# **DRAFT BUDGET 2022-23 MTREF BUDGET BOOK**

DC47 Sekhukhune District Municipality 2022/23 MTREF Draft Annual Budget

**Abbreviations and Acronyms**

BPC	Budget Planning Committee	MIG	Municipal Infrastructure Grant
CFO	Chief Financial Officer	MPRA	Municipal Properties Rates Act
MM	Municipal Manager	MSA	Municipal Systems Act
CPI	Consumer Price Index	MTEF	Medium-term Expenditure Framework
CRRF	Capital Replacement Reserve Fund	MTREF	Medium-term Revenue and Expenditure Framework
DoRA	Division of Revenue Act	NGO	Non-Governmental organisations
EE	Employment Equity	NKPIs	National Key Performance Indicators
FBS	Free basic services	OHS	Occupational Health and Safety
GAMAP	Generally Accepted Municipal Accounting Practice	OP	Operational Plan
GRAP	General Recognised Accounting Practice	PMS	Performance Management System
HR	Human Resources	PPE	Property Plant and Equipment
IDP	Integrated Development Strategy	PPP	Public Private Partnership
IT	Information Technology	RG	Restructuring Grant
km	kilometre	SALGA	South African Local Government Association
DFS	Government Financial Statistics	SDBIP	Service Delivery Budget Implementation Plan
KPA	Key Performance Area	SMME	Small Micro and Medium Enterprises
KPI	Key Performance Indicator	DOE	Department of Energy
LED	Local Economic Development	CBR	Cash Backed Reserves
MEC	Member of the Executive Committee		
MFMA	Municipal Financial Management Act		
IGF	Internally Generated Funds		
FY	Full Year		

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## **PART 1 – Draft Annual Budget & MTREF**

### **1.1 Mayor's report**

Honourable speaker, the Chief whip of council, members of the mayoral committee, honourable Councillors, our beloved Traditional leaders (Magoshi), the Chairperson of MPAC, the Chair of chairs, the Municipal manager and her administration team, officials from other government institutions, Leaders of religious denominations, Members of ward committees, local Business leaders present here today,

The World Bank's latest ***Global Economic Prospect*** report warns that, following a strong rebound in 2022, the global economy has slowed down due to the ongoing threats from COVID-19 variants and a rise in inflation rate, the gross government debt, and income inequalities that could endanger the recovery of our economy.

Our country, like many others is still battling to emerge from the negative Covid-19 effects which battered both business and economic activity.

Nearly two million people lost jobs as a result of this pandemic which threw our economy into disarray.

In response to the economic meltdown, the Government introduced the **South African Economic Reconstruction and Recovery Plan**. It sets out a reconstruction and recovery roadmap that is aimed at stimulating equitable and inclusive growth.

The plan outlines the roles of Government and the social partners in unlocking growth and allowing development.

The 4<sup>th</sup> South Africa Investment Conference hosted this month by His Excellency President Cyril Ramaphosa added to a total of R 774 billion, narrowing the target government set to raise R1.2 trillion.

As the government imposed hard lockdowns at the height of the Covid-19 crisis, it was forced to make provisions for the vulnerable groups and businesses not to be swallowed by the turmoil.

Social and economic relief package to keep a lot of businesses from closing, and therefore causing an even catastrophe in the economy were introduced.

This also ensured that millions of vulnerable South Africans did not go hungry.

The Government acted responsibly by striking a delicate balance.

But this came at a cost.

Government has had to borrow from capital markets and multilateral development banks.

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Government's debt is expected to increase from R 4.3 trillion in 2021/22 financial year to R 4.6 trillion in the 2022/23 financial year.

The government pays about R 301 billion to service the national debt.

This forces government to tighten allocations for various services. This means, municipalities such as ours with a low revenue base, will have to make do with less.

It is a challenge, therefore, to ensure that the annual budget allocations, either in the form of equitable shares or conditional grants, are optimally used to provide services they are meant for and nothing else.

Honourable Speaker,

This draft budget for the 2022/23 MTREF was prepared in line with the requirements of the MFMA and Municipal Budgeting and Reporting Regulations.

The growth parameters were calculated based on the average CPIX and guidance of Circular 115 issued by treasury as follows:

<b>Fiscal year</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
<b>Consumer Price Inflation (CPI)</b>	4.8%	4.4%	4.5%
<b>Real GDP Growth</b>	2.0%	1.9%	1.8%

### **District Assumptions**

1. Curbing of increasing costs for security and fleet services,
2. Curbing increase of operating expenditure to 4% which is in line with increased revenues,
3. Implementing additional cost containment measures in order to make sure that the budget for 2022/23 financial year is funded and to budget for operating surplus in outer years,
4. Prioritising contractual obligations,
5. Employee costs increase provided for at 4.9% pending finalisation of the collective agreement.

### **On Revenue**

- 1.Total annual Revenue increases from R 1.5 billion to R 1.7 billion in the 2022/23 financial year and increases to R 1.8 billion & R 1.9 billion in both 2023/24 and 2024/25 outer years,
- 2.Capital revenue increases from R379.1 million to R480 million in the 2022/23 financial year, the capital budget also increases to R 501 million & 512 million in both the 2023/24 & 2024/25 outer years,

3. Service charges tariffs to increase by 5% in the current year to adopt a cost reflective tariff as recommended by circular 115 of the MFMA,
4. Interest income increases by R 200 thousand from in the 2022/23 financial year, a decrease of about R 47 thousand in the 2023/24 and a R 1 million increase in the 2024/25 financial year.

### **Total Expenditure**

1. The total annual capital expenditure budget increases from R 397 million (2021/22) to R 488.4 million in the 2022/23 financial year. The capital budget increases further to R 510 million & R 519.6 million in both the 2023/24 & 2024/25 outer years,
2. The R 488.4 million total annual capital budget is funded through government grants amounting to R 480 million, the R 8.4 million balance is funded through own sources of revenue,
3. Included in capital expenditure funded through own revenue sources is the following:
  - ☐ Water tanker x1- R 2.1 million
  - ☐ Computers - R 2 million
  - ☐ Crane truck x1- R 800 thousand
  - ☐ Tipper truck x1- R 600 thousand
  - ☐ Purchase of Office containers - R 1 million (Praktiseer x 2, Schonoord x 2 & Leboeng x1)

The total capital expenditure funded from conditional grants increased from R 379 million to R 480 million in the 2022/23 financial year due to increased MIG grant allocation grant.

The MIG is allocated R 477.6m for capital projects in the 2022/23 financial year and other funds have been budgeted for the MIG overheads and VIP sanitation. The MIG allocation increases R 499 million & R 510 million in both the 2023/24 & 2024/25 outer years.

RRAMS is allocated R 2.4 million in the 2022/23 financial year, the allocation increases to R 2.5 million and R 2.6 million in both the 2023/24 & 2024/25 outer years.

### **Operating Expenditure**

The municipality's total operational revenue is R 1.218 billion and total operational expenditure is R 1.209 billion resulting in an operating surplus of R 75.8 thousand.

The operating surplus of R 8.5 million will be utilised to finance capital assets to an amount of R 8.4 million resulting in a net surplus of R 75.8 thousand.

The municipality has budgeted an operating surplus of R 75.8 thousand in the 2022/23 financial year

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The cash reserves anticipated will be used to fund future capital replacement and to cash back our retention creditor balance.

The capital grants spending equates to conditional grants to be received in the financial year.

Honourable Speaker,

I hereby table to this honourable council the following documents for noting and public consultation as mandated by section 16(2) of MFMA read with section 74 and 75a of MSA and Municipal Property Rates Act of 2004:

1. 2022/23 – 2024/25 Draft ID
2. The 2021/22 MTREF Draft Annual Budget.
3. Reviewed budget related policies.
4. National Treasury MFMA circular No.112 and 115 for adoption.

Cllr J.L Mathebe

Executive Mayor

**COUNCIL RESOLUTION**

Council has in its Special council of the 30<sup>th</sup> of March 2022, resolved to note the tabled budget as per council resolution no **SC04/03/22** and make the budget available for consultation together with supporting schedules a subject of public consultation. The council resolution is attached

## **2.2 Executive Summary.**

The budget of the municipality was prepared taking into consideration the Municipal Budget and reporting regulations and the National Treasury circulars relating to budgets.

The application of sound financial management principles for the compilation of the district's budget is essential and critical to ensure that the municipality remains financially sound and that the municipality is able to provide services to all communities in a sustainable manner.

The municipality has reviewed the service delivery priorities as part of this year's planning and budget process.

### **ITEM: DRAFT MTREF BUDGET AND INTEGRATED DEVELOPMENT PLAN FINANCIAL YEAR 2022/2023 – 2024/2025**

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#### **PURPOSE**

To present to the Mayoral Committee the draft Budget/Integrated Development Plan as well as the draft Medium Term Revenue and Expenditure (MTREF) Budget for 2022/2023-2024/2025 financial years for engagement and further recommends to Council for adoption.

#### **BACKGROUND**

The world economy is expected to grow by 4.4 per cent this year. This is lower than the 4.9 per cent that was anticipated when tabling the medium-term budget policy statement (MTBPS). The Omicron variant of the coronavirus caused many countries to impose restrictions to manage its spread. In addition, continued imbalances in global value chains have limited the pace of the world's economic recovery. The South African economy has not been shielded from these global developments. National Treasury has revised South Africa's economic growth estimate for 2021 to 4.8 per cent, from 5.1 per cent at the time of the MTBPS. This revision reflects a combination of the impact of changes in the global environment, along with South Africa's own unique challenges. Commodity prices, which have supported South Africa's economic recovery, slowed in the second half of 2021. Also, violent unrest in July, and restrictions imposed to manage the third wave of COVID-19 further eroded the gains South Africa made in the first half of the year. Industrial action in the manufacturing sector, and the re-emergence of loadshedding, also slowed the pace of the recovery. Real Gross Domestic Product (GDP) growth of 2.1 per cent is projected



for 2022. Over the next three years, GDP growth is expected to average 1.8 per cent. Headline inflation is expected to remain between 3 to 6 per cent target range over the 2022/23 MTREF.

In terms of section 34 of the Municipal Systems Act (2000), a Municipal Council –

- (a) must review its integrated development plan –
  - (i) annually in accordance with an assessment of its performance measurements in terms of section 4(i), and
  - (ii) to the extent that changing circumstances so demand, and
- (b) may amend its integrated development plan in accordance with a prescribed process.

### **IDP Review Roadmap**

- The IDP/Budget Framework and Process Plan for 2022-2023 was adopted by Council on the 28<sup>th</sup> July 2021.
- The Analysis Phase was done during the second quarter of 2021-2022 financial year.
- The Strategic Planning Session was held from 9<sup>th</sup> – 11<sup>th</sup> March 2022.
- The Strategy Phase and Project Phase were concluded in mid - March 2022

The following macro-economic forecasts must be considered when preparing the 2022/23 MTREF municipal budgets.

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

### **DISCUSSIONS**

The draft budget was prepared in terms of National Treasury MFMA Municipal Budget and Reporting Regulations. The growth parameters were calculated based on the average CPIX and guidance of Circular 115 issued by treasury as follows:

<b>Fiscal year</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
<b>Consumer Price Inflation (CPI)</b>	4.8%	4.4%	4.5%
<b>Real GDP Growth</b>	2.0%	1.9%	1.8%

### **1) Budget Assumptions - Legislated**

National Assumptions

- Cost containment measures as per Government Gazette No 41445 issued in February 2019.
- Local Government Grants allocations as per Division of Revenue Bill as per Government Gazette No 41432 issued in February 2022.
- Revenue to increase by maximum of 5% and justification required for all increases above the inflation target
- Remuneration for upper limits to be taken into consideration when preparing budget.
- Employee related cost to be finalised on conclusion of the salary and wage collective agreement.
- Cost reflective tariffs and its methodology.
- Impact of VAT increase to 15% on tariffs.
- MFMA Circulars 112 & 115.

District Assumptions

1. Curbing of increasing costs for security and fleet services
2. Curbing increase of operating expenditure to 4% which is in line with increased revenues
3. Implementing additional cost containment measures in order to make sure that the budget for 2022/23 financial year is funded and to budget for operating surplus in outer years
4. Prioritising contractual obligations
5. Employee costs increase provided for at 4.9% pending finalisation of the collective agreement

**2) Budget Assumptions – Operational**

The municipality has agreed on cost containment measures as raised in the budget circulars and below are additional principled decisions taken:

### **Revenue**

- The tariffs are to be increased by 5% for municipal services and other revenue sources tariffs to increase by 5%
- The municipality has started implementation of cost reflective tariffs in the previous year over a three year period to ensure that the municipality's tariffs are within the market average and also cost reflective

### **Employee costs**

- The sky rocketing employee related costs was curbed at 4.9% as per the circular no. 01/2022 of the South African Local Government Bargaining Council effectively from 1<sup>st</sup> July 2022.
- To ensure that we maintain the employee costs percentage at less than 40% of the total operating expenditure as required by Treasury, the following were proposed during the budget preparation:
  - ✓ Restructuring of departments and placement of employees into various departments in line with their educational qualifications.
  - ✓ Gradually filling the vacant posts, start with the critical ones.
  - ✓ Curbing of overtime and shift expenditures by implementing new control measures.

## **3) BUDGET ESTIMATES**

### **a) REVENUE**

**2022/2023 MTREF****OPERATING** DC47 Sekhukhune District Municipality 2022/23 MTREF Draft Annual Budget**REVENUE**

Code	Operating Revenue	Final Adjustment budget 2021/2022	Draft Budget 2022/2023	Draft Budget 2023/2024	Draft Budget 2024/2025
3405	Service charges	- 98 638 109.00	- 103 570 014.45	- 108 748 515.17	- 114 185 940.93
3405	Interest income	- 21 485 844.00	- 21 659 404.48	- 22 612 418.28	- 23 629 977.10
3405	Other revenue	- 17 024 924.00	- 17 876 170.20	- 18 769 978.71	- 19 708 477.65
3405	Operating grants	- 1 024 213 000.00	- 1 074 583 000.00	- 1 146 921 990.00	- 1 251 103 000.00
<b>Total</b>		<b>-1 161 361 877.00</b>	<b>- 1 217 688 589.13</b>	<b>- 1 297 052 902.16</b>	<b>- 1 408 627 395.68</b>

**CAPITAL****REVENUE**

Capital Revenue		Final Adjustment budget 2021/2022	Draft Budget 2022/2023	Draft Budget 2023/2024	Draft Budget 2024/2025
	MIG	- 371 960 000.00	- 477 577 000.00	- 499 222 010.00	- 509 537 000.00
	RRAMS	- 2 341 000.00	- 2 451 000.00	- 2 460 000.00	- 2 549 000.00
	WSIG (Rollover)	- 4 800 000.00			
<b>Total</b>		<b>- 379 101 000.00</b>	<b>- 480 028 000.00</b>	<b>- 501 682 010.00</b>	<b>- 512 086 000.00</b>

<b>Total Annual Revenue</b>				
<b>Budget</b>	<b>- 1 540 462 877.00</b>	<b>- 1 697 716 589.13</b>	<b>- 1 798 734 912.16</b>	<b>- 1 920 713 395.68</b>

**Discussion**

- Total annual Revenue increases from **R1.5 billion** to **R1.7 billion** in the 2022/23 financial year and increases to **R1.8 billion & R 1.9 billion** in both 2023/24 and 2024/25 outer years.
- Capital revenue increases from **R379.1 million** to **R480 million** in the 2022/23 financial year, the capital budget also increases to R 501 million & 512 million in both the 2023/24 & 2024/25 outer years.

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- Service charges tariffs to increase by 5% in the current year to adopt a cost reflective tariff as recommended by circular 115 of the MFMA.
- Interest income increases by R 200 thousand from in the 2022/23 financial year, a decrease of about R 47 thousand in the 2023/24 and a R 1 million increase in the 2024/25 financial year.

**b) DEPARTMENTAL EXPENDITURE**

**OPERATING EXPENDITURE**

Operating expenditure		Final Adjustment budget 2021/2022	Draft Budget 2022/2023	Draft Budget 2023/2024	Draft Budget 2024/2025
3105	Executive Council - Speaker's office	45 342 410.00	46 168 991.94	48 317 558.10	50 614 952.39
3205	Executive Mayor's office	37 959 087.00	42 257 541.35	44 429 958.01	46 660 234.76
3305	Municipal Manager's office	80 048 111.00	89 145 270.93	108 696 425.56	126 186 681.75
3405	Budget and Treasury	194 867 707.00	210 086 293.21	232 108 555.14	242 886 913.37
3510	Infrastructure and Water Services	560 442 673.00	568 863 750.74	578 123 537.11	612 318 162.24
3605	Planning and Econ Development	16 011 396.00	18 766 764.76	22 766 334.10	23 880 787.17
3705	Community services	73 440 924.00	77 173 578.91	81 085 301.89	85 276 546.34
3805	Sekhukhune Development Agency	5 487 800.00	10 008 058.26	11 508 719.23	15 310 714.83
3905	Corporate Services	137 327 901.00	146 762 565.71	161 105 720.57	197 806 908.05
<b>Total</b>		<b>1 150 928 009.00</b>	<b>1 209 232 815.81</b>	<b>1 288 142 109.71</b>	<b>1 400 941 900.91</b>

**Discussions**

- The total annual operational expenditure increases from **R 1.1 billion** to **R 1.2 billion** in the 2022/23 financial year.

Operational contractual obligations were given priority in effecting the budget assumptions on the municipal operations. Below is a summary of the operational contracts.

- ✓ Bulk Water purchases – **R 140 million.**
- ✓ Eskom – **R 41.6 million.**
- ✓ Security services – **R 40 million**
- ✓ Depreciation and impairments – **R 117.6 million.**
- ✓ Fleet management – **R 33 million.**
- ✓ Operational maintenance – **R 63 million.**

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- Included in the operating expenditure is the anticipated cost for VIP sanitation projects amounting to **R 50 million** which is funded by the MIG grant.
- An amount of **R 7 million** has been allocated for legal fees.
- An amount **R 10 million** allocation as a grant to the SDA.
- The external bursaries allocated at **R 459 thousand** and internal allocated **R 720 thousand** to encourage staff empowering.
- An allocation of **R 13.3 million** for lease costs (Property rentals and equipment rentals).

**c) CAPITAL EXPENDITURE**

Capital Expenditure					
Capital expenditure		Final Adjustment budget 2021/2022	Draft Budget 2022/2023	Draft Budget 2023/2024	Draft Budget 2024/2025
	MIG	371 960 000.00	477 577 000.00	499 222 010.00	509 537 000.00
	RRAMS	2 341 000.00	2 451 000.00	2 460 000.00	2 549 000.00
	WSIG (Rollover)	4 800 000.00			
<b>Total</b>		<b>379 101 000.00</b>	<b>480 028 000.00</b>	<b>501 682 010.00</b>	<b>512 086 000.00</b>
	SDM (Own revenue sources)	18 296 708.00	8 380 000.00	8 431 520.00	7 569 239.00
<b>Total Capital expenditure</b>		<b>397 397 708.00</b>	<b>488 408 000.00</b>	<b>510 113 530.00</b>	<b>519 655 239.00</b>

- The total annual capital expenditure budget increases from **R 397 million** (2021/22) to **R 488.4 million** in the 2022/23 financial year. The capital budget increases further to **R 510 million & R 519.6 million** in both the 2023/24 & 2024/25 outer years.
- The **R 488.4 million** total annual capital budget is funded through government grants amounting to **R 480 million**, the **R 8.4 million** balance is funded through own sources of revenue.
- Included in capital expenditure funded through own revenue sources is the following:
  - ✓ Water tanker x1- **R 2.1 million**
  - ✓ Computers - **R 2 million**
  - ✓ Crane truck x1- **R 800 thousand**

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- ✓ Tipper truck x1- **R 600 thousand**
- ✓ Purchase of Office containers - **R 1 million (Praktiseer x2, Schonoord x2 & Leboeng x1)**

- The total capital expenditure funded from conditional grants increased from **R 379 million** to **R 480 million** in the 2022/23 financial year due to increased MIG grant allocation grant.
- The **MIG** is allocated **R 477.6m** for capital projects in the 2022/23 financial year and other funds have been budgeted for the MIG overheads and VIP sanitation. The MIG allocation increases **R 499 million & R 510 million** in both the 2023/24 & 2024/25 outer years.
- **RRAMS** is allocated **R 2.4 million** in the 2022/23 financial year, the allocation increases to **R 2.5 million** and **R 2.6 million** in both the 2023/24 & 2024/25 outer years.

**d) ACCUMULATED SURPLUS AND BUDGET FUNDING**

**OPERATING EXPENDITURE**

Operating expenditure		Final Adjustment budget 2021/2022	Draft Budget 2022/2023	Draft Budget 2023/2024	Draft Budget 2024/2025
3105	Executive Council - Speaker's office	45 342 410.00	46 168 991.94	48 317 558.10	50 614 952.39
3205	Executive Mayor's office	37 959 087.00	42 257 541.35	44 429 958.01	46 660 234.76
3305	Municipal Manager's office	80 048 111.00	89 145 270.93	108 696 425.56	126 186 681.75
3405	Budget and Treasury	194 867 707.00	210 086 293.21	232 108 555.14	242 886 913.37
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3605	Planning and Econ Development	16 011 396.00	18 766 764.76	22 766 334.10	23 880 787.17
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3905	Corporate Services	137 327 901.00	146 762 565.71	161 105 720.57	197 806 908.05
<b>Total</b>		<b>1 150 928 009.00</b>	<b>1 209 232 815.81</b>	<b>1 288 142 109.71</b>	<b>1 400 941 900.91</b>

**CAPITAL EXPENDITURE**

Capital expenditure		Final Adjustment budget 2021/2022	Draft Budget 2022/2023	Draft Budget 2023/2024	Draft Budget 2024/2025
	MIG	371 960 000.00	477 577 000.00	499 222 010.00	509 537 000.00
	RRAMS	2 341 000.00	2 451 000.00	2 460 000.00	2 549 000.00

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	WSIG (Rollover)	4 800 000.00			
<b>Total</b>		<b>379 101 000.00</b>	<b>480 028 000.00</b>	<b>501 682 010.00</b>	<b>512 086 000.00</b>
	SDM	18 296 708.00	8 380 000.00	8 431 520.00	7 569 239.00
<b>Total Capital expenditure</b>		<b>397 397 708.00</b>	<b>488 408 000.00</b>	<b>510 113 530.00</b>	<b>519 655 239.00</b>
<b>Total Annual Expenditure Budget</b>		<b>1 548 325 717.00</b>	<b>1 697 640 815.81</b>	<b>1 798 255 639.71</b>	<b>1 920 597 139.91</b>
<b>Surplus/Deficit</b>		<b>7 862 840.00</b>	<b>- 75 773.32</b>	<b>- 479 272.45</b>	<b>- 116 255.77</b>

### Discussion

- The municipality's total operational revenue is **R 1.218 billion** and total operational expenditure is **R 1.209 billion** resulting in an operating surplus of **R 75.8 thousand**
- The operating surplus of **R 8.5 million** will be utilised to finance capital assets to an amount of **R 8.4 million** resulting in a net surplus of **R 75.8 thousand**.
- The municipality has budgeted an operating surplus of **R 75.8 thousand** in the 2022/23 financial year
- The cash reserves anticipated will be used to fund future capital replacement and to cash back our retention creditor balance
- The capital grants spending equates to conditional grants to be received in the financial year

### **Legal Implications**

It is a requirement of section 34 of the Municipal Systems Act of 2000 that the Municipal IDP be reviewed annually.

Section 16(2) of the Municipal Finance Management Act.

### **Financial Implications:**

The total annual revenue of **R 1.6 billion** and total annual expenditure budget of **R 1.6 billion**. **R 1.2 billion** total operational expenditure and **R 480 million** total capital expenditure.

### **Communication implications:**

The following institutions will be informed and furnished with copies once the draft Budget and draft IDP have been considered: Department of Cooperative Government Human Settlements and Traditional Affairs; Provincial Treasury and National Treasury.



The IDP/budget will also be subjected to public participation.

**Recommendations:**

1. That the Mayoral Committee consider the draft Integrated Development Plan for 2022/2023 financial year and further recommend to Council for adoption.
2. That the Mayoral Committee note that the following budget related policies were considered in the preparation of the draft budget/IDP and will be tabled together with the budget/IDP for adoption:
  - ✓ -Tariff policy and structure
  - ✓ -Indigent policy
  - ✓ -Free Basic Water Policy
  - ✓ -Credit control and debt collection policy
  - ✓ -Investment and cash management policy
  - ✓ -Asset management policy
  - ✓ -Funding and reserves policy
  - ✓ -Supply chain management policy
  - ✓ -Virement policy
  - ✓ -Budget policy
  - ✓ -Blacklisting policy
  - ✓ -Petty cash policy
  - ✓ -Acting Policy
  - ✓ -Cost Containment Policy
  - ✓ -Secondment Policy
  - ✓ -Overtime Policy

- ✓ -Individual PMDS Policy
- ✓ -Relocation Policy
- ✓ Service standards
- ✓ S & T policy

### **Legislative background**

In terms of the Municipal Finance Management Act No. 56 of 2003 section 24 (1), the council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year. It is a requirement in terms of section 24 (1) that at least 30 days before the start of the financial year, the Mayor of the municipality must table in a council meeting the annual budget before the start of the financial year.

Complying with section 21 (b) of the MFMA, the Executive mayor of Sekhukhune District Municipality has tabled in a council meeting held in July 2021 a time schedule outlining key deadlines for:

- (i) the preparation, tabling and approval of the annual budget;
- (ii) the annual review of :
  - The integrated development plan in terms of section 34 of the Municipal Systems Act; and
  - The budget-related policies;
- (iii) the tabling and adoption of any amendments to the Integrated Development Plan and the budget-related policies; and
- (iv) All consultative processes forming part of the processes referred to in Subparagraphs (i), (ii)

To comply and adhere to the time schedule as adopted by council of the municipality and to comply with the MFMA requirement in terms of chapter 4 (Municipal Budgets), the Draft Annual Budget for 2022/23 and the MTREF is hereby tabled for consultation with all relevant stakeholders in terms of budgeting principles, Sekhukhune District Municipality Budgeting policy, applicable legislations, MFMA circulars, Municipal Budget and Reporting Regulation and supporting documents as detailed below.

### **Budget principles and assumptions**

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 financial management strategies and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, considering the cost containment measures as approved by the cabinet, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. The municipality did consider MFMA budget circular 112 & 115 in the preparation of this budget and the MFMA Budget circulars issued in the previous years, were also considered in preparation of the final annual budget for the 2022/23 MTREF.

The municipality has reviewed its revenue enhancement strategies to ensure that they are crafted to address the current revenue collection challenges considering the current circumstances and limitations within which the municipality operates. The current sources of revenue were reviewed to identify obstacles for revenue collection and strategies were put in place to improve and sustain collection of revenue from these sources. New available sources of revenue were also identified, and a plan of action was developed for implementation in the next financial years to start collecting revenue from such potential revenue sources.

National Treasury's MFMA Circular No. 51, 54, 55, 58, 59, 66, 67, 70, 71, 74, 75, 78, 79, 82, 85, 86, 89, 91, 93, 94, 98, 99, 112, 115 were used to guide the compilation of the 2022/23 and the MTREF Draft Annual Budget.

- The main challenges experienced during the compilation of the 2022/23 MTREF can be summarised as follows:
  - The need to reprioritise infrastructure projects and necessary operational expenditure within the existing limited resources considering the cash flow realities and cash position of the municipality;
  - The municipality's inability to generate enough own revenue to assist in addressing the infrastructure and other service delivery challenges in our communities.
  - The increasing Operational expenditure partens.
- The following budgeting principles and guidelines directly informed the compilation of the 2022/23 MTREF Draft Annual budget:
  - The draft annual budget for 2022/23 and the MTREF was prepared on a zero base principle, meaning that each item or programme was budgeted considering the specification of the projects and not the historical expenditure.
  - The 2021/22 Adjustment Budget priorities and targets, as well as the base line allocations contained in that Adjustment Budget were considered as the upper limits for

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- the new baselines for the 2022/23 annual budget where resources allow and necessary;
- Only programmes and capital projects contained in the municipality's Integrated Development Plan will be budgeted for during the 2022/23 MTREF to ensure that the budget remain an implementation tool for the municipality's IDP.
  - For the 2022/23 financial year and throughout the MTREF, tariffs for property rates will be increased by 5% to make property rates affordable to our communities and to encourage debtors to pay their accounts.
  - There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

In view of the aforementioned, the following table is a consolidated overview of the 2022/23 Medium-term Revenue and Expenditure Framework as compared to the past budget year:

**Sekhukhune District  
Municipality  
Draft Budget working  
sheet summary  
2022/2023 MTREF**

### **OPERATING REVENUE**

Code	Operating Revenue	Final Adjustment budget 2021/2022	Draft Budget 2022/2023	Draft Budget 2023/2024	Draft Budget 2024/2025
3405	Service charges	- 98 638 109.00	- 103 570 014.45	- 108 748 515.17	- 114 185 940.93
3405	Interest income	- 21 485 844.00	- 21 659 404.48	- 22 612 418.28	- 23 629 977.10
3405	Other revenue	- 17 024 924.00	- 17 876 170.20	- 18 769 978.71	- 19 708 477.65
3405	Operating grants	- 1 024 213 000.00	- 1 074 583 000.00	- 1 146 921 990.00	- 1 251 103 000.00
<b>Total</b>		<b>-1 161 361 877.00</b>	<b>-1 217 688 589.13</b>	<b>-1 297 052 902.16</b>	<b>-1 408 627 395.68</b>

### **CAPITAL REVENUE**

Capital Revenue		Final Adjustment budget 2021/2022	Draft Budget 2022/2023	Draft Budget 2023/2024	Draft Budget 2024/2025
	MIG	- 371 960 000.00	- 477 577 000.00	- 499 222 010.00	- 509 537 000.00
	RRAMS	- 2 341 000.00	- 2 451 000.00	- 2 460 000.00	- 2 549 000.00
	WSIG (Rollover)	- 4 800 000.00			
<b>Total</b>		<b>- 379 101 000.00</b>	<b>- 480 028 000.00</b>	<b>- 501 682 010.00</b>	<b>- 512 086 000.00</b>
<b>Total Annual Revenue Budget</b>		<b>- 1 540 462 877.00</b>	<b>- 1 697 716 589.13</b>	<b>- 1 798 734 912.16</b>	<b>- 1 920 713 395.68</b>

### **OPERATING EXPENDITURE**

Operating expenditure	Final Adjustment budget 2021/2022	Draft Budget 2022/2023	Draft Budget 2023/2024	Draft Budget 2024/2025
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3105	Executive Council - Speaker's office	45 342 410.00	46 168 991.94	48 317 558.10	50 614 952.39
3205	Executive Mayor's office	37 959 087.00	42 257 541.35	44 429 958.01	46 660 234.76
3305	Municipal Manager's office	80 048 111.00	89 145 270.93	108 696 425.56	126 186 681.75
3405	Budget and Treasury	194 867 707.00	210 086 293.21	232 108 555.14	242 886 913.37
3510	Infrastructure and Water Services	560 442 673.00	568 863 750.74	578 123 537.11	612 318 162.24
3605	Planning and Econ Development	16 011 396.00	18 766 764.76	22 766 334.10	23 880 787.17
3705	Community services	73 440 924.00	77 173 578.91	81 085 301.89	85 276 546.34
3805	Sekhukhune Development Agency	5 487 800.00	10 008 058.26	11 508 719.23	15 310 714.83
3905	Corporate Services	137 327 901.00	146 762 565.71	161 105 720.57	197 806 908.05
<b>Total</b>		<b>1 150 928 009.00</b>	<b>1 209 232 815.81</b>	<b>1 288 142 109.71</b>	<b>1 400 941 900.90</b>

**CAPTIAL EXPENDITURE**

Capital expenditure		Final Adjustment budget 2021/2022	Draft Budget 2022/2023	Draft Budget 2023/2024	Draft Budget 2024/2025
	MIG	371 960 000.00	477 577 000.00	499 222 010.00	509 537 000.00
	RRAMS	2 341 000.00	2 451 000.00	2 460 000.00	2 549 000.00
	WSIG (Rollover)	4 800 000.00			
<b>Total</b>		<b>379 101 000.00</b>	<b>480 028 000.00</b>	<b>501 682 010.00</b>	<b>512 086 000.00</b>
	SDM	18 296 708.00	8 380 000.00	8 431 520.00	7 569 239.00
<b>Total Capital expenditure</b>		<b>397 397 708.00</b>	<b>488 408 000.00</b>	<b>510 113 530.00</b>	<b>519 655 239.00</b>

<b>Total Annual Expenditure Budget</b>	<b>1 548 325 717.00</b>	<b>1 697 640 815.81</b>	<b>1 798 255 639.71</b>	<b>1 920 597 139.90</b>
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<b>Surplus/Deficit</b>	<b>7 862 840.00</b>	<b>- 75 773.32</b>	<b>- 479 272.45</b>	<b>- 116 255.77</b>
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**Table 1 Consolidated Overview of the 2022/23 MTREF.**

Description	Adjusted Annual Budget 2020/21	Draft Annual Budget 2021/22	Draft Annual Budget 2022/23	Draft Annual Budget 2023/24
Total Revenue	-1 161 361 877.00	-1 217 688 589.13	-1 297 052 902.16	-1 408 627 395.68
Total Operating Expenditure	1 150 928 009.00	1 209 232 815.81	1 288 142 109.71	1 400 941 900.90
Operating surplus/(Deficit for the year)	-389 534 868.00	-488 483 773.32	-510 592 802.45	-519 771 494.77
<b>Total Funding for Capital Expenditure</b>	397 397 708.00	488 408 000.00	510 113 530.00	519 655 239.00
<b>Total Surplus/Deficit</b>	<b>7 862 840.00</b>	<b>-75 773.32</b>	<b>-479 272.45</b>	<b>-116 255.77</b>

- Total annual Revenue increases from **R1.5 billion** to **R1.7 billion** in the 2022/23 financial year and increases to **R1.8 billion & R 1.9 billion** in both 2023/24 and 2024/25 outer years.
- Capital revenue increases from **R379.1 million** to **R480 million** in the 2022/23 financial year, the capital budget also increases to **R 501 million & R 512 million** in both the 2023/24 & 2024/25 outer years.
- Service charges tariffs to increase by 5% in the current year to adopt a cost reflective tariff as recommended by circular 115 of the MFMA.

Total operating expenditure for the 2022/23 financial year has been appropriated at **R 1.2 billion** and translates into an operating budgeted surplus of **R 488 million** as indicated in table A4.

This surplus is used to fund capital expenditure for 2022/23 as indicated in table 1 above. The operating surplus for 2021/22 decreases by **R 166 million** as compared the 2020/21 operational surplus. The operating surplus for the two outer years increases to **R 510 million** for 2023/24 and further increases to **R 519 million** in 2024/25 financial year. These surpluses will be used to fund capital projects for two outer years.

The total capital budget for 2022/23 financial year amounts to **R 488.4 million** as compared to the 2021/22 adjusted capital budget of **R 397.4 million**. For 2023/24 and 2024/25 budget years, the capital expenditure is budgeted at **R 510.1 million** and **R 519.7 million** respectively.

### **Operating Revenue Framework**

The need to generate sustainable revenue is essential to meet funding requirements for Sekhukhune District municipality to continue improving the quality of services provided to its communities and to address the service delivery backlogs. 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 high level of unemployment, inadequate town planning, and many other socio-economic challenges in our municipality which directly affects negatively the municipality's revenue generation and collection.

The expenditure required to address these challenges will always exceed available funding; hence difficult choices have to be made in relation to balance expenditures against realistically anticipated revenues. The municipal rates tariffs have increased by 5%. Council will continue with programmes and steps that will ensure an improvement in community cooperation and improved collection on Service charges rates as it is a major source of the municipality's own revenue. The municipality currently bill water and sanitation to major towns, business properties and government properties only.

In an attempt to ensure a strong revenue base, the municipality has also reviewed its revenue enhancement strategy to improve revenue collection in the 2022/23 financial year and the two outer years.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- Increase ability to extend new services and recover costs; (e.g disconnection of services due to non-payment)
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

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The following table is a summary of the 2022/23 MTREF (classified by main revenue source).

**Table 2 Summary of revenue classified by main revenue source:**

DC47 Sekhukhune - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	R ef	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Revenue By Source</b>											
Property rates	2	–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	2	73 837	81 947	72 888	82 323	84 603	84 603	60 202	88 834	93 275	97 939
Service charges - sanitation revenue	2	12 257	12 894	12 453	13 535	14 035	14 035	10 263	14 736	15 473	16 247
Service charges - refuse revenue	2	–	–	–	–	–	–	–	–	–	–
Interest earned - external investments		2 264	9 890	15 003	17 486	21 486	21 486	15 101	21 659	22 612	23 630
Interest earned - outstanding debtors		21 580	16 996	12 937	13 996	14 496	14 496	11 536	15 221	15 982	16 781
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		(56)	63	4	108	48	48	4	50	53	55
Licences and permits											
Agency services											
Transfers and subsidies		1 194 613	859 189	1 075 043	982 113	1 024 213	1 024 213	875 570	1 074 583	1 146 922	1 251 103
Other revenue	2	14 714	1 596	81 448	3 076	2 071	2 071	(1 492)	2 175	2 284	2 398
Gains		516	–	–	410	410	410	3	430	452	474
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>1 319 726</b>	<b>982 574</b>	<b>1 269 775</b>	<b>1 113 047</b>	<b>1 161 362</b>	<b>1 161 362</b>	<b>971 187</b>	<b>1 217 689</b>	<b>1 297 053</b>	<b>1 408 627</b>

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

The total revenue for the municipality excluding capital transfers amount to **R 1.218 billion** for 2022/23, **R 1.297 billion** for 2023/24 and **R 1.409 billion** for 2024/25. The total amount for operational grants to be received for 2022/23 is **R 1.075 billion**. For the two outer years the total operational grants to be received amounts to **R 1.147 billion** and **R 1.251 billion** for 2023/24 and 2024/25 financial years respectively.



Revenue from government grants forms a significant percentage of the total operating revenue for the municipality for all of the 2022/23 MTREF. This clearly indicate that our municipality is dependent on government grants.

Revenue generated from service charges amount to **R 103.6 million** and the projected interest on service charges overdue accounts amounts to **R 15.2 million**. The projected interests were calculated considering the current longoutstanding accounts in the municipality's debtor's book. The total projected revenue from service charges when including the interests on overdue accounts amounts to **R 392 million** which is 91 per cent of the total own revenue budget for the 2022/23 financial year.

The revenue from service charges is budgeted to increase to **R 114.2 million** over the 2022/23 MTREF.

Other Revenue amount to **R 2.2 million** for 2022/23 budget year, **R 2.3 million** and **R2.4 million** for 2023/24 and 2024/25 financial years respectively.

Other revenue consists of various items such as income received for selling tender documents, training academy and . Refer to table SA1 under 2.14 (Other supporting documents) for more details.

### **Operating Expenditure Framework**

The municipality's expenditure framework for the 2022/23 budget and MTREF is informed by the following:

- The municipality's Spatial Development Framework.
- The infrastructure projects plan in the IDP to address the backlog and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to backlog eradication plan;
- Operational gains/ surpluses will be directed to funding the capital budget.
- Funding was allocated to only projects which have projects implementation plans to guard against underspending.
- The Demand management plan and procurement plan of the municipality.

The following table is a high level summary of the operating annual budget for 2022/23 and MTREF (classified per main type of operating expenditure):

**Table 5 Summary of operating expenditure by standard classification item**

DC47 Sekhukhune - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description R thousand	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Expenditure By Type</b>	-										
Employee related costs	2	373 155	395 223	413 114	433 127	419 506	419 506	306 786	448 494	458 533	484 048
Remuneration of councillors		16 598	15 467	15 043	18 330	18 330	18 330	11 223	18 422	19 233	20 098
Debt impairment	3	–	2 630	67	10 615	10 615	10 615	–	11 040	11 525	12 044
Depreciation & asset impairment	2	101 040	122 230	99 324	102 514	102 554	102 554	–	106 885	111 671	116 697
Finance charges		347	–	–	490	490	490	–	509	532	556
Bulk purchases - electricity	2	–	–	–	–	–	–	–	–	–	–
Inventory consumed	8	12 466	25 651	24 308	177 905	168 471	168 471	15 366	162 471	169 571	186 937
Contracted services		225 863	180 217	166 962	203 430	257 312	257 312	76 932	255 963	299 139	333 880
Transfers and subsidies		7 416	3 497	2 556	758	796	796	703	–	–	–
Other expenditure	4, 5	146 801	148 237	162 022	156 362	167 367	167 367	116 931	187 396	199 096	225 912
Losses		4 044	45 083	40 653	–	5 487	5 487	–	18 052	18 841	20 771
<b>Total Expenditure</b>		<b>887 728</b>	<b>938 234</b>	<b>924 049</b>	<b>1 103 532</b>	<b>1 150 928</b>	<b>1 150 928</b>	<b>527 941</b>	<b>1 209 233</b>	<b>1 288 142</b>	<b>1 400 942</b>

## Employee Related Costs

The budget allocation for employee related costs for the 2022/23 financial year is **R 448.5 million**, which equals to 37 per cent of the total operating expenditure.

The total budget employee related costs has increased from **R 419.5 million** in 2021/22 adjusted budget to **R 448.5 million** in 2022/23 which reflect a 6 per cent increase. This is as a result of the inclusion of the vacant positions which couldn't be filled during the 2021/22 financial year together with other new vacant positions which are budgeted to be filled in the 2022/23 financial year. The increase also includes a 4.9% annual salary increase for the 2022/23 financial year.

As part of the municipality's cost reprioritization and cash management strategy to make enough funds available to fund capital projects, non-critical vacancies on the municipal structure were not funded. In addition, expenditure for overtime was only budgeted for the municipal drivers, political offices personnel and traffic officers for emergencies and strict measures has been put in place to ensure that it is not abused considering the cost containment measures as per MFMA circular number 82.

### **Remuneration of Councillors**

The cost associated with the remuneration of councilors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The total budget for councillor allowances is **R 18.4 million** for 2022/23, **R 19.2 million** and

**R 20.1 million** for 2023/24 and 2024/25 respectively. There was 0.05% increase for oversight visits

### **Debt Impairment**

The provision of debt impairment for 2022/23 was determined based on the Debt Write-off Policy of the municipality. For the 2022/23 financial year this amount equates to **R 11 million**, increases to **R 11.5 million** in 2023/24 and further increases to **R 12 million** in 2024/25 respectively. This expenditure is projected for service charges debtors and is considered to be a non-cash flow item. This item is not cash funded as there is no service rendered that is associated with the billed debt and therefore no costs associated with rendering the services were determined, to require cash funding.

### **Depreciation**

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy and GRAP 17. The projections were made taking into consideration the municipality's assets value as recorded in the 2021/22 AFS and new acquisitions for the current year 2021/22 and 2022/23 budget year and the MTREF. Budget appropriations in this regard are **R 106.9 million** for the 2022/23 financial year and equates to 9.7 per cent of the total operating expenditure. It increases to **R 111.7 million** and **R 116.7 million** for 2023/24 and 2024/25 budget years respectively.

### **Contracted Services**

Contracted services comprises of security services, cleaning services, repairs and maintenance for infrastructure assets and operating leases for office equipment and machinery and maintenance of the landfill side. The budget on contracted service is **R 256 million** for the 2022/23 financial year, it increases to **R 299.1 million** and increases further to **R 333.9 million** in the 2023/24 and 2024/25 outer years respectively.

Repairs and maintenance has been budgeted at 4% percent of the total operational budget as per 2020/21 AFS taking in to consideration guidelines contained in MFMA circular number 66, 67, 70, 72, 74, 75, 78, 79, 85, 86, 89, 91, 93, 94, 98, 99, 112 & 115.

### **Other Expenditure**

The municipality has also budgeted an amount of **R 187.4 million** on other general expenditure items for the 2022/23 financial year. The budget for the 2023/24 & 2024/25 is **R 199.1 million & R 225.9 million** for the general expenditure.

Furthermore, in compliance to the cost containment measures as approved by the cabinet, the municipality has reduced spending on excessive advertising, travelling, caterings, promotional materials and mandates that belong to other spheres of government for 2022/23 MTREF. For further details on other expenditure refer to table SA1.

### **Capital expenditure**

The following table provides a breakdown of budgeted capital expenditure by vote:

DC47 Sekhukhune District Municipality 2022/23 MTREF Draft Annual Budget

**Table 3 2021/22 Medium-term capital budget per vote**

**DC47 Sekhukhune - Table A5 Budgeted Capital Expenditure by vote, functional classification, and funding**

Vote Description  R thousand	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Revenue Framework	Medium & Term Expenditure	
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre- audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b><u>Capital expenditure - Vote</u></b>	2										
<b><u>Single-year expenditure to be appropriated</u></b>											
Vote 01 - Speakers Office		-	-	-	-	530	530	-	-	-	-
Vote 02 - Executive Mayor's Office		-	-	-	-	-	-	-	-	-	-
Vote 03 - Municipal Manager Office		-	-	-	-	-	-	-	-	-	-
Vote 04 - Budget & Treasury		-	-	-	-	1 000	1 000	-	-	-	-
Vote 05 - Infrastructure & Water Services		457 493	390 198	429 537	424 001	395 668	395 668	203 923	487 858	510 114	519 655
Vote 06 - Planning & Economic Development		-	-	-	-	-	-	-	-	-	-
Vote 07 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 08 - Sekhukhune Development Agency		-	-	-	-	-	-	-	550	-	-
Vote 09 - Corporate Services		-	-	-	-	200	200	-	-	-	-
Capital single-year expenditure sub-total		457 493	390 198	429 537	424 001	397 398	397 398	203 923	488 408	510 114	519 655
<b><u>Total Capital Expenditure - Vote</u></b>		457 493	390 198	429 537	424 001	397 398	397 398	203 923	488 408	510 114	519 655
<b><u>Total Capital Expenditure - Vote</u></b>											
Capital Expenditure - Functional											
Governance and administration		-	-	-	-	1 730	1 730	-	-	-	-
Executive and council		-	-	-	-	530	530	-	-	-	-
<b><i>Finance and administration</i></b>		-	-	-	-	1 200	1 200	-	-	-	-
Internal audit											
Health											
Economic and environmental services		-	-	-	-	-	-	-	550	-	-
Planning and development		-	-	-	-	-	-	-	550	-	-
<b><i>Road transport</i></b>											
Environmental protection											
Trading services		457 493	390 198	429 537	424 001	395 668	395 668	203 923	487 858	510 114	519 655
Energy sources											
Water management		446 548	390 198	429 537	424 001	395 668	395 668	203 923	487 858	510 114	519 655
<b><u>Waste management</u></b>											
<b><u>Other</u></b>	3										
<b><u>Total Capital Expenditure - Functional</u></b>		457 493	390 198	429 537	424 001	397 398	397 398	203 923	488 408	510 114	519 655
Funded by:											
National Government		449 104	386 878	400 327	415 901	379 618	379 618	198 608	480 028	501 682	512 086
Provincial Government	4										
<b>District Municipality</b>		449 104	386 878	400 327	415 901	379 618	379 618	198 608	480 028	501 682	512 086
<b>Transfers recognised - capital</b>											
<b><u>Borrowing</u></b>	6										
Internally generated funds		8 741	3 320	29 210	8 100	17 780	17 780	5 315	8 380	8 432	7 569
<b>Total Capital Funding</b>	7	457 844	390 198	429 537	424 001	397 398	397 398	203 923	488 408	510 114	519 655

### New and Existing Capital Assets

For 2022/23 an amount of **R 488.4 million** has been appropriated for the new capital expenditure which will be funded by MIG to the amount of **R 477.6 million**, **RRAMS to the amount of R 2.5 million** and equitable share to the amount of **R 8.4 million**. For 2023/24 and 2024/25 the budget has been appropriated at **R 510.1 million** and **R 519.7 million** respectively.

Infrastructure and Development vote is appropriated the highest allocation of **R 477.6 million** which amounts to 97 per cent of the total capital budget for 2022/23 for construction of reservoirs and pipelines (Reticulation and Bulk), Corporate Services is allocated 3 per cent of the total capital budget. The remaining 2 per cent is allocated to Budget & Treasury Office.

**Below are the capital projects which form part of the total budgeted capital expenditure for the 2022/23 financial year:**

<b>Description</b>	<b>Draft Annual Budget ("R") 2022/23</b>	<b>Draft Annual Budget ("R") Draft budget 2023/24</b>	<b>Draft Annual Budget ("R") 2024/25</b>
CHERRY PICKER X1 (TRAILOR)	250 000.00	260 000.00	
CRANE TRUCK X1	800 000.00	1 700 000.00	900 000.00
TIPPER TRUCK X1	600 000.00		
WATER TANKERS X1	2 100 000.00	4 300 000.00	4 400 000.00
MHS EQUIPMENT ( AIR QUALITY ANALYZERS) NEW	500 000.00		
PURCHASE OF OFFICE CONTAINERS	1 000 000.00		
COMPUTER	2 080 000.00	2 171 520.00	2 269 239.00
AUDIO VISUALS AND CCVT EQUIPMENT	500 000.00		
OFFICE EQUIPMENT AND HARDWARE	250 000.00		
COMPUTERS	300 000.00		
<b>SDM FUNDED</b>	<b>8 380 000.00</b>	<b>8 431 520.00</b>	<b>7 569 239.00</b>
MIG-GTLM GA-MALEKANE (MAPHOPHA COMMAND RESERVOIR AND NOT MALEKANE)	-	-	-
MIG ZAAIPLAAS VILLAGE RETICUL PHASE - CO	8 000 000.00	-	-
MIG MOTLAILANA; MAKGEMENG & TAUNG WS	11 314 943.70	-	-
MIG-GTLM LEBALELO SOUTH CONN PIPES&RETIC	-	-	-
MIG-GAMOGASHWA(SENGAPUDI) & (MANAMANE)	-	-	-
MIG-NSD07 REGION WATER SCHM RESERV	4 042 602.77	-	-
DEHOOP/NEBO PLA/SCHONORD SCH VILGS MKGER	13 554 104.08	-	-
MIG-MALEKANE REGIONAL WATER SCHEME	120 553 542.88	70 000 000.00	-

DC47 Sekhukhune District Municipality 2022/23 MTREF Draft Annual Budget

<b>Description</b>	<b>Draft Annual Budget ("R") 2022/23</b>	<b>Draft Annual Budget ("R")Draft budget 2023/24</b>	<b>Draft Annual Budget ("R") 2024/25</b>
MIG-LEBALELO SOUTH PH3MAROGA & MOTLOLO	67 246 488.89	-	-
COVID-19 MIG - COVID 19 PROJECTS	-	-	-
MIG-EM ROSSENEKAL WWTW	-	-	-
MIG - UPGRADING OF DE HOOP WTW	90 000 000.00	31 234 087.84	-
MIG - UPGRADING OF GROBLERSDAL - LUCKAU BULK WATER SCHEME PHASE 1	125 654 105.89	125 654 105.89	100 000 000.00
MIG - MOUTSE EAST AND WEST WATER RETICULATION	37 211 211.79	114 929 265.16	157 404 551.11
MIG - UPGRADING OF GROBLERSDAL - LUCKAU BULK WATER SCHEME PHASE 2			73 093 789.89
MIG - MAMPURU BULK WATER SCHEME	-	157 404 551.11	179 038 659.00
<b>TOTAL</b>	<b>477 577 000.00</b>	<b>499 222 010.00</b>	<b>509 537 000.00</b>
RRAMS CAPITAL ACQUISITION	2 451 000.00	2 460 000.00	2 549 000.00
<b>RRAMS</b>	<b>2 451 000.00</b>	<b>2 460 000.00</b>	<b>2 549 000.00</b>
<b>TOTAL CAPITAL BUDGET</b>	<b>488 408 000.00</b>	<b>510 113 530.00</b>	<b>519 655 239.00</b>

### **2.3 DRAFTANNUAL BUDGET TABLES (A1 to A10)**

The following are the ten main A schedule tables for the Draft budget of Sekhukhune District municipality for the 2022/23 MTREF

**Table 7 MBRR A1 – Annual Budget Summary**



**DC47 Sekhukhune District Municipality 2022/23 MTREF Draft Annual Budget**

**2.3.1 Table MBRR A2 – Budgeted Financial Performance (Functional Classification)**

**DC47 Sekhukhune - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)**

Functional Classification Description R thousand	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Revenue - Functional</b>										
<b>Governance and administration</b>		1 446 205	1 427 200	1 719 710	1 528 948	1 540 463	1 540 463	1 697 717	1 798 735	1 920 713
Executive and council		(2)	–	–	–	–	–	–	–	–
Finance and administration		1 446 207	1 427 200	1 719 710	1 528 948	1 540 463	1 540 463	1 697 717	1 798 735	1 920 713
Internal audit		–	–	–	–	–	–	–	–	–
<b>Community and public safety</b>		–	–	–	–	–	–	–	–	–
Community and social services		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
<b>Economic and environmental services</b>		–	–	–	–	–	–	–	–	–
Planning and development		–	–	–	–	–	–	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–
<b>Trading services</b>		(3)	–	–	–	–	–	–	–	–
Water management		(3)	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		–	–	–	–	–	–	–	–	–
<b>Other</b>	4	–	–	–	–	–	–	–	–	–
<b>Total Revenue - Functional</b>	2	1 446 202	1 427 200	1 719 710	1 528 948	1 540 463	1 540 463	1 697 717	1 798 735	1 920 713
<b>Expenditure - Functional</b>	-									
<b>Governance and administration</b>		510 187	466 709	432 462	551 835	568 986	568 986	611 594	675 744	749 432
Executive and council		151 009	159 845	149 418	154 806	163 350	163 350	177 572	201 444	223 462
Finance and administration		359 178	306 864	283 043	397 029	405 637	405 637	434 022	474 300	525 970
Internal audit		–	–	–	–	–	–	–	–	–
<b>Community and public safety</b>		–	–	–	–	–	–	–	–	–
Community and social services		–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
<b>Economic and environmental services</b>		14 282	11 038	12 664	21 173	21 499	21 499	28 775	34 275	39 192
Planning and development		14 282	11 038	12 664	21 173	21 499	21 499	28 775	34 275	39 192
Environmental protection		–	–	–	–	–	–	–	–	–
<b>Trading services</b>		589 296	580 368	664 575	530 525	565 930	565 930	568 864	578 124	612 318
Energy sources		–	–	–	–	–	–	–	–	–
Water management		577 510	562 014	645 822	530 525	564 456	564 456	567 312	576 489	610 597
Waste water management		11 786	18 354	18 753	–	1 474	1 474	1 552	1 634	1 721
Waste management		–	–	–	–	–	–	–	–	–
<b>Other</b>	4	–	–	–	–	–	–	–	–	–
<b>Total Expenditure - Functional</b>	3	1 113 765	1 058 115	1 109 701	1 103 532	1 156 415	1 156 415	1 209 233	1 288 142	1 400 942
<b>Surplus/(Deficit) for the year</b>		332 437	369 085	610 009	425 416	384 048	384 048	488 484	510 593	519 771

**Table MBRR A3 – Budgeted Financial Performance (Municipal Vote)**

**DC47 Sekhukhune - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)**

**DC47 Sekhukhune District Municipality 2022/23 MTREF Draft Annual Budget**

Vote Description  R thousand	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Revenue by Vote</b>	1									
Vote 04 - Budget And Treasury		1 446 223	1 427 200	1 719 710	1 528 948	1 540 463	1 540 463	1 697 717	1 798 735	1 920 713
<b>Total Revenue by Vote</b>	2	<b>1 446 202</b>	<b>1 427 200</b>	<b>1 719 710</b>	<b>1 528 948</b>	<b>1 540 463</b>	<b>1 540 463</b>	<b>1 697 717</b>	<b>1 798 735</b>	<b>1 920 713</b>
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 01 - Speakers Office		35 925	35 236	36 276	42 273	45 342	45 342	46 169	48 318	50 615
Vote 02 - Executive Mayor's Office		32 560	31 158	31 994	38 753	37 959	37 959	42 258	44 430	46 660
Vote 03 - Municipal Manager Office		82 524	93 451	81 149	73 780	80 048	80 048	89 145	108 696	126 187
Vote 04 - Budget And Treasury		179 504	113 129	79 509	200 655	194 868	194 868	210 086	232 109	242 887
Vote 05 - Infrastructure And Water Services		589 296	580 368	664 575	530 525	565 930	565 930	568 864	578 124	612 318
Vote 06 - Planning And Economic Development		10 583	7 541	10 108	16 635	16 011	16 011	18 767	22 766	23 881
Vote 07 - Community Services		59 032	63 650	67 605	70 988	73 441	73 441	77 174	81 085	85 277
Vote 08 - Sekhukhune Development Angancy		3 699	3 497	2 556	4 538	5 488	5 488	10 008	11 509	15 311
Vote 09 - Corporate Services		120 643	130 085	135 929	125 386	137 328	137 328	146 763	161 106	197 807
<b>Total Expenditure by Vote</b>	2	<b>1 113 765</b>	<b>1 058 115</b>	<b>1 109 701</b>	<b>1 103 532</b>	<b>1 156 415</b>	<b>1 156 415</b>	<b>1 209 233</b>	<b>1 288 142</b>	<b>1 400 942</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>332 437</b>	<b>369 085</b>	<b>610 009</b>	<b>425 416</b>	<b>384 048</b>	<b>384 048</b>	<b>488 484</b>	<b>510 593</b>	<b>519 771</b>

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### 2.3.2 Table MBRR A4 – Budgeted Financial Performance (Operational Revenue and Expenditure)

DC47 Sekhukhune - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>	<b>1</b>										
<b>Revenue By Source</b>											
Property rates	2	–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	2	73 837	81 947	72 888	82 323	84 603	84 603	60 202	88 834	93 275	97 939
Service charges - sanitation revenue	2	12 257	12 894	12 453	13 535	14 035	14 035	10 263	14 736	15 473	16 247
Rental of facilities and equipment											
Interest earned - external investments		2 264	9 890	15 003	17 486	21 486	21 486	15 101	21 659	22 612	23 630
Interest earned - outstanding debtors		21 580	16 996	12 937	13 996	14 496	14 496	11 536	15 221	15 982	16 781
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		(56)	63	4	108	48	48	4	50	53	55
Licences and permits											
Transfers and subsidies		1 194 613	859 189	1 075 043	982 113	1 024 213	1 024 213	875 570	1 074 583	1 146 922	1 251 103
Other revenue	2	14 714	1 596	81 448	3 076	2 071	2 071	(1 492)	2 175	2 284	2 398
Gains		516	–	–	410	410	410	3	430	452	474
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>1 319 726</b>	<b>982 574</b>	<b>1 269 775</b>	<b>1 113 047</b>	<b>1 161 362</b>	<b>1 161 362</b>	<b>971 187</b>	<b>1 217 689</b>	<b>1 297 053</b>	<b>1 408 627</b>
<b>Expenditure By Type</b>											
Employee related costs	2	373 155	395 223	413 114	433 127	419 506	419 506	306 786	448 494	458 533	484 048
Remuneration of councillors		16 598	15 467	15 043	18 330	18 330	18 330	11 223	18 422	19 233	20 098
Debt impairment	3	–	2 630	67	10 615	10 615	10 615	–	11 040	11 525	12 044
Depreciation & asset impairment	2	101 040	122 230	99 324	102 514	102 554	102 554	–	106 885	111 671	116 697
Finance charges		347	–	–	490	490	490	–	509	532	556
Inventory consumed	8	12 466	25 651	24 308	177 905	168 471	168 471	15 366	162 471	169 571	186 937
Contracted services		225 863	180 217	166 962	203 430	257 312	257 312	76 932	255 963	299 139	333 880
Transfers and subsidies		7 416	3 497	2 556	758	796	796	703	–	–	–
Other expenditure	4, 5	146 801	148 237	162 022	156 362	167 367	167 367	116 931	187 396	199 096	225 912
Losses		4 044	45 083	40 653	–	5 487	5 487	–	18 052	18 841	20 771
<b>Total Expenditure</b>		<b>887 728</b>	<b>938 234</b>	<b>924 049</b>	<b>1 103 532</b>	<b>1 150 928</b>	<b>1 150 928</b>	<b>527 941</b>	<b>1 209 233</b>	<b>1 288 142</b>	<b>1 400 942</b>
<b>Surplus/(Deficit)</b>		<b>431 999</b>	<b>44 340</b>	<b>345 726</b>	<b>9 515</b>	<b>10 434</b>	<b>10 434</b>	<b>443 246</b>	<b>8 456</b>	<b>8 911</b>	<b>7 685</b>

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**Table 11 MBRR A5 – Budgeted Capital Expenditure (By Vote & Standard Classification)**

**DC47 Sekhukhune - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding**

Vote Description  R thousand	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b><u>Capital expenditure - Vote</u></b>	2										
<b><u>Single-year expenditure to be appropriated</u></b>											
Vote 01 - Speakers Office		-	-	-	-	530	530	-	-	-	-
Vote 04 - Budget And Treasury		-	-	-	-	1 000	1 000	-	-	-	-
Vote 05 - Infrastructure And Water Services		457 493	390 198	429 537	424 001	395 668	395 668	203 923	487 858	510 114	519 655
Vote 08 - Sekhukhune Development Angancy		-	-	-	-	-	-	-	550	-	-
Vote 09 - Corporate Services		-	-	-	-	200	200	-	-	-	-
<b>Vote 14 -</b>		<b>457 493</b>	<b>390 198</b>	<b>429 537</b>	<b>424 001</b>	<b>397 398</b>	<b>397 398</b>	<b>203 923</b>	<b>488 408</b>	<b>510 114</b>	<b>519 655</b>
<b>Vote 15 - Other</b>		<b>457 493</b>	<b>390 198</b>	<b>429 537</b>	<b>424 001</b>	<b>397 398</b>	<b>397 398</b>	<b>203 923</b>	<b>488 408</b>	<b>510 114</b>	<b>519 655</b>
Capital single-year expenditure sub-total											
<b><u>Total Capital Expenditure - Vote</u></b>											
Capital Expenditure - Functional											
Governance and administration		-	-	-	-	1 730	1 730	-	-	-	-
Executive and council		-	-	-	-	530	530	-	-	-	-
<b>Finance and administration</b>		-	-	-	-	1 200	1 200	-	-	-	-
Internal audit											
Community and public safety		-	-	-	-	-	-	-	-	-	-
Health											
Economic and environmental services		-	-	-	-	-	-	-	550	-	-
Planning and development		-	-	-	-	-	-	-	550	-	-
<b>Road transport</b>											
Environmental protection											
Trading services		457 493	390 198	429 537	424 001	395 668	395 668	203 923	487 858	510 114	519 655
Water management		446 548	390 198	429 537	424 001	395 668	395 668	203 923	487 858	510 114	519 655
<b>Waste management</b>											
<b>Other</b>											
<b><u>Total Capital Expenditure - Functional</u></b>	3	<b>457 493</b>	<b>390 198</b>	<b>429 537</b>	<b>424 001</b>	<b>397 398</b>	<b>397 398</b>	<b>203 923</b>	<b>488 408</b>	<b>510 114</b>	<b>519 655</b>
Funded by:											
National Government		449 104	386 878	400 327	415 901	379 618	379 618	198 608	480 028	501 682	512 086
Provincial Government											
<b>District Municipality</b>											
Transfers recognised - capital	4	449 104	386 878	400 327	415 901	379 618	379 618	198 608	480 028	501 682	512 086
<b>Borrowing</b>	6										
Internally generated funds		8 741	3 320	29 210	8 100	17 780	17 780	5 315	8 380	8 432	7 569
<b>Total Capital Funding</b>	7	<b>457 844</b>	<b>390 198</b>	<b>429 537</b>	<b>424 001</b>	<b>397 398</b>	<b>397 398</b>	<b>203 923</b>	<b>488 408</b>	<b>510 114</b>	<b>519 655</b>

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### 2.3.3 Table MBRR A6 – Budgeted Financial Position

DC47 Sekhukhune - Table A6 Budgeted Financial Position

Description  R thousand	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>ASSETS</b>											
<b>Current assets</b>											
Cash		12 160	30 716	216 065	236 446	310 563	310 563	158 951	271 712	335 895	412 523
Call investment deposits	1	1	149 981	149 981	1	1	1	149 981	1	1	1
Consumer debtors	1	119 368	124 776	162 193	120 559	101 738	101 738	208 831	94 223	91 582	78 527
Other debtors		88 873	109 535	153 275	92 568	92 568	92 568	154 484	92 568	92 568	92 568
Current portion of long-term receivables											
Inventory	2	22 284	31 911	31 592	31 773	204 225	204 225	37 182	279 775	449 919	615 309
<b>Total current assets</b>		<b>242 686</b>	<b>446 920</b>	<b>713 108</b>	<b>481 347</b>	<b>709 095</b>	<b>709 095</b>	<b>709 430</b>	<b>738 279</b>	<b>969 966</b>	<b>1 198 929</b>
<b>Non current assets</b>											
Long-term receivables											
Investments		58 868	(118 292)	(128 644)	–	–	–	361 075	–	–	–
Investment property											
Property, plant and equipment	3	3 359 050	3 671 056	4 013 742	3 713 221	3 677 518	3 677 518	4 217 665	3 771 728	3 793 434	3 802 975
Other non-current assets		–	–	–	–	–	–	–	–	–	–
<b>Total non current assets</b>		<b>3 417 918</b>	<b>3 552 764</b>	<b>3 885 098</b>	<b>3 713 221</b>	<b>3 677 518</b>	<b>3 677 518</b>	<b>4 578 740</b>	<b>3 771 728</b>	<b>3 793 434</b>	<b>3 802 975</b>
<b>TOTAL ASSETS</b>		<b>3 660 604</b>	<b>3 999 684</b>	<b>4 598 206</b>	<b>4 194 568</b>	<b>4 386 613</b>	<b>4 386 613</b>	<b>5 288 170</b>	<b>4 510 007</b>	<b>4 763 399</b>	<b>5 001 904</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	1										
Borrowing	4	–	–	–	–	–	–	–	–	–	–
Consumer deposits		4 209	4 371	4 624	4 315	4 315	4 315	4 813	4 315	4 315	4 315
Trade and other payables	4	485 234	513 637	521 065	220 000	277 003	277 003	621 561	241 827	179 429	293 372
Provisions		–	–	–	–	–	–	–	–	–	–
<b>Total current liabilities</b>		<b>489 443</b>	<b>518 008</b>	<b>525 690</b>	<b>224 315</b>	<b>281 318</b>	<b>281 318</b>	<b>626 374</b>	<b>246 142</b>	<b>183 743</b>	<b>297 687</b>
<b>Non current liabilities</b>											
Borrowing		1 228	3 322	3 822	–	–	–	3 822	–	–	–
Provisions		51 803	50 186	58 972	51 803	51 803	51 803	58 972	51 803	51 803	51 803
<b>Total non current liabilities</b>		<b>53 030</b>	<b>53 508</b>	<b>62 794</b>	<b>51 803</b>	<b>51 803</b>	<b>51 803</b>	<b>62 794</b>	<b>51 803</b>	<b>51 803</b>	<b>51 803</b>
<b>TOTAL LIABILITIES</b>		<b>542 473</b>	<b>571 516</b>	<b>588 484</b>	<b>276 117</b>	<b>333 120</b>	<b>333 120</b>	<b>689 168</b>	<b>297 944</b>	<b>235 546</b>	<b>349 489</b>
<b>NET ASSETS</b>	5	<b>3 118 131</b>	<b>3 428 168</b>	<b>4 009 722</b>	<b>3 918 451</b>	<b>4 053 493</b>	<b>4 053 493</b>	<b>4 599 002</b>	<b>4 212 063</b>	<b>4 527 853</b>	<b>4 652 415</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		3 344 128	3 565 197	4 197 908	4 010 276	4 020 962	4 020 962	4 663 335	4 131 255	4 371 496	4 325 913
Reserves	4	–	–	–	–	–	–	–	–	–	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>3 344 128</b>	<b>3 565 197</b>	<b>4 197 908</b>	<b>4 010 276</b>	<b>4 020 962</b>	<b>4 020 962</b>	<b>4 663 335</b>	<b>4 131 255</b>	<b>4 371 496</b>	<b>4 325 913</b>

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**Table MBRR A7 – Budgeted Cash Flows**

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>											
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		-	-	-	-	-	-	-	-	-	-
Service charges		-	-	63 554	36 182	54 183	54 183	38 472	62 142	65 249	78 794
Other revenue		-	-	111 253	17 486	25 025	25 025	(302 270)	2 214	2 325	2 441
Transfers and Subsidies - Operational	1	-	-	4 720	982 113	1 024 213	1 024 213	10 451	1 074 583	1 146 922	1 251 060
Transfers and Subsidies - Capital	1	-	-	365 494	415 997	379 101	379 101	189 494	480 028	501 682	512 086
Interest		-	-	-	19 056	21 486	21 486	192	21 659	22 612	23 630
Dividends									-	-	-
<b>Payments</b>											
Suppliers and employees		-	-	(1 231 812)	(397 053)	143 043	143 043	(1 210 232)	(1 091 308)	(1 164 945)	(1 272 201)
Finance charges									-	-	-
Transfers and Grants	1								-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		-	-	(686 791)	1 073 782	1 647 050	1 647 050	(1 273 894)	549 318	573 845	595 809
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		-	-	-	410	410	410	-	430	452	474
Decrease (increase) in non-current receivables									-	-	-
Decrease (increase) in non-current investments		58 868	(177 161)	(10 351)	128 644	-	-	489 719	-	-	-
<b>Payments</b>											
Capital assets		-	-	(355 877)	(424 001)	(397 398)	(397 398)	(186 511)	(488 408)	(510 114)	(519 655)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		58 868	(177 161)	(366 228)	(294 948)	(396 988)	(396 988)	303 208	(487 978)	(509 662)	(519 181)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits		(4 209)	(162)	(253)	310	-	-	(189)	-	-	-
<b>Payments</b>											
Repayment of borrowing									-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		(4 209)	(162)	(253)	310	-	-	(189)	-	-	-
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		54 659	(177 323)	(1 053 272)	779 143	1 250 062	1 250 062	(970 875)	61 340	64 183	76 628
Cash/cash equivalents at the year begin:	2	18 249	12 161	180 698	181 178	237 402	237 402	-	210 372	271 712	335 895
Cash/cash equivalents at the year end:	2	72 908	(165 162)	(872 574)	960 321	1 487 464	1 487 464	(970 875)	271 712	335 895	412 523

### **Explanatory notes to Table A7 - Budgeted Cash Flow Statement**

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. The 2022/23 MTREF provide for a net increase in cash of **R 61.3 million** for the 2022/23 financial year, net increase of **R 64.2 million** in 2023/24 and net decrease of **R 76.6 million** in 2024/25.
4. Cash Flow from Operating activities;

The municipality has projected to receive **R 62.1 million** from service charges on both water and sanitation and **R 2.2 million** from other revenue which consists mainly of Training academy and sale of tender documents. Transfers from National government are projected to be received 100%. Trade and other payables as indicated in table A6 has been subtracted from the total expenditure included in the cash flow and non-cash flow items such as depreciation and debt impairment has been disregarded in the calculations.

5. Other Revenue
  - Other revenue sources include, training academy services, fire and Health services, & sale of tender documents.
  - The municipality is anticipating 100% collection on these items of revenue on the basis that collection on all these revenue items
6. Government Grants & Transfers Cash Flow Assumptions
  - All government grants are projected to be received at 100% and all conditional grants are projected to be spent at 100% during the 2022/23 budget year.
7. Interest on investments Cash Flow Assumptions
  - The interest on investments is projected to be received at 100% of the **R 21.6 million** budget for the 2022/23 financial year. All budgeted investments will be carried out as and when there is surplus cash available in the municipality's primary bank accounts and such available cash surpluses are not currently committed. The interest projection was made considering the fact that, irrespective of a separate investment account being opened, the positive balance in the municipality's primary account

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### 2.3.4 Table MBRR A8 – Cash backed reserves/Accumulated surplus reconciliation

DC47 Sekhukhune - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description R thousand	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	72 908	(165 162)	(872 574)	960 321	1 487 464	1 487 464	(970 875)	271 712	335 895	412 523
Other current investments > 90 days		(60 747)	345 860	1 238 621	(723 874)	(1 176 900)	(1 176 900)	1 279 807	1	1	1
Non current assets - Investments	1	58 868	(118 292)	(128 644)	–	–	–	361 075	–	–	–
<b>Cash and investments available:</b>		<b>71 029</b>	<b>62 405</b>	<b>237 403</b>	<b>236 447</b>	<b>310 564</b>	<b>310 564</b>	<b>670 008</b>	<b>271 713</b>	<b>335 896</b>	<b>412 524</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		61 053	68 934	29 966	20 000	20 000	20 000	223 832	20 000	30 000	40 000
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2										
Other working capital requirements	3	385 808	391 847	118 269	98 812	123 466	123 466	1 511 420	122 492	51 498	149 198
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–	–
<b>Total Application of cash and investments:</b>		<b>446 861</b>	<b>460 782</b>	<b>148 236</b>	<b>118 812</b>	<b>143 466</b>	<b>143 466</b>	<b>1 735 252</b>	<b>142 492</b>	<b>81 498</b>	<b>189 198</b>
<b>Surplus(shortfall)</b>		<b>(375 832)</b>	<b>(398 376)</b>	<b>89 167</b>	<b>117 635</b>	<b>167 098</b>	<b>167 098</b>	<b>(1 065 244)</b>	<b>129 221</b>	<b>254 398</b>	<b>223 326</b>

#### Other working capital requirements

Debtors	–	–	306 829	101 188	133 537	133 537	(1 190 381)	99 335	97 931	104 174
Creditors due	385 808	391 847	425 098	200 000	257 003	257 003	321 039	221 827	149 429	253 372
Total	(385 808)	(391 847)	(118 269)	(98 812)	(123 466)	(123 466)	(1 511 420)	(122 492)	(51 498)	(149 198)

#### Debtors collection assumptions

Balance outstanding - debtors	208 241	234 311	315 468	213 127	194 306	194 306	363 315	186 791	184 151	171 095
Estimate of debtors collection rate	0.0%	0.0%	97.3%	47.5%	68.7%	68.7%	-327.6%	53.2%	53.2%	60.9%

### Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular42 – 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 annual budget is not appropriately funded.
5. From the table it can be seen that for the period 2022/23 to 2023/24 the municipality's budget is properly funded and reflect surplus.
6. Considering the requirements of section 18 of the MFMA, it can be concluded that the 2022/23 MTREF budget is fully funded, though there is a high risk of financial sustainability due to the high dependency on government grants.
7. The municipality does not have non-current investments and no projection has been made for unspent conditional grants as we plan to utilise 100% of the allocation by year end.
8. The municipality is planning to spend 100% of its conditional grants.
9. VAT input will always be more than VAT output which is reflecting in the cash flow from operating activities and therefore no amount will reflect under statutory requirements.
10. The municipality's third party payments such as SARS under the statutory requirements are accounted for under the employee related costs on B7 as part of the payments to suppliers and employees over the 2022/23 MTREF. The VAT portion is also accounted for as part of the payments to suppliers and employees and also under the capital assets payments on the A7.
11. The main purpose of the other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. High levels of debtor non-payment and receipt delays will have a greater requirement for working capital. Any underperformance in relation to collections could place upward pressure on the ability of the municipality to meet its creditor obligations.

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## Table MBRR table A9 – Asset Management

DC47 Sekhukhune - Table A9 Asset Management

Description R thousand	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>CAPITAL EXPENDITURE</b>										
<b>Total Capital Expenditure</b>	4	457 493	390 198	429 537	424 001	397 398	397 398	488 408	510 114	519 655
Roads Infrastructure		–	2 091	2 008	2 341	2 341	2 341	2 451	2 460	2 549
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		57 822	387 295	406 157	415 760	386 490	386 490	478 577	499 222	509 537
Sanitation Infrastructure		399 532	648	62	–	500	500	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
<b>Infrastructure</b>		<b>457 354</b>	<b>390 035</b>	<b>408 228</b>	<b>418 101</b>	<b>389 331</b>	<b>389 331</b>	<b>481 028</b>	<b>501 682</b>	<b>512 086</b>
Community Facilities		–	–	–	–	–	–	–	–	–
<b>Community Assets</b>		–	–	–	–	–	–	–	–	–
<b>Heritage Assets</b>		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
<b>Investment properties</b>		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	200	200	–	–	–
<b>Other Assets</b>		–	–	–	–	200	200	–	–	–
<b>Biological or Cultivated Assets</b>		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
<b>Intangible Assets</b>		–	–	–	–	–	–	–	–	–
Computer Equipment		–	163	9	2 000	3 047	3 047	2 880	2 172	2 269
Furniture and Office Equipment		139	–	(616)	–	920	920	750	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	21 916	3 900	3 900	3 900	3 750	6 260	5 300
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>		<b>457 493</b>	<b>390 198</b>	<b>429 537</b>	<b>424 001</b>	<b>397 398</b>	<b>397 398</b>	<b>488 408</b>	<b>510 114</b>	<b>519 655</b>
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	2 233 022	2 388 135	2 675 312	2 587 193	2 551 489	2 551 489	2 645 700	2 667 405	2 676 947
Roads Infrastructure		30 856	29 039	29 551	31 248	28 048	28 048	31 358	31 367	31 456
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		2 111 790	2 276 876	2 531 006	2 489 401	2 460 131	2 460 131	2 552 218	2 572 863	2 583 178
Sanitation Infrastructure		49 748	37 193	37 152	48 398	48 898	48 898	48 398	48 398	48 398
Solid Waste Infrastructure		–	(0)	(0)	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
<b>Infrastructure</b>		<b>2 192 394</b>	<b>2 343 109</b>	<b>2 597 709</b>	<b>2 569 047</b>	<b>2 537 077</b>	<b>2 537 077</b>	<b>2 631 974</b>	<b>2 652 628</b>	<b>2 663 032</b>
<b>Community Assets</b>		<b>35 604</b>	<b>34 892</b>	<b>33 681</b>	<b>35 182</b>	<b>35 182</b>	<b>35 182</b>	<b>35 182</b>	<b>35 182</b>	<b>35 182</b>
<b>Heritage Assets</b>		–	–	–	–	–	–	–	–	–
<b>Investment properties</b>		–	–	–	–	–	–	–	–	–

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Other Assets		(15 408)	(15 564)	(15 716)	(15 408)	(15 208)	(15 208)	(15 408)	(15 408)	(15 408)
Biological or Cultivated Assets										
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		5 483	7 840	10 667	(20 477)	(19 430)	(19 430)	(19 597)	(20 305)	(20 207)
Furniture and Office Equipment		4 595	4 350	3 007	4 595	5 515	5 515	5 345	4 595	4 595
Machinery and Equipment		3 791	3 997	13 682	3 791	3 791	3 791	3 791	3 791	3 791
Transport Assets		6 562	9 512	32 280	10 462	4 562	4 562	4 412	6 922	5 962
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>5</b>	<b>2 233 022</b>	<b>2 388 135</b>	<b>2 675 312</b>	<b>2 587 193</b>	<b>2 551 489</b>	<b>2 551 489</b>	<b>2 645 700</b>	<b>2 667 405</b>	<b>2 676 947</b>

### 2.3.5 Table 16 MBRR table A10 – Basic Service delivery measurement

#### Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The municipality continues to make good progress with the eradication of backlogs on services that are within the functions of the municipality in terms of the South African Constitution and Municipal Systems Act. The municipality performs only the function of providing indigents registered in the municipality's indigent register with Free Basic Water and the other basic services as listed in table A10 are performed by the Municipality

### **3 PART 2 – SUPPORTING DOCUMENTS**

#### **3.1 Overview of municipal budget process.**

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The budget steering committee of the district consist of the following members under the chairpersonship of the MMC for Budget and Treasury

- Chief finance Officer
- Senior manager: Infrastructure
- All senior managers
- All Finance Managers
- MMC responsible for Mayor's Office
- MMC responsible for Budget and Treasury

The primary aim of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the District's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- That the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

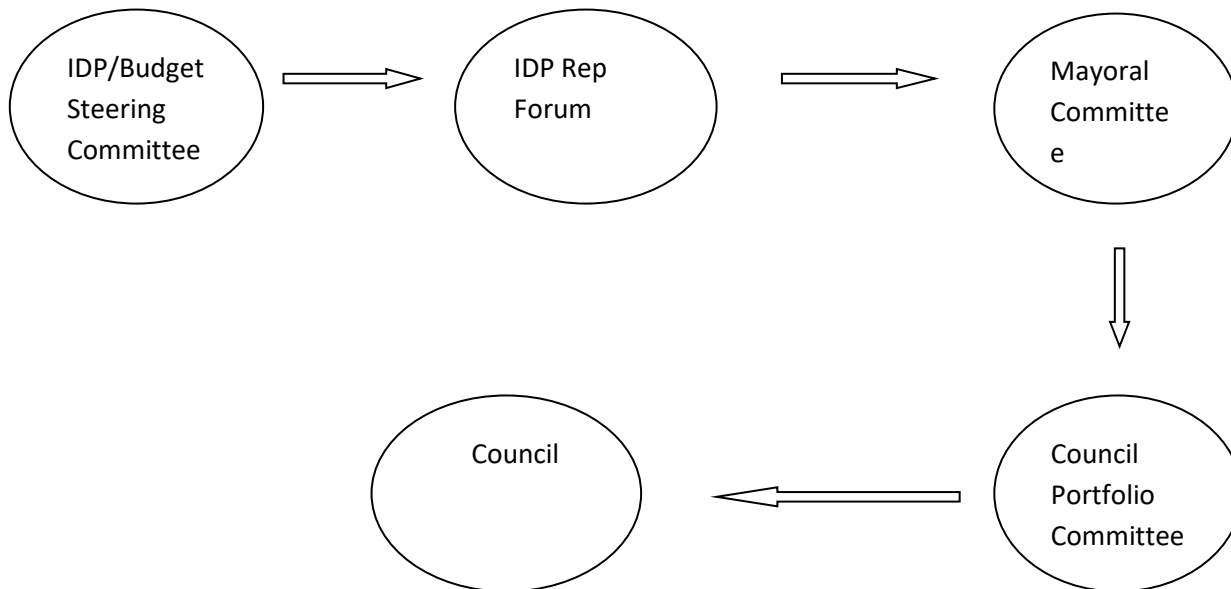
#### **Budget Process Overview**

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year a time schedule that sets out the process to revise the IDP and prepare the budget.

#### **Organizational structures for IDP/Budget process**

There are various structures responsible to oversee the implementation of the process plan and management of the IDP/Budget process. The IDP/Budget is developed on administrative level by the

Municipal Managers and Directors responsible for planning assisted by IDP managers of municipalities and officials of relevant sector departments from the province as well as relevant parastatals /state companies, and developed further by the IDP Steering Committee. The IDP Representative Forum is a combined structure of public consultation on IDP which comprises of representatives of different constituencies of communities and institutions. The SDM Council is the ultimate authority on the IDP - assisted by the Council portfolio committees and the Mayoral Committee.



## **2020/21 IDP/Budget Public Participation Programme**

The dates of the Budget Public Participation Programme was put on hold due to the lockdown.

## **5. Inputs from IDP Consultative Meetings**

Inputs will be considered as the IDP/Budget Public participation will start on the 04 April 2022

### **IDP and Service Delivery and Budget Implementation Plan**

The District's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2022/23 MTREF, based on the approved 2021/22 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2022/23 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2019/20 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

### **Financial Modelling and Key Planning Drivers**

The district has planned for a preparation of a 5 year financial plan. The plan will ensure that steps already taken in financial modelling is intensified.

The following key factors and planning strategies have informed the compilation of the 2022/23 MTREF:

- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt,)
- Performance trends
- MFMA circulars
- The approved 2021/22 adjustments budget and performance against the SDBIP
- Debtor payment levels
- The need for tariff decreases versus the ability of the community to pay for services.
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars has been taken into consideration in the planning and prioritisation process.

## **2.2 Overview of alignment of annual budget with IDP and SDBIP**

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the District, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the District strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the district, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the district's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (PGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as legislation and policy;
- National Key Performance Indicators (NKPIs);
- Accelerated and Shared Growth Initiative (ASGISA);
- National Development Plan
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP.

## **IDP Strategic Objectives**

The following are the strategic objectives of the district:

- Economic Growth, Development and job creation
- Community development and Social cohesion
- Spatial development and sustainable land use management
- Active community participation and Inter-Governmental alignment
- Effective, accountable and clean government
- Basic Service Delivery
- Financial viability

In order to ensure integrated and focused service delivery between all spheres of government it was important for the district to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the District. The five-year programme responds to the development challenges and opportunities faced by the district by identifying the key performance areas to achieve the six strategic objectives mentioned above.

In addition to the five-year IDP, the district undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. The district vision 2030. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the district so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the District's IDP, associated sectoral plans and strategies, and the allocation of resources of the City and other service delivery partners.

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the revised IDP, including:

- Strengthening the analysis and strategic planning processes of the district;
- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and

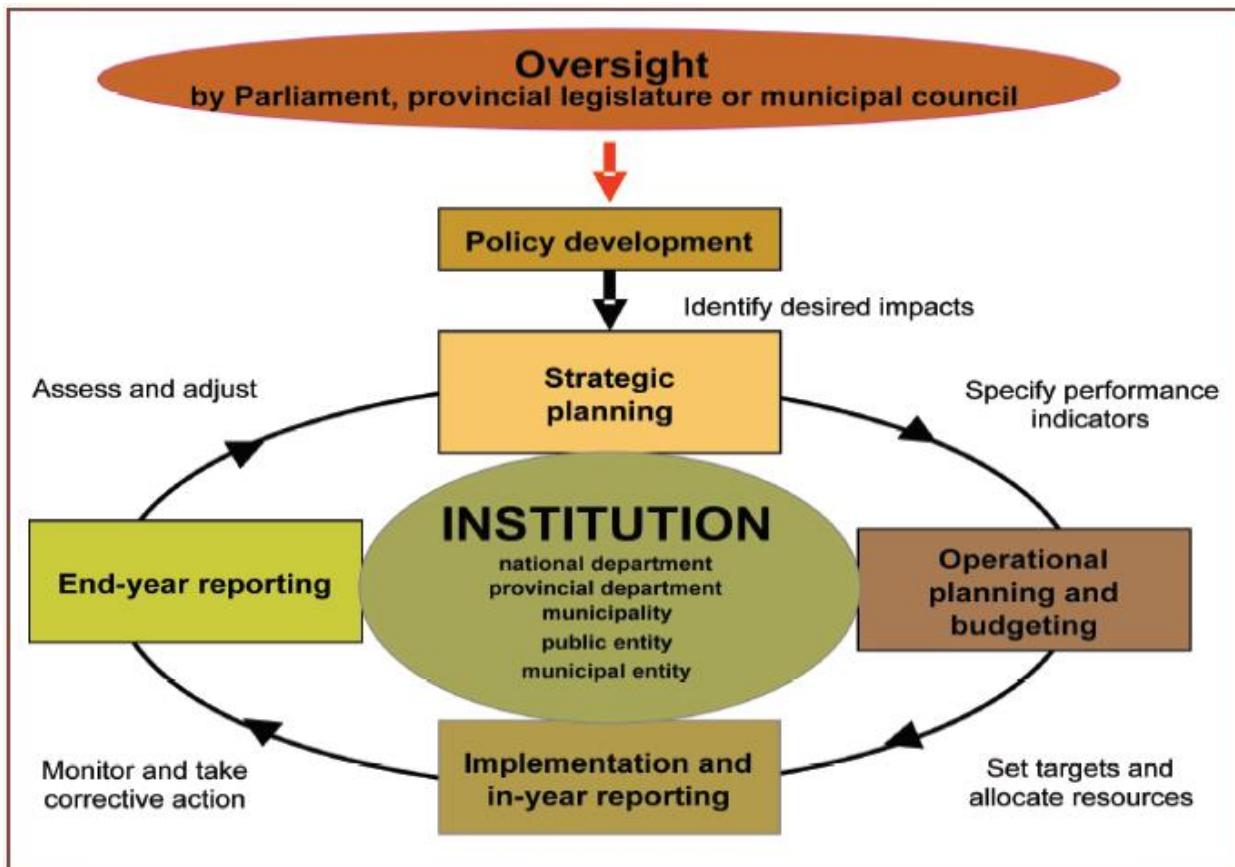


- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

### 2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the district has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assess and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:



Planning, budgeting and reporting cycle

The performance of the district relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The district therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the district in its integrated performance management system are aligned to the Framework of Managing Programme Performance Information issued by the National Treasury:

### **Free Basic Services: basic social services package for indigent households**

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the municipality. With the exception of water, only registered indigents qualify for the free basic services.

Details relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is not yet quantified as indigent register is not yet approved by council. The register is in the process of adoption by council.

Note that the number of households in informal areas that receive free services and the cost of these services (e.g. the provision of water through stand pipes, water tankers, etc.) are also not taken into account. Therefore revenue foregone is calculated at 30% of bulk purchases

### **Providing clean water and managing waste water**

The municipality is a Water Services Authority for the entire district in terms of the Water Services Act, 1997 and has since taken over from three local municipalities that were providing water on behalf of the municipality. The municipality is purchasing bulk water from Lepelle Northern Water and Dr JS Moroka Local Municipality.

The Department of Water Affairs conducts an annual performance rating of water treatment works, presenting a Blue Drop or Green Drop award respectively to potable water treatment works and waste water treatment works that meet certain criteria of excellence.

The following is briefly the main challenges facing the District in this regard:

- The infrastructure at most of the waste water treatment works is old and insufficient to treat the increased volumes of waste water to the necessary compliance standard;

- Shortage of skilled personnel makes proper operations and maintenance difficult; hence posts in Infrastructure and Water Services were prioritised to reduce shortages.
- Electrical power supply to some of the plants are often interrupted which hampers the purification processes.

## **2.4 Overview of budget related-policies**

The District's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

### **Review of credit control and debt collection procedures/policies**

The credit control and debt Collection Policy as approved by Council is tabled for review. While the adopted policy is credible, sustainable, manageable and informed by affordability and value for money there has been a need to review certain components to achieve a higher collection rate.

Some of the possible revisions will include the lowering of the credit periods for the down payment of debt. In addition emphasis will be placed on speeding up the indigent registration process to ensure that credit control and debt collection efforts are not fruitlessly wasted on these debtors.

### **Asset Management Policy**

A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure and the municipality's revenue base.

Further, continued improvements in technology generally allows many assets to be renewed at a lesser 'real' cost than the original construction cost. Therefore, it is considered prudent to allow for a slightly lesser continual level of annual renewal than the average annual depreciation.

The Asset Management Policy is therefore considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance and is utilised as a guide to the selection and prioritisation of individual capital projects. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

Although the policy is considered to be up to date, it is tabled for review to ensure that it aligned with applicable standards.

### **Supply Chain Management Policy**

The Supply Chain Management Policy was adopted by Council in the previous year.

Key amendments identified are related to the new SCM model for procurement of infrastructure projects, management of expansion or variation of orders against the original contract and contracts cessations. A turnkey approach is also incorporated in the policy. An amended policy was tabled to Council any further review will be extensively consulted on.

### **Virement Policy**

The budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the municipality continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the municipality's system of delegations. The Budget and Virement Policy was approved by Council in May 2020.

Amendment was made as per mSCOA circular issued in April 2020.

### **Cash Management and Investment Policy**

The Cash Management and Investment Policy were approved by Council. The aim of the policy is to ensure that the district's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and a cash equivalent required at any point in time and introduces time frames to achieve certain benchmarks. The policy is considered up to date.

### **Tariff Policies**

The municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policies have been approved on various dates and a consolidated tariff policy is envisaged to be compiled for ease of administration and implementation. The policy is amended.

### **Subsidised Motor Vehicle**

The municipality's subsidised motor vehicle policy was reviewed with aim of reducing the cost implication it has on salary budget. Before the policy was utilising 25% of basic salary for all employees who applies for such allowance. This created discrepancies and huge cost on the allowance and now a capped amount is introduced on capital financing. The policy requires further engagement with other structures regarding the current implementation.

The policy has been reviewed to monitor travelling costs and has been tabled as such for public consultation

### **Petty Cash policy**

The petty cash policy is now stand alone policy where each depot/region will be given a petty cash allowance of R5000.00 to do maintenance work. The district is so decentralised in such a way that issuing petty cash from Head office is costly. All the reconciliations are done at head office.

### **The following policies are considered to be up to date although tabled:**

- Funding and Reserve policy
- Indigent Policy
- Free Basic Water
- Budget policy

## **2.5 Overview of budget assumptions**

### **External factors**

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the municipality's finances.

### **General inflation outlook and its impact on the municipal activities**

There are five key factors that have been taken into consideration in the compilation of the 2020/21 MTREF:

- National Government macro-economic targets;

- The general inflationary outlook and the impact on municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk water; and
- The increase in the cost of remuneration.

### **Collection rate for revenue services**

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

Collection rate is too low due to economic factors, lack of consistent water supply and ineffective credit control implementation, inaccurate billing data. A DBSA sponsored project for revenue enhancement is in progress which will address issues of data cleansing, improving revenue streams. Incentives schemes have been implemented for settlement of long outstanding debts as well as appointment of Debt Collectors for recovery of old outstanding debt.

The rate of revenue collection as at end January 2022 is at 62% of quarter three billings. In 2022/23 revenue collection is anticipated at 60%.

### **Growth or decline in tax base of the municipality**

Debtor's revenue is assumed to increase at a rate that is influenced by the consumer debtor's collection rate, tariff/rate pricing, real growth rate of the district, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

### **Impact of national, provincial and local policies**

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

## **Budget Process Overview**

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2021) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required IDP and budget time schedule in July 2021. Key dates applicable to the process were adhered to and progress was reported to council quarterly

## **IDP and Service Delivery and Budget Implementation Plan**

This is the first review of the IDP as adopted by Council in July 2021.

The municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan.

The Process Plan applicable to the first revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP

The SDBIP for 2022/23 has been completed and will be submitted to the relevant stakeholders within 28 days from the date of adopting the budget by council.

## **Financial Modelling and Key Planning Drivers**

As part of the compilation of the 2022/23 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2022/23 MTREF:

- Municipality's growth
- Policy priorities and strategic objectives
- Asset maintenance



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- Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2021/22 adjustments budget and performance against the SDBIP11
- Cash Flow Management Strategy
- Debtor payment levels
- Investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery
- The municipality's Spatial Development Plan

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 51 and 54, 55, 58, 59, 66, 67, 70, 72, 74, 75, 78, 79, 85, 86, 89, 91, 93, 94, 98 & 99, 107 & 108 has been taken into consideration in the planning and prioritisation process.

**Community Consultation**

The below consultation schedule for draft 2021/22 MTREF which was tabled before Council on 30<sup>th</sup> of July 2020 and was also published on the municipality's website, and hard copies were made available at customer care offices, municipal notice boards and the municipality's community libraries and at tribal offices.

Month	Action	Target Date
<b>Preparatory Phase</b>		
July 2021	Review of the previous year's IDP/Budget process. Exco provides political guidance over the budget process & priorities that must inform the budget process. IDP/Budget steering committee meeting Table the 2022/23 IDP/Process plan before council. 4 <sup>th</sup> quarter performance lekgotla. Performance agreements for the Municipal Manager & all senior managers signed & submitted to MEC of Coghsta.	31 July 2021
August 2020	Ward to Ward based data collection. Submit the 2018/19 annual financial statements & annual financial performance to AG. Operational Risk Assessment for 2021/22.	31 August 2021
Month	Action	Target Date
<b>Analysis Phase</b>		

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September 2021	Council determines the strategic objectives for service delivery through IDP review processes & the development of the next three budget years (including review of sectional departmental plan). Consult provincial & national sector departments on specific sector programmes for purposes of alignment. Finalize ward based data compilation. Update council structures on updated date.	30 September 2021
October 2021	2021/22 first quarter review.	31 October 2021
	Begin preliminary preparations on proposed budget for 2022/23. 2021/22 First performance lekgotla. Submit 2021/22 1 <sup>st</sup> quarter performance to council.	
<b>Month</b>	<b>Action</b>	<b>Target Date</b>
<b>2Project Phase</b>		
November 2021	Confirm IDP projects with district & sector department. Review & effect changes on draft IDP	30 November 2021
<b>Month</b>	<b>Action</b>	<b>Target Date</b>
<b>Integration Phase</b>		
December 2021	Review budget performance & prepare for 2021/22 budget adjustment. Consolidated analysis phase in place. IDP/Budget steering committee meeting. IDP representative forum.	31 December 2021
January 2022	Table 2020/21 draft annual report to council. Submit draft annual report to AG, PT & Coghsta. Publish draft annual report in municipal jurisdiction. Prepare 2020/21 oversight report. Mid-year performance lekgotla. Table mid-year performance assessment report to PT, Coghsta & Mayor. Strategic Planning Session.	31 January 2022
February 2022	Table 2021/22 adjusted budget/SDBIP before council. Submit draft IDP/Budget to management & relevant stakeholders. Conduct mid-year assessments for municipal manager & all senior managers. Submit & present mid-year performance assessment report to provincial treasury & Coghsta.	28 February 2022
March 2022	Council considers the 2022/23 draft IDP/Budget & SDBIP. Adoption of 2020/21 oversight report.	31 March 2022
<b>Month</b>	<b>Action</b>	<b>Target Date</b>
<b>Approval Phase</b>		

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April 2022	Publish the 2022/23 draft IDP/Budget for public comments. Submit the 2022/23 draft IDP/Budget to NT, PT & Coghsta. Consultations with community & stakeholders. Strategic risk assessment for 2021/22. 2021/22 3 <sup>rd</sup> quarter performance Lekgotla. Submit 3 <sup>rd</sup> quarter report to council.	30 April 2022
May 2022	IDP/Budget steering committee meeting. Submit the draft 2021/22 IDP/Budget with public comments to council for adoption. Submit annual procurement plan to Mayor, PT & NT. Prepare 2021/22 SDBIP.	31 May 2022
June 2022	Publish the approved 2021/22 IDP/Budget. Submit the 2021/22 SDBIP to Mayor for approval. Develop performance agreements for MM & all senior managers. Submit approved IDP/Budget to NT, PT & Coghsta.	30 June 2022
	Submit the 2021/22 SDBIP to Mayor for approval. Develop performance agreements for MM & all senior managers. Submit approved IDP/Budget to NT, PT & Coghsta.	

### **3.2 Overview of alignment of annual budget with IDP**

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Our municipal IDP that provides a five year strategic programme of action aimed at setting short, medium and longterm strategic and budget priorities to create a development platform, which correlates with the term of office of the municipal council, was first adopted in July 2019. This plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. The municipality's IDP is therefore a key instrument which was used to provide vision, leadership and direction to all those that have a role to play in the development of the municipality. The IDP enables the municipality to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the municipality's response to these requirements.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2022/23 MTREF and further planning refinements that have directly informed the compilation of the budget:

**Table 17 IDP Strategic Objectives**

<b>2021/22 Financial year</b>	<b>2022/23 Financial year</b>
To ensure sustainable use of land and promote growth and development.	To ensure sustainable use of land and promote growth and development.
To improve quality of life of our citizens through sustainable roads infrastructure.	To improve quality of life of our citizens through sustainable roads infrastructure.
To create an environment that will develop, stimulate and strengthen local economic growth.	To create an environment that will develop, stimulate and strengthen local economic growth.
To provide sound and sustainable management of the financial affairs of the municipality.	To provide sound and sustainable management of the financial affairs of the municipality.
To effectively coordinate all general administrative, governance, human resources, IT and legal services.	To effectively coordinate all general administrative, governance, human resources, IT and legal services.

To provide assurance and build internal and public confidence on internal and external operations of the municipality and its stakeholders.	To provide assurance and build internal and public confidence on internal and external operations of the municipality and its stakeholders.
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In order to ensure integrated and focused service delivery between all spheres of government it was important for the municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

1. Provision of quality basic services and infrastructure which includes, amongst others:
  - Provide waste removal;
  - Provide roads and storm water;
  - Provide municipal planning services; and
  - Maintaining the infrastructure of the municipality.
2. Economic growth and development that leads to sustainable job creation by:
  - Ensuring there is a clear structural plan for the municipality;
  - Ensuring planning processes function in accordance with set timeframes;
  - Facilitating the use of labour intensive approaches through the EPWP programme in the delivery of services and the building of infrastructure.
- 3.1 Fight poverty and build clean, healthy, safe and sustainable communities:
  - Effective implementation of the Indigent Policy;
  - Working with the provincial department of health to assist on matters affecting primary health care.
  - Extending waste removal services and ensuring effective municipal cleansing;
  - Working with strategic partners such as SAPS to address crime;
  - Ensuring safe working environments by effective enforcement of building and health regulations;
  - Promote viable, sustainable communities through proper zoning; and
  - Promote environmental sustainability by protecting wetlands and key open spaces.
- 3.2 Integrated Social Services for empowered and sustainable communities
  - Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated.
  - Provision of bursaries for well deserving students who are financially needy.

4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:
  - Optimising effective community participation in the ward committee system; and
  - Implementing Batho Pele in the revenue management strategy.
- 5.1 Promote sound governance and transparency through:
  - Publishing the outcomes of all tender processes on the municipal website
- 5.2 Ensure financial sustainability through:
  - Reviewing the use of contracted services
  - Continuing to implement the infrastructure management strategy and the repairs and maintenance plan
- 5.3 Optimal institutional transformation to ensure capacity to achieve set objectives
  - Review of the organizational structure to optimize the use of personnel;

The 2022/23 draft budget and the MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

**Table 18 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue**

DC47 Sekhukhune - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

2021/22 Medium Term Revenue & Expenditure Framework												
Strategic Objective	Goal	Goal Code	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand												
GOOD GOVERNANCE AND PUBLIC PARTICIPATION				-	-	-	-	-	-	-	-	-

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FIANCIAL VIABILITY			1 319 747	982 574	1 269 775	1 113 047	1 161 362	1 161 362	1 217 689	1 297 053	1 408 627
LOCAL ECONOMIC DEVELOPMENT			-	-	-	-	-	-	-	-	-
BASIC SERVICE DELIVERY, INFRASTRUCTURE DEVELOPMENT AND SOCIAL SERVICES			(19)	-	-	-	-	-	-	-	-
INSTITUTIONAL DEVELOPMENT AND ORGANISATIONAL TRANSFORMATION			(2)	-	-	-	-	-	-	-	-
<b>Allocations to other priorities</b>			2								
<b>Total Revenue (excluding capital transfers and contributions)</b>			1	1 319 726	982 574	1 269 775	1 113 047	1 161 362	1 161 362	1 217 689 053	1 408 627

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**Table 19 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted**

**DC47 Sekhukhune - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)**

Strategic Objective	Goal	Goal Code	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
Allocations to Other Priorities			–	–	–	–	–	–	–	–	–
GOOD GOVERNANCE AND PUBLIC PARTICIPATION			68 485	66 394	68 270	81 026	83 301	83 301	88 427	92 748	97 275
FIANCIAL VIABILITY			179 504	113 129	79 509	200 655	194 868	194 868	210 086	232 109	242 887
LOCAL ECONOMIC DEVELOPMENT			14 282	11 038	12 664	21 173	21 499	21 499	28 775	34 275	39 192
BASIC SERVICE DELIVERY, INFRASTRUCTURE DEVELOPMENT AND SOCIAL SERVICES			648 328	644 018	732 180	601 512	639 371	639 371	646 037	659 209	697 595
INSTITUTIONAL DEVELOPMENT AND ORGANISATIONAL TRANSFORMATION			203 167	223 537	217 077	199 166	217 376	217 376	235 908	269 802	323 994
Allocations to other priorities											
0			1 113 765	1 058 115	1 109 701	1 103 532	1 156 415	1 156 415	1 209 233	1 288 142	1 400 942

**Operational Expenditure.**



**Table 20 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted Capital Expenditure.**

DC47 Sekhukhune - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
GOOD GOVERNANCE AND PUBLIC PARTICIPATION			-	-	-	-	530	530	-	-	-
FIANCIAL VIABILITY			-	-	-	-	1 000	1 000	-	-	-
LOCAL ECONOMIC DEVELOPMENT			-	-	-	-	-	-	550	-	-
BASIC SERVICE DELIVERY, INFRASTRUCTURE DEVELOPMENT AND SOCIAL SERVICES			457 493	390 198	429 537	424 001	395 668	395 668	487 858	510 114	519 655
INSTITUTIONAL DEVELOPMENT AND ORGANISATIONAL TRANSFORMATION			-	-	-	-	200	200	-	-	-
Allocations to other priorities											
Total Capital Expenditure			457 493	390 198	429 537	424 001	397 398	397 398	488 408	510 114	519 655

### 3.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assess and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages.

The performance of the municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

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**Table 21 MBRR Table SA8 - Performance indicators and benchmarks**

DC47 Sekhukhune - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b><u>Borrowing Management</u></b>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.3%	0.0%	0.0%	0.4%	0.4%	0.4%	0.0%	0.4%	0.4%	0.4%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Safety of Capital</u></b>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Liquidity</u></b>											
Current Ratio	Current assets/current liabilities	0.5	0.9	1.4	2.1	2.5	2.5	1.1	3.0	5.3	4.0
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.5	0.9	1.4	2.1	2.5	2.5	1.1	3.0	5.3	4.0
Liquidity Ratio	Monetary Assets/Current Liabilities	0.0	0.3	0.7	1.1	1.1	1.1	0.5	1.1	1.8	1.4
<b><u>Revenue Management</u></b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		0.0%	0.0%	74.5%	37.7%	54.9%	54.9%	54.6%	60.0%	60.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		0.0%	0.0%	74.5%	37.7%	54.9%	54.9%	54.6%	60.0%	60.0%	69.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	15.8%	23.8%	24.8%	19.1%	16.7%	16.7%	37.4%	15.3%	14.2%	12.1%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<b><u>Creditors Management</u></b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within' MFMA' s 65(e))										
Creditors to Cash and Investments		529.2%	-237.2%	-48.7%	20.8%	17.3%	17.3%	-33.1%	81.6%	44.5%	61.4%
<b><u>Other Indicators</u></b>											

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Electricity Distribution Losses (2)	Total Volume Losses (kW)	0	0	0	0	0	0	0	0	0	0
	Total Cost of Losses (Rand '000)	-	-	-	-	-	-	-	-	-	-
	% Volume (units purchased and generated less units sold)/(units purchased and generated)	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Water Distribution Losses (2)	Total Volume Losses (kℓ)	-	-	-	-	-	-	-	-	-	-
	Total Cost of Losses (Rand '000)	0	0	0	0	0	0	0	0	0	0
	% Volume (units purchased and generated less units sold)/(units purchased and generated)	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Employee costs	Employee costs/(Total Revenue - capital revenue)	28.3%	40.2%	32.5%	38.9%	36.1%	36.1%	31.6%	36.8%	35.4%	34.4%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	29.4%	41.5%	33.2%	40.0%	37.7%	37.7%		38.3%	36.8%	35.8%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	9.0%	10.1%	6.9%	11.7%	14.9%	14.9%		10.5%	9.3%	8.8%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	7.7%	12.4%	7.8%	9.3%	8.9%	8.9%	0.0%	8.8%	8.7%	8.3%
<b>IDP regulation financial viability indicators</b>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	-	-	10.2	6.1	6.1	6.1	4.4	6.3	6.4	6.7
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	241.9%	247.1%	369.7%	222.3%	197.0%	197.0%	515.6%	180.4%	169.3%	149.8%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.3	(3.0)	(15.6)	14.4	21.2	21.2	(26.0)	3.7	4.3	4.9

### 3.3.1 Performance indicators and benchmarks

#### 3.3.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness. The district does not have any borrowings

### **3.4 Overview of budget related-policies**

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies of the municipality.

#### **3.4.1 Review of credit control and debt collection procedures/policies**

The Debt Collection Policy as approved by Council in May 2021 was reviewed. While the adopted policy is credible, sustainable, manageable and informed by affordability and value for money there has been a need to review the tariff for property rates and certain components to encourage our customers to pay their accounts as they complained with current rate and to achieve a higher collection rate. In addition emphasis will be placed on speeding up the indigent registration process to ensure that credit control and debt collection efforts are not fruitlessly wasted on these debtors.

The 2021/22 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 50 per cent on current debtors. In addition the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the municipality's cash levels and since these overdue debtors has not paid in the past two financial years and an impairment was made to their balances as at 30 June 2020, the municipality has not made any projection for them in the cash flow statement for 2020/21 MTREF. In addition, the a payment incentive scheme was consulted with the customers and is being implemented to encourage customers who were not paying to start paying by taking advantage of the settlement offer by the municipality.

#### **3.4.2 Budget Policy**

The annual budget process is governed by various provisions in the MFMA and the Budget policy of the municipality which is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. The budget policy was reviewed to ensure that it is up to date considering the latest regulations and budget circulars.

#### **3.4.3 Supply Chain Management Policy**

The Supply Chain Management Policy was adopted by Council in May 2021 and reviewed during the course of the 2020/21 financial year.

#### **3.4.4 Cash Management and Investment Policy**

The municipality's Cash Management and Investment Policy was adopted by Council in May 2020. The aim of the policy is to ensure that the municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduce time frames to achieve certain benchmarks.

#### **3.4.5 Tariff Policies**

The municipality's tariff policy provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The reviewed policy was reviewed and will be submitted to council for approval in May 2020.

### ***3.5 Overview of budget assumptions***

#### **3.5.1 External factors**

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the municipality's available cash.

#### **3.5.2 General inflation outlook and its impact on the municipal activities**

There are five key factors that have been taken into consideration in the compilation of the 2021/22 MTREF:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for electricity and water; and
- The increase in the cost of remuneration.

#### **3.5.3 Interest rates for borrowing and investment of funds**

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The municipality is not planning to use borrowing to fund its capital projects and therefore no interests are to be paid. The municipality is forecasting to have surplus cash for investment and cash management and investment policy will be applied when investing such funds to generate revenue.

### 3.6 Overview of budget funding

#### 3.6.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

#### **Table 22 Breakdown of the operating revenue over the medium-term**

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The municipality derives most of its operational revenue from the transfers recognised – operational (government grants), Service charges, capital grants from organs of state and other minor charges (such as sale of tender documents, training academy, fire services etc).

The revenue strategy is a function of key components such as:

- Growth in the municipality and economic development;
- Revenue management and enhancement;
- National Treasury guidelines; and
- And the ability to extend new services and obtain cost recovery levels.

The above principles guide the determination of the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff reduction for the 2022/23 MTREF for Service charges rates can be shown as follows:

#### **ANNEXURE A**

#### **SEKHUKHUNE DISTRICT MUNICIPALITY WATER ,SANITATION AND SUNDRY TARRIFS FOR 2022/2023 FINANCIAL YEAR**

			2021/2022	2022/2023	2024/2025	2024/2025
<b>AREA OF SUPPLY SEKHUKHUNE DISTRICT MUNICIPALITY DIRECT SUPPLY</b>						
<b>WATER</b>			<b>2021/2022</b>	<b>2022/2023</b>	<b>2024/2025</b>	<b>2024/2025</b>
i)	<u>Residential</u>					
	<i>Metered</i>					
	Basic charge Full Time Supply		45.49	47.77	50.15	52.66

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Rebates	Basic Charge Part Time / Time Managed Supply (50% Discount)		22.74	23.88	25.07	26.33
	Basic charge ( complexes with 10 or less units)		532.82	559.46	587.43	616.80
	Basic charge (complexes with greater 10 units)		852.51	895.13	939.89	986.89
	Unit Charge		-		-	-
	First 6 Units (Indigents)		-	-	-	-
	First 6 Units (Non-Indigents)		13.67	14.36	15.07	15.83
	7 to 10 Units		15.94	16.74	17.58	18.46
	11 to 30 Units		17.54	18.42	19.34	20.30
	Above 30 units		19.29	20.26	21.27	22.33
	<b>Unmetered</b>		-		-	-
	Monthly Flat Rate		179.09	188.05	197.45	207.32
	<b>Pre-Paid</b>		-		-	-
	Unit Charge		16.07	16.88	17.72	18.61
	<b>Communal Stand Pipes (Above RDP)</b>		-		-	-
	Monthly Flat Rate		17.01	17.86	18.75	19.69
	<b>Communal Stand Pipes (Pre-Paid)</b>		-		-	-
	First 6 Units		13.67	14.35	15.07	15.82
	After First 6 Units		15.98	16.77	17.61	18.49
	Above 30 units		17.01	17.86	18.75	19.69
ii)	<b>Business</b>		-		-	-
	Basic charge		134.46	141.19	148.25	155.66
	Basic charge Government		532.82	559.46	587.43	616.80
	Basic charge Malls		852.51	895.13	939.89	986.89
	Consumption charge		-		-	-
<b>Business Area</b>	First 6 Units		19.66	20.65	21.68	22.76
<b>Schools</b>	7 to 30 Units		19.66	20.65	21.68	22.76
<b>Churches &amp; Government Institutions</b>	Above 30 units		19.66	20.65	21.68	22.76
	Departmental		19.66	20.65	21.68	22.76
	<b>Commercial/ Industry</b>		-		-	-
	Basic charge		134.46	141.18	148.24	155.66
iii)	Water Tankers (per tank)		719.42	755.39	793.16	832.81



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<b>Tankers</b>	Per kiloliter		20.76	21.80	22.89	24.03
<i>All tariffs are VAT exclusive</i>			-			
<b>SEWERAGE</b>			<b>2021/2022</b>	<b>2022/2023</b>	<b>2024/2025</b>	<b>2024/2025</b>
i)	Basic charge (Residential)		59.05	62.00	65.10	68.35
	Basic charge (Commercial)		110.73	116.26	122.08	128.18
ii)	<u><b>Sewerage Points</b></u>		-		-	-
	Residential		-		-	-
	First two Points		9.83	10.32	10.84	11.38
	There after per point		9.83	10.32	10.84	11.38
	Commercial		39.18	41.14	43.19	45.35
			-		-	-
<b>Schools</b>	Per student		5.54	5.81	6.11	6.41
	Departmental		9.23	9.69	10.18	10.68
iii)	<u><b>Other Sewerage Tariffs</b></u>		-		-	-
iv)	<u><b>New connections (Water/Sewerage)</b></u>		-		-	-
	As calculated by the Director Technical Services (Cost + 10%)		-		-	-
			-		-	-
v)	<u><b>Issue of Council Documents/Information</b></u>		-		-	-
	Basic Fee of R30 plus photo copy fees as in paragraph (II) of Sundry Tariffs		-		-	-
<b>Sucking</b>			-		-	-
	Residential Sucking		306.51	321.83	337.92	354.82
	Business Sucking		353.72	371.41	389.98	409.48
	Basic charge for sucking (Businesses)		442.15	464.26	487.47	511.84
<i>All tariffs are VAT exclusive</i>						
<b>AREA OF SUPPLY GREATER TUBATSE LOCAL MUNICIPALITY</b>						
<b>SEWERAGE</b>			<b>2021/2022</b>	<b>2022/2023</b>	<b>2024/2025</b>	<b>2024/2025</b>
<b>Indigent People</b>	See policy		Free	Free		
<b>Residential Stands</b>	0 to 500 sqm	per stand	132.65	139.28	146.24	153.56
<b>Size of the stand</b>	501 and more	per stand	198.96	208.91	219.36	230.33
<b>Residential 2 &amp; 3 Stands</b>	Per unit/flat	per unit /flat	132.65	139.28	146.24	153.56
<b>Business Stands</b>			-		-	-

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<b>Business Stands</b>	Minimum charge <1000sqm		353.72	371.41	389.98	409.48
	Greater than 1000sqm (per additional 1000sqm)	<b>per size of building</b>	442.15	464.26	487.47	511.84
<b>Government Prop.</b>	Minimum charge <1000sqm		353.72	371.41	389.98	409.48
<b>Businesses and Industrial</b>	Greater than 1000sqm (per additional 1000sqm)	<b>per size of building</b>	442.15	464.26	487.47	511.84
<b>Churches</b>			-		-	-
<b>Churches</b>	Fix charge		331.61	348.19	365.60	383.88
<b>Schools</b>			4.94	5.19	5.45	5.72
<b>Government and</b>	Minimum charge stands <1000sqm		353.72	371.41	389.98	409.48
<b>Municipal</b>	Greater than 1000sqm (per additional 1000sqm)		198.96	208.91	219.36	230.33
<b>Other</b>	Domestic effluent by private tanker per kilolitre		41.83	43.92	46.11	48.42
	Domestic effluent by drum of 210 litres		10.46	10.98	11.53	12.11
	Trade effluent from inside the jurisdiction per tanker		753.87	791.56	831.14	872.70
	Trade effluent from outside the jurisdiction per tanker		135.67	192.45	252.07	314.68
	100 mm nominal diameter connection		456.95	979.80	528.79	105.23
	150 mm nominal diameter connection		256.51	869.34	512.81	188.45
	Inspection of connections		486.37	510.69	536.22	563.03
<b>Interest on outstanding amounts more than 90 days</b>			Prime plus 1%	Prime plus 1%		
<i>All tariffs are VAT exclusive</i>						
<b>BULK CONTRIBUTIONS</b>			<b>2021/2022</b>	<b>2022/2023</b>	<b>2024/2025</b>	<b>2024/2025</b>
<b>Bulk Contribution per unit</b>	<b>Sewerage</b>		cost plus 10%	cost plus 5%	cost plus 10%	cost plus 10%
<b>(Residential)</b>	<b>Water</b>		cost plus 10%	cost plus 5%	cost plus 10%	cost plus 10%
	<b>Roads &amp; Streetlights</b>		cost plus 10%	cost plus 5%	cost plus 10%	cost plus 10%
	<b>Total</b>		cost plus 10%	cost plus 5%	cost plus 10%	cost plus 10%
<b>Bulk Contribution per unit</b>	<b>Sewerage</b>		cost plus 10%	cost plus 5%	cost plus 10%	cost plus 10%
<b>(Business)</b>	<b>Water</b>		cost plus 10%	cost plus 5%	cost plus 10%	cost plus 10%
	<b>Roads &amp; Streetlights</b>		cost plus 10%	cost plus 5%	cost plus 10%	cost plus 10%
	<b>Total</b>		cost plus 10%	cost plus 5%	cost plus 10%	cost plus 10%
<b>Interest on outstanding amounts more than 90 days</b>			Prime plus 1%	Prime plus 1%	Prime plus 1%	Prime plus 1%
<i>All tariffs are VAT exclusive</i>						

### 3.6.2 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium- term. The table below is consistent with international standards of good financial management practice and also improves understand-ability for councillors and management of the municipality. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue and other own sources of revenue:

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**Table 28 MBRR Table A7 - Budget cash flow statement**

DC47 Sekhukhune - Table A7 Budgeted Cash Flows											
Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		-	-	-	-	-	-	-	-	-	-
Service charges		-	-	63 554	36 182	54 183	54 183	38 472	62 142	65 249	78 794
Other revenue		-	-	111 253	17 486	25 025	25 025	(302 270)	2 214	2 325	2 441
Transfers and Subsidies - Operational	1	-	-	4 720	982 113	1 024 213	1 024 213	10 451	1 074 583	1 146 922	1 251 060
Transfers and Subsidies - Capital	1	-	-	365 494	415 997	379 101	379 101	189 494	480 028	501 682	512 086
Interest		-	-	-	19 056	21 486	21 486	192	21 659	22 612	23 630
Dividends									-	-	-
<b>Payments</b>											
Suppliers and employees		-	-	(1 231 812)	(397 053)	143 043	143 043	(1 210 232)	(1 091 308)	(1 164 945)	(1 272 201)
Finance charges									-	-	-
Transfers and Grants	1								-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		-	-	(686 791)	1 073 782	1 647 050	1 647 050	(1 273 894)	549 318	573 845	595 809
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		-	-	-	410	410	410	-	430	452	474
Decrease (increase) in non-current receivables									-	-	-
Decrease (increase) in non-current investments		58 868	(177 161)	(10 351)	128 644	-	-	489 719	-	-	-
<b>Payments</b>											
Capital assets		-	-	(355 877)	(424 001)	(397 398)	(397 398)	(186 511)	(488 408)	(510 114)	(519 655)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		58 868	(177 161)	(366 228)	(294 948)	(396 988)	(396 988)	303 208	(487 978)	(509 662)	(519 181)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits		(4 209)	(162)	(253)	310	-	-	(189)	-	-	-
<b>Payments</b>											
Repayment of borrowing									-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		(4 209)	(162)	(253)	310	-	-	(189)	-	-	-
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		54 659	(177 323)	(1 053 272)	779 143	1 250 062	1 250 062	(970 875)	61 340	64 183	76 628
Cash/cash equivalents at the year begin:	2	18 249	12 161	180 698	181 178	237 402	237 402	-	210 372	271 712	335 895
Cash/cash equivalents at the year end:	2	72 908	(165 162)	(872 574)	960 321	1 487 464	1 487 464	(970 875)	271 712	335 895	412 523

The above table shows a net increase in cash held for all the MTREF years of R61.3million, R64.2 million and R76.6 million respectively for both 2022/23, 2023/24 & 2024/25 financial years.

### **3.6.3 Cash Backed Reserves/Accumulated Surplus Reconciliation**

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

**Table 29 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation**

DC47 Sekhukhune - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description R thousand	R ef	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	72 908	(165 162)	(872 574)	960 321	487 464	487 464	(970 875)	271 712	335 895	412 523
Other current investments > 90 days		(60 747)	345 860	238 621	(723 874)	(1 176 900)	(1 176 900)	1 279 807	1	1	1
Non current assets - Investments	1	58 868	(118 292)	(128 644)	–	–	–	361 075	–	–	–
<b>Cash and investments available:</b>		<b>71 029</b>	<b>62 405</b>	<b>237 403</b>	<b>236 447</b>	<b>310 564</b>	<b>310 564</b>	<b>670 008</b>	<b>271 713</b>	<b>335 896</b>	<b>412 524</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		61 053	68 934	29 966	20 000	20 000	20 000	223 832	20 000	30 000	40 000
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2										
Other working capital requirements	3	385 808	391 847	118 269	98 812	123 466	123 466	511 420	122 492	51 498	149 198
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–	–
<b>Total Application of cash and investments:</b>		<b>446 861</b>	<b>460 782</b>	<b>148 236</b>	<b>118 812</b>	<b>143 466</b>	<b>143 466</b>	<b>735 252</b>	<b>142 492</b>	<b>81 498</b>	<b>189 198</b>
<b>Surplus(shortfall)</b>		<b>(375 832)</b>	<b>(398 376)</b>	<b>89 167</b>	<b>117 635</b>	<b>167 098</b>	<b>167 098</b>	<b>65 244</b>	<b>129 221</b>	<b>254 398</b>	<b>223 326</b>

Other working capital requirements

Debtors	–	–	306 829	101 188	133 537	133 537	190 381)	99 335	97 931	104 174
Creditors due	385 808	391 847	425 098	200 000	257 003	257 003	321 039	221 827	149 429	253 372
Total	(385 808)	(391 847)	(118 269)	(98 812)	(123 466)	(123 466)	511 420)	(122 492)	(51 498)	(149 198)

Debtors collection assumptions

Balance outstanding - debtors	208 241	234 311	315 468	213 127	194 306	194 306	363 315	186 791	184 151	171 095
Estimate of debtors collection rate	0.0%	0.0%	97.3%	47.5%	68.7%	68.7%	-327.6%	53.2%	53.2%	60.9%

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From the above table it can be seen that the cash and investments available total is **R 142.5.8 million** in the 2022/23 financial year and increases to **R 81.5 million** by 2023/24 and decreases to **R 189.2 million** by 2024/25.

The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. High levels of debtor non-payment and receipt delays will have a greater requirement for working capital. Any underperformance in relation to collections could place upward pressure on the ability of the municipality to meet its creditor obligations.

It can be concluded that the municipality has a surplus against the cash backed and accumulated surpluses reconciliation.

### Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA.

**Table 30 MBRR SA10 – Funding compliance measurement**

Description	MFM A section	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Funding measures</b>												
- R'000	18(1) b	1	72 908	(165 162)	(872 574)	960 321	487 464	487 464	(970 875)	271 712	335 895	412 523
Cash + investments at the yr end less applications - R'000	18(1) b	2	(375 832)	(398 376)	89 167	117 635	167 098	167 098	(1) 065 244)	129 221	254 398	223 326
Cash year end/monthly employee/supplier payments	18(1) b	3	1.3	(3.0)	(15.6)	14.4	21.2	21.2	(26.0)	3.7	4.3	4.9
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	558 475	488 965	795 661	425 416	389 535	389 535	654 375	488 484	510 593	519 771
Service charge rev % change - macro	18(1)	5	N.A.	4.2%	(16.0%)	6.3%	(3.1%)	(6.0%)	(34.6%)	(1.0%)	(1.0%)	(1.0%)
CPIX target exclusive	a,(2)	6	0.0%	0.0%	97.3%	47.5%	68.7%	68.7%	(327.6%)	53.2%	53.2%	60.9%
Cash receipts % of Ratepayer & Other revenue	18(1) a,(2)	7	0.0%	2.8%	0.1%	11.1%	10.8%	10.8%	0.0%	10.7%	10.6%	10.5%
Debt impairment expense as a % of total billable revenue	18(1) a,(2)	8	0.0%	0.0%	82.9%	100.0%	100.0%	100.0%	91.5%	100.0%	100.0%	100.0%
Capital payments % of capital expenditure	18(1) c;19	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1) c	10										
Grants % of Govt. legislated/gazetted allocations	18(1) a	11										
Current consumer debtors % change - incr(decr)	18(1) a	12	N.A.	12.5%	34.6%	(32.4%)	(8.8%)	0.0%	87.0%	(3.9%)	(1.4%)	(7.1%)

**DC47 Sekhukhune District Municipality 2022/23 MTREF Draft Annual Budget**

Description	MFM A section	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Long term receivables % change - incr(decr)	18(1) a	1 2	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	1 3	3.6%	2.7%	2.2%	3.5%	4.7%	4.7%	3.0%	3.4%	3.2%	3.3%
Asset renewal % of capital budget	20(1)(vi)	1 4	1.1%	24.1%	31.8%	7.7%	6.1%	6.1%	0.0%	1.6%	1.2%	1.0%
<b>Supporting indicators</b>												
% incr total service charges (incl prop rates)	18(1) a	-	-	-								
	18(1) a			10.2%	(10.0%)	12.3%	2.9%	0.0%	(28.6%)	5.0%	5.0%	5.0%
% incr Property Tax	18(1) a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% incr 0	18(1) a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% incr	18(1) a			11.0%	(11.1%)	12.9%	2.8%	0.0%	(28.8%)	5.0%	5.0%	5.0%
% incr	18(1) a			5.2%	(3.4%)	8.7%	3.7%	0.0%	(26.9%)	5.0%	5.0%	5.0%
% incr 17485844	18(1) a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% incr in 13996387	18(1) a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total billable revenue	18(1) a		86 095	94 841	85 340	95 858	98 638	98 638	70 465	103 570	108 749	114 186
Service charges			86 095	94 841	85 340	95 858	98 638	98 638	70 465	103 570	108 749	114 186
Property rates			-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue			-	-	-	-	-	-	-	-	-	-
Service charges - water revenue			73 837	81 947	72 888	82 323	84 603	84 603	60 202	88 834	93 275	97 939
Service charges - sanitation revenue			12 257	12 894	12 453	13 535	14 035	14 035	10 263	14 736	15 473	16 247
Service charges - refuse removal			-	-	-	-	-	-	-	-	-	-
Service charges - other			-	-	-	-	-	-	-	-	-	-
Capital expenditure excluding capital grant funding			8 389	3 320	29 210	8 100	17 780	17 780	5 315	8 380	8 432	7 569
Cash receipts from ratepayers	18(1) a		-	-	174 807	53 668	79 208	79 208	(263 798)	64 356	67 574	81 235
Ratepayer & Other revenue	18(1) a		122 333	113 496	179 729	113 038	115 253	115 253	80 514	121 016	127 067	133 420
Change in consumer debtors (current and non-current)			40 803	26 070	81 158	(102 341)	(121 162)	(121 162)	47 847	(26 336)	(2 641)	(13 055)
	18(1) a		1 320 392	1 303 106	1 523 770	1 398 014	1 403 314	1 403 314	1 085 644	1 554 611	1 648 604	1 763 189
Operating and Capital Grant Revenue	20(1)(vi)		457 493	390 198	429 537	424 001	397 398	397 398	203 923	488 408	510 114	519 655
Capital expenditure - total	20(1)(vi)		5 086	93 986	136 758	32 587	24 122	24 122		7 793	6 260	5 300
Capital expenditure - renewal												
<b>Supporting benchmarks</b>												
Growth guideline maximum			6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
CPI guideline			4.3%	3.9%	4.6%	5.0%	5.0%	5.0%	5.0%	5.4%	5.6%	5.4%
DoRA operating grants total MFY												
DoRA capital grants total MFY												
Provincial operating grants												
Provincial capital grants												
District Municipality grants												



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Description	MFM A secti on	R ef	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Total gazetted/advised national, provincial and district grants Average annual collection rate (arrears inclusive)										-	-	-
<b>DoRA operating</b>												
										-	-	-
<b>Trend</b>												
Change in consumer debtors (current and non-current)			40 803	26 070	81 158	47 847	(26 336)	(2 641)	(13 055)	-	-	-
<b>Total Operating Revenue</b>			1 319 726	982 574	1 269 775	1 113 047	1 161 362	1 161 362	971 187	1 217 689	1 297 053	1 408 627
<b>Total Operating Expenditure</b>			887 728	938 234	924 049	103 532	150 928	150 928	527 941	209 233	288 142	400 942
<b>Operating Performance</b>			431 999	44 340	345 726	9 515	10 434	10 434	443 246	8 456	8 911	7 685
<b>Surplus/(Deficit)</b>												
<b>Cash and Cash Equivalents (30 June 2012)</b>										271 712		
<b>Revenue</b>												
% Increase in Total Operating Revenue				(25.5%)	29.2%	(12.3%)	4.3%	0.0%	(16.4%)	4.9%	6.5%	8.6%
% Increase in Property Rates Revenue				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% Increase in Electricity Revenue				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% Increase in Property Rates & Services Charges				10.2%	(10.0%)	12.3%	2.9%	0.0%	(28.6%)	5.0%	5.0%	5.0%
<b>Expenditure</b>												
% Increase in Total Operating Expenditure				5.7%	(1.5%)	19.4%	4.3%	0.0%	(54.1%)	5.1%	6.5%	8.8%
% Increase in Employee Costs				5.9%	4.5%	4.8%	(3.1%)	0.0%	(26.9%)	6.9%	2.2%	5.6%
% Increase in Electricity Bulk Purchases				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Average Cost Per Budgeted Employee Position (Remuneration)					0	0				0		
Average Cost Per Councillor (Remuneration)					0	0				0		
R&M % of PPE			3.6%	2.7%	2.2%	3.5%	4.7%	4.7%		3.4%	3.2%	3.3%
Asset Renewal and R&M as a % of PPE			6.0%	9.0%	9.0%	6.0%	8.0%	8.0%		5.0%	5.0%	5.0%
Debt Impairment % of Total Billable Revenue			0.0%	2.8%	0.1%	11.1%	10.8%	10.8%	0.0%	10.7%	10.6%	10.5%
<b>Capital Revenue</b>												
Internally Funded & Other (R'000)			8 741	3 320	29 210	8 100	17 780	17 780	5 315	8 380	8 432	7 569
Borrowing (R'000)			-	-	-	-	-	-	-	-	-	-
Grant Funding and Other (R'000)			449 104	386 878	400 327	415 901	379 618	379 618	198 608	480 028	501 682	512 086
Internally Generated funds % of Non Grant Funding			100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing % of Non Grant Funding			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grant Funding % of Total Funding			98.1%	99.1%	93.2%	98.1%	95.5%	95.5%	97.4%	98.3%	98.3%	98.5%
<b>Capital Expenditure</b>												
Total Capital Programme (R'000)			457 493	390 198	429 537	424 001	397 398	397 398	203 923	488 408	510 114	519 655
Asset Renewal			5 086	105 684	141 677	34 928	26 663	26 663	26 663	10 244	8 720	7 849

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Description	MFM A secti on	R ef	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcom e	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Asset Renewal % of Total Capital Expenditure			1.1%	27.1%	33.0%	8.2%	6.7%	6.7%	13.1%	2.1%	1.7%	1.5%
<b>Cash</b>												
Cash Receipts % of Rate Payer & Other			0.0%	0.0%	97.3%	47.5%	68.7%	68.7%	(327.6%)	53.2%	53.2%	60.9%
Cash Coverage Ratio			0	(0)	(0)	0	0	0	(0)	0	0	0
<b>Borrowing</b>												
Credit Rating (2009/10)										0		
Capital Charges to Operating			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowing Receipts % of Capital Expenditure			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Reserves</b>												
Surplus/(Deficit)			(375 832)	(398 376)	89 167	117 635	167 098	167 098	(1 065 244)	129 221	254 398	223 326
<b>Free Services</b>												
Free Basic Services as a % of Equitable Share			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
Free Services as a % of Operating Revenue (excl operational transfers)			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
<b>High Level Outcome of Funding Compliance</b>												
Total Operating Revenue			1 319 726	982 574	269 775	113 047	161 362	161 362	971 187	217 689	297 053	408 627
Total Operating Expenditure			887 728	938 234	924 049	103 532	150 928	150 928	527 941	209 233	288 142	400 942
Surplus/(Deficit) Budgeted Operating Statement			431 999	44 340	345 726	9 515	10 434	10 434	443 246	8 456	8 911	7 685
Surplus/(Deficit) Considering Reserves and Cash Backing			(375 832)	(398 376)	89 167	117 635	167 098	167 098	(1 065 244)	129 221	254 398	223 326
<b>MTREF Funded (1) / Unfunded (0)</b>		1 5 1 5	0	0	1	1	1	1	0	1	1	1
<b>MTREF Funded ✓ / Unfunded ✗</b>			✗	✗	✓	✓	✓	✓	✗	✓	✓	✓

### 3.7 Expenditure on allocations and grants programmes

**Table 30 MBRR SA18 - Transfers and Grants Received**

Description  R thousand	R e f	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	
<b>RECEIPTS:</b>	1										
-	2										
<b>Operating Transfers and Grants</b>											
National Government: Local Government Equitable Share		1 320	2 679	2 200	973 933	134 892	134 892	72 401	76 735	94 060	
LGFMG: RECEIPTS		1 320	1 785	2 200	973 933	2 300	2 300	2 400	2 400	2 400	
MDG: RECEIPTS		-	894	-	-	-	-	-	-	-	
MIG: RECEIPTS		-	-	-	-	132 592	132 592	70 001	74 335	91 660	
Provincial Government:		-	-	-	-	-	-	-	-	-	
District Municipality:		-	-	-	-	-	-	-	-	-	
Other grant providers:		-	-	-	-	-	-	-	-	-	
<b>Total Operating Transfers and Grants</b>	5	1 320	2 679	2 200	973 933	134 892	134 892	72 401	76 735	94 060	
<b>Capital Transfers and Grants</b>											
National Government:		532 227	527 622	521 796	415 997	379 101	379 101	480 028	501 682	512 086	
MIG: RECEIPTS		464 936	465 195	466 015	413 560	371 672	371 672	480 028	501 682	512 086	
RRAMS: RECEIPTS		-	-	-	2 437	2 437	2 437	-	-	-	
WSIG: RECEIPTS		67 291	62 427	55 781	-	4 992	4 992	-	-	-	
Provincial Government:		-	-	-	-	-	-	-	-	-	
District Municipality:		-	-	-	-	-	-	-	-	-	
Other grant providers:		-	-	-	-	-	-	-	-	-	
<b>Total Capital Transfers and Grants</b>	5	532 227	527 622	521 796	415 997	379 101	379 101	480 028	501 682	512 086	
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		533 547	530 301	523 996	1 389 930	513 993	513 993	552 429	578 417	606 146	

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**Table 31 MBRR SA19 - Expenditure on Transfers & Grants**

DC47 Sekhukhune - Supporting Table SA19 Expenditure on transfers and grant programme

Description  R thousand	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>EXPENDITURE:</b>	1									
- <u>Operating expenditure of Transfers and Grants</u>										
<b>National Government:</b>		1 320	2 555	2 676	973 933	134 892	134 892	72 401	76 735	94 060
Local Government Equitable Share										
LGFMG: TRSF TO REV		1 320	1 788	2 549	973 933	2 300	2 300	2 400	2 400	2 400
MDG: TRSF TO REV		-	767	127	-	-	-	-	-	-
MIG: TRSF TO REV		-	-	-	-	132 592	132 592	70 001	74 335	91 660
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants:</b>		1 320	2 555	2 676	973 933	134 892	134 892	72 401	76 735	94 060
<b><u>Capital expenditure of Transfers and Grants</u></b>										
<b>National Government:</b>		510 659	458 818	491 478	415 997	379 101	379 101	480 028	501 682	512 086
MIG: TRSF TO REV		480 067	418 108	460 141	413 560	371 864	371 864	480 028	501 682	512 086
RRAMS: TRSF TO REV		2 286	2 063	2 309	2 437	2 437	2 437	-	-	-
WSIG: TRSF TO REV		28 306	38 646	29 027	-	4 800	4 800	-	-	-
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>		510 659	458 818	491 478	415 997	379 101	379 101	480 028	501 682	512 086
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		511 979	461 373	494 154	1 389 930	513 993	513 993	552 429	578 417	606 146

**Table 32 MBRR SA 20 – Reconciliation of transfers, grant receipts and unspent funds****DC47 Sekhukhune - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds**

Description R thousand	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b><u>Operating transfers and grants:</u></b>	1, 3									
0										
Balance unspent at beginning of the year		0	(1)	(124)	–	–	–	–	–	–
Current year receipts		(3 066)	(5 344)	(8 494)	(982 113)	(1 021 904)	(1 021 904)	(85 411)	(76 735)	(94 060)
<b>Conditions met - transferred to revenue</b>		3 065	5 220	8 970	982 113	1 021 904	1 021 904	85 411	76 735	94 060
Conditions still to be met - transferred to liabilities		(1)	(125)	352	–	–	–	–	–	–
<b>Provincial Government:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
<b>District Municipality:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
<b>Other grant providers:</b>										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	(2 309)	(2 309)	–	–	–
<b>Conditions met - transferred to revenue</b>		–	–	–	–	2 309	2 309	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
<b>Total operating transfers and grants revenue</b>		3 065	5 220	8 970	982 113	1 024 213	1 024 213	85 411	76 735	94 060
<b>Total operating transfers and grants - CTBM</b>	2	(1)	(125)	352	–	–	–	–	–	–
<b><u>Capital transfers and grants:</u></b>	1, 3									
0										
Balance unspent at beginning of the year		(39 484)	(61 052)	(21 354)	(20 000)	(20 000)	(20 000)	(20 000)	(30 000)	(40 000)
Current year receipts		(532 227)	(527 622)	(521 796)	(415 997)	(379 101)	(379 101)	(480 028)	(501 682)	(512 086)
<b>Conditions met - transferred to revenue</b>		510 659	458 818	491 478	415 997	379 101	379 101	480 028	501 682	512 086

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Conditions still to be met - transferred to liabilities		(61 052)	(190 903)	(73 026)	(20 000)	(20 000)	(20 000)	(20 000)	(30 000)	(40 000)
<b>Provincial Government:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>District Municipality:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>Other grant providers:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>Total capital transfers and grants revenue</b>		510 659	458 818	491 478	415 997	379 101	379 101	480 028	501 682	512 086
<b>Total capital transfers and grants - CTBM</b>	2	(61 052)	(190 903)	(73 026)	(20 000)	(20 000)	(20 000)	(20 000)	(30 000)	(40 000)
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>		513 724	464 038	500 448	1 398 110	1 403 314	1 403 314	565 439	578 417	606 146
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>		(61 053)	(191 028)	(72 674)	(20 000)	(20 000)	(20 000)	(20 000)	(30 000)	(40 000)

### 3.8 Allocations and grants made by the municipality.

SDA

### 3.9 Councillor and employee benefits

**Table 33 MBRR SA22 - Summary of councillor and staff benefits**

DC47 Sekhukhune - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
-	1	A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		6 966	7 126	7 039	7 927	7 927	7 927	7 967	8 317	8 692
Pension and UIF Contributions		501	513	497	596	596	596	599	626	654
Medical Aid Contributions		212	219	226	252	252	252	253	265	276
Motor Vehicle Allowance										
Cellphone Allowance		1 561	1 582	1 564	1 976	1 976	1 976	1 985	2 073	2 166
Housing Allowances										
Other benefits and allowances		7 357	6 026	5 717	7 579	7 579	7 579	7 617	7 952	8 310
<b>Sub Total - Councillors</b>		<b>16 598</b>	<b>15 467</b>	<b>15 043</b>	<b>18 330</b>	<b>18 330</b>	<b>18 330</b>	<b>18 422</b>	<b>19 233</b>	<b>20 098</b>
<b>% increase</b>	4		<b>(6.8%)</b>	<b>(2.7%)</b>	<b>21.9%</b>	<b>-</b>	<b>-</b>	<b>0.5%</b>	<b>4.4%</b>	<b>4.5%</b>
<b>Senior Managers of the Municipality</b>	2									
Basic Salaries and Wages		296	3 054	5 177	6 818	3 990	3 990	6 183	6 505	6 844
Pension and UIF Contributions		36	160	242	607	457	457	479	504	530
Medical Aid Contributions		-	9	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	28	229	508	836	626	626	657	691	727
Cellphone Allowance	3	8	48	102	158	166	166	174	183	193
Housing Allowances	3	89	100	35	121	121	121	125	131	137
Other benefits and allowances	3	32	120	66	317	201	201	211	222	234
Payments in lieu of leave		28	-	77	33	149	149	157	165	173
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	2 508	(1 812)	8 786	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>3 024</b>	<b>1 907</b>	<b>14 992</b>	<b>8 890</b>	<b>5 709</b>	<b>5 709</b>	<b>7 987</b>	<b>8 401</b>	<b>8 839</b>
<b>0</b>	0		<b>(36.9%)</b>	<b>686.1%</b>	<b>(40.7%)</b>	<b>(35.8%)</b>	<b>-</b>	<b>39.9%</b>	<b>5.2%</b>	<b>5.2%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		237 889	246 415	254 809	287 472	289 363	289 363	311 800	314 876	332 915
Pension and UIF Contributions		37 602	39 465	40 852	43 855	43 365	43 365	43 357	45 628	48 002

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Medical Aid Contributions		12 130	13 325	14 030	14 374	14 706	14 706	14 428	15 222	16 014
Overtime										
Performance Bonus		–	–	–	–	500	500	–	–	–
Motor Vehicle Allowance	3	28 826	27 397	23 436	31 001	22 217	22 217	25 708	26 872	28 271
Cellphone Allowance	3	1 702	1 640	1 530	2 549	1 764	1 764	1 844	1 939	2 040
Housing Allowances	3	2 219	2 270	2 238	3 437	3 149	3 149	3 312	3 481	3 662
Other benefits and allowances	3	42 013	50 825	48 515	29 274	32 279	32 279	33 614	35 333	37 170
Payments in lieu of leave		3 902	3 852	3 021	4 780	4 739	4 739	4 975	5 233	5 506
Long service awards		1 700	4 160	2 840	537	1 323	1 323	1 268	1 334	1 404
Post-retirement benefit obligations	6	411	1 418	173	285	194	194	202	213	224
<b>Sub Total - Other Municipal Staff</b>		<b>368 395</b>	<b>390 768</b>	<b>391 445</b>	<b>417 565</b>	<b>413 599</b>	<b>413 599</b>	<b>440 508</b>	<b>450 132</b>	<b>475 209</b>
<b>0</b>	<b>0</b>		<b>6.1%</b>	<b>0.2%</b>	<b>6.7%</b>	<b>(0.9%)</b>	<b>–</b>	<b>6.5%</b>	<b>2.2%</b>	<b>5.6%</b>
<b>Total Parent Municipality</b>		<b>388 017</b>	<b>408 142</b>	<b>421 479</b>	<b>444 786</b>	<b>437 639</b>	<b>437 639</b>	<b>466 916</b>	<b>477 766</b>	<b>504 146</b>
			<b>5.2%</b>	<b>3.3%</b>	<b>5.5%</b>	<b>(1.6%)</b>	<b>–</b>	<b>6.7%</b>	<b>2.3%</b>	<b>5.5%</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>388 017</b>	<b>408 142</b>	<b>421 479</b>	<b>444 786</b>	<b>437 639</b>	<b>437 639</b>	<b>466 916</b>	<b>477 766</b>	<b>504 146</b>
<b>0</b>	<b>0</b>		<b>5.2%</b>	<b>3.3%</b>	<b>5.5%</b>	<b>(1.6%)</b>	<b>–</b>	<b>6.7%</b>	<b>2.3%</b>	<b>5.5%</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>5,7</b>	<b>371 419</b>	<b>392 675</b>	<b>406 437</b>	<b>426 455</b>	<b>419 308</b>	<b>419 308</b>	<b>448 494</b>	<b>458 533</b>	<b>484 048</b>



**2.9 The following table SA23 indicates the remuneration for the political office bearers.**

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions 1.	Allowances	Performance Bonuses	In-kind benefits	Total Package 2.
<b>Rand per annum</b>								
<b><u>Councillors</u></b>	3							
Speaker	4		753 221	79 507	51 390			884 118
Chief Whip			488 068	74 892	323 994			886 954
Executive Mayor			870 005	65 250	51 390			986 645
Deputy Executive Mayor								–
Executive Committee			3 785 575	487 215	3 005 847			7 278 637
Total for all other councillors			2 069 946	145 645	6 170 163			8 385 754
<b>Total Councillors</b>	8	–	<b>7 966 815</b>	<b>852 509</b>	<b>9 602 784</b>			<b>18 422 108</b>
<b><u>Senior Managers of the Municipality</u></b>	5							
Municipal Manager (MM)			1 514 648	84 077	287 268	–		1 885 993
Chief Finance Officer			1 363 021	107 924	197 746	–		1 668 691
SM D01			–	256 675	170 275	–		426 950
SM D02			1 088 089	2 310	129 109	–		1 219 508
SM D03			–	–	–	–		–
SM D04			1 200 000	28 371	172 593	–		1 400 964
SM D05			1 017 440		367 100	–		1 384 540
<b>Total Senior Managers of the Municipality</b>	8,10	–	<b>6 183 198</b>	<b>479 357</b>	<b>1 324 091</b>	–		<b>7 986 646</b>
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	10	–	<b>14 150 013</b>	<b>1 331 866</b>	<b>10 926 875</b>	–		<b>26 408 754</b>

### ***3.10 Monthly targets for revenue, expenditure and cash flow***

The following tables shows how the municipality is planning to receive its budgeted revenue and spend fundsappropriated per cost centre, standard classification and the cash inflow and out flow per month.

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**Table 364 MBRR SA25 - Budgeted monthly revenue and expenditure**

DC47 Sekhukhune - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	R ef	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Novemb er	Decemb er	January	Februar y	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Revenue By Source</b>	-															
Property rates													-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue		7 403	7 403	7 403	7 403	7 403	7 403	7 403	7 403	7 403	7 403	7 403	7 403	88 834	93 275	97 939
Service charges - sanitation revenue		1 228	1 228	1 228	1 228	1 228	1 228	1 228	1 228	1 228	1 228	1 228	1 228	14 736	15 473	16 247
Service charges - refuse revenue													-	-	-	-
Rental of facilities and equipment													-	-	-	-
Interest earned - external investments		1 805	1 805	1 805	1 805	1 805	1 805	1 805	1 805	1 805	1 805	1 805	1 805	21 659	22 612	23 630
Interest earned - outstanding debtors		1 268	1 268	1 268	1 268	1 268	1 268	1 268	1 268	1 268	1 268	1 268	1 268	15 221	15 982	16 781
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		4	4	4	4	4	4	4	4	4	4	4	4	50	53	55
Licences and permits													-	-	-	-
Agency services													-	-	-	-
Transfers and subsidies		89 549	89 549	89 549	89 549	89 549	89 549	89 549	89 549	89 549	89 549	89 549	89 549	1 074 583	1 146 922	1 251 103
Other revenue		181	181	181	181	181	181	181	181	181	181	181	181	2 175	2 284	2 398
Gains		36	36	36	36	36	36	36	36	36	36	36	36	430	452	474
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>101 474</b>	<b>101 474</b>	<b>101 474</b>	<b>101 474</b>	<b>101 474</b>	<b>101 474</b>	<b>101 474</b>	<b>101 474</b>	<b>101 474</b>	<b>101 474</b>	<b>101 474</b>	<b>101 474</b>	<b>1 217 689</b>	<b>1 297 053</b>	<b>1 408 627</b>
<b>Expenditure By Type</b>	-															

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Employee related costs		37 375	37 375	37 375	37 375	37 375	37 375	37 375	37 375	37 375	37 375	37 374	448 494	458 533	484 048
Remuneration of councillors		1 535	1 535	1 535	1 535	1 535	1 535	1 535	1 535	1 535	1 535	1 535	18 422	19 233	20 098
Debt impairment		920	920	920	920	920	920	920	920	920	920	920	11 040	11 525	12 044
Depreciation & asset impairment		8 907	8 907	8 907	8 907	8 907	8 907	8 907	8 907	8 907	8 907	8 907	106 885	111 671	116 697
Finance charges		42	42	42	42	42	42	42	42	42	42	42	509	532	556
Bulk purchases - electricity		–	–	–	–	–	–	–	–	–	–	–	–	–	–
Inventory consumed		13 539	13 539	13 539	13 539	13 539	13 539	13 539	13 539	13 539	13 539	13 539	162 471	169 571	186 937
Contracted services		21 330	21 330	21 330	21 330	21 330	21 330	21 330	21 330	21 330	21 330	21 330	255 963	299 139	333 880
Transfers and subsidies		–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other expenditure		15 616	15 616	15 616	15 616	15 616	15 616	15 616	15 616	15 616	15 616	15 616	187 396	199 096	225 912
Losses		1 504	1 504	1 504	1 504	1 504	1 504	1 504	1 504	1 504	1 504	1 504	18 052	18 841	20 771
<b>Total Expenditure</b>		<b>100 770</b>	<b>100 770</b>	<b>100 770</b>	<b>100 770</b>	<b>100 770</b>	<b>100 770</b>	<b>100 770</b>	<b>100 770</b>	<b>100 770</b>	<b>100 770</b>	<b>100 768</b>	<b>1</b> <b>209 233</b>	<b>1</b> <b>288 142</b>	<b>1</b> <b>400 942</b>
<b>Surplus/(Deficit)</b>		<b>704</b>	<b>704</b>	<b>704</b>	<b>704</b>	<b>704</b>	<b>704</b>	<b>704</b>	<b>704</b>	<b>704</b>	<b>704</b>	<b>707</b>	<b>8 456</b>	<b>8 911</b>	<b>7 685</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		40 002	40 002	40 002	40 002	40 002	40 002	40 002	40 002	40 002	40 002	40 002	480 028	501 682	512 086
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)															
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>40 707</b>	<b>40 707</b>	<b>40 707</b>	<b>40 707</b>	<b>40 707</b>	<b>40 707</b>	<b>40 707</b>	<b>40 707</b>	<b>40 707</b>	<b>40 707</b>	<b>40 709</b>	<b>488 484</b>	<b>510 593</b>	<b>519 771</b>
Taxation												–	–	–	–
Attributable to minorities												–	–	–	–
Share of surplus/ (deficit) of associate												–	–	–	–
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>40 707</b>	<b>40 707</b>	<b>40 707</b>	<b>40 707</b>	<b>40 707</b>	<b>40 707</b>	<b>40 707</b>	<b>40 707</b>	<b>40 707</b>	<b>40 707</b>	<b>40 709</b>	<b>488 484</b>	<b>510 593</b>	<b>519 771</b>

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**Table 37 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)**

DC47 Sekhukhune - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Revenue by Vote</b>	-															
Vote 01 - Speakers Office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 02 - Executive Mayor's Office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 03 - Municipal Manager Office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 04 - Budget And Treasury		141 476	141 476	141 476	141 476	141 476	141 476	141 476	141 476	141	141	141	141	1 697 717	1 798 735	1 920 713
Vote 05 - Infrastructure And Water Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 06 - Planning And Economic Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 07 - Community Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 08 - Sekhukhune Development Angancy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 09 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>		<b>141 476</b>	<b>141 476</b>	<b>141 476</b>	<b>141 476</b>	<b>141 476</b>	<b>141 476</b>	<b>141 476</b>	<b>141 476</b>	<b>141 476</b>	<b>141 476</b>	<b>141 476</b>	<b>141 477</b>	<b>1 697 717</b>	<b>1 798 735</b>	<b>1 920 713</b>
<b>Expenditure by Vote to be appropriated</b>	-															
Vote 01 - Speakers Office		3 847	3 847	3 847	3 847	3 847	3 847	3 847	3 847	3 847	3 847	3 847	3 847	46 169	48 318	50 615
Vote 02 - Executive Mayor's Office		3 521	3 521	3 521	3 521	3 521	3 521	3 521	3 521	3 521	3 521	3 521	3 521	42 258	44 430	46 660
Vote 03 - Municipal Manager Office		7 429	7 429	7 429	7 429	7 429	7 429	7 429	7 429	7 429	7 429	7 429	7 429	89 145	108 696	126 187
Vote 04 - Budget And Treasury		17 507	17 507	17 507	17 507	17 507	17 507	17 507	17 507	17 507	17 507	17 507	17 507	210 086	232 109	242 887
Vote 05 - Infrastructure And Water Services		47 405	47 405	47 405	47 405	47 405	47 405	47 405	47 405	47 405	47 405	47 405	47 405	568 864	578 124	612 318
Vote 06 - Planning And Economic Development		1 564	1 564	1 564	1 564	1 564	1 564	1 564	1 564	1 564	1 564	1 564	1 564	18 767	22 766	23 881
Vote 07 - Community Services		6 431	6 431	6 431	6 431	6 431	6 431	6 431	6 431	6 431	6 431	6 431	6 431	77 174	81 085	85 277
Vote 08 - Sekhukhune Development Angancy		834	834	834	834	834	834	834	834	834	834	834	834	10 008	11 509	15 311
Vote 09 - Corporate Services		12 230	12 230	12 230	12 230	12 230	12 230	12 230	12 230	12 230	12 230	12 230	12 230	146 763	161 106	197 807
<b>Total Expenditure by Vote</b>		<b>100 770</b>	<b>100 770</b>	<b>100 770</b>	<b>100 770</b>	<b>100 770</b>	<b>100 770</b>	<b>100 770</b>	<b>100 770</b>	<b>100 770</b>	<b>100 770</b>	<b>100 770</b>	<b>100 768</b>	<b>1 209 233</b>	<b>1 288 142</b>	<b>1 400 942</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>40 707</b>	<b>40 707</b>	<b>40 707</b>	<b>40 707</b>	<b>40 707</b>	<b>40 707</b>	<b>40 707</b>	<b>40 707</b>	<b>40 707</b>	<b>40 707</b>	<b>40 707</b>	<b>40 709</b>	<b>488 484</b>	<b>510 593</b>	<b>519 771</b>
Taxation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
<b>Surplus/(Deficit)</b>	1	<b>40 707</b>	<b>40 707</b>	<b>40 707</b>	<b>40 707</b>	<b>40 707</b>	<b>40 707</b>	<b>40 707</b>	<b>40 707</b>	<b>40 707</b>	<b>40 707</b>	<b>40 707</b>	<b>40 709</b>	<b>488 484</b>	<b>510 593</b>	<b>519 771</b>

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**Table 38 MBRR SA27 - Budgeted monthly revenue and expenditure (Standard classification)**

DC47 Sekhukhune - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Revenue - Functional</b>	-															
<b>Governance and administration</b>		141 476	141 476	141 476	141 476	141 476	141 476	141 476	141 476	141 476	141 476	141 476	141 476	1 697 717	1 798 735	1 920 713
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance and administration		141 476	141 476	141 476	141 476	141 476	141 476	141 476	141 476	141 476	141 476	141 476	141 476	1 697 717	1 798 735	1 920 713
Internal audit																
<b>Community and public safety</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and social services																
Public safety																
Health																
<b>Economic and environmental services</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection																
<b>Trading services</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management																
<b>Other</b>																
<b>Total Revenue - Functional</b>		141 476	141 476	141 476	141 476	141 476	141 476	141 476	141 476	141 476	141 476	141 476	141 476	1 697 717	1 798 735	1 920 713
<b>Expenditure - Functional</b>	-															
<b>Governance and administration</b>		50 966	50 966	50 966	50 966	50 966	50 966	50 966	50 966	50 966	50 966	50 966	50 965	611 594	675 744	749 432
Executive and council		14 798	14 798	14 798	14 798	14 798	14 798	14 798	14 798	14 798	14 798	14 798	14 797	177 572	201 444	223 462
Finance and administration		36 169	36 169	36 169	36 169	36 169	36 169	36 169	36 169	36 169	36 169	36 169	36 168	434 022	474 300	525 970
Internal audit																
<b>Community and public safety</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and social services																
Sport and recreation																
Public safety																

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Health													-	-	-	-
<b>Economic and environmental services</b>		2 398	2 398	2 398	2 398	2 398	2 398	2 398	2 398	2 398	2 398	2 398	2 398	28 775	34 275	39 192
Planning and development		2 398	2 398	2 398	2 398	2 398	2 398	2 398	2 398	2 398	2 398	2 398	2 398	28 775	34 275	39 192
Environmental protection													-	-	-	-
<b>Trading services</b>		47 405	47 405	47 405	47 405	47 405	47 405	47 405	47 405	47 405	47 405	47 405	47 405	568 864	578 124	612 318
Water management		47 276	47 276	47 276	47 276	47 276	47 276	47 276	47 276	47 276	47 276	47 276	47 276	567 312	576 489	610 597
Waste water management		129	129	129	129	129	129	129	129	129	129	129	129	1 552	1 634	1 721
Waste management													-	-	-	-
<b>Other</b>													-	-	-	-
<b>Total Expenditure - Functional</b>		100 770	100 770	100 770	100 770	100 770	100 770	100 770	100 770	100 770	100 770	100 770	100 768	1 209 233	1 288 142	1 400 942
<b>Surplus/(Deficit) before assoc.</b>		40 707	40 707	40 707	40 707	40 707	40 707	40 707	40 707	40 707	40 707	40 707	40 709	488 484	510 593	519 771
Share of surplus/ (deficit) of associate													-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>40 707</b>	<b>40 707</b>	<b>40 707</b>	<b>40 707</b>	<b>40 707</b>	<b>40 707</b>	<b>40 707</b>	<b>40 707</b>	<b>40 707</b>	<b>40 707</b>	<b>40 707</b>	<b>40 709</b>	<b>488 484</b>	<b>510 593</b>	<b>519 771</b>

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**Table 39 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)**

**DC47 Sekhukhune - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)**

Description R thousand	R ef	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Multi-year expenditure to be appropriated</b>	1															
<b>Single-year expenditure to be appropriated</b>																
Vote 01 - Speakers Office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 02 - Executive Mayor's Office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 03 - Municipal Manager Office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 04 - Budget And Treasury		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 05 - Infrastructure And Water Services		40 655	40 655	40 655	40 655	40 655	40 655	40 655	40 655	40 655	40 655	40 655	40 655	487 858	510 114	519 655
Vote 06 - Planning And Economic Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 07 - Community Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 08 - Sekhukhune Development Angancy		46	46	46	46	46	46	46	46	46	46	46	46	550	-	-
Vote 09 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>	2	40 701	40 701	40 701	40 701	40 701	40 701	40 701	40 701	40 701	40 701	40 701	40 701	488 408	510 114	519 655
<b>Total Capital Expenditure</b>	2	40 701	40 701	40 701	40 701	40 701	40 701	40 701	40 701	40 701	40 701	40 701	40 701	488 408	510 114	519 655



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**Table 40 MBRR SA29 - Budgeted monthly capital expenditure (Standard classification)**

**DC47 Sekhukhune - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)**

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Capital Expenditure - Functional</b>	1															
<b>Governance and administration</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance and administration		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		46	46	46	46	46	46	46	46	46	46	46	46	550	-	-
Planning and development		46	46	46	46	46	46	46	46	46	46	46	46	550	-	-
Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		40 655	40 655	40 655	40 655	40 655	40 655	40 655	40 655	40 655	40 655	40 655	40 655	487 858	510 114	519 655
Energy sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water management		40 655	40 655	40 655	40 655	40 655	40 655	40 655	40 655	40 655	40 655	40 655	40 655	487 858	510 114	519 655
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	2	40 701	40 701	40 701	40 701	40 701	40 701	40 701	40 701	40 701	40 701	40 701	40 701	488 408	510 114	519 655
<b>Funded by:</b>																
National Government		40 002	40 002	40 002	40 002	40 002	40 002	40 002	40 002	40 002	40 002	40 002	40 002	480 028	501 682	512 086
Provincial Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		40 002	40 002	40 002	40 002	40 002	40 002	40 002	40 002	40 002	40 002	40 002	40 002	480 028	501 682	512 086
<b>Borrowing</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		698	698	698	698	698	698	698	698	698	698	698	698	8 380	8 432	7 569
<b>Total Capital Funding</b>		40 701	40 701	40 701	40 701	40 701	40 701	40 701	40 701	40 701	40 701	40 701	40 701	488 408	510 114	519 655

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**Table 41 MBRR SA30 - Budgeted monthly cash flow (Standard classification)**

**DC47 Sekhukhune - Supporting Table SA30 Budgeted monthly cash flow**

MONTHLY CASH FLOWS	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Cash Receipts By Source</b>													1		
Property rates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	3 367	3 367	3 367	3 367	3 367	3 367	3 367	3 367	3 367	3 367	3 367	3 367	40 408	48 755	61 111
Service charges - sanitation revenue	1 811	1 811	1 811	1 811	1 811	1 811	1 811	1 811	1 811	1 811	1 811	1 811	21 734	16 494	16 494
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned - external investments	1 805	1 805	1 805	1 805	1 805	1 805	1 805	1 805	1 805	1 805	1 805	1 805	21 659	22 612	23 565
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	4	4	4	4	4	4	4	4	4	4	4	4	43	45	45
Licences and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Operational	89 549	89 549	89 549	89 549	89 549	89 549	89 549	89 549	89 549	89 549	89 549	89 549	1 074 583	1 146 922	1 250 000
Other revenue	181	181	181	181	181	181	181	181	181	181	181	181	2 172	2 280	2 388
<b>Cash Receipts by Source</b>	<b>96 717</b>	<b>96 717</b>	<b>96 717</b>	<b>96 717</b>	<b>96 717</b>	<b>96 717</b>	<b>96 717</b>	<b>96 717</b>	<b>96 717</b>	<b>96 717</b>	<b>96 717</b>	<b>96 716</b>	<b>1 160 599</b>	<b>1 237 108</b>	<b>1 350 000</b>
<b>Other Cash Flows by Source</b>															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	40 002	40 002	40 002	40 002	40 002	40 002	40 002	40 002	40 002	40 002	40 002	40 002	480 028	501 682	512 234
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets	36	36	36	36	36	36	36	36	36	36	36	36	430	452	452
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Receipts by Source</b>	<b>136 755</b>	<b>136 755</b>	<b>136 755</b>	<b>136 755</b>	<b>136 755</b>	<b>136 755</b>	<b>136 755</b>	<b>136 755</b>	<b>136 755</b>	<b>136 755</b>	<b>136 755</b>	<b>136 755</b>	<b>1 641 057</b>	<b>1 739 242</b>	<b>1 862 234</b>
<b>Cash Payments by Type</b>															
Employee related costs	17 776	17 776	17 776	17 776	17 776	17 776	17 776	17 776	17 776	17 776	17 776	17 775	213 306	113 306	289 000
Remuneration of councillors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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Finance charges	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Bulk purchases - electricity	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Acquisitions - water & other inventory	2 904	2 904	2 904	2 904	2 904	2 904	2 904	2 904	2 904	2 904	2 904	2 904	34 851	34 851	34 851	34 851
Contracted services	23 674	23 674	23 674	23 674	23 674	23 674	23 674	23 674	23 674	23 674	23 674	23 674	284 092	133 235	135 000	135 000
Transfers and grants - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and grants - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other expenditure	46 588	46 588	46 588	46 588	46 588	46 588	46 588	46 588	46 588	46 588	46 588	46 588	559 059	883 553	812 000	812 000
<b>Cash Payments by Type</b>	<b>90 943</b>	<b>90 943</b>	<b>90 943</b>	<b>90 943</b>	<b>90 943</b>	<b>90 943</b>	<b>90 943</b>	<b>90 943</b>	<b>90 943</b>	<b>90 943</b>	<b>90 943</b>	<b>90 941</b>	<b>1 091 308</b>	<b>1 164 945</b>	<b>1 270 000</b>	<b>1 270 000</b>
<b>Other Cash Flows/Payments by Type</b>																
Capital assets	40 701	40 701	40 701	40 701	40 701	40 701	40 701	40 701	40 701	40 701	40 701	40 701	488 408	510 114	519 000	519 000
Repayment of borrowing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total Cash Payments by Type</b>	<b>131 643</b>	<b>131 643</b>	<b>131 643</b>	<b>131 643</b>	<b>131 643</b>	<b>131 643</b>	<b>131 643</b>	<b>131 643</b>	<b>131 643</b>	<b>131 643</b>	<b>131 643</b>	<b>131 641</b>	<b>1 579 716</b>	<b>1 675 059</b>	<b>1 789 000</b>	<b>1 789 000</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>5 112</b>	<b>5 112</b>	<b>5 112</b>	<b>5 112</b>	<b>5 112</b>	<b>5 112</b>	<b>5 112</b>	<b>5 112</b>	<b>5 112</b>	<b>5 112</b>	<b>5 112</b>	<b>5 113</b>	<b>61 340</b>	<b>64 183</b>	<b>76 000</b>	<b>76 000</b>
Cash/cash equivalents at the month/year begin:	210 372	215 483	220 595	225 706	230 818	235 929	241 041	246 152	251 264	256 376	261 487	266 599	210 372	271 712	335 895	335 895
Cash/cash equivalents at the month/year end:	215 483	220 595	225 706	230 818	235 929	241 041	246 152	251 264	256 376	261 487	266 599	271 712	271 712	335 895	411 895	411 895

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### 3.11 Contracts having future budgetary implications

The municipality has entered into a 10 year contract with Lepelle Northern Water to provide bulk water services.

### 3.12 Capital expenditure details

The following three tables present details of the municipality's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

**Table 42 MBRR SA 34a - Capital expenditure on new assets by asset class**

DC47 Sekhukhune - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
-										
<b>Infrastructure</b>		452 268	284 351	287 852	387 073	366 768	366 768	474 534	499 222	509 537
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads										
Road Furniture										
Capital Spares										
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		57 390	283 703	287 790	387 073	366 268	366 268	474 534	499 222	509 537
Dams and Weirs										
Boreholes		5 785	-	-	-	-	-	-	-	-
Reservoirs		6 220	-	-	-	-	-	-	-	-
Pump Stations										
Water Treatment Works										
Bulk Mains		21 621	818	-	-	-	-	-	-	-
Distribution		23 764	282 885	287 790	387 073	366 268	366 268	474 534	499 222	509 537
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		394 878	648	62	-	500	500	-	-	-

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<i>Pump Station</i>	-	648	62	-	500	500	-	-	-
<i>Reticulation</i>	394 878	-	-	-	-	-	-	-	-
<i>Waste Water Treatment Works</i>									
<i>Outfall Sewers</i>									
<i>Toilet Facilities</i>									
<i>Capital Spares</i>									
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-
<i>Waste Transfer Stations</i>									
<i>Capital Spares</i>									
Rail Infrastructure	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
<i>Data Centres</i>									
<b>Community Assets</b>	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>									
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>									
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
<i>Improved Property</i>									
<i>Unimproved Property</i>									
Non-revenue Generating	-	-	-	-	-	-	-	-	-
<i>Improved Property</i>									
<i>Unimproved Property</i>									
<b>Other assets</b>	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets									
<b>Intangible Assets</b>	-	-	-	-	-	-	-	-	-
Servitudes									
Licences and Rights	-	-	-	-	-	-	-	-	-
<i>Water Rights</i>									
<i>Effluent Licences</i>									
<i>Solid Waste Licences</i>									
<b>Computer Equipment</b>	-	163	9	2 000	3 047	3 047	2 880	2 172	2 269
Computer Equipment	-	163	9	2 000	3 047	3 047	2 880	2 172	2 269
<b>Furniture and Office Equipment</b>	139	-	-	-	920	920	750	-	-
Furniture and Office Equipment	139	-	-	-	920	920	750	-	-

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<b><u>Machinery and Equipment</u></b>		-	-	-	-	-	-	-	-	-
Machinery and Equipment										
<b><u>Transport Assets</u></b>		-	-	-	-	-	-	-	-	-
Transport Assets										
<b><u>Land</u></b>		-	-	-	-	-	-	-	-	-
Land										
<b><u>Zoo's, Marine and Non-biological Animals</u></b>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										
<b>Total Capital Expenditure on new assets</b>	<b>1</b>	<b>452 407</b>	<b>284 515</b>	<b>287 860</b>	<b>389 073</b>	<b>370 735</b>	<b>370 735</b>	<b>478 164</b>	<b>501 394</b>	<b>511 806</b>

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**Table 43 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class**

**DC47 Sekhukhune - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class**

Description  R thousand	R ef  1	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b><u>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</u></b>										
-				115						
<b><u>Infrastructure</u></b>		5 086	93 986	458	28 687	20 222	20 222	4 043	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		432	93 986	458	28 687	20 222	20 222	4 043	-	-
<i>Dams and Weirs</i>										
<i>Boreholes</i>		432	6 287	10 406	-	-	-	-	-	-
<i>Reservoirs</i>										
<i>Pump Stations</i>										
<i>Water Treatment Works</i>		-	87 699	104 589	28 687	19 122	19 122	4 043	-	-
<i>Bulk Mains</i>										
<i>Distribution</i>		-	-	462	-	1 100	1 100	-	-	-
<i>Distribution Points</i>										
<i>PRV Stations</i>										
<i>Capital Spares</i>										
Sanitation Infrastructure		4 654	-	-	-	-	-	-	-	-
<i>Pump Station</i>										
<i>Reticulation</i>		1 831	-	-	-	-	-	-	-	-
<i>Waste Water Treatment Works</i>		2 823	-	-	-	-	-	-	-	-
<i>Outfall Sewers</i>										
<i>Toilet Facilities</i>										
<i>Capital Spares</i>										
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
<b><u>Community Assets</u></b>		-	-	-	-	-	-	-	-	-
<b><u>Heritage assets</u></b>		-	-	-	-	-	-	-	-	-
<b><u>Investment properties</u></b>		-	-	-	-	-	-	-	-	-
<b><u>Other assets</u></b>		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>										
<b><u>Biological or Cultivated Assets</u></b>		-	-	-	-	-	-	-	-	-

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Biological or Cultivated Assets										
<b><u>Intangible Assets</u></b>		-	-	-	-	-	-	-	-	-
Servitudes										
Licences and Rights		-	-	-	-	-	-	-	-	-
<i>Water Rights</i>										
<i>Effluent Licenses</i>										
<i>Solid Waste Licenses</i>										
<i>Computer Software and Applications</i>										
<i>Load Settlement Software Applications</i>										
<i>Unspecified</i>										
<b><u>Computer Equipment</u></b>		-	-	-	-	-	-	-	-	-
Computer Equipment										
<b><u>Furniture and Office Equipment</u></b>		-	-	(616)	-	-	-	-	-	-
Furniture and Office Equipment		-	-	(616)	-	-	-	-	-	-
<b><u>Machinery and Equipment</u></b>		-	-	-	-	-	-	-	-	-
Machinery and Equipment										
<b><u>Transport Assets</u></b>		-	-	21 916	3 900	3 900	3 900	3 750	6 260	5 300
Transport Assets		-	-	21 916	3 900	3 900	3 900	3 750	6 260	5 300
<b><u>Land</u></b>		-	-	-	-	-	-	-	-	-
<b><u>Zoo's, Marine and Non-biological Animals</u></b>		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on renewal of existing assets</b>	1	5 086	93 986	136 758	32 587	24 122	24 122	7 793	6 260	5 300



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**Table 44 MBRR SA34c - Repairs and maintenance expenditure by asset class**

DC47 Sekhukhune - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b><u>Repairs and maintenance expenditure by Asset Class/Sub-class</u></b>										
-										
<b><u>Infrastructure</u></b>		117 279	95 653	86 402	127 310	169 410	169 410	111 103	113 725	116 463
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		36 099	19 284	8 872	45 747	42 747	42 747	45 957	47 913	49 956
Dams and Weirs										
Boreholes		25 064	15 231	7 813	32 637	29 637	29 637	30 823	32 179	33 595
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution		11 035	4 053	1 059	13 110	13 110	13 110	15 135	15 735	16 361
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		81 180	76 369	77 530	81 563	126 663	126 663	65 145	65 812	66 508
Pump Station										
Reticulation		66 260	57 788	76 422	70 000	112 100	112 100	50 000	50 000	50 000
Waste Water Treatment Works										
Outfall Sewers		14 920	18 581	1 108	11 563	14 563	14 563	15 145	15 812	16 508
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares										
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b><u>Community Assets</u></b>		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
		1	1	1	1	1	1	1	1	1
<b><u>Heritage assets</u></b>		-	-	-	-	-	-	500	522	545
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage		-	-	-	-	-	-	500	522	545
<b><u>Investment properties</u></b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-

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<b><u>Other assets</u></b>		1 438	280	195	800	600	600	2 180	2 485	2 597
Operational Buildings		1 438	280	195	800	600	600	2 180	2 485	2 597
Municipal Offices		1 438	280	195	800	600	600	2 180	2 485	2 597
<b><u>Biological or Cultivated Assets</u></b>		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets										
<b><u>Intangible Assets</u></b>		-	-	-	-	-	-	-	-	-
Servitudes										
Licences and Rights		-	-	-	-	-	-	-	-	-
Load Settlement Software Applications										
Unspecified										
<b><u>Computer Equipment</u></b>		-	-	-	-	100	100	104	109	113
Computer Equipment		-	-	-	-	100	100	104	109	113
<b><u>Furniture and Office Equipment</u></b>		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
<b><u>Machinery and Equipment</u></b>		73	1	(589)	63	303	303	10 066	329	344
Machinery and Equipment		73	1	(589)	63	303	303	10 066	329	344
<b><u>Transport Assets</u></b>		495	3 373	1 283	2 000	2 707	2 707	3 300	3 445	4 600
<b><u>Land</u></b>		-	-	-	-	-	-	-	-	-
<b><u>Zoo's, Marine and Non-biological Animals</u></b>		-	-	-	-	-	-	-	-	-
<b>Total Repairs and Maintenance Expenditure</b>	1	119 285	99 306	87 290	130 174	173 121	173 121	127 252	120 615	124 663

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**Table 46 MBRR SA36 - Detailed capital budget per municipal vote**

**DC47 Sekhukhune - Supporting Table SA36 Detailed capital budget**

BOM - Gokulam - Supporting Table - Detailed Capital Budget																
R thousand														2022/23 Medium Term Revenue & Expenditure Framework		
Function	Project Description	Project Number	Type	MTSF Service Outcome		Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Audited Outcome 2020/21	Current Year 2021/22 Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Parent municipality: <i>List all capital projects grouped by Function</i>																
Administrative And Corporate Support	Purchase Of Office	PC001002004_007_00018	NEW	An efficient; competitive and responsive economic infrastructure network			Water Supply Infrastructure	Distribution Furniture And Office	R-WHOLE OF THE DISTRICT	0	0	-	200	-	-	-
Finance	Office Equipment	PC002003005_00002	NEW	An efficient; effective and development-oriented public service			Equipment Furniture And Office	Equipment Furniture And Office	R-WHOLE OF THE DISTRICT	0	0	-	600	-	-	-
Finance	Scanners	PC002003005_00003	NEW	An efficient; effective and development-oriented public service			Equipment Furniture And Office	Equipment Furniture And Office	R-WHOLE OF THE DISTRICT	0	0	-	200	-	-	-
Finance	Storage Room (Warehouse)	PC002002002_003001006_00001	UPG RADI NG	An efficient; effective and development-oriented public service			Operational Buildings	Stores	R-ADMIN OR HEAD OFFICE	0	0	-	200	-	-	-
Mayor And Council	Cameras	PC002003004_00004	NEW	An efficient; effective and development-oriented public service			Computer Equipment	Computer Equipment	R-ADMIN OR HEAD OFFICE	0	0	-	530	-	-	-
Support To Local Municipalities	Computer	PC002003004_00002	NEW	An efficient; effective and development-oriented public service			Computer Equipment Furniture And Office	Computer Equipment Furniture And Office	R-WHOLE OF THE DISTRICT	0	0	-	-	300	-	-
Support To Local Municipalities	Office Equipment	PC002003005_00002	NEW	An efficient; effective and development-oriented public service			Equipment Furniture And Office	Equipment Furniture And Office	R-WHOLE OF THE DISTRICT	0	0	-	-	250	-	-

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Water Distribution	Wa At C - Boreholes: Acquisition	PC001001001 004002_00003	RENE WAL	An efficient; competitive and responsive economic infrastructure network		Water Supply Infrastructure	Boreholes	R-GREATER TUBATSE/FET AKG	0	0	6 134	-	-	-	-
Water Distribution	Wsig Tukagomo Rdp Section Borehole	PC001001001 004002_00013	RENE WAL	An efficient; competitive and responsive economic infrastructure network		Water Supply Infrastructure	Boreholes	R-WHOLE OF THE DISTRICT	0	0	4 272	-	-	-	-
Water Distribution	Covid-19 Nebo Ga Malekana To Jane Furse	PC001001001 004005_00001	RENE WAL	An efficient; competitive and responsive economic infrastructure network		Water Supply Infrastructure	Treatment Works	R-WHOLE OF THE DISTRICT	0	0	(852)	-	-	-	-
Water Distribution	Mig-Nsd07 Region Water Schm Reserv	PC001001001 004005_00013	RENE WAL	An efficient; competitive and responsive economic infrastructure network		Water Supply Infrastructure	Treatment Works	R-WHOLE OF THE DISTRICT	0	0	47 256	19 122	4 043	-	-
Water Distribution	Rbig-Emlm Moutse Bws-Pr7-12;13 & 14	PC001001001 004005_00009	RENE WAL	An efficient; competitive and responsive economic infrastructure network		Water Supply Infrastructure	Treatment Works	R-WHOLE OF THE DISTRICT	0	0	617	-	-	-	-
Water Distribution	Rbig-Gtml Ph4f Bulk	PC001001001 004005_00004	RENE WAL	An efficient; competitive and responsive economic infrastructure network		Water Supply Infrastructure	Treatment Works	R-WHOLE OF THE DISTRICT	0	0	3 846	-	-	-	-
Water Distribution	Rbig-Gtml Phase 4e Bulk	PC001001001 004005_00003	RENE WAL	An efficient; competitive and responsive economic infrastructure network		Water Supply Infrastructure	Treatment Works	R-WHOLE OF THE DISTRICT	0	0	2 247	-	-	-	-
Water Distribution	Rbig-Gtml Phase 4g Bulk	PC001001001 004005_00005	RENE WAL	An efficient; competitive and responsive economic infrastructure network		Water Supply Infrastructure	Treatment Works	R-WHOLE OF THE DISTRICT	0	0	35 187	-	-	-	-
Water Distribution	Rbig-Mklm Nebo Bws Makgeru To Schoonoor	PC001001001 004005_00007	RENE WAL	An efficient; competitive and responsive economic infrastructure network		Water Supply Infrastructure	Treatment Works	R-WHOLE OF THE DISTRICT	0	0	16 288	-	-	-	-
Water Distribution	Wsig- Phiring Water Intervention Ph2	PC001001001 004007_00002	RENE WAL	An efficient; competitive and responsive economic infrastructure network		Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	462	1 100	-	-	-
Water Distribution	Water Reticulation Project	PC001001002 004005_00001	UPG RADI NG	An efficient; competitive and responsive economic infrastructure network		Water Supply Infrastructure	Water Treatment Works	R-WHOLE OF THE DISTRICT	0	0	425	-	-	-	-
Water Distribution	Wsig: Janefurse Rdp Package Plant	PC001001002 004005_00002	UPG RADI NG	An efficient; competitive and responsive economic infrastructure network		Water Supply Infrastructure	Water Treatment Works	R-WHOLE OF THE DISTRICT	0	0	2 486	-	-	-	-
Water Distribution	Rams Capital Acquisition	PC001001002 006002_00001	UPG RADI NG	An efficient; competitive and responsive economic infrastructure network		Roads Infrastructure	Road Structures	R-ELIAS MOTSOLEDI	0	0	2 008	2 341	2 451	2 460	2 549
Water Distribution	Covid-19 Borehole Motetema Booster Pumps	PC001002004 007_00039	NEW	An efficient; competitive and responsive economic infrastructure network		Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	852	-	-	-	-
Water Distribution	Covid-19 Equipment	PC001002004 007_00054	NEW	An efficient; competitive and responsive economic infrastructure network		Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	434	-	-	-	-
Water Distribution	Covid-19 Mig - Covid 19 Projects	PC001002004 007_00014	NEW	An efficient; competitive and responsive economic infrastructure network		Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	2 097	27 284	-	-	-

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Water Distribution	Dehoop/Nebo Pla/Schonord Sch Vilgs Mkger	PC001002004 007_00044	NEW	An efficient; competitive and responsive economic infrastructure network	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	8 924	105 473	13 554	-	-
Water Distribution	Ga Maphopha Command Res	PC001002004 007_00020	NEW	An efficient; competitive and responsive economic infrastructure network	Water Supply Infrastructure	Distribution	R-GREATER TUBATSE/FET AKG	0	0	-	2 700	-	-	-
Water Distribution	Mig - Mampuru Bulk Water Scheme	PC001002004 007_00056	NEW	An efficient; competitive and responsive economic infrastructure network	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	-	-	-	157 405	179 039
Water Distribution	Mig - Upgrading Of De Hoop Wtw	PC001002004 007_00053	NEW	An efficient; competitive and responsive economic infrastructure network	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	-	-	90 000	31 234	-
Water Distribution	Mig - Upgrading Of Groblersdal-Luckau P1	PC001002004 007_00054	NEW	An efficient; competitive and responsive economic infrastructure network	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	-	-	125 654	125 654	100 000
Water Distribution	Mig - Upgrading Of Groblersdal-Luckau P2	PC001002004 007_00055	NEW	An efficient; competitive and responsive economic infrastructure network	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	-	-	-	-	73 094
Water Distribution	Mig Motlailana; Makgemeng & Taung Ws	PC001002004 007_00024	NEW	An efficient; competitive and responsive economic infrastructure network	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	3 774	29 410	11 315	-	-
Water Distribution	Mig Zaaiplaas Village Reticul Phase - Co	PC001002004 007_00019	NEW	An efficient; competitive and responsive economic infrastructure network	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	950	8 000	8 000	-	-
Water Distribution	Mig- Moutse East & West Water Retic	PC001002004 007_00057	NEW	An efficient; competitive and responsive economic infrastructure network	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	-	-	37 211	114 929	157 405
Water Distribution	Mig- Gamogashwa(Seng apudi) & (Manamane)	PC001002004 007_00043	NEW	An efficient; competitive and responsive economic infrastructure network	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	57 399	4 762	-	-	-
Water Distribution	Mig-GtIm Ga-Malekane	PC001002004 007_00001	NEW	An efficient; competitive and responsive economic infrastructure network	Water Supply Infrastructure	Distribution	R-GREATER TUBATSE/FET AKG	0	0	1 002	400	-	-	-
Water Distribution	Mig-GtIm Lebalelo South Conn Pipes&Retic	PC001002004 007_00042	NEW	An efficient; competitive and responsive economic infrastructure network	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	42 235	37 748	-	-	-
Water Distribution	Mig-Lebalelo South Ph3maroga & Motlolo	PC001002004 007_00046	NEW	An efficient; competitive and responsive economic infrastructure network	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	61 901	76 802	67 246	-	-
Water Distribution	Mig-Malekana Wtw	PC001002004 007_00007	NEW	An efficient; competitive and responsive economic infrastructure network	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	-	-	-	-	-
Water Distribution	Mig-Malekane Regional Water Scheme	PC001002004 007_00045	NEW	An efficient; competitive and responsive economic infrastructure network	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	81 974	67 458	120 554	70 000	-
Water Distribution	Mig-Mampuru	PC001002004 007_00008	NEW	An efficient; competitive and responsive economic infrastructure network	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	-	-	-	-	-

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Water Distribution	Mig-Mklm Ga-Marishane Water Reticulation	PC001002004 007_00041	NEW	An efficient; competitive and responsive economic infrastructure network		Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	5 795	-	-	-	-
Water Distribution	Purchase Of Office Sdm-Capital Replacement Reserve	PC001002004 007_00018	NEW	An efficient; competitive and responsive economic infrastructure network		Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	-	2 200	1 000	-	-
Water Distribution		PC001002004 007_00037	NEW	An efficient; competitive and responsive economic infrastructure network		Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	380	-	-	-	-
Water Distribution	Sdm-Ems	PC001002004 007_00029	NEW	An efficient; competitive and responsive economic infrastructure network		Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	16	130	-	-	-
Water Distribution	Sdm-O&M Management Plan	PC001002004 007_00033	NEW	An efficient; competitive and responsive economic infrastructure network		Water Supply Infrastructure	Distribution	DISTRICT	0	0	152	-	-	-	-
Water Distribution	Settlement Of Vehicles	PC001002004 007_00040	NEW	An efficient; competitive and responsive economic infrastructure network		Water Supply Infrastructure	Distribution	R-ADMIN OR HEAD OFFICE	0	0	5 642	-	-	-	-
Water Distribution	Wsig Flag Boshielo Water Consev & Wdm	PC001002004 007_00013	NEW	An efficient; competitive and responsive economic infrastructure network		Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	583	3 700	-	-	-
Water Distribution	Wsig Uitspanning Water Source Developmen	PC001002004 007_00012	NEW	An efficient; competitive and responsive economic infrastructure network		Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	4 178	-	-	-	-
Water Distribution	Wsig:Magoroane Water Supply	PC001002004 007_00052	NEW	An efficient; competitive and responsive economic infrastructure network		Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	5 265	-	-	-	-
Water Distribution	Wsig:Rutseng Water Intervention	PC001002004 007_00038	NEW	An efficient; competitive and responsive economic infrastructure network		Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	4 238	-	-	-	-
Water Distribution	Mig-Em Rossenekal Wwtw	PC001002005 001_00003	NEW	An efficient; competitive and responsive economic infrastructure network		Sanitation Infrastructure	Pump Station	R-WHOLE OF THE DISTRICT	0	0	62	500	-	-	-
Water Distribution	Sdm Council Chamber	PC002002001 005_00001	RENE WAL	An efficient; effective and development-oriented public service		Furniture And Office Equipment	Furniture And Office Equipment	R-WHOLE OF THE DISTRICT	0	0	(616)	-	-	-	-
Water Distribution	Cherry Picker	PC002002001 010_00001	RENE WAL			Transport Assets	Transport Assets	R-ADMIN OR HEAD OFFICE	0	0	-	-	250	260	-
Water Distribution	Crane Truck	PC002002001 010_00002	RENE WAL			Transport Assets	Transport Assets	R-ADMIN OR HEAD OFFICE	0	0	-	-	800	1 700	900
Water Distribution	Moutse Water Tanker	PC002002001 010_00002	RENE WAL			Transport Assets	Transport Assets	THE DISTRICT	0	0	21 980	-	-	-	-
Water Distribution	Tipper Truck	PC002002001 010_00003	RENE WAL			Transport Assets	Transport Assets	R-ADMIN OR HEAD OFFICE	0	0	-	-	600	-	-
Water Distribution	Water Tankers	PC002002001 010_00001	RENE WAL			Transport Assets	Transport Assets	R-ELIAS MOTSOALEDI	0	0	(64)	3 900	2 100	4 300	4 400

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Water Distribution	Audio Visuals And Ccvt Equipment	PC002003004_00003	NEW	An efficient; effective and development-oriented public service			Computer Equipment	Computer Equipment	R-ADMIN OR HEAD OFFICE	0	0	–	–	500	–	–	
Water Distribution	Computer	PC002003004_00002	NEW	An efficient; effective and development-oriented public service			Computer Equipment	Computer Equipment	R-WHOLE OF THE DISTRICT	0	0	9	2 000	2 080	2 172	2 269	
Water Distribution	Computers (Ewpw)	PC002003004_00002	NEW	An efficient; effective and development-oriented public service			Computer Equipment	Computer Equipment	R-WHOLE OF THE DISTRICT	0	0	–	17	–	–	–	
Water Distribution	Computers (Fmg)	PC002003004_00003	NEW	An efficient; effective and development-oriented public service			Computer Equipment	Computer Equipment	R-WHOLE OF THE DISTRICT	0	0	–	500	–	–	–	
Water Distribution	Mhs Equipment Tv;Chairs; Headsets; Tablets And Router	PC002003005_00002	NEW	An efficient; effective and development-oriented public service			Furniture And Office Equipment	Furniture And Office Equipment	R-WHOLE OF THE DISTRICT	0	0	–	–	500	–	–	
Water Distribution		PC002003005_00002	NEW	An efficient; effective and development-oriented public service			Furniture And Office Equipment	Furniture And Office Equipment	THE DISTRICT	0	0	–	120	–	–	–	
Parent Capital expenditure													429 537	397 398	488 408	510 114	519 655
Entities: List all capital projects grouped by Entity																	
Entity A Water project A																	
Entity B Electricity project B																	
Entity Capital expenditure												–	–	–	–	–	
Total Capital expenditure												429 537	397 398	488 408	510 114	519 655	

### 3.13 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the municipality's website.

2. Internship programme

The municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Budget and Treasury Department, Risk management and Audit section. Since the introduction of the Internship programme the municipality has successfully trained 22 interns and employed 09 of the total trained on permanent positions.

3. Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

4. Audit Committee

An Audit Committee has been established and is fully functional.

5. Service Delivery and Implementation Plan

The detail draft SDBIP is and aligned with the 2022/23 draft budget & MTREF.

6. Annual Report

Annual report is compiled in terms of the MFMA and National Treasury requirements.

7. MFMA Training

The MFMA training module in electronic format is presented at the municipality and training is ongoing.



### 3.14 Other supporting documents

**Table 49 MBRR Table SA1 - Supporting detail to budgeted financial performance**

DC47 Sekhukhune - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	R ef	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>											
<b>REVENUE ITEMS:</b>											
<b><u>Property rates</u></b>	6										
Total Property Rates											
Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)											
<b>Net Property Rates</b>		-	-	-	-	-	-	-	-	-	-
<b><u>Service charges - electricity revenue</u></b>	6										
Total Service charges - electricity revenue											
Less Revenue Foregone (in excess of 50 kwh per indigent household per month)											
Less Cost of Free Basis Services (50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-	-
<b>Net Service charges - electricity revenue</b>		-	-	-	-	-	-	-	-	-	-
<b><u>Service charges - water revenue</u></b>	6										
Total Service charges - water revenue		73 837	81 947	72 888	82 323	84 603	84 603	53 492	88 834	93 275	97 939
Less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)											
Less Cost of Free Basis Services (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-	-
<b>Net Service charges - water revenue</b>		73 837	81 947	72 888	82 323	84 603	84 603	53 492	88 834	93 275	97 939
<b><u>Service charges - sanitation revenue</u></b>											
Total Service charges - sanitation revenue		12 257	12 894	12 453	13 535	14 035	14 035	9 218	14 736	15 473	16 247
Less Revenue Foregone (in excess of free sanitation)											

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<b>service to indigent households)</b>										
<b>Less Cost of Free Basis Services (free sanitation service to indigent households)</b>										
<b>Net Service charges - sanitation revenue</b>										
	6									
<b>Service charges - refuse revenue</b>										
Total refuse removal revenue										
Total landfill revenue										
Less Revenue Foregone (in excess of one removal a week to indigent households)										
<b>Less Cost of Free Basis Services (removed once a week to indigent households)</b>										
<b>Net Service charges - refuse revenue</b>										
<b>Other Revenue by source</b>										
Fuel Levy										
Other Revenue										
<b>Total 'Other' Revenue</b>	1									
<b>EXPENDITURE ITEMS:</b>										
<b>Employee related costs</b>										
Basic Salaries and Wages Pension and UIF Contributions	2									
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance										
Cellphone Allowance										
Housing Allowances										
Other benefits and allowances										
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	4									
<b>sub-total</b>	5									
<b>Less: Employees costs capitalised to PPE</b>										

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<b>Total Employee related costs</b>	1	373 155	395 223	413 114	433 127	419 506	419 506	272 957	448 494	458 533	484 048
<b><u>Depreciation &amp; asset impairment</u></b>											
Depreciation of Property, Plant & Equipment		85 939	100 599	91 372	102 514	102 554	102 554	–	106 885	111 671	116 697
Lease amortisation		–	–	–	–	–	–	–	–	–	–
Capital asset impairment		15 101	21 631	7 952	–	–	–	–	–	–	–
<b>Total Depreciation &amp; asset impairment</b>	1	101 040	122 230	99 324	102 514	102 554	102 554	–	106 885	111 671	116 697
<b><u>Bulk purchases - electricity</u></b>											
Electricity bulk purchases		–	–	–	–	–	–	–	–	–	–
<b>Total bulk purchases</b>	1	–	–	–	–	–	–	–	–	–	–
<b><u>Transfers and grants</u></b>											
Cash transfers and grants		–	–	–	–	–	–	–	–	–	–
Non-cash transfers and grants		7 416	3 497	2 556	758	796	796	703	–	–	–
<b>Total transfers and grants</b>	1	7 416	3 497	2 556	758	796	796	703	–	–	–
<b><u>Contracted services</u></b>											
<i>Outsourced Services</i>		109 897	76 271	81 948	94 674	135 399	135 399	9 847	96 960	102 307	105 752
<i>Consultants and Professional Services</i>		61 252	37 227	37 475	49 943	51 553	51 553	22 566	60 531	75 465	88 838
<i>Contractors</i>		54 713	66 719	47 539	58 813	70 360	70 360	44 459	98 472	121 367	139 290
<b>Total contracted services</b>		225 863	180 217	166 962	203 430	257 312	257 312	76 872	255 963	299 139	333 880
<b><u>Other Expenditure By Type</u></b>	–										
Collection costs		–	–	–	–	–	–	–	600	700	800
Contributions to 'other' provisions											
Audit fees		6 286	5 216	5 461	7 174	7 054	7 054	6 224	7 855	8 200	8 569
<i>Other Expenditure</i>		140 514	143 021	156 561	149 188	160 313	160 313	110 122	178 941	190 196	216 542
<b>Total 'Other' Expenditure</b>	1	146 801	148 237	162 022	156 362	167 367	167 367	116 345	187 396	199 096	225 912
<b>Repairs and Maintenance by Expenditure Item</b>	8										
Employee related costs											
Inventory Consumed (Project Maintenance)		39 287	22 856	8 292	36 287	33 287	33 287	25 712	34 618	36 141	37 731
Contracted Services		79 998	76 450	78 998	93 887	139 834	139 834	17 601	91 134	82 974	85 432
Other Expenditure		–	–	–	–	–	–	–	1 500	1 500	1 500

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<b>Total Repairs and Maintenance Expenditure</b>	9	119 285	99 306	87 290	130 174	173 121	173 121	43 313	127 252	120 615	124 663
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<b>Inventory Consumed</b>											
Inventory Consumed - Water	–	–	–	–	(68 873)	(68 873)	–	(140 743)	(146 936)	(158 401)	
Inventory Consumed - Other	12 466	25 651	24 308	177 905	237 343	237 343	15 233	303 214	316 507	345 338	
<b>Total Inventory Consumed &amp; Other Material</b>	<b>12 466</b>	<b>25 651</b>	<b>24 308</b>	<b>177 905</b>	<b>168 471</b>	<b>168 471</b>	<b>15 233</b>	<b>162 471</b>	<b>169 571</b>	<b>186 937</b>	

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**Table 50 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)**

DC47 Sekhukhune - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 01 - Speakers Office	Vote 02 - Executive Mayor's Office	Vote 03 - Municipal Manager Office	Vote 04 - Budget And Treasury	Vote 05 - Infrastructure And Water Services	Vote 06 - Planning And Economic Development	Vote 07 - Community Services	Vote 08 - Sekhukhune Development Angancy	Vote 09 - Corporate Services	Vote 10 -	Vote 11 -	Vote 12 -	Vote 13 -	Vote 14 -	Vote 15 - Other	Total
<b>R thousand</b>	1																
<b>Revenue By Source</b>																	
Property rates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue		-	-	-	88 834	-	-	-	-	-	-	-	-	-	-	-	88 834
Service charges - sanitation revenue		-	-	-	14 736	-	-	-	-	-	-	-	-	-	-	-	14 736
Service charges - refuse revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned - external investments		-	-	-	21 659	-	-	-	-	-	-	-	-	-	-	-	21 659
Interest earned - outstanding debtors		-	-	-	15 221	-	-	-	-	-	-	-	-	-	-	-	15 221
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	50	-	-	-	-	-	-	-	-	-	-	-	50
Licences and permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue		-	-	-	2 175	-	-	-	-	-	-	-	-	-	-	-	2 175
Transfers and subsidies		-	-	-	1 074 583	-	-	-	-	-	-	-	-	-	-	-	1 074 583
Gains		-	-	-	430	-	-	-	-	-	-	-	-	-	-	-	430
<b>Total Revenue (excluding capital transfers and contributions)</b>		-	-	-	1 217 689	-	-	-	-	-	-	-	-	-	-	-	1 217 689
<b>Expenditure By Type</b>	-																
Employee related costs		16 733	31 300	16 476	45 327	206 337	10 680	73 727	7 218	40 697	-	-	-	-	-	-	448 494
Remuneration of councillors		18 422	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18 422
Debt impairment		-	-	-	11 040	-	-	-	-	-	-	-	-	-	-	-	11 040
Depreciation & asset impairment		-	-	-	106 615	-	-	-	270	-	-	-	-	-	-	-	106 885
Finance charges		-	-	-	509	-	-	-	-	-	-	-	-	-	-	-	509
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventory consumed		-	-	-	303 214	(140 743)	-	-	-	-	-	-	-	-	-	-	162 471
Contracted services		2 992	4 042	49 033	40 964	131 096	7 446	2 169	1 650	16 571	-	-	-	-	-	-	255 963
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure		8 022	6 916	23 637	3 593	55 528	589	660	860	87 591	-	-	-	-	-	-	187 396
Losses		-	-	-	-	18 052	-	-	-	-	-	-	-	-	-	-	18 052
<b>Total Expenditure</b>		46 169	42 258	89 145	511 263	270 270	18 715	76 555	9 998	144 859	-	-	-	-	-	-	1 209 233
<b>Surplus/(Deficit)</b>		(46 169)	(42 258)	(89 145)	706 425	(270 270)	(18 715)	(76 555)	(9 998)	(144 859)	-	-	-	-	-	-	8 456
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)					480 028	-											480 028
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)					-												-
Transfers and subsidies - capital (in-kind - all)					-												-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		(46 169)	(42 258)	(89 145)	1 186 453	(270 270)	(18 715)	(76 555)	(9 998)	(144 859)	-	-	-	-	-	-	488 484

**Table 51 MBRR Table SA3 – Supporting detail to Statement of Financial Position**

DC47 Sekhukhune - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	R e f	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
<b>ASSETS</b>											
<b><u>Consumer debtors</u></b>											
Consumer debtors		220 385	247 423	292 792	246 656	227 835	227 835	330 210	220 320	217 679	204 624
Less: Provision for debt impairment		(101 016)	(122 647)	(130 599)	(126 097)	(126 097)	(126 097)	(130 599)	(126 097)	(126 097)	(126 097)
<b>Total Consumer debtors</b>	2	119 368	124 776	162 193	120 559	101 738	101 738	199 612	94 223	91 582	78 527
<b><u>Debt impairment provision</u></b>											
Balance at the beginning of the year		(101 016)	(122 647)	(130 599)	(126 097)	(126 097)	(126 097)	(130 599)	(126 097)	(126 097)	(126 097)
Contributions to the provision		-	-	-	-	-	-	-	-	-	-
Bad debts written off		-	-	-	-	-	-	-	-	-	-
<b>Balance at end of year</b>		(101 016)	(122 647)	(130 599)	(126 097)	(126 097)	(126 097)	(130 599)	(126 097)	(126 097)	(126 097)
<b><u>Inventory</u></b>											
<b><u>Water</u></b>											
Opening Balance		23 850	23 850	23 850	23 850	23 850	23 850	23 850	255 790	537 277	845 842
System Input Volume		-	-	-	-	126 931	126 931	333	140 743	146 936	158 401
Water Treatment Works		-	-	-	-	31 020	31 020	-	40 743	36 936	38 401
Bulk Purchases		-	-	-	-	95 911	95 911	333	100 000	110 000	120 000
Natural Sources		-	-	-	-	-	-	-	-	-	-
<b>Authorised Consumption</b>	6	-	-	-	-	68 873	68 873	-	140 743	146 936	158 401
<b>Billed Authorised Consumption</b>		-	-	-	-	58 346	58 346	-	110 743	116 936	128 401
<b>Billed Metered Consumption</b>		-	-	-	-	58 346	58 346	-	110 743	116 936	128 401
Free Basic Water		-	-	-	-	27 819	27 819	-	40 000	40 000	40 000
Subsidised Water		-	-	-	-	-	-	-	-	-	-
Revenue Water		-	-	-	-	30 527	30 527	-	70 743	76 936	88 401
<b>Billed Unmetered Consumption</b>		-	-	-	-	-	-	-	-	-	-
Free Basic Water		-	-	-	-	-	-	-	-	-	-
Subsidised Water		-	-	-	-	-	-	-	-	-	-
Revenue Water		-	-	-	-	-	-	-	-	-	-
<b>UnBilled Authorised Consumption</b>		-	-	-	-	10 527	10 527	-	30 000	30 000	30 000
Unbilled Metered Consumption		-	-	-	-	10 527	10 527	-	30 000	30 000	30 000
Unbilled Unmetered Consumption		-	-	-	-	-	-	-	-	-	-
<b>Water Losses</b>		-	-	-	-	36 136	36 136	-	-	14 694	15 840
<b>Apparent losses</b>		-	-	-	-	-	-	-	-	-	-
Unauthorised Consumption		-	-	-	-	-	-	-	-	-	-
Customer Meter Inaccuracies		-	-	-	-	-	-	-	-	-	-
<b>Real losses</b>		-	-	-	-	36 136	36 136	-	-	14 694	15 840



<b>Closing balance - Materials and Supplies</b>		-	-	-	-	-	-	-	-	-
<b>Work-in-progress</b>										
<b>Opening Balance</b>			-	-	-	-	-	-	-	-
Materials										
Transfers										
<b>Closing balance - Work-in-progress</b>		-	-	-	-	-	-	-	-	-
<b>Housing Stock</b>										
<b>Opening Balance</b>			-	-	-	-	-	-	-	-
Acquisitions										
Transfers										
Sales										
<b>Closing Balance - Housing Stock</b>		-	-	-	-	-	-	-	-	-
<b>Land</b>										
Opening Balance			-	-	-	-	-	-	-	-
Acquisitions										
Sales										
Adjustments										
Correction of Prior period errors										
<b>Closing Balance - Land</b>		-	-	-	-	-	-	-	-	-
<b>Closing Balance - Inventory &amp; Consumables</b>		22 284	31 911	31 592	31 773	204 225	204 225	37 286	360 583	530 727
<b>Property, plant and equipment (PPE)</b>										
PPE at cost/valuation (excl. finance leases)		4 033 561	4 456 493	4 902 350	4 430 206	4 403 602	4 403 602	5 106 273	4 494 613	4 516 318
Leases recognised as PPE	3	-	-	-	-	-	-	-	-	-
Less: Accumulated depreciation		674 511	785 437	888 608	716 984	726 084	726 084	888 608	722 884	722 884
<b>Total Property, plant and equipment (PPE)</b>	2	3 359 050	3 671 056	4 013 742	3 713 221	3 677 518	3 677 518	4 217 665	3 771 728	3 793 434
<b>LIABILITIES</b>										
<b>Current liabilities - Borrowing</b>										
Short term loans (other than bank overdraft)										
Current portion of long-term liabilities		-	-	-	-	-	-	-	-	-
<b>Total Current liabilities - Borrowing</b>		-	-	-	-	-	-	-	-	-
<b>Trade and other payables</b>										
Trade Payables	5	385 808	391 847	425 098	200 000	257 003	257 003	293 569	250 000	300 000
Other creditors		-	-	-	-	-	-	-	-	-
Unspent conditional transfers		61 053	68 934	29 966	20 000	20 000	20 000	223 832	20 000	30 000
VAT		38 373	52 855	66 000	-	-	-	75 527	-	-
<b>Total Trade and other payables</b>	2	485 234	513 637	521 065	220 000	277 003	277 003	592 928	270 000	330 000
<b>Non current liabilities - Borrowing</b>										
Borrowing	4	-	-	-	-	-	-	-	-	-
Finance leases (including PPP asset element)		1 228	3 322	3 822	-	-	-	3 822	-	-



<b>Total Non current liabilities - Borrowing</b>		1 228	3 322	3 822	-	-	-	3 822	-	-	-
<b>Provisions - non-current</b>											
Retirement benefits											
Refuse landfill site rehabilitation		-	-	-	-	-	-	-	-	-	-
Other		51 803	50 186	58 972	51 803	51 803	51 803	58 972	51 803	51 803	51 803
<b>Total Provisions - non-current</b>		51 803	50 186	58 972	51 803	51 803	51 803	58 972	51 803	51 803	51 803
<b>CHANGES IN NET ASSETS</b>											
<b>Accumulated Surplus/(Deficit)</b>											
Accumulated Surplus/(Deficit) - opening balance		2 785 158	3 109 722	3 427 959	3 584 325	3 630 891	3 630 891	4 008 979	3 712 923	3 728 637	3 729 748
GRAP adjustments		-	-	-	-	-	-	-	-	-	-
Restated balance		2 785 158	3 109 722	3 427 959	3 584 325	3 630 891	3 630 891	4 008 979	3 712 923	3 728 637	3 729 748
Surplus/(Deficit)		558 475	488 965	795 661	425 416	389 535	389 535	680 923	488 484	510 593	519 771
Transfers to/from											
Reserves		100	100	-	-	-	-	-	-	-	-
Depreciation offsets		-	-	-	-	-	-	-	-	-	-
Other adjustments		395	(33 590)	(25 712)	536	536	536	(20)	536	536	536
<b>Accumulated Surplus/(Deficit) Reserves</b>	1	3 344 128	3 565 197	4 197 908	4 010 276	4 020 962	4 020 962	4 689 882	4 201 942	4 239 765	4 250 055
Housing Development Fund	-										
Capital replacement											
Self-insurance											
Other reserves											
Revaluation		-	-	-	-	-	-	-	-	-	-
<b>Total Reserves</b>	2	-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	3 344 128	3 565 197	4 197 908	4 010 276	4 020 962	4 020 962	4 689 882	4 201 942	4 239 765	4 250 055

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**Table 52 MBRR Table SA9 – Social, economic and demographic statistics and assumptions**

**DC47 Sekhukhune - Supporting Table SA9 Social, economic and demographic statistics and assumptions**

Description of economic indicator	R ef .	Basis of calculation	2001 Census	2007 Survey	2011 Census	2018/19	2019/20	2020/21	Current Year 2021/22	2022/23 Medium Term Revenue & Expenditure Framework		
						Outcom e	Outcom e	Outcom e	Original Budget	Outcom e	Outcom e	Outcom e
<b><u>Demographics</u></b>												
Population												
Females aged 5 - 14												
Males aged 5 - 14												
Females aged 15 - 34												
Males aged 15 - 34												
Unemployment												
<b><u>Monthly household income (no. of households)</u></b>	1, 1 2	-										
No income												
R1 - R1 600												
R1 601 - R3 200												
R3 201 - R6 400												
R6 401 - R12 800												
R12 801 - R25 600												
R25 601 - R51 200												
R52 201 - R102 400												
R102 401 - R204 800												
R204 801 - R409 600												
R409 601 - R819 200												
> R819 200												
<b><u>Poverty profiles (no. of households)</u></b>												
< R2 060 per household per month	1 3											
Insert description	2											
<b><u>Household/demographics (000)</u></b>												
Number of people in municipal area												
Number of poor people in municipal area												
Number of households in municipal area												
Number of poor households in municipal area												
Definition of poor household (R per month)												
<b><u>Housing statistics</u></b>	3											
Formal												
Informal												
<b>Total number of households</b>												
Dwellings provided by municipality	4											

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Dwellings provided by province/s Dwellings provided by private sector <b>Total new housing dwellings</b>	5										
		-	-	-	-	-	-	-	-	-	-
<b>Economic</b>	6										
Inflation/inflation outlook (CPIX)											
Interest rate - borrowing											
Interest rate - investment		-	-	-							
Remuneration increases											
Consumption growth (electricity)											
Consumption growth (water)											
<b>Collection rates</b>	7										
Property tax/service charges											
Rental of facilities & equipment											
Interest - external investments											
Interest - debtors											
Revenue from agency services											

### Detail on the provision of municipal services for A10

Total municipal services	Ref		2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
	810	<b>Household service targets (000)</b>									
		<b>Water:</b>									
		Piped water inside dwelling	-	-	-	-	-	-	15 000	20 000	-
		Piped water inside yard (but not in dwelling)	-	-	-	-	-	-	10 000	15 000	-
		Using public tap (at least min.service level)	-	-	-	-	457 276	457 276	457 276	469 235	500 880
		Other water supply (at least min.service level)	-	-	-	-	98 722	98 722	98 722	119 597	146 028
		<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	555 998	555 998	580 998	623 832	646 908
		Using public tap (< min.service level)	-	-	-	-	-	-	-	-	-
		Other water supply (< min.service level)	-	-	-	-	-	-	25 000	10 000	-
		No water supply	-	-	-	-	-	-	25 000	5 000	-
		<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	50 000	15 000	-
		<b>Total number of households</b>	-	-	-	-	555 998	555 998	630 998	638 832	646 908
		<b>Sanitation/sewerage:</b>									
		Flush toilet (connected to sewerage)	-	-	-	-	-	-	-	-	-
		Flush toilet (with septic tank)	-	-	-	-	-	-	-	-	-
		Chemical toilet	-	-	-	-	-	-	-	-	-
		Pit toilet (ventilated)	-	-	-	-	48 000	48 000	48 000	48 000	-
		Other toilet provisions (> min.service level)	-	-	-	-	-	-	-	-	-

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		Minimum Service Level and Above sub-total	-	-	-	-	48 000	48 000	48 000	48 000	-
		Bucket toilet	-	-	-	-	-	-	-	-	-
		Other toilet provisions (< min.service level)	-	-	-	-	-	-	-	-	-
		No toilet provisions	-	-	-	-	-	-	-	-	-
		Below Minimum Service Level sub-total	-	-	-	-	-	-	-	-	-
		<b>Total number of households</b>	-	-	-	-	48 000	48 000	48 000	48 000	-
		<b>Energy:</b>									
		Electricity (at least min.service level)	-	-	-	-	-	-	-	-	-
		Electricity - prepaid (min.service level)	-	-	-	-	-	-	-	-	-
		Minimum Service Level and Above sub-total	-	-	-	-	-	-	-	-	-
		Electricity (< min.service level)	-	-	-	-	-	-	-	-	-
		Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-	-
		Other energy sources	-	-	-	-	-	-	-	-	-
		Below Minimum Service Level sub-total	-	-	-	-	-	-	-	-	-
		<b>Total number of households</b>	-	-	-	-	-	-	-	-	-
		<b>Refuse:</b>									
		Removed at least once a week	-	-	-	-	-	-	-	-	-
		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	-	-	-	-	-	-	-	-	-
		Below Minimum Service Level sub-total	-	-	-	-	-	-	-	-	-
		<b>Total number of households</b>	-	-	-	-	-	-	-	-	-
Municipal in-house services	Ref		2018/19	2019/20	2020/21	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework			
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
		<b>Household service targets (000)</b>									
		<b>Water:</b>									
		Piped water inside dwelling	-	-	-	-	-	-	15 000	20 000	-
		Piped water inside yard (but not in dwelling)	-	-	-	-	-	-	10 000	15 000	-
8		Using public tap (at least min.service level)	-	-	-	-	457 276	457 276	457 276	469 235	500 880
1		Other water supply (at least min.service level)	-	-	-	-	98 722	98 722	98 722	119 597	146 028
0		Minimum Service Level and Above sub-total	-	-	-	-	555 998	555 998	580 998	623 832	646 908

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9 1 0	Using public tap (< min.service level)									
	Other water supply (< min.service level)	–	–	–	–	–	–	25 000	10 000	–
	No water supply	–	–	–	–	–	–	25 000	5 000	–
	<i>Below Minimum Service Level sub-total</i>	–	–	–	–	–	–	50 000	15 000	–
	<b>Total number of households</b>	–	–	–	–	555 998	555 998	630 998	638 832	646 908
	<b><u>Sanitation/sewerage:</u></b>									
	Flush toilet (connected to sewerage)	–	–	–	–	–	–	–	–	–
	Flush toilet (with septic tank)									
	Chemical toilet									
	Pit toilet (ventilated)	–	–	–	–	48 000	48 000	48 000	48 000	–
	Other toilet provisions (> min.service level)									
	<i>Minimum Service Level and Above sub-total</i>	–	–	–	–	48 000	48 000	48 000	48 000	–
	Bucket toilet									
	Other toilet provisions (< min.service level)									
	No toilet provisions									
	<i>Below Minimum Service Level sub-total</i>	–	–	–	–	–	–	–	–	–
	<b>Total number of households</b>	–	–	–	–	48 000	48 000	48 000	48 000	–
	<b><u>Energy:</u></b>									
	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>	–	–	–	–	–	–	–	–	–
	<b>Total number of households</b>	–	–	–	–	–	–	–	–	–
	<b><u>Refuse:</u></b>									
	Removed at least once a week									
	<i>Minimum Service Level and Above sub-total</i>	–	–	–	–	–	–	–	–	–
	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>	–	–	–	–	–	–	–	–	–
	<b>Total number of households</b>	–	–	–	–	–	–	–	–	–
R e f		2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25

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		<b>Household service targets</b>								
		<b>(000)</b>								
<b>Name of municipal entity</b>		<b>Water:</b>								
8 1 0		Piped water inside dwelling								
		Piped water inside yard (but not in dwelling)								
		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>	-	-	-	-	-	-	-	-
9 1 0		Using public tap (< min.service level)								
		Other water supply (< min.service level)								
		No water supply								
		<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-
		<b>Total number of households</b>	-	-	-	-	-	-	-	-
<b>Name of municipal entity</b>		<b>Sanitation/sewerage:</b>								
		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>	-	-	-	-	-	-	-	-
		<b>Total number of households</b>	-	-	-	-	-	-	-	-
<b>Name of municipal entity</b>		<b>Energy:</b>								
		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>	-	-	-	-	-	-	-	-
		<b>Total number of households</b>	-	-	-	-	-	-	-	-
<b>Name of municipal entity</b>		<b>Refuse:</b>								
		Removed at least once a week								
		<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-
		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>	-	-	-	-	-	-	-	-

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		<b>Total number of households</b>	-	-	-	-	-	-	-	-	-
<b>Services provided by 'external mechanisms'</b>	R ef .		<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>Current Year 2021/22</b>			<b>2022/23 Medium Term Revenue &amp; Expenditure Framework</b>		
			<b>Outcom e</b>	<b>Outcom e</b>	<b>Outcom e</b>	<b>Original Budget</b>	<b>Adjuste d Budget</b>	<b>Full Year Forecas t</b>	<b>Budget Year 2022/23</b>	<b>Budget Year +1 2023/24</b>	<b>Budget Year +2 2024/25</b>
<b>Names of service providers</b>		<b><u>Household service targets (000)</u></b>									
		<b><u>Water:</u></b>									
		Piped water inside dwelling									
		Piped water inside yard (but not in dwelling)									
		Using public tap (at least min.service level)									
810		Other water supply (at least min.service level)									
		<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-
		Using public tap (< min.service level)									
910		Other water supply (< min.service level)									
		No water supply									
		<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
<b>Names of service providers</b>		<b>Total number of households</b>	-	-	-	-	-	-	-	-	-
		<b><u>Sanitation/sewerage:</u></b>									
		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>	-	-	-	-	-	-	-	-	-
<b>Names of service providers</b>		<b>Total number of households</b>	-	-	-	-	-	-	-	-	-
		<b><u>Energy:</u></b>									
		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>	-	-	-	-	-	-	-	-	-
<b>Names of service providers</b>		<b>Total number of households</b>	-	-	-	-	-	-	-	-	-
		<b><u>Refuse:</u></b>									
		Removed at least once a week									

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		<div>Minimum Service Level and Above sub-total</div> <div>Removed less frequently than once a week</div> <div>Using communal refuse dump</div> <div>Using own refuse dump</div> <div>Other rubbish disposal</div> <div>No rubbish disposal</div> <div>Below Minimum Service Level sub-total</div>	-	-	-	-	-	-	-	-	-
		Total number of households	-	-	-	-	-	-	-	-	-

Detail of Free Basic Services (FBS) provided			2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Electricity	Ref.										
List type of FBS service		<div>Location of households for each type of FBS</div> <div>Formal settlements - (50 kwh per indigent household per month Rands)</div> <div>Number of HH receiving this type of FBS</div> <div>Informal settlements (Rands)</div> <div>Number of HH receiving this type of FBS</div> <div>Informal settlements targeted for upgrading (Rands)</div> <div>Number of HH receiving this type of FBS</div> <div>Living in informal backyard rental agreement (Rands)</div> <div>Number of HH receiving this type of FBS</div> <div>Other (Rands)</div> <div>Number of HH receiving this type of FBS</div>									
		Total cost of FBS - Electricity for informal settlements	-	-	-	-	-	-	-	-	-
Water	Ref.										
List type of FBS service		<div>Location of households for each type of FBS</div> <div>Formal settlements - (6 kilolitre per indigent household per month Rands)</div> <div>Number of HH receiving this type of FBS</div> <div>Informal settlements (Rands)</div> <div>Number of HH receiving this type of FBS</div> <div>Informal settlements targeted for upgrading (Rands)</div> <div>Number of HH receiving this type of FBS</div> <div>Living in informal backyard rental agreement (Rands)</div> <div>Number of HH receiving this type of FBS</div> <div>Other (Rands)</div> <div>Number of HH receiving this type of FBS</div>	-	-	-	-	-	-	-	-	



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		<b>Total cost of FBS - Water for informal settlements</b>	-	-	-	-	-	-	-	-
<b>Sanitation</b>	<b>R</b>									
	<b>ef</b>									
		<b><u>Location of households for each type of FBS</u></b>								
		<b>Formal settlements - (free sanitation service to indigent households)</b>	-	-	-	-	-	-	-	-
		<i>Number of HH receiving this type of FBS</i>								
		<b>Informal settlements (Rands)</b>								
		<i>Number of HH receiving this type of FBS</i>								
		<b>Informal settlements targeted for upgrading (Rands)</b>								
		<i>Number of HH receiving this type of FBS</i>								
		<b>Living in informal backyard rental agreement (Rands)</b>								
		<i>Number of HH receiving this type of FBS</i>								
		<b>Other (Rands)</b>								
		<i>Number of HH receiving this type of FBS</i>								
		<b>Total cost of FBS - Sanitation for informal settlements</b>	-	-	-	-	-	-	-	-
<b>Refuse Removal</b>	<b>R</b>									
	<b>ef</b>									
		<b><u>Location of households for each type of FBS</u></b>								
		<b>Formal settlements - (removed once a week to indigent households)</b>								
		<i>Number of HH receiving this type of FBS</i>								
		<b>Informal settlements (Rands)</b>								
		<i>Number of HH receiving this type of FBS</i>								
		<b>Informal settlements targeted for upgrading (Rands)</b>								
		<i>Number of HH receiving this type of FBS</i>								
		<b>Living in informal backyard rental agreement (Rands)</b>								
		<i>Number of HH receiving this type of FBS</i>								
		<b>Other (Rands)</b>								
		<i>Number of HH receiving this type of FBS</i>								
		<b>Total cost of FBS - Refuse Removal for informal settlements</b>	-	-	-	-	-	-	-	-

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**Table 58 MBRR Table SA14 – Household bills.**

DC47 Sekhukhune - Supporting Table SA14 Household bills

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23 % incr.	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Rand/cent</b>											
<b><u>Monthly Account for Household - 'Middle Income Range'</u></b>	1										
<b>Rates and services charges:</b>											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal											
Other											
<b>sub-total</b>		-	-	-	-	-	-	-	-	-	-
VAT on Services											
<b>Total large household bill:</b>		-	-	-	-	-	-	-	-	-	-
<b>% increase/-decrease</b>			-	-	-	-	-	-	-	-	-
<b><u>Monthly Account for Household - 'Affordable Range'</u></b>	2										
<b>Rates and services charges:</b>											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal											
Other											
<b>sub-total</b>		-	-	-	-	-	-	-	-	-	-
VAT on Services											
<b>Total small household bill:</b>		-	-	-	-	-	-	-	-	-	-
<b>% increase/-decrease</b>			-	-	-	-	-	-	-	-	-
<b><u>Monthly Account for Household - 'Indigent' Household receiving free basic services</u></b>	3										
<b>Rates and services charges:</b>											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal											
Other											

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<div> <div>sub-total</div> <div>VAT on Services</div> <div>Total small household bill:</div> <div>% increase/-decrease</div> </div>		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-

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**Table 59 MBRR Table SA15 – Investment particulars by type.**

**DC47 Sekhukhune - Supporting Table SA15 Investment particulars by type**

Investment type	Re f	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>										
<b><u>Parent municipality</u></b>										
Securities - National Government Listed Corporate Bonds			149	149						
Deposits - Bank		-	980	980	-	-	-	-	-	-
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits		58	(118)	(128)	1	1	1	1	1	1
Bankers Acceptance Certificates Negotiable Certificates of Deposit - Banks		740	423)	774)	1	1	1	1	1	1
Guaranteed Endowment Policies (sinking)		130	131	131	-	-	-	-	-	-
Repurchase Agreements - Banks Municipal Bonds										
<b>Municipality sub-total</b>	1	58	31	21	1	1	1	1	1	1
<b><u>Entities</u></b>										
Securities - National Government Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
<b>Entities sub-total</b>		-	-	-	-	-	-	-	-	-
<b>Consolidated total:</b>		58	31	21	1	1	1	1	1	1

**Table 61 MBRR Table SA17 – Borrowing.**

7 Sekhukhune - Supporting Table SA17  
Borrowing

Borrowing - Categorised by type	R e f	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Parent municipality</b>										
Annuity and Bullet Loans Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock Instalment Credit										
Financial Leases		1 228	3 322	3 822	-	-	-	-	-	-
PPP liabilities										
Finance Granted By Cap										
Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities		-	-	-	-	-	-	-	-	-
<b>Municipality sub-total</b>	1	1 228	3 322	3 822	-	-	-	-	-	-
<b>Entities</b>										
Annuity and Bullet Loans Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap										
Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
<b>Entities sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>Total Borrowing</b>	1	1 228	3 322	3 822	-	-	-	-	-	-
<b>Unspent Borrowing - Categorised by type</b>										
<b>Parent municipality</b>										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										

Local registered stock	Se								
Instalment Credit									
Financial Leases									
PPP liabilities									
Finance Granted By Cap									
Equipment Supplier									
Marketable Bonds									
Non-Marketable Bonds									
Bankers Acceptances									
Financial derivatives									
Other Securities									
<b>Municipality sub-total</b>	1	-	-	-	-	-	-	-	-
<b>Entities</b>	Se								
Long-Term Loans									
(annuity/reducing balance)									
Long-Term Loans (non-									
annuity)									
Local registered stock									
Instalment Credit									
Financial Leases									
PPP liabilities									
Finance Granted By Cap									
Equipment Supplier									
Marketable Bonds									
Non-Marketable Bonds									
Bankers Acceptances									
Financial derivatives									
Other Securities									
<b>Entities sub-total</b>	1	-	-	-	-	-	-	-	-
<b>Total Unspent Borrowing</b>	1	-	-	-	-	-	-	-	-

## **2.1 Municipal Manager's quality certificate**

I, **MJ Ntshudisane**, Municipal Manager of Sekhukhune District Municipality, hereby certify that the 2022/23 MTREF draft budget and supporting documentation have been prepared in accordance with Municipal Finance Management Act and the Regulations made under the Act, and that the adjustment budget and supporting documents are consistent with the District Development Plan of the Municipality

Print Name: Maureen Judith Ntshudisane

**Municipal Manager of Sekhukhune District Municipality (DC47)**

Signature \_\_\_\_\_

Date \_\_\_\_\_