

DC47 SEKHUKHUNE DISTRICT MUNICIPALITY



Adjusted Budget Narrative report – 2021/22

PART 1 – ANNUAL BUDGET

1.1 Mayor's Report

FOREWORD BY HIS WORSHIP EXECUTIVE MAYOR CLLR JULIA LATA RAMAILA: ADJUSTMENT BUDGET FOR THE 2021/22 FINANCIAL YEAR.

EXECUTIVE MAYOR'S BUDGET ADJUSTMENT FOREWORD

Thank you honourable speaker, the chief whip of council, members of the mayoral committee and all protocol observed.

Empowered by section 28 of the Municipal Finance Management Act of 2003, Sekhukhune District Municipality revised the approved annual budget of the 2021/22 financial year.

Subsequently, on Monday 21 February 2022, Council approved the adjustment budget.

This year's adjustment comes on the back of the continued effects of the Omicron variant of the corona virus.

The restrictions that governments of the world, including ours, were forced to put in place in order to preserve life since the COVID-19 outbreak, have battered ratepayers.

While our economy has rebounded, some business and ordinary residents are battling to keep heads above water.

The situation compels institutions of government, including our district municipality, to reprioritise and adjust the limited financial resources in order to deliver best services to the people.

In this adjusted budget, we have reprioritised the R41 million allocation within the Municipal Infrastructure Grant, from water services to sanitation services.

While the provision of water services infrastructure remains high on our priority list, our resolve to speed up the provision of sanitation services is equally important.

The sanitation backlog, owing to historical neglect of our vastly rural district, is stubbornly high. Only 22 percent of households within the Sekhukhune district receive above RDP standard sanitation services. The reprioritisation will make a dent, primarily in rural villages, where 78 percent of households are without adequate sanitation.

Top on the things this administration has put high on the priority list, is to increase rates and services rates collection. Until we do this, our maintenance of existing water services infrastructure will be compromised.

And this will negatively affect the communities we currently supply water to. Our debt book as of the end of January 2022 indicates that the district municipality is owed R318 million.

Government departments, the business sector and residents are owing the municipality huge amounts of money. Although we understand the devastating impact of the COVID-19 pandemic on the finances of our ratepayers, neglecting the payment of rates and services is not in anyone's interest.

I present therefore, honourable speaker, present before this council the 2021/22 adjusted budget for approval.

Cllr Mathebe J.L

1.2 Council Resolution

Council has in its ordinary council of the 21st of February 2022, resolved to note the tabled budget as per council resolution no SC01/02/22 and make the budget together with supporting schedules a subject of public consultation. The council resolution is attached

2. ADJUSTMENT ITEM

In terms of Section 28(2) of the Municipal Finance Management Act, No 56 of 2003, A Municipality may revise an approved annual budget through an adjustment budget. Section 28(2) provides that an adjustments budget:

- a) must adjust the revenue and expenditure estimates downwards if there is material under collection of revenue during the current year;
- b) may appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programs already budgeted for;
- c) may, within a prescribed framework, authorize unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;
- d) may authorize the utilization of projected savings in one vote towards spending under another vote

- e) may authorize the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by the council;
- f) may correct any errors in the annual budget; and
- g) May provide for any other expenditure within a prescribed framework.

DISCUSSIONS

1. Executive Summary

- A assessment on the performance of the municipality was conducted for the first half of the current financial year and the following were considered during the assessment:
 - (i) The monthly statements referred to in section 71 for the first half of the financial year,
 - (ii) The municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan and
 - (iii) The past year's annual report, and progress on resolving problems identified in the annual report.
- The results of the assessment were indicative of a need to effect some adjustments on the approved annual budget for the 2021/22 financial year.

The following is the summary of the overall adjustments budget

OPERATING REVENUE

Code	Total operating revenue	Final budget 2021/2022	Amount to be adjusted with	Total Adjustment budget (Feb)
3405	Service charges	- 95 858 109.00	- 2 780 000.00	- 98 638 109.00
3405	Interest income	- 17 485 844.00	- 4 000 000.00	- 21 485 844.00
3405	Other revenue	- 17 589 924.00	565 000.00	- 17 024 924.00
3405	Operating grants	- 982 113 000.00	- 42 100 000.00	- 1 024 213 000.00
Total		-1 113 046 877.00	-48 315 000.00	-1 161 361 877.00

- The approved total annual operating revenue was R 1.113 billion for the 2021/22 financial year as highlighted in the 3rd column.
- The total annual operating budget adjustments are an increase of R 48.3 million in the 4th column.
- The total annual operational revenue budget amounts to R 1.161 billion in the last column of the table above.
- Included in the R 48.3 million total annual budget adjustments is the R 2.7 million increase on the water service charges after the municipality has billed and collected a bit higher than the budgeted projections in the first half of the current financial year, R 4 million increase on the interest income, interest earned on short term investments was 30% higher than the projection in the first half of the financial year. Other income reduced by R 565 thousand due to the drop in the sale of the physical tender documents. Operating grants increased by R 42.1 million being a re-allocation of the MIG funds from the capital projects to fund the required additional number of the VIP toilets budgeted for in the current financial year.

CAPITAL REVENUE

Description	Final budget 2021/2022	Amount to be adjusted with	Total Adjustment budget (Feb)
MIG	- 413 560 000.00	41 600 000.00	- 371 960 000.00
RRAMS	- 2 341 000.00	-	- 2 341 000.00
WSIG (Rollover)	-	4 800 000.00	- 4 800 000.00
Total	- 415 901 000.00	36 800 000.00	- 379 101 000.00

- The approved total annual capital revenue was R 415.9 million for the 2021/22 financial year as highlighted in the 3rd column of the table above. R 413.5 of the total budget was for the projects funded through the Municipal Infrastructure Grant and the R 2.3 million was an allocation for the Rural Road Asset Management Systems grant.
- In total the budget adjustments to the annual capital budget amount to a net decrease of R 36.8 million as highlighted in the 4th column of the table above, the net decrease is a result of the R 41.6 million decrease in the annual budget on the capital projects funded through the MIG and a R 4.8 million increase on the Water Services Infrastructure Grant.

- The municipality did, on the 31st of August 2021, apply to the National Treasury to roll-over R 30.3 million unspent conditional grants into the 2021/22 financial year to fund some of the projects which were meant for completion in the 2021/22 financial year however such projects could not be completed and as a result the spending on such projects could not be 100% in the prior year, only R 5.3 million of the total roll-over application was approved, R 4.8 of the approval was for the WSIG project while the R 500 thousand balance was for the MIG project. The approved R 5.3 million rolled-over funds are now being allocated for spending in the current financial year through this budget adjustment process.

Total Annual Revenue Budget	- 1 528 947 877.00	- 11 515 000.00	- 1 540 462 877.00
VAT refunds	-	- 8 000 000.00	- 8 000 000.00
Total annual funding	-1 528 947 877.00	- 19 515 000.00	- 1 548 462 877.00

- The municipality's total annual revenue was R 1.528 billion for the 2021/22 financial year as highlighted in the 3rd column on the table above, included in the total R 1.528 total annual approved budget was R 1.113 billion total operational budget and R 415.9 million total capital budget as approved by council in May 2021.
- The total annual revenue budget increases by R 11.5 million to R 1.540 billion in the 2021/22 financial year, included in the R 1.540 billion annual total revenue budget is the R 1.161 billion in operational revenues and R 379.1 in capital revenues for the 2021/22 financial year.
- In addition to the R 1.540 annual total revenue budget, R 8 million was allocated from the VAT recovered funds to assist in the completion of the Lebalelo South connector pipe systems phase 2 with a total budget allocation of R 5 million, the R 3 million balance is allocated for the implementation of the internal audit services in areas of project management and supply chain management.

OPERATING EXPENDITURE

Operating expenditure		Final budget 2021/2022	Amount to be adjusted with	Total Adjustment budget (Feb)
3105	Executive Council - Speaker's office	42 272 942.00	3 069 468.00	45 342 410.00
3205	Executive Mayor's office	38 753 120.00	- 794 033.00	37 959 087.00
3305	Municipal Manager's office	73 779 909.00	6 268 202.00	80 048 111.00
3405	Budget and Treasury	200 655 145.00	- 5 787 438.00	194 867 707.00
3510	Infrastructure and Water Services	530 524 594.00	29 918 079.00	560 442 673.00
3605	Planning and Econ Development	16 635 058.00	- 623 662.00	16 011 396.00
3705	Community services	70 987 803.00	2 453 121.00	73 440 924.00
3805	Sekhukhune Development Agency	4 537 800.00	950 000.00	5 487 800.00
3905	Corporate Services	125 385 927.00	11 941 974.00	137 327 901.00
Total		1 103 532 298.00	47 395 711.00	1 150 928 009.00

- The total annual operating budget was R 1.103 billion for the 2021/22 financial year as indicated in the 3rd column of the above table. The operational budget is allocated per vote with the Infrastructure & Water Services as the largest in terms

of the budget allocation followed by the Budget & Treasury Office and Corporate Services.

- The total annual operational budget increases by R 47.3 million to R 1.150 billion in the 2021/22 financial year.

CAPTIAL EXPENDITURE

Captial expenditure		Final budget 2021/2022	Amount to be adjusted with	Total Adjustment budget (Feb)
	MIG	413 560 000.00	- 41 600 000.00	371 960 000.00
	RRAMS	2 341 000.00	-	2 341 000.00
	WSIG (Rollover)	-	4 800 000.00	4 800 000.00
Total		415 901 000.00	- 36 800 000.00	379 101 000.00
	SDM – Own revenue	8 100 000.00	10 196 708.00	18 296 708.00
Total Capital expenditure		424 001 000.00	- 26 603 292.00	397 397 708.00

- The total annual capital budget was R 424 million for the 2021/22 financial year as highlighted in the 3rd column of the table above, of the R 424 million total capital budget R 415.9 million was funded through the conditional grants with the R 8.1 million funded through the own sources of revenue.
- The total annual capital budget decreases by R 26.6 million to R 397.3 million in the 2021/22 financial year. The 26.6 million net decrease in the budget is as a result of R 36.8 million decrease in the allocation funded through the conditional grants and an increase of R 10.1 million on capital projects funded through the own sources of revenue.
- The R 397 total annual adjusted capital budget consists of R 379.1 million allocation funded through the conditional grants and R 18.2 million funded through the own sources of revenue.

Total Annual Expenditure Budget	1 527 533 298.00	20 792 419.00	1 548 325 717.00
--	-------------------------	----------------------	-------------------------

(Surplus)/Deficit	- 1 414 579.00	9 277 419.00	7 862 840.00
--------------------------	-----------------------	---------------------	---------------------

MIG Split		Final budget 2021/2022	amount to be adjusted with	Total Adjustment budget (Feb)
	Opex (VIP)	70 000 000.00	42 100 000.00	112 100 000.00
	Overheads	20 492 000.00	-	20 492 000.00
	Capex	413 560 000.00	- 41 600 000.00	371 960 000.00
Total MIG Grant		504 052 000.00	500 0.00	504 552 000.00

- **The municipality's total MIG budget allocation was originally budgeted for at R 504 million as per the Division of Revenue Act for the 2020/21 financial year. The total annual MIG budget increases by R 500 thousand approved roll-over on the unspent 2020/21 MIG allocation.**
- **The total adjusted MIG allocation is R 504.5 million as highlighted in the last column of the table above.**

The following were identified as material cost drivers that resulted in the adjustment in operating expenditure:

- **Executive council- Speakers Office** – an additional R 3.1 million budget allocation for the capacity building of the municipal council and payment for the annual SALGA membership fee.
- **Mayor's Office** – a decrease of R 794 thousand reallocated to the capital expenditure budget for purchases of office furniture and CCTV equipment.
- **Municipal Managers' Office** – an additional R 6.3 million for the additional scope on internal audit services, additional security services and the strategic planning session.
- **Budget & Treasury Office** – a decrease of R 5.8 million being a reallocation of a the budget savings to other budget votes.
- **Infrastructure and Water Services** – a net increase of R 29.9 million as a result of the R 42 million from MIG and R 19 million to capital expenditure budget.
- **Planning & Economic Development** – a decrease of R 623 thousand re-allocated to the SDA for the feasibility studies on the newly acquired land.
- **SDA** – an additional R 950 thousand for the feasibility studies on the newly acquired land.
- **Community services** – an additional R 2.4 million for the employee related cost.
- **Corporate Services** – an additional R 11.9 million budget allocation on the COID annual fee, security services and fleet management.

2. REVENUE

OPERATIVE REVENUE

Code	Total operating revenue	Final budget 2021/2022	Amount to be adjusted with	Total Adjustment budget (Feb)
3405	Service charges	- 95 858 109.00	- 2 780 000.00	- 98 638 109.00
3405	Interest income	- 17 485 844.00	- 4 000 000.00	- 21 485 844.00
3405	Other revenue	- 17 589 924.00	565 000.00	- 17 024 924.00
3405	Operating grants	- 982 113 000.00	- 42 100 000.00	- 1 024 213 000.00
Total		-1 113 046 877.00	-48 315 000.00	-1 161 361 877.00

CAPITAL REVENUE

Description	Final budget 2021/2022	Amount to be adjusted with	Total Adjustment budget (Feb)
-------------	------------------------	----------------------------	-------------------------------

MIG	- 413 560 000.00	41 600 000.00	- 371 960 000.00
RRAMS	- 2 341 000.00	-	- 2 341 000.00
WSIG (Rollover)	-	- 4 800 000.00	- 4 800 000.00
Total	- 415 901 000.00	36 800 000.00	- 379 101 000.00

Total Annal Revenue Budget	- 1 528 947 877.00	- 11 515 000.00	- 1 540 462 877.00
-----------------------------------	---------------------------	------------------------	---------------------------

EXPLANATION OF ADJUSTED ITEMS

- Service charges has increased from R 95.6 million to R 98.6 million due to an adjustment of water sale service charges.
- Other Revenue has decreased from R 17.6 million to R 17 million due to sale of tender documents.
- Operating grants has increased from R 982.1 million to R 1 161 billion due to an increase of R 41.2 million moved from MIG water projects to fund the MIG VIP sanitation program.

The detailed vote line items is attached as Annexure A to the report.

3. CAPITAL BUDGET

CAPTIAL EXPENDITURE

Capitla expenditure	Final budget 2021/2022	Amount to be adjusted with	Total Adjustment budget (Feb)
MIG	413 560 000.00	- 41 600 000.00	371 960 000.00
RRAMS	2 341 000.00	-	2 341 000.00
WSIG (Rollover)	-	4 800 000.00	4 800 000.00
Total	415 901 000.00	- 36 800 000.00	379 101 000.00
SDM	8 100 000.00	10 196 708.00	18 296 708.00
Total Capital expenditure	424 001 000.00	- 26 603 292.00	397 397 708.00

- The decrease of R 41.2 million on MIG capital budget is due to reallocation from water projects to fund the VIP sanitation projects.
- An increase of R 10.2 million for SDM own funding is to cater for computers, cameras, office furniture (Office Equipment R 1.8 million, Shelves R 700 thousand, scanners, and Ga Maphopha Command reservoir R 2.7 million and Lebalelo south connector pipes systems phase 2 R 5 million)
- An increase of R 4.8 million on WSIG is due to the approved roll over from the 2020/21 financial year.

Summary on Sekhukhune District's Agency

The district has an emerging entity called Sekhukhune Development Agency. The agency was established with the aim of developing the economy within Sekhukhune's jurisdiction area. The district is required to disclose funds transferred to SDA in terms of regulation 25 and also submit the entity's Annual budget and SDBIP.

The district has allocated a budget of R 4.5 million in the annual budget and it is adjusted to R 5.4 million to the agency. The funds are allocated to salaries, other operational expenses and a feasibility study on land development of R 900 thousand.

1.1 Executive Summary.

Sekhukhune District Local Municipality has prepared its annual adjusted budget for the 2021/22 financial year in accordance with section 28(2)(a)(d) of the Municipal Finance Management Act and Chapter 2, part 4 of the Municipal Budget and Reporting Regulations as published under GN 393 in GG 32141 dated 17 April 2009.

The municipality's financial management strategies and service delivery priorities were reviewed as part of the mid-year budget and performance assessment in terms of section 72 of the Municipal Finance Management Act. Where appropriate, funds were transferred from low- to high-priority programmes and funds not utilised as planned during the compilation of the annual budget were also re-allocated to other programmes to ensure services delivery and accurately satisfactory spending at the end of the financial year. The municipality has originally budgeted in total **R 1 528 947 877.00** annual revenue for the 2021/22 financial year. The total annual revenue budget was increased to **R 1 540 462 877.00** through this adjustment for the 2021/22 financial year.

The following findings were established during the mid-year budget and performance assessment review in January 2022 and the senior management of the Municipality found it necessary to adjust the annual budget for 2021/22 as approved by council in May 2021:

ADJUSTMENTS ON REVENUE BUDGET

Interest on investment

The municipality has budgeted to earn an amount of **R 17 485 844.00** in interests on short term investments for the 2021/22 financial year. The budget has increased to **R 21 485 844.00** as the municipality did invest more than budgeted for during the first half of the year.

Other income

The municipality budgeted to receive **R 3 076 248.00** from the sales of tender documents and other sources of income for the 2021/22 financial year, however it became quite evident that municipality will not collect as anticipated in the last half of the financial year and the budget for other sources of income was then reduced to **R 2 071 000.00**.

Operating grants

The **R 982 113 000.00** budget on operating grants has increased to **R 1 024 213 000.00** as the municipality had to reallocate the MIG operational grant from the water projects (Capital) to VIP sanitation, thus increasing the operating grants.

ADJUSTMENT ON TOTAL BUDGETED OPERATIONAL EXPENDITURE

The municipal has originally budgeted in total **R 1 103 532 298.00** annual operational expenditure for the 2021/22 financial year. The total annual operational expenditure budget was also increased to **R 1 150 928 009.00** through this adjustment budget for the 2021/22 financial year:

Adjustments on Operational Expenditure.

The municipality has originally budgeted **R 433 126 807.00** in employee related costs for the 2021/22 financial year. The total annual employee related cost budget has now reduced to **R 417 440 838.00** for the 2021/22 financial year. 4 senior post of Directors (Chief Financial Officer, Director Infrastructure and water services, Director Corporate services and Chief Operations Officer) are vacant and still at the advert stage, together with 3 critical managers (Manager Budget, Manager ICT and Chief Audit Executive) amongst others

The annual contracted services budget was increased from **R 203 430 360.00** to **R 260 577 079.006** through this adjustment budget for the 2021/22 financial year. This is due to the adjustment of VIP sanitation projects, Security and Fleet amongst others

The total annual budget on other expenditure was increased from **R 156 361 907.00** to **R 166 166 906.00** through this adjustment budget for the 2021/22 financial year

Adjustment on Capital Expenditure

The municipality's annual capital budget was **R 424 001 000.00** as approved by council in May 2021. The annual capital was adjusted to **R 397 397 708.00** in this adjusted budget the 2021/22 financial year.

Below are the capital projects which were affected by the 2021/22 budget adjustment processes:

Description	Budget	amount to be adjusted with	total adjustment budget 2022
MIG-GTLM GA-MALEKANE(GA MAPHOPHA COMMAND RES)	-	400 000.00	400 000.00
MIG ZAAIPLAAS VILLAGE RETICUL PHASE - CO	8 000 000.00	-	8 000 000.00
MIG MOTLAILANA; MAKGEMENG & TAUNG WS	29 409 971.00	-	29 409 971.00
MIG-GTLM LEBALELO SOUTH CONN PIPES&RETIC	32 748 439.00	-	32 748 439.00
MIG-GAMOGASHWA(SENGAPUDI) & (MANAMANE)	4 762 404.00	-	4 762 404.00
MIG-NSD07 REGION WATER SCHM RESERV	28 686 829.00	- 9 564 964.46	19 121 864.54
DEHOOP/NEBO PLA/SCHONORD SCH VILGS MKGER	85 472 953.00	20 000 000.00	105 472 953.00
MIG-MALEKANE REGIONAL WATER SCHEME	60 973 428.00	6 485 046.26	67 458 474.26
MIG-LEBALELO SOUTH PH3MAROGA & MOTLOLO	63 000 000.00	13 801 860.18	76 801 860.18
COVID-19 MIG - COVID 19 PROJECTS	-	27 284 034.02	27 284 034.02
MIG-MALEKANA WTW	60 505 976.00	- 60 505 976.00	-
MIG-MAMPURU	40 000 000.00	- 40 000 000.00	-
MIG-EM ROSSENEKAL WWTW (Rollover)	-	500 000.00	500 000.00
MIG	413 560 000.00	- 41 600 000.00	371 960 000.00
WATER TANKERS	3 900 000.00	-	3 900 000.00
PURCHASE OF OFFICE	2 200 000.00	-	2 200 000.00
COMPUTER	2 000 000.00	-	2 000 000.00
GA MAPHOPHA COMMAND RESERVOIR	-	2 700 000.00	2 700 000.00
EMERGENCY SERVICES EQUIPMENT	-	130 000.00	130 000.00
Customer Care TV,Chairs,Tablets, and Routers	-	120 000.00	120 000.00
Cameras and branding material	-	530 000.00	530 000.00
PURCHASE OF OFFICE EQUIPMENTS	-	200 000.00	200 000.00
Storage room (Warehouse)	-	200 000.00	200 000.00
Purchase of Shelves and tender box	-	600 000.00	600 000.00
Scanners	-	200 000.00	200 000.00
Lebalelo South Connector Pipes & Reticulation System 2		5 000 000.00	5 000 000.00
EPWP computers	-	16 708.00	16 708.00
Computers FMG		500 000.00	500 000.00
SDM Funded	8 100 000.00	10 196 708.00	18 296 708.00
WSIG- PHIRING WATER INTERVENTION PH2		1 100 000.00	1 100 000.00
WSIG FLAG BOSHIELO WATER CONSEV & WDM		3 700 000.00	3 700 000.00
WSIG (Rollover)	-	4 800 000.00	4 800 000.00
RRAMS CAPITAL ACQUISITION	2 341 000.00		2 341 000.00
RRAMS	2 341 000.00	-	2 341 000.00

Table 1 Consolidated Overview of the Adjusted 2020/21 MTREF:

The capital expenditure decreases to R 397 397 708.00 in the 2021/22 financial year. Of the total annual capital budget, an amount R 371 960 000.00 is funded by MIG for water projects, R 2 341 000.00 is funded by RRAMS, R 4 800 000.00 is funded by WSIG for the approved rollover of 2020/21 financial year, R 516 708.00 is funded by FMG and EPWP for computers and R 17 780 000.00 is being funded from the equitable share budget and VAT refunds.

Operating Revenue Framework

In order for the municipality to continue improving the quality of services provided to its communities it needs to generate the required sustainable revenue to meet its funding requirements. 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 in our municipality. The expenditure required to address these challenges will always exceed available funding; hence difficult choices have to be made in relation to balancing expenditures against realistically anticipated revenues. The fact is, we cannot increase the service charges tariffs in this adjustment despite the fact that the municipality's tariffs are not cost reflective as we still have very low level of revenue collection

In an attempt to ensure a strong revenue base, the municipality is going to review the 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 85 per cent annual collection rate for the water & sanitation 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
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

The following table is a summary of the adjusted 2021/22 MTREF (classified by main revenue source)

Table 2 Summary of revenue classified by main revenue source

Description	Ref	Budget Year 2021/22				Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget	Other Adjusts. 8,00	Total Adjusts. 9,00	Adjusted Budget 10,00	Adjusted Budget	Adjusted Budget
R thousands	1,00	A	F	G	H		
Revenue By Source							
Property rates	2,00	-	-	-	-	-	-
Service charges - electricity revenue	2,00	-	-	-	-	-	-
Service charges - water revenue	2,00	82 323 447,00	2 280 000,00	2 280 000,00	84 603 447,00	90 555 792,00	99 611 371,00
Service charges - sanitation revenue	2,00	13 534 662,00	500 000,00	500 000,00	14 034 662,00	14 888 128,00	16 376 940,00
Service charges - refuse revenue	2,00	-	-	-	-	-	-
Rental of facilities and equipment				-	-		
Interest earned - external investments		17 485 844,00	4 000 000,00	4 000 000,00	21 485 844,00	18 235 826,00	19 056 438,00
Interest earned - outstanding debtors		13 996 387,00	500 000,00	500 000,00	14 496 387,00	15 396 025,00	16 935 628,00
Dividends received		-	-	-	-	-	-
Fines, penalties and forfeits		107 745,00	- 60 000,00	- 60 000,00	47 745,00	118 519,00	130 371,00
Licences and permits				-	-		
Agency services				-	-		
Transfers and subsidies		982 113 000,00	42 100 000,00	42 100 000,00	1 024 213 000,00	1 016 668 000,00	1 036 432 990,00
Other revenue	2,00	3 076 248,00	- 1 005 000,00	- 1 005 000,00	2 071 248,00	3 258 126,00	3 451 908,00
Gains		409 544,00	-	-	409 544,00	450 499,00	495 549,00
Total Revenue (excluding capital transfers and contributions)		1 113 046 877,00	48 315 000,00	48 315 000,00	1 161 361 877,00	1 159 570 915,00	1 192 491 195,00

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 after adjustments amount to

R1 161 361 877.00.

The revenue from government grants forms a significant percentage of the total operating revenue for the municipality for the entire 2021/22. This clearly indicate that our municipality is dependent on government grants which contribute to 95% of the total operating revenue in 2021/22 budget year.

❖ Operating Expenditure Framework

As indicated in the original budget, the municipality's expenditure framework for the 2021/22 budget and MTREF is informed by the following:

- 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 under spending.

The following table is a high-level summary of the adjusted operational expenditure budget for 2021/22 and MTREF (classified per main type of operating expenditure):

Table 3 Summary of operating expenditure by standard classification item

DC47 Sekhukhune - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 19/02/2022

Description	Ref	Budget Year 2021/22					Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1	A	7 E	8 F	9 G	10 H		
Expenditure By Type	-							
Employee related costs		433 126 807.00	-	- 15 685 969.00	- 15 685 969.00	417 440 838.00	456 891 719.00	484 063 124.00
Remuneration of councillors		18 330 456.00	-	-	-	18 330 456.00	19 430 282.00	20 596 101.00
Debt impairment		10 615 000.00	-	-	-	10 615 000.00	11 050 215.00	11 547 475.00
Depreciation & asset impairment		102 514 292.00	-	40 000.00	40 000.00	102 554 292.00	106 717 379.00	111 519 660.00
Finance charges		489 818.00	-	-	-	489 818.00	509 900.00	532 846.00
Bulk purchases - electricity		-	-	-	-	-	-	-
Inventory consumed		177 905 447.00	-	- 3 997 998.00	- 3 997 998.00	173 907 449.00	185 714 421.00	194 069 404.00
Contracted services		203 430 360.00	-	57 146 719.00	57 146 719.00	260 577 079.00	205 458 628.00	202 589 414.00
Transfers and subsidies		758 211.00	-	37 960.00	37 960.00	796 171.00	944 102.00	992 055.00
Other expenditure		156 361 907.00	-	9 804 999.00	9 804 999.00	166 166 906.00	169 231 156.00	166 166 365.00
Losses		-	-	-	-	-	-	-
Total Expenditure		1 103 532 298.00	-	47 345 711.00	47 345 711.00	1 150 878 009.00	1 155 947 802.	1 192 076 444.00

Adjustment on employee related costs

The budget for Employee related costs has been reduced by **R 15 685 969.00** as a result of Senior posts that are not yet filled and that the municipality approved the budget with a 6% increment but only implemented the 3.5% as per Bargaining council agreement. The following are the senior positions which were still vacant as at 31 December 2021:

Department	Post name
Budget & Treasury	1. Chief Finance Officer 2. Budget Manager
Municipal Manager's Office	1. Senior Internal Audit x 1 2. Chief Operations Officer
Corporate Services	1. Director Corporate Services 2. ICT Manager
Infrastructure & Water Services	1. Director Infrastructure & Water Services 2. Deputy Director

Remuneration of councillors

The cost associated with the remuneration of councillors 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 most recent proclamation in this regard has been taken into account in compiling the municipality's adjusted budget for 2021/22. The total amount of

R 18 330 456.00 was calculated on Grade 4 and includes budget for Councillor's allowance, cell phone allowance, data cards, pension and car allowance as contained in the circular received from the Minister of Co-operative Governance and Traditional Affairs. There are no budget adjustments on the annual total budgeted remuneration of councillors for the 2021/22 financial year.

Debt impairment

The total annual budget for debt impairment of **R 10 615 000.00** remains unadjusted for the 2021/22 financial year. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Depreciation

Provision for depreciation and asset impairment is informed by the Municipality's Asset Management Policy and GRAP 17. The annual budget for depreciation and amortisation changed from **R 102 514 292.00** to **R102 554 292.00** for the 2021/22 financial year.

Finance charges

The municipality is not planning to use borrowings to fund its projects in the near future due to revenue generation incapacity and collection challenges.

Contracted Services

Contracted services comprises of security services, cleaning services, repairs and maintenance for infrastructure assets and operating leases for office equipment and machinery as well VIP sanitation projects. For the current year budget, contracted services has been increased from **R 203 430 000.00** to **R 260 577 000.00** to try and close the backlog in the repairs and maintenance of the municipality's infrastructure assets

Other Expenditure

The budget for other expenditure has decreased from **R 156 362 000.00** to **R 166 167 000.00** for the 2021/22 financial year.

Further explanations and reasons for adjustments are provided under supporting documents of the adjustment budget under adjustments to Service Delivery and Implementation Plan.

Adjustments on repairs and maintenance

Considering national treasury circular number 54, 55, 58 and 59 our municipality has put repairs and maintenance as one of the priorities to preserving and maintaining the municipality's current infrastructure, to ensure that the existing assets are good working conditions and to lengthen the assets life span. The 2021/22 budget provide for a growth in the area of asset maintenance, as informed by the repairs and maintenance plan of the municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. In our municipality's case, all repairs and maintenance services for our infrastructure assets will be done through contracted services as indicated in table SA1 of the B schedule. The total repairs and maintenance expenditure for the 2021/22 financial year has increased from **R 130 174 000.00** to **R 173 121 000.00** to cover the increase in the expenditure for the repairs and maintenance of the municipal infrastructure assets.

Capital expenditure

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

Table 4 Adjusted Capital budget per vote

DC47 Sekhukhune – Table B5 Adjustments Capital Expenditure Budget by vote and funding – 22/02/2022

Description	Ref	Budget Year 2021/22				Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	10 F	11 G	12 H		
Capital expenditure - Vote	2,00						
Single-year expenditure to be adjusted							
Vote 01 - Speakers Office		-	530 000,00	530 000,00	530 000,00	-	-
Vote 02 - Executive Mayor's Office		-	-	-	-	-	-
Vote 03 - Municipal Manager Office		-	-	-	-	-	-
Vote 04 - Budget And Treasury		-	1 000 000,00	1 000 000,00	1 000 000,00	-	-
Vote 05 - Infrastructure And Water Services		424 001 000,00	- 28 333 292,00	- 28 333 292,00	395 667 708,00	541 683 000,00	566 107 010,00
Vote 06 - Planning And Economic Development		-	-	-	-	-	-
Vote 07 - Community Services		-	-	-	-	-	-
Vote 08 - Sekhukhune Development Angancy		-	-	-	-	-	-
Vote 09 - Corporate Services		-	200 000,00	200 000,00	200 000,00	-	-
Capital single-year expenditure sub-total		424 001 000,00	- 26 603 292,00	- 26 603 292,00	397 397 708,00	541 683 000,00	566 107 010,00
Total Capital Expenditure - Vote		424 001 000,00	- 26 603 292,00	- 26 603 292,00	397 397 708,00	541 683 000,00	566 107 010,00
Total Capital Funding		424 001 000,00	- 26 603 292,00	- 26 603 292,00	397 397 708,00	541 683 000,00	566 107 010,00

For the 2021/22 financial year an amount of **R 424 001 000.00** was originally appropriated for the capital expenditure to be funded by MIG grant and equitable share, the budget has now reduced to **R 397 397 708.00** for the 2021/22 financial year.

Infrastructure and development vote is appropriated the highest allocation of **R 395 667 708.00** for 2021/22, followed by budget & treasury at **R 1 000 000.00** , Speakers Office at **R 530 000.00** .The remaining budget is for Corporate Services at **R 200 000.00** of the total allocated capital budget for the year

ADJUSTMENT BUDGET TABLES (B1 to B10)

The following are the ten main B schedule tables for the annual budget of Sekhukhune District Municipality for the 2021/22 MTREF.

1.1.1 Table 5 MBRR B1 – Annual Budget Summary

DC47 Sekhukhune - Table B1 Adjustments
Budget Summary - 22/02/2022

Description	Budget Year +1 2022/23	Budget Year +2 2023/24	Total Adjus. 7,00	Adjusted Budget 8,00	Adjusted Budget	Adjusted Budget
	Original Budget A					
R thousands						
Financial Performance						
Financial Performance						
Service charges	95 858 109,00	2 780 000,00		98 638 109,00	105 443 920,00	115 988 311,00
Investment revenue	17 485 844,00	4 000 000,00		21 485 844,00	18 235 826,00	19 056 438,00
Transfers recognised - operational	982 113 000,00	42 100 000,00		1 024 213 000,00	1 016 668 000,00	036 432 990,00
Other own revenue	17 589 924,00	- 565 000,00		17 024 924,00	19 223 169,00	21 013 456,00
Total Revenue (excluding capital transfers and contributions)	1 113 046 877,00	48 315 000,00		1 161 361 877,00	1 159 570 915,00	192 491 195,00
Employee costs	433 126 807,00	- 15 685 969,00		417 440 838,00	456 891 719,00	484 063 124,00
Remuneration of councillors	18 330 456,00	-		18 330 456,00	19 430 282,00	20 596 101,00
Depreciation & asset impairment	102 514 292,00	40 000,00		102 554 292,00	106 717 379,00	111 519 660,00
Finance charges	489 818,00	-		489 818,00	509 900,00	532 846,00
Inventory consumed and bulk purchases	177 905 447,00	- 3 997 998,00		173 907 449,00	185 714 421,00	194 069 404,00
Transfers and grants	758 211,00	37 960,00		796 171,00	944 102,00	992 055,00
Other expenditure	370 407 267,00	66 951 718,00		437 358 985,00	85 739 999,00	380 303 254,00
Total Expenditure	1 103 532 298,00	47 345 711,00		1 150 878 009,00	155 947 802,00	1 192 076 444,00
Surplus/(Deficit)						
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	9 514 579,00	969 289,00		10 483 868,00	623 113,00	414 751,00
	415 901 000,00	- 36 800 000,00		379 101 000,00	39 683 000,00	66 107 010,00
	-	-		-	-	-
Surplus/(Deficit) after capital transfers & contributions	425 415 579,00	- 35 830 711,00		389 584 868,00	543 306 113,00	566 521 761,00
Share of surplus/ (deficit) of associate	-	-		-	-	-
Surplus/ (Deficit) for the year	425 415 579,00	- 35 830 711,00		389 584 868,00	543 306 113,00	566 521 761,00
Capital expenditure & funds sources						
Capital expenditure	424 001 000,00	- 6 603 292,00		97 397 708,00	541 683 000,00	566 107 010,00
Transfers recognised - capital	415 901 000,00	- 6 283 292,00		379 617 708,00	539 683 000,00	566 107 010,00
Borrowing	-	-		-	-	-
Internally generated funds	8 100 000,00	9 680 000,00		17 780 000,00	2 000 000,00	-
Total sources of capital funds	424 001 000,00	- 26 603 292,00		397 397 708,00	41 683 000,00	566 107 010,00
Financial position						
Total current assets	573 171 902,00	08 005 180,00		81 177 082,00	51 096 472,00	726 104 945,00
Total non current assets	3 713 221 145,00	- 5 703 292,00		3 677 517 853,00	3 969 050 393,00	140 851 201,00
Total current liabilities	224 314 762,00	9 381 887,00		303 696 649,00	194 495 982,00	164 689 310,00
Total non current liabilities	51 802 526,00	-		51 802 526,00	53 978 231,00	56 299 297,00
Community wealth/Equity	4 010 275 759,00	- 7 030 001,00		4 003 245 758,00	4 371 672 652,00	4 645 967 537,00
Cash flows						
Net cash from (used) operating	- 112 918 769,00	583 067 685,00		470 148 916,00	789 036 342,00	769 446 963,00
Net cash from (used) investing	- 294 947 865,04	26 603 292,00		- 268 344 573,04	- 541 232 501,00	- 565 611 461,00
Net cash from (used) financing	309 616,95	-		309 616,95	- 181 220,00	- 193 328,00
Cash/cash equivalents at the year end	- 226 379 218,09	665 895 266,00		439 516 047,91	491 821 563,00	493 156 814,00
Cash backing/surplus reconciliation						
Cash and investments available	236 447 215,00	74 116 625,00		310 563 840,00	288 428 005,00	337 331 625,00
Application of cash and investments	168 812 252,00	47 032 864,00		215 845 116,00	143 986 768,00	115 700 115,00
Balance - surplus (shortfall)	67 634 963,00	27 083 761,00		94 718 724,00	144 441 237,00	221 631 510,00
-						
Asset Management						
Asset register summary (WDV)	2 587 192 745,00	- 35 703 292,00		2 551 489 453,00	795 728 800,00	2 917 076 780,00
Depreciation	102 514 292,00	40 000,00		102 554 292,00	06 717 379,00	111 519 660,00
Renewal and Upgrading of Existing Assets	34 927 829,00	- 8 264 964,00		26 662 865,00	15 605 000,00	11 460 000,00
Repairs and Maintenance	130 173 794,00	42 946 741,00		73 120 535,00	113 312 851,00	115 661 928,00

1.1.2 Table 6 MBRR B2 – Budgeted Financial Performance (Standard Classification)

DC47 Sekhukhune - Table B2 Adjustments Budget Financial Performance (functional classification) - 22/02/2022

Standard Description	Ref	Budget Year 2021/22			Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget	Total Adjusts. 11,00	Adjusted Budget 12,00	Adjusted Budget	Adjusted Budget
R thousands	1, 4	A	G	H		
Revenue - Functional						
<i>Governance and administration</i>		1 528 947 877,00	11 515 000,00	1 540 462 877,00	1 699 253 915,00	1 758 598 205,00
Executive and council		-	-	-	-	-
Finance and administration		1 528 947 877,00	11 515 000,00	1 540 462 877,00	1 699 253 915,00	1 758 598 205,00
Total Revenue - Functional	2,00	1 528 947 877,00	11 515 000,00	1 540 462 877,00	1 699 253 915,00	1 758 598 205,00
Expenditure - Functional	-					
<i>Governance and administration</i>		551 834 846,00	17 151 294,00	568 986 140,00	594 514 193,00	607 030 493,00
Executive and council		154 805 971,00	8 543 637,00	163 349 608,00	180 525 790,00	178 383 177,00
Finance and administration		397 028 875,00	8 607 657,00	405 636 532,00	413 988 403,00	428 647 316,00
<i>Economic and environmental services</i>		21 172 858,00	326 336,00	21 499 194,00	26 869 873,00	25 923 476,00
Planning and development		21 172 858,00	326 336,00	21 499 194,00	26 869 873,00	25 923 476,00
<i>Trading services</i>		530 524 594,00	29 918 079,00	560 442 673,00	393 279 216,00	411 480 150,00
Energy sources		-	-	-	-	-
Water management		530 524 594,00	28 444 279,00	558 968 873,00	393 279 216,00	411 480 150,00
Waste water management		-	1 473 800,00	1 473 800,00	-	-
Total Expenditure - Functional	3,00	1 103 532 298,00	47 395 709,00	1 150 928 007,00	1 014 663 282,00	1 044 434 119,00
Surplus/ (Deficit) for the year		425 415 579,00	- 35 880 709,00	389 534 870,00	684 590 633,00	714 164 086,00

1.1.3 Table 7 MBRR B3 – Budgeted Financial Performance (Municipal Vote)

DC47 Sekhukhune - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 22/02/2022

Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2021/22				Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	8 F	9 G	10 H		
Revenue by Vote	##						
Vote 01 - Speakers Office		-	-	-	-	-	-
Vote 02 - Executive Mayor's Office		-	-	-	-	-	-
Vote 03 - Municipal Manager Office		-	-	-	-	-	-
Vote 04 - Budget And Treasury		1 528 947 877,00	11 515 000,00	11 515 000,00	1 540 462 877,00	1 699 253 915,00	1 758 598 205,00
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		-	-	-	-	-	-
Total Revenue by Vote	##	1 528 947 877,00	11 515 000,00	11 515 000,00	1 540 462 877,00	1 699 253 915,00	1 758 598 205,00
Expenditure by Vote	##						
Vote 01 - Speakers Office		42 272 942,00	3 069 468,00	3 069 468,00	45 342 410,00	44 051 525,00	46 584 155,00
Vote 02 - Executive Mayor's Office		38 753 120,00	- 794 033,00	- 794 033,00	37 959 087,00	44 200 307,00	49 905 325,00
Vote 03 - Municipal Manager Office		73 779 909,00	6 268 202,00	6 268 202,00	80 048 111,00	92 273 958,00	81 893 697,00
Vote 04 - Budget And Treasury		200 655 145,00	- 5 787 438,00	- 5 787 438,00	194 867 707,00	209 892 935,00	220 090 797,00
Vote 05 - Infrastructure And Water Services		530 524 594,00	29 918 079,00	29 918 079,00	560 442 673,00	393 279 216,00	411 480 150,00
Vote 06 - Planning And Economic Development		16 635 058,00	- 623 663,00	- 623 663,00	16 011 395,00	22 150 561,00	20 991 796,00
Vote 07 - Community Services		70 987 803,00	2 453 121,00	2 453 121,00	73 440 924,00	74 983 566,00	79 233 944,00
Vote 08 - Sekhukhune Development Angancy		4 537 800,00	949 999,00	949 999,00	5 487 799,00	4 719 312,00	4 931 680,00
Vote 09 - Corporate Services		125 385 927,00	11 941 974,00	11 941 974,00	137 327 901,00	129 111 902,00	129 322 575,00
Total Expenditure by Vote	##	1 103 532 298,00	47 395 709,00	47 395 709,00	1 150 928 007,00	1 014 663 282,00	1 044 434 119,00
Surplus/ (Deficit) for the year	##	425 415 579,00	- 35 880 709,00	- 35 880 709,00	389 534 870,00	684 590 633,00	714 164 086,00

1.1.4 Table 8 MBRR B4 – Budgeted Financial Performance (Operational Revenue and Expenditure)

DC47 Sekhukhune - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 22/02/2022

Description	Ref	Budget Year 2021/22				Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1	A	8 F	9 G	10 H		
Revenue By Source							
Property rates	2	-	-	-	-	-	-
Service charges - electricity revenue	2	-	-	-	-	-	-
Service charges - water revenue	2	82 323 447,00	2 280 000,00	2 280 000,00	84 603 447,00	90 555 792,00	99 611 371,00
Service charges - sanitation revenue	2	13 534 662,00	500 000,00	500 000,00	14 034 662,00	14 888 128,00	16 376 940,00
Service charges - refuse revenue	2	-	-	-	-	-	-
Rental of facilities and equipment				-	-		
Interest earned - external investments		17 485 844,00	4 000 000,00	4 000 000,00	21 485 844,00	18 235 826,00	19 056 438,00
Interest earned - outstanding debtors		13 996 387,00	500 000,00	500 000,00	14 496 387,00	15 396 025,00	16 935 628,00
Dividends received		-	-	-	-	-	-
Fines, penalties and forfeits		107 745,00	- 60 000,00	- 60 000,00	47 745,00	118 519,00	130 371,00
Licences and permits				-	-		
Agency services				-	-		
Transfers and subsidies		982 113 000,00	42 100 000,00	42 100 000,00	1 024 213 000,00	1 016 668 000,00	1 036 432 990,00
Other revenue	2	3 076 248,00	- 1 005 000,00	- 1 005 000,00	2 071 248,00	3 258 126,00	3 451 908,00
Gains		409 544,00	-	-	409 544,00	450 499,00	495 549,00
Total Revenue (excluding capital transfers and contributions)		1 113 046 877,00	48 315 000,00	48 315 000,00	1 161 361 877,00	1 159 570 915,00	1 192 491 195,00
Expenditure By Type	-						
Employee related costs		433 126 807,00	- 15 685 969,00	- 15 685 969,00	417 440 838,00	456 891 719,00	484 063 124,00
Remuneration of councillors		18 330 456,00	-	-	18 330 456,00	19 430 282,00	20 596 101,00
Debt impairment		10 615 000,00	-	-	10 615 000,00	11 050 215,00	11 547 475,00
Depreciation & asset impairment		102 514 292,00	40 000,00	40 000,00	102 554 292,00	106 717 379,00	111 519 660,00
Finance charges		489 818,00	-	-	489 818,00	509 900,00	532 846,00
Bulk purchases - electricity		-	-	-	-	-	-
Inventory consumed		177 905 447,00	- 3 997 998,00	- 3 997 998,00	173 907 449,00	185 714 421,00	194 069 404,00
Contracted services		203 430 360,00	57 146 719,00	57 146 719,00	260 577 079,00	205 458 628,00	202 589 414,00
Transfers and subsidies		758 211,00	37 960,00	37 960,00	796 171,00	944 102,00	992 055,00
Other expenditure		156 361 907,00	9 804 999,00	9 804 999,00	166 166 906,00	169 231 156,00	166 166 365,00
Losses		-	-	-	-	-	-
Total Expenditure		1 103 532 298,00	47 345 711,00	47 345 711,00	1 150 878 009,00	1 155 947 802,00	1 192 076 444,00

1.1.5 Table 9 MBRR B5 – Budgeted Capital Expenditure (By Vote & Standard Classification)

DC47 Sekhukhune - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 22/02/2022

Description	Ref	Budget Year 2021/22				Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	10 F	11 G	12 H		
<u>Capital expenditure - Vote</u>							
Capital multi-year expenditure sub-total	3,00	-	-	-	-	-	-
<u>Single-year expenditure to be adjusted</u>	2,00						
Vote 01 - Speakers Office		-	530 000,00	530 000,00	530 000,00	-	-
Vote 02 - Executive Mayor's Office		-	-	-	-	-	-
Vote 03 - Municipal Manager Office		-	-	-	-	-	-
Vote 04 - Budget And Treasury		-	1 000 000,00	1 000 000,00	1 000 000,00	-	-
Vote 05 - Infrastructure And Water Services		424 001 000,00	- 28 333 292,00	- 28 333 292,00	395 667 708,00	541 683 000,00	566 107 010,00
Vote 06 - Planning And Economic Development		-	-	-	-	-	-
Vote 07 - Community Services		-	-	-	-	-	-
Vote 08 - Sekhukhune Development Angancy		-	-	-	-	-	-
Vote 09 - Corporate Services		-	200 000,00	200 000,00	200 000,00	-	-
Capital single-year expenditure sub-total		424 001 000,00	- 26 603 292,00	- 26 603 292,00	397 397 708,00	541 683 000,00	566 107 010,00
Total Capital Expenditure - Vote		424 001 000,00	- 26 603 292,00	- 26 603 292,00	397 397 708,00	541 683 000,00	566 107 010,00
<u>Capital Expenditure - Functional</u>							
<i>Governance and administration</i>		-	1 730 000,00	1 730 000,00	1 730 000,00	-	-
Executive and council		-	530 000,00	530 000,00	530 000,00	-	-
Finance and administration		-	1 200 000,00	1 200 000,00	1 200 000,00	-	-
Internal audit				-	-		
<i>Community and public safety</i>		-	-	-	-	-	-
<i>Trading services</i>		424 001 000,00	- 28 333 292,00	- 28 333 292,00	395 667 708,00	541 683 000,00	566 107 010,00
Energy sources				-	-		
Water management		424 001 000,00	- 28 333 292,00	- 28 333 292,00	395 667 708,00	541 683 000,00	566 107 010,00
Total Capital Expenditure - Functional	3,00	424 001 000,00	- 26 603 292,00	- 26 603 292,00	397 397 708,00	541 683 000,00	566 107 010,00
<u>Funded by:</u>							
National Government		415 901 000,00	- 36 283 292,00	- 36 283 292,00	379 617 708,00	539 683 000,00	566 107 010,00
Transfers recognised - capital	4,00	415 901 000,00	- 36 283 292,00	- 36 283 292,00	379 617 708,00	539 683 000,00	566 107 010,00
Borrowing				-	-		
Internally generated funds		8 100 000,00	9 680 000,00	9 680 000,00	17 780 000,00	2 000 000,00	-
Total Capital Funding		424 001 000,00	- 26 603 292,00	- 26 603 292,00	397 397 708,00	541 683 000,00	566 107 010,00

1.1.6 Table 10 MBRR B6 – Budgeted Financial Position

DC47 Sekhukhune - Table B6 Adjustments Budget Financial Position - 22/02/2022

Description	Ref	Budget Year 2021/22				Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	8 F	9 G	10 H		
ASSETS							
Current assets							
Cash		236 446 215,00	74 116 625,00	74 116 625,00	310 562 840,00	288 426 963,00	337 330 538,00
Call investment deposits	1	1 000,00	-	-	1 000,00	1 042,00	1 087,00
Consumer debtors	1	120 558 740,00	- 18 820 673,00	- 18 820 673,00	101 738 067,00	125 622 208,00	131 023 963,00
Other debtors		92 568 313,00	-	-	92 568 313,00	96 456 183,00	100 603 798,00
Current portion of long-term receivables				-	-		
Inventory		123 597 634,00	52 709 228,00	52 709 228,00	176 306 862,00	140 590 076,00	157 145 559,00
Total current assets		573 171 902,00	108 005 180,00	108 005 180,00	681 177 082,00	651 096 472,00	726 104 945,00
Non current assets							
Property, plant and equipment	1	3 713 221 145,00	- 35 703 292,00	- 35 703 292,00	3 677 517 853,00	3 969 050 393,00	4 140 851 201,00
Total non current assets		3 713 221 145,00	- 35 703 292,00	- 35 703 292,00	3 677 517 853,00	3 969 050 393,00	4 140 851 201,00
TOTAL ASSETS		4 286 393 047,00	72 301 888,00	72 301 888,00	4 358 694 935,00	4 620 146 865,00	4 866 956 146,00
LIABILITIES							
Current liabilities							
Consumer deposits	-	4 314 762,00	-	-	4 314 762,00	4 495 982,00	4 689 310,00
Trade and other payables		220 000 000,00	79 381 887,00	79 381 887,00	299 381 887,00	190 000 000,00	160 000 000,00
Provisions		-	-	-	-	-	-
Total current liabilities		224 314 762,00	79 381 887,00	79 381 887,00	303 696 649,00	194 495 982,00	164 689 310,00
Non current liabilities							
Provisions	1	51 802 526,00	-	-	51 802 526,00	53 978 231,00	56 299 297,00
Total non current liabilities		51 802 526,00	-	-	51 802 526,00	53 978 231,00	56 299 297,00
TOTAL LIABILITIES		276 117 288,00	79 381 887,00	79 381 887,00	355 499 175,00	248 474 213,00	220 988 607,00
NET ASSETS	2	4 010 275 759,00	- 7 079 999,00	- 7 079 999,00	4 003 195 760,00	4 371 672 652,00	4 645 967 539,00
COMMUNITY WEALTH/EQUITY							
Accumulated Surplus/(Deficit)		4 010 275 759,00	- 7 030 001,00	- 7 030 001,00	4 003 245 758,00	4 371 672 652,00	4 645 967 537,00
TOTAL COMMUNITY WEALTH/EQUITY		4 010 275 759,00	- 7 030 001,00	- 7 030 001,00	4 003 245 758,00	4 371 672 652,00	4 645 967 537,00

1.1.7 Table 11 MBRR B7 – Budgeted Cash Flows

DC47 Sekhukhune - Table B7 Adjustments Budget Cash Flows - 22/02/2022

Description	Ref	Budget Year 2021/22			Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	9 G	10 H		
CASH FLOW FROM OPERATING ACTIVITIES						
Receipts						
Property rates		-	-	-	-	-
Service charges		36 182 192,00	18 000 673,00	54 182 865,00	38 264 580,00	40 518 293,00
Other revenue		17 485 843,00	7 539 081,00	25 024 924,00	18 235 826,00	20 949 222,00
Transfers and Subsidies - Operational	1	982 113 000,00	42 100 000,00	1 024 213 000,00	1 016 668 000,00	1 036 432 990,00
Transfers and Subsidies - Capital	1	415 997 002,00	- 36 896 002,00	379 101 000,00	539 808 002,00	566 374 012,00
Interest		19 056 438,00	2 429 406,00	21 485 844,00	19 164 767,00	22 841 986,00
Dividends			-	-		
Payments						
Suppliers and employees		- 1 583 753 244,00	549 894 527,00	- 1 033 858 717,00	- 843 104 833,00	- 917 669 540,00
Finance charges			-	-		
Transfers and Grants	1		-	-		
NET CASH FROM/(USED) OPERATING ACTIVITIES		- 112 918 769,00	583 067 685,00	470 148 916,00	789 036 342,00	769 446 963,00
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
Proceeds on disposal of PPE		409 544,00	-	409 544,00	450 499,00	495 549,00
Decrease (increase) in non-current receivables	-		-	-		
Decrease (increase) in non-current investments		128 643 590,96	-	-	-	-
Payments						
Capital assets		- 424 001 000,00	26 603 292,00	- 397 397 708,00	- 541 683 000,00	- 566 107 010,00
NET CASH FROM/(USED) INVESTING ACTIVITIES		- 294 947 865,04	26 603 292,00	- 396 988 164,00	- 541 232 501,00	- 565 611 461,00
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts						
Short term loans			-	-		
Borrowing long term/refinancing			-	-		
Increase (decrease) in consumer deposits		309 616,95	-	-	- 181 220,00	- 193 328,00
Payments						
Repayment of borrowing			-	-		
NET CASH FROM/(USED) FINANCING ACTIVITIES		309 616,95	-	-	- 181 220,00	- 193 328,00
NET INCREASE/ (DECREASE) IN CASH HELD		- 407 557 017,09	609 670 977,00	73 160 752,00	247 622 621,00	203 642 174,00
Cash/cash equivalents at the year begin:	2	181 177 799,00	56 224 289,00	237 402 088,00	244 198 942,00	289 514 640,00
Cash/cash equivalents at the year end:	2	- 226 379 218,09	665 895 266,00	310 562 840,00	491 821 563,00	493 156 814,00

1.1.8 Table 12 MBRR B8 – Cash backed reserves/Accumulated surplus reconciliation

DC47 Sekhukhune - Table B8 Cash backed reserves/accumulated surplus reconciliation - 22/02/2022

Description	Ref	Budget Year 2021/22				Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	8 F	9 G	10 H		
Cash and investments available							
Cash/cash equivalents at the year end	1	- 226 379 218,09	665 895 266,00	665 895 266,00	439 516 047,91	491 821 563,00	493 156 814,00
Other current investments > 90 days		462 826 433,09	- 591 778 641,00	- 591 778 641,00	- 128 952 207,91	- 203 393 558,00	- 155 825 189,00
Non current assets - Investments	1	-	-	-	-	-	-
Cash and investments available:		236 447 215,00	74 116 625,00	74 116 625,00	310 563 840,00	288 428 005,00	337 331 625,00
Applications of cash and investments							
Unspent conditional transfers		20 000 000,00	-	-	20 000 000,00	-	-
Unspent borrowing				-	-		
Statutory requirements		20 000 000,00	-	-	20 000 000,00	25 000 000,00	30 000 000,00
Other working capital requirements	2	98 812 252,00	47 032 864,00	47 032 864,00	145 845 116,00	88 986 768,00	55 700 115,00
Other provisions		30 000 000,00	-	-	30 000 000,00	30 000 000,00	30 000 000,00
Long term investments committed		-	-	-	-	-	-
Reserves to be backed by cash/investments		-	-	-	-	-	-
Total Application of cash and investments:		168 812 252,00	47 032 864,00	47 032 864,00	215 845 116,00	143 986 768,00	115 700 115,00
Surplus(shortfall)		67 634 963,00	27 083 761,00	27 083 761,00	94 718 724,00	144 441 237,00	221 631 510,00

1.1.9 Table 13 MBRR table B9 – Asset Management

DC47 Sekhukhune - Table B9 Asset Management - 22/02/2022

Description	Ref	Budget Year 2021/22			Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	13 G	14 H		
CAPITAL EXPENDITURE						
<u>Total New Assets to be adjusted</u>	1,00	389 073 171,00	- 18 338 328,00	370 734 843,00	526 078 000,00	554 647 010,00
Water Supply Infrastructure		387 073 171,00	- 20 805 036,00	366 268 135,00	517 578 000,00	554 647 010,00
Sanitation Infrastructure		-	500 000,00	500 000,00	8 500 000,00	-
Infrastructure		387 073 171,00	- 20 305 036,00	366 768 135,00	526 078 000,00	554 647 010,00
Computer Equipment		2 000 000,00	1 046 708,00	3 046 708,00	-	-
Furniture and Office Equipment		-	920 000,00	920 000,00	-	-
<u>Total Renewal of Existing Assets to be adjusted</u>	2,00	32 586 829,00	- 8 464 964,00	24 121 865,00	9 152 000,00	9 000 000,00
Water Supply Infrastructure		28 686 829,00	- 8 464 964,00	20 221 865,00	9 152 000,00	9 000 000,00
Infrastructure		28 686 829,00	- 8 464 964,00	20 221 865,00	9 152 000,00	9 000 000,00
Transport Assets		3 900 000,00	-	3 900 000,00	-	-
<u>Total Upgrading of Existing Assets to be adjusted</u>	2a	2 341 000,00	200 000,00	2 541 000,00	6 453 000,00	2 460 000,00
Roads Infrastructure		2 341 000,00	-	2 341 000,00	2 453 000,00	2 460 000,00
Water Supply Infrastructure		-	-	-	4 000 000,00	-
Infrastructure		2 341 000,00	-	2 341 000,00	6 453 000,00	2 460 000,00
Operational Buildings		-	200 000,00	200 000,00	-	-
Housing		-	-	-	-	-
Other Assets	6,00	-	200 000,00	200 000,00	-	-
<u>Total Capital Expenditure to be adjusted</u>	4,00	424 001 000,00	- 26 603 292,00	397 397 708,00	541 683 000,00	566 107 010,00
Roads Infrastructure		2 341 000,00	-	2 341 000,00	2 453 000,00	2 460 000,00
Water Supply Infrastructure		415 760 000,00	- 29 270 000,00	386 490 000,00	530 730 000,00	563 647 010,00
Sanitation Infrastructure		-	500 000,00	500 000,00	8 500 000,00	-
Infrastructure		418 101 000,00	- 28 770 000,00	389 331 000,00	541 683 000,00	566 107 010,00
Operational Buildings		-	200 000,00	200 000,00	-	-
Housing		-	-	-	-	-
Other Assets		-	200 000,00	200 000,00	-	-
Computer Equipment		2 000 000,00	1 046 708,00	3 046 708,00	-	-
Furniture and Office Equipment		-	920 000,00	920 000,00	-	-
Machinery and Equipment		-	-	-	-	-
Transport Assets		3 900 000,00	-	3 900 000,00	-	-
TOTAL CAPITAL EXPENDITURE to be adjusted	4,00	424 001 000,00	- 26 603 292,00	397 397 708,00	541 683 000,00	566 107 010,00
ASSET REGISTER SUMMARY - PPE (WDV)	5,00	2 587 192 745,00	- 35 703 292,00	2 551 489 453,00	2 795 728 800,00	2 917 076 780,00
Roads Infrastructure		31 247 761,00	- 3 200 000,00	28 047 761,00	32 573 845,00	33 876 042,00
Water Supply Infrastructure		2 489 400 739,00	- 29 270 000,00	2 460 130 739,00	2 691 463 650,00	2 817 292 207,00
Sanitation Infrastructure		48 398 333,00	500 000,00	48 898 333,00	58 931 064,00	52 599 599,00
Information and Communication Infrastructure		-	-	-	-	-
Infrastructure		2 569 046 833,00	- 31 970 000,00	2 537 076 833,00	2 782 968 559,00	2 903 767 848,00
Community Assets		35 182 078,00	-	35 182 078,00	36 659 726,00	38 236 094,00
Other Assets		- 15 408 026,00	200 000,00	- 15 208 026,00	- 16 055 163,00	- 16 745 535,00
Computer Equipment		- 20 476 705,00	1 046 708,00	- 19 429 997,00	- 23 420 727,00	- 24 427 818,00
Furniture and Office Equipment		4 595 334,00	920 000,00	5 515 334,00	4 788 338,00	4 994 237,00
Machinery and Equipment		3 790 842,00	-	3 790 842,00	3 950 057,00	4 119 910,00
Transport Assets		10 462 389,00	- 5 900 000,00	4 562 389,00	6 838 010,00	7 132 044,00
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5,00	2 587 192 745,00	- 35 703 292,00	2 551 489 453,00	2 795 728 800,00	2 917 076 780,00
EXPENDITURE OTHER ITEMS						
<u>Depreciation & asset impairment</u>	3,00	102 514 292,00	40 000,00	102 554 292,00	106 717 379,00	111 519 660,00
<u>Repairs and Maintenance by asset class</u>		130 173 794,00	42 946 741,00	173 120 535,00	113 312 851,00	115 661 928,00
Water Supply Infrastructure		45 747 429,00	- 3 000 000,00	42 747 429,00	48 260 316,00	49 932 029,00
Sanitation Infrastructure		81 562 924,00	45 100 000,00	126 662 924,00	62 071 693,00	62 614 919,00
Infrastructure		127 310 353,00	42 100 000,00	169 410 353,00	110 332 009,00	112 546 948,00
Operational Buildings		800 000,00	- 200 000,00	600 000,00	832 800,00	870 276,00

Other Assets		800 000,00	- 200 000,00	600 000,00	832 800,00	870 276,00
Computer Equipment		-	100 000,00	100 000,00	-	-
Machinery and Equipment		63 441,00	240 000,00	303 441,00	66 042,00	69 014,00
Transport Assets		2 000 000,00	706 741,00	2 706 741,00	2 082 000,00	2 175 690,00
TOTAL EXPENDITURE OTHER ITEMS to be adjusted		232 688 086,00	42 986 741,00	275 674 827,00	220 030 230,00	227 181 588,00

2 PART 2 – SUPPORTING DOCUMENTS

2.1 Adjustments to budget assumptions.

2.1.1. External factors

- The municipality's operational revenue and cash inflows remain increased to ensure credibility of the budget and to avoid cash flow problems and the total expenditure budget together with the total cash outflow has been adjusted accordingly to be within the municipality's available cash due to the following factors:

2.1.2. General inflation outlook and its impact on the municipal activities

- The following key factors were considered during the preparation of the adjusted budget for 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 decrease in the employee related cost.
- No adjustment has been done to the assumptions as per the original budget.

2.1.3. 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 due to collection problems and therefore no interests are to be paid.

2.2 Adjustments to budget funding

2.2.1 Medium-term outlook: operating revenue

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

Table 15 Breakdown of the adjusted operating revenue over the medium-term

DC47 Sekhukhune - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 22/02/2022

Description	Ref	Budget Year 2021/22			Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1	A	9 G	10 H		
Revenue By Source						
Service charges - water revenue	2	82 323 447,00	2 280 000,00	84 603 447,00	90 555 792,00	99 611 371,00
Service charges - sanitation revenue	2	13 534 662,00	500 000,00	14 034 662,00	14 888 128,00	16 376 940,00
Service charges - refuse revenue	2	-	-	-	-	-
Rental of facilities and equipment		-	-	-	-	-
Interest earned - external investments		17 485 844,00	4 000 000,00	21 485 844,00	18 235 826,00	19 056 438,00
Interest earned - outstanding debtors		13 996 387,00	500 000,00	14 496 387,00	15 396 025,00	16 935 628,00
Dividends received		-	-	-	-	-
Fines, penalties and forfeits		107 745,00	- 60 000,00	47 745,00	118 519,00	130 371,00
Transfers and subsidies		982 113 000,00	42 100 000,00	1 024 213 000,00	1 016 668 000,00	1 036 432 990,00
Other revenue	2	3 076 248,00	- 1 005 000,00	2 071 248,00	3 258 126,00	3 451 908,00
Gains		409 544,00	-	409 544,00	450 499,00	495 549,00
Total Revenue (excluding capital transfers and contributions)		1 113 046 877,00	48 315 000,00	1 161 361 877,00	1 159 570 915,00	1 192 491 195,00

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, interest earned from external investment and other minor charges (such as licenses and permits 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 annual increase/decrease in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

Revenue to be generated from service charges rates has been adjusted to **R 98.6 million** for the 2021/22 financial year.

Operational grants and subsidies amount to **R 1 024.2 billion**, for 2021/22. financial year.

Investment revenue increased from **R 17.5 million** to **R 21.5 million** for the 2021/22 financial year.

The municipality has also managed to collect in total, about R 66 million VAT refunds for the period covering the 1st of July 2021 and 31st January 2022, R 8 million of the VAT collected was allocated to fund the completion of the Lebelelo connector pipe project and the additional scope on the internal audit services.

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity. The 2021/22 adjusted budget shows an operating surplus to the amount of **R 389.6 million**. The budgeted surplus for the 2021/22 will partly be used to fund the budgeted capital projects for the financial year.

2.2.2. Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2021/22 medium-term capital programme:

Table 17 Sources of capital revenue over the MTREF

DC47 Sekhukhune - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 19/02/2022

Description	Ref	Budget Year 2021/22				Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget	Other Adjusts. 10	Total Adjusts. 11	Adjusted Budget 12	Adjusted Budget	Adjusted Budget
R thousands		A	F	G	H		
Capital expenditure - Vote							
Single-year expenditure to be adjusted	2						
Vote 01 - Speakers Office		–	530	530	530	–	–
Vote 02 - Executive Mayor's Office		–	–	–	–	–	–
Vote 03 - Municipal Manager Office		–	–	–	–	–	–
Vote 04 - Budget And Treasury		–	1 000	1 000	1 000	–	–
Vote 05 - Infrastructure And Water Services		424 001	(28 333)	(28 333)	395 668	541 683	566 107
Vote 06 - Planning And Economic Development		–	–	–	–	–	–
Vote 07 - Community Services		–	–	–	–	–	–
Vote 08 - Sekhukhune Development Angancy		–	–	–	–	–	–
Vote 09 - Corporate Services		–	200	200	200	–	–
Capital single-year expenditure sub-total		424 001	(26 603)	(26 603)	397 398	541 683	566 107
Total Capital Expenditure - Vote		424 001	(26 603)	(26 603)	397 398	541 683	566 107
Capital Expenditure - Functional							
Governance and administration		–	1 730	1 730	1 730	–	–
Executive and council		–	530	530	530	–	–
Finance and administration		–	1 200	1 200	1 200	–	–
Internal audit		–	–	–	–	–	–

Community and public safety		-	-	-	-	-	-
Community and social services				-	-		
Health				-	-		
Economic and environmental services		-	-	-	-	-	-
Planning and development		-	-	-	-	-	-
Trading services		424 001	(28 333)	(28 333)	395 668	541 683	566 107
Energy sources				-	-		
Water management		424 001	(28 333)	(28 333)	395 668	541 683	566 107
Total Capital Expenditure - Functional	3	424 001	(26 603)	(26 603)	397 398	541 683	566 107
Funded by:							
National Government		415 901	(36 283)	(36 283)	379 618	539 683	566 107
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)				-	-		
Transfers recognised - capital	4	415 901	(36 283)	(36 283)	379 618	539 683	566 107
Borrowing				-	-		
Internally generated funds		8 100	9 680	9 680	17 780	2 000	-
Total Capital Funding		424 001	(26 603)	(26 603)	397 398	541 683	566 107

The total adjusted capital budget of **R 397.4 million** is funded by government grants in a form of MIG **R 379.6 million** and Equitable share **R 17.8 million** for the 2021/22 financial year.

NB: Details of the capital projects and adjustments are in table SB 19 (List of capital programmes and projects affected by adjustments)

2.2.3. 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

Table 18 MBRR Table B7 – Adjusted Budget cash flow statement

DC47 Sekhukhune - Table B7 Adjustments Budget Cash Flows - 22/02/2022

Description	Ref	Budget Year 2021/22			Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	9 G	10 H		
CASH FLOW FROM OPERATING ACTIVITIES						
Receipts						
Property rates		-	-	-	-	-
Service charges		36 182 192,00	18 000 673,00	54 182 865,00	38 264 580,00	40 518 293,00
Other revenue		17 485 843,00	7 539 081,00	25 024 924,00	18 235 826,00	20 949 222,00
Transfers and Subsidies - Operational	1	982 113 000,00	42 100 000,00	1 024 213 000,00	1 016 668 000,00	1 036 432 990,00
Transfers and Subsidies - Capital	1	415 997 002,00	- 36 896 002,00	379 101 000,00	539 808 002,00	566 374 012,00
Interest		19 056 438,00	2 429 406,00	21 485 844,00	19 164 767,00	22 841 986,00
Dividends			-	-		
Payments						
Suppliers and employees		- 1 583 753 244,00	549 894 527,00	- 1 033 858 717,00	- 843 104 833,00	- 917 669 540,00
Finance charges			-	-		
Transfers and Grants	1		-	-		
NET CASH FROM/(USED) OPERATING ACTIVITIES		- 112 918 769,00	583 067 685,00	470 148 916,00	789 036 342,00	769 446 963,00
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
Proceeds on disposal of PPE		409 544,00	-	409 544,00	450 499,00	495 549,00
Decrease (increase) in non-current receivables	-		-	-		
Decrease (increase) in non-current investments		128 643 590,96	-	-	-	-
Payments						
Capital assets		- 424 001 000,00	26 603 292,00	- 397 397 708,00	- 541 683 000,00	- 566 107 010,00
NET CASH FROM/(USED) INVESTING ACTIVITIES		- 294 947 865,04	26 603 292,00	- 396 988 164,00	- 541 232 501,00	- 565 611 461,00
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts						
Short term loans			-	-		
Borrowing long term/refinancing			-	-		
Increase (decrease) in consumer deposits		309 616,95	-	-	- 181 220,00	- 193 328,00
Payments						
Repayment of borrowing			-	-		
NET CASH FROM/(USED) FINANCING ACTIVITIES		309 616,95	-	-	- 181 220,00	- 193 328,00
NET INCREASE/ (DECREASE) IN CASH HELD		- 407 557 017,09	609 670 977,00	73 160 752,00	247 622 621,00	203 642 174,00
Cash/cash equivalents at the year begin:	2	181 177 799,00	56 224 289,00	237 402 088,00	244 198 942,00	289 514 640,00
Cash/cash equivalents at the year end:	2	- 226 379 218,09	665 895 266,00	310 562 840,00	491 821 563,00	493 156 814,00

The above table shows a **R 73.1 million** net increase in cash held for the 2021/22 financial year and is boosted by the **R 237.4 million** positive opening balance of the municipality's bank account; the municipality's cash flow position improves over the 2021/22 MTREF with increasing net increases in the cash flow.

Service Charges

The service charges are calculated at 60% as per the collection rate of January 2022

Other Revenue

Other revenue sources include the sale of tender documents, VAT refunds, training academy, fire, and health services. The municipality has managed to collect **R 20.5 million** for this sources of cash flow combined by 31 December 2021, with about 90% of the collection coming from the VAT refunds covering the 1st & 2nd quarters of the 2021/22 financial year.

All other revenue sources are projected to be collected at 100% as per the adjustments budget.

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% by end of the financial year.

Interest on investments Cash Flow Assumptions

The municipality is expecting to receive 100% of the annual adjusted budget on revenue from interests on positive bank balances.

2.2.4. Cash Backed Reserves/Accumulated Surplus Reconciliation.

This following table highlights the requirements of the 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 19 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

DC47 Sekhukhune - Table B8 Cash backed reserves/accumulated surplus reconciliation - 22/02/2022

Description	Ref	Budget Year 2021/22				Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	8 F	9 G	10 H		
Cash and investments available							
Cash/cash equivalents at the year end	1	- 226 379 218,09	665 895 266,00	665 895 266,00	439 516 047,91	491 821 563,00	493 156 814,00
Other current investments > 90 days		462 826 433,09	- 591 778 641,00	- 591 778 641,00	- 128 952 207,91	- 203 393 558,00	- 155 825 189,00
Non current assets - Investments	1	-	-	-	-	-	-
Cash and investments available:		236 447 215,00	74 116 625,00	74 116 625,00	310 563 840,00	288 428 005,00	337 331 625,00
Applications of cash and investments							
Unspent conditional transfers		20 000 000,00	-	-	20 000 000,00	-	-
Unspent borrowing				-	-		
Statutory requirements		20 000 000,00	-	-	20 000 000,00	25 000 000,00	30 000 000,00
Other working capital requirements	2	98 812 252,00	47 032 864,00	47 032 864,00	145 845 116,00	88 986 768,00	55 700 115,00
Other provisions		30 000 000,00	-	-	30 000 000,00	30 000 000,00	30 000 000,00
Long term investments committed		-	-	-	-	-	-
Reserves to be backed by cash/investments		-	-	-	-	-	-
Total Application of cash and investments:		168 812 252,00	47 032 864,00	47 032 864,00	215 845 116,00	143 986 768,00	115 700 115,00
Surplus(shortfall)		67 634 963,00	27 083 761,00	27 083 761,00	94 718 724,00	144 441 237,00	221 631 510,00

From the above table it can be seen that the cash and investments available was adjusted to

R 310.1 million for the 2021/22 financial year.

The municipality is anticipating to have unspent conditional grants of R 20 million at the end of the 2021/22 financial year.

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 2021/22 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 B7.

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.

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 adjusted budget statement 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 20 MBRR SB6 – Funding compliance measurement

DC47 Sekhukhune - Supporting Table SB6 Adjustments Budget - funding measurement - 22/02/2022

Description	Ref	MFMA section	Medium Term Revenue and Expenditure Framework				
R thousands			Original Budget	Prior Adjusted	Adjusted Budget	Budget Year +1 2022/23	Budget Year +2 2023/24
Funding measures	-	-					
Cash/cash equivalents at the year end - R'000	1,00	18(1)b	- 226 379 218,09	-	310 562 840,00	491 821 563,00	493 156 814,00
Cash + investments at the yr end less applications - R'000	2,00	18(1)b	67 634 963,00	-	94 718 724,00	144 441 237,00	221 631 510,00
Cash year end/monthly employee/supplier payments	3,00	18(1)b	-	-	-	-	-
Surplus/(Deficit) excluding depreciation offsets: R'000	4,00	18(1)	425 415 579,00	-	389 584 868,00	543 306 113,00	566 521 761,00
Service charge rev % change - macro CPIX target exclusive	5	18(1)a,(2)	0,0%	0,0%	0,0%	0,9%	4,0%
Cash receipts % of Ratepayer & Other revenue	6	18(1)a,(2)	47,5%	0,0%	68,7%	45,5%	45,0%
Debt impairment expense as a % of total billable revenue	7	18(1)a,(2)	11,1%	0,0%	10,8%	10,5%	10,0%
Capital payments % of capital expenditure	8	18(1)c;19	100,0%	0,0%	0,0%	0,0%	0,0%
Borrowing receipts % of capital expenditure (excl. transfers)	9	18(1)c	0,0%	0,0%	0,0%	0,0%	0,0%
Grants % of Govt. legislated/gazetted allocations	10	18(1)a	0,0%	0,0%	0,0%	0,0%	0,0%
Current consumer debtors % change - incr(decr)	11	18(1)a				14,3%	4,3%
Long term receivables % change - incr(decr)	12	18(1)a				0,0%	0,0%
R&M % of Property Plant & Equipment	13	20(1)(vi)	5,0%	0,0%	6,8%	4,1%	4,0%
Asset renewal % of capital budget	14	20(1)(vi)	7,7%	0,0%	6,1%	1,7%	1,6%

2.3 Adjustments to expenditure on allocations and grant programmes.

- No further budget adjustments effected on the municipality's transfers and grants for the 2021/22 financial year.

2.4 Adjustments to allocations and grants made by the municipality.

The Municipality has made a budget allocation to the Agency which is adjusted to R5.4 million for the operational cost of running the agency and also R900 thousand was for feasibility study of the land that was donated to the Agency by the Municipality.

2.5 Adjustments to councillor Allowances and employee benefits.

The following tables indicate the adjustments done on employee related costs and councillor allowances.

Table 21:

DC47 Sekhukhune - Supporting Table SB11 Adjustments Budget - councillor and staff benefits - 22/02/2022

Summary of remuneration	Ref	Budget Year 2021/22			% change
		Original Budget	Total Adjusts.	Adjusted Budget	
R thousands		A	11 G	12 H	
<u>Councillors (Political Office Bearers plus Other)</u>					
Basic Salaries and Wages		7 927 180,00	-	7 927 180,00	0,0%
Pension and UIF Contributions		596 172,00	-	596 172,00	0,0%
Medical Aid Contributions		252 096,00	-	252 096,00	0,0%
Cellphone Allowance		1 975 582,00	-	1 975 582,00	
Other benefits and allowances		7 579 426,00	-	7 579 426,00	
Sub Total - Councillors		18 330 456,00	-	18 330 456,00	0,0%
% increase				-	
<u>Senior Managers of the Municipality</u>					
Basic Salaries and Wages		6 818 248,00	- 2 630 332,00	4 187 916,00	-38,6%
Pension and UIF Contributions		607 142,00	- 150 611,00	456 531,00	-24,8%
Motor Vehicle Allowance		835 678,00	- 210 000,00	625 678,00	-25,1%
Cellphone Allowance		157 612,00	8 240,00	165 852,00	5,2%
Housing Allowances		120 509,00	-	120 509,00	
Other benefits and allowances		317 337,00	- 116 603,00	200 734,00	
Payments in lieu of leave		33 188,00	116 226,00	149 414,00	
Sub Total - Senior Managers of Municipality		8 889 714,00	- 2 983 080,00	5 906 634,00	-33,6%
#REF!				- 2,98	
<u>Other Municipal Staff</u>					
Basic Salaries and Wages		287 472 441,00	1 790 643,00	289 263 084,00	0,6%
Pension and UIF Contributions		43 855 064,00	- 2 540 000,00	41 315 064,00	-5,8%
Medical Aid Contributions		14 373 917,00	- 668 000,00	13 705 917,00	-4,6%
Motor Vehicle Allowance		31 000 849,00	- 6 784 000,00	24 216 849,00	-21,9%
Cellphone Allowance		2 549 491,00	- 785 224,00	1 764 267,00	-30,8%
Housing Allowances		3 436 536,00	- 287 730,00	3 148 806,00	
Other benefits and allowances		29 274 255,00	2 704 800,00	31 979 055,00	
Payments in lieu of leave		4 780 464,00	- 41 738,00	4 738 726,00	-0,9%
Long service awards		537 381,00	670 970,00	1 208 351,00	124,9%
Post-retirement benefit obligations	5	285 055,00	- 90 970,00	194 085,00	-31,9%
Sub Total - Other Municipal Staff		417 565 453,00	- 6 031 249,00	411 534 204,00	-1,4%
#REF!					
Total Parent Municipality		444 785 623,00	- 9 014 329,00	435 771 294,00	-2,0%
<u>Board Members of Entities</u>					
Sub Total - Other Staff of Entities		-	-	-	
Total Municipal Entities		-	-	-	
TOTAL SALARY, ALLOWANCES & BENEFITS		444 785 623,00	- 9 014 329,00	435 771 294,00	-2,0%
%change					
TOTAL MANAGERS AND STAFF		426 455 167,00	- 9 014 329,00	417 440 838,00	-2,1%

2.6 Adjustments to capital expenditure.

The following table indicates the adjustments on capital projects for 2020/21 MTREFTable 25:

DC47 Sekhukhune - Supporting Table SB19 List of capital programmes and projects affected by Adjustments Budget - 22/02/2022

Function	Project Description	Asset Class	Asset Sub-Class	Medium Term Revenue and Expenditure Framework					
				Budget Year 2021/22		Budget Year +1 2022/23		Budget Year +2 2023/24	
				Original Budget	Adjusted Budget	Original Budget	Adjusted Budget	Original Budget	Adjusted Budget
R thousands									
Parent municipality: <i>List all capital projects grouped by Function</i>									
<i>Executive And Council</i>	Capital:Non-Infrastructure:New:Computer Equipment	<i>Computer Equipment</i>	<i>Computer Equipment</i>	-	530 000,00	-	-	-	-
Finance And Administration	Capital:Infrastructure:New:Water Supply Infrastructure:Distribution	<i>Water Supply Infrastructure Furniture And Office Equipment</i>	<i>Distribution Furniture And Office Equipment</i>	-	200 000,00	-	-	-	-
Finance And Administration	Capital:Non-Infrastructure:New:Furniture And Office Equipment			-	800 000,00	-	-	-	-
Finance And Administration	Capital:Non-Infrastructure:Existing:Upgrading:Other Assets:Operational Buildings:Stores	<i>Operational Buildings</i>	<i>Stores</i>	-	200 000,00	-	-	-	-
Water Management	Capital:Infrastructure:Existing:Renewal:Water Supply Infrastructure:Boreholes	<i>Water Supply Infrastructure</i>	<i>Boreholes</i>	-	-	-	-	9 000 000,00	9 000 000,00
Water Management	Capital:Infrastructure:Existing:Renewal:Water Supply Infrastructure:Boreholes	<i>Water Supply Infrastructure</i>	<i>Boreholes</i>	-	-	5 000 000,00	5 000 000,00	-	-
Water Management	Capital:Infrastructure:Existing:Renewal:Water Supply Infrastructure:Water Treatment Works	<i>Water Supply Infrastructure</i>	<i>Water Treatment Works</i>	28 686 829,00	19 121 865,00	-	-	-	-
Water Management	Capital:Infrastructure:Existing:Renewal:Water Supply Infrastructure:Distribution	<i>Water Supply Infrastructure</i>	<i>Distribution</i>	-	1 100 000,00	4 152 000,00	4 152 000,00	-	-
Water Management	Capital:Infrastructure:Existing:Upgrading:Water Supply Infrastructure:Water Treatment Works	<i>Water Supply Infrastructure</i>	<i>Water Treatment Works</i>	-	-	4 000 000,00	4 000 000,00	-	-
Water Management	Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Road Structures	<i>Roads Infrastructure</i>	<i>Road Structures</i>	2 341 000,00	2 341 000,00	2 453 000,00	2 453 000,00	2 460 000,00	2 460 000,00
Water Management	Capital:Infrastructure:New:Water Supply Infrastructure:Distribution	<i>Water Supply Infrastructure</i>	<i>Distribution</i>	-	-	-	-	-	-
Water Management	Capital:Infrastructure:New:Water Supply Infrastructure:Distribution	<i>Water Supply Infrastructure</i>	<i>Distribution</i>	-	3 100 000,00	-	-	-	-
Water Management	Capital:Infrastructure:New:Water Supply Infrastructure:Distribution	<i>Water Supply Infrastructure</i>	<i>Distribution</i>	387 073 171,00	362 968 135,00	517 578 000,00	517 578 000,00	554 647 010,00	554 647 010,00
Water Management	Capital:Infrastructure:New:Sanitation Infrastructure:Sanitation	<i>Sanitation</i>		-	500	8 500	8 500	-	-
Water Management	Capital:Infrastructure:New:Sanitation Infrastructure:Sanitation	<i>Sanitation</i>		-	000,00	000,00	000,00	-	-
Water Management	Capital:Non-Infrastructure:Existing:Renewal:Furniture And Office Equipment	<i>Furniture And Office Equipment</i>	<i>Furniture And Office Equipment</i>	-	-	-	-	-	-
Water Management	Capital:Non-Infrastructure:Existing:Renewal:Transport Assets	<i>Transport Assets</i>	<i>Transport Assets</i>	3 900 000,00	3 900 000,00	-	-	-	-
Water Management	Capital:Non-Infrastructure:Existing:Renewal:Transport Assets	<i>Transport Assets</i>	<i>Transport Assets</i>	-	-	-	-	-	-
Water Management	Capital:Non-Infrastructure:New:Computer Equipment	<i>Computer Equipment</i>	<i>Computer Equipment</i>	2 000 000,00	2 516 708,00	-	-	-	-
Water Management	Capital:Non-Infrastructure:New:Furniture And Office Equipment	<i>Furniture And Office Equipment</i>	<i>Furniture And Office Equipment</i>	-	120 000,00	-	-	-	-

2.1 Other Supporting documents.

2.8.1 Table 26: SB1

DC47 Sekhukhune - Supporting Table SB1 Supporting detail to 'Budgeted Financial Performance' - 22/02/2022

Description	Ref	Budget Year 2021/22			Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget A	Total Adjus. 12 G	Adjusted Budget 13 H	Adjusted Budget	Adjusted Budget
R thousands						
REVENUE ITEMS						
Service charges - water revenue						
Total Service charges - water revenue		82 323 447,00	2 280 000,00	84 603 447,00	90 555 792,00	99 611 371,00
Net Service charges - water revenue		82 323 447,00	2 280 000,00	84 603 447,00	90 555 792,00	99 611 371,00
Service charges - sanitation revenue						
Total Service charges - sanitation revenue		13 534 662,00	500 000,00	14 034 662,00	14 888 128,00	16 376 940,00
Net Service charges - sanitation revenue		13 534 662,00	500 000,00	14 034 662,00	14 888 128,00	16 376 940,00
Other Revenue By Source						
Fuel Levy			-	-		
Other Revenue		3 076 248,00	- 1 005 000,00	2 071 248,00	3 258 126,00	3 451 908,00
Total 'Other' Revenue	1	3 076 248,00	- 1 005 000,00	2 071 248,00	3 258 126,00	3 451 908,00
EXPENDITURE ITEMS						
Employee related costs						
Basic Salaries and Wages		294 290 689,00	- 839 689,00	293 451 000,00	309 782 166,00	328 143 049,00
Pension and UIF Contributions		44 462 206,00	- 2 690 611,00	41 771 595,00	47 102 342,00	49 920 674,00
Medical Aid Contributions		14 373 917,00	- 668 000,00	13 705 917,00	15 229 423,00	16 141 231,00
Motor Vehicle Allowance		31 836 527,00	- 6 994 000,00	24 842 527,00	33 728 440,00	35 746 977,00
Cellphone Allowance		2 707 103,00	- 776 984,00	1 930 119,00	2 869 529,00	3 041 701,00
Housing Allowances		3 557 045,00	- 287 730,00	3 269 315,00	3 770 467,00	3 996 696,00
Other benefits and allowances		29 591 592,00	2 588 197,00	32 179 789,00	31 363 159,00	33 243 832,00
Payments in lieu of leave		4 813 652,00	74 488,00	4 888 140,00	5 102 471,00	5 408 619,00
Long service awards		537 381,00	670 970,00	1 208 351,00	569 625,00	603 802,00
Post-retirement benefit obligations		285 055,00	- 90 970,00	194 085,00	302 159,00	320 288,00
sub-total	4	426 455 167,00	- 9 014 329,00	417 440 838,00	449 819 781,00	476 566 869,00
Less: Employees costs capitalised to PPE		- 6 671 640,00	6 671 640,00	-	- 7 071 938,00	- 7 496 255,00
Total Employee related costs	1	433 126 807,00	- 2 342 689,00	417 440 838,00	456 891 719,00	484 063 124,00
Depreciation & asset impairment						
Depreciation of Property, Plant & Equipment		102 514 292,00	40 000,00	102 554 292,00	106 717 379,00	111 519 660,00
Total Depreciation & asset impairment	1	102 514 292,00	40 000,00	102 554 292,00	106 717 379,00	111 519 660,00
Transfers and grants						
Cash transfers and grants			-	-		
Non-cash transfers and grants		758 211,00	37 960,00	796 171,00	944 102,00	992 055,00
Total transfers and grants		758 211,00	37 960,00	796 171,00	944 102,00	992 055,00
Contracted services						
Outsourced Services		94 674 179,00	43 989 978,00	138 664 157,00	80 230 223,00	81 065 584,00
Consultants and Professional Services		49 942 942,00	1 610 000,00	51 552 942,00	53 179 690,00	54 522 923,00
Contractors		58 813 239,00	11 546 741,00	70 359 980,00	72 048 715,00	67 000 907,00
Total contracted services		203 430 360,00	57 146 719,00	260 577 079,00	205 458 628,00	202 589 414,00
Other Expenditure By Type						
Audit fees		7 173 687,00	- 120 000,00	7 053 687,00	7 460 635,00	7 796 363,00
Other Expenditure		149 188 220,00	9 924 999,00	159 113 219,00	161 770 521,00	158 370 002,00
Total Other Expenditure	1	156 361 907,00	9 804 999,00	166 166 906,00	169 231 156,00	166 166 365,00
Inventory Consumed (Project Maintenance)						
Inventory Consumed - Water		36 286 596,00	- 3 000 000,00	33 286 596,00	37 883 207,00	39 587 950,00
Contracted Services		93 887 198,00	45 946 741,00	139 833 939,00	75 429 644,00	76 073 978,00
Other Expenditure			-	-		
Total Repairs and Maintenance Expenditure	15	130 173 794,00	42 946 741,00	173 120 535,00	113 312 851,00	115 661 928,00
Inventory Consumed						
Inventory Consumed - Water	-	-	- 68 872 747,00	- 68 872 747,00	-	-
Inventory Consumed - Other		177 905 447,00	64 874 749,00	242 780 196,00	185 714 421,00	194 069 404,00
Total Inventory Consumed & Other Material	-	177 905 447,00	- 3 997 998,00	173 907 449,00	185 714 421,00	194 069 404,00

2.8.2 Table 27: SB2

DC47 Sekhukhune - Supporting Table SB2 Supporting detail to 'Financial Position Budget' - 22/02/2022

Description	Ref	Budget Year 2021/22			Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget A	Total Adjusts. 10 G	Adjusted Budget 11 H	Adjusted Budget	Adjusted Budget
R thousands						
Consumer debtors						
Consumer debtors		246 655 549,00	- 18 820 673,00	227 834 876,00	257 015 083,00	268 066 731,00
Less: provision for debt impairment		- 126 096 809,00	-	- 126 096 809,00	- 131 392 875,00	- 137 042 768,00
Total Consumer debtors	1	120 558 740,00	- 18 820 673,00	101 738 067,00	125 622 208,00	131 023 963,00
Debt impairment provision						
Balance at the beginning of the year		- 126 096 809,00	-	- 126 096 809,00	- 131 392 875,00	- 137 042 768,00
Balance at end of year		- 126 096 809,00	-	- 126 096 809,00	- 131 392 875,00	- 137 042 768,00
Inventory						
Water						
Opening Balance		119 583 813,00	- 129 842 778,00	- 10 258 965,00	120 406 333,00	121 283 805,00
System Input Volume		-	126 930 997,00	126 930 997,00	-	-
Water Treatment Works		-	31 019 795,00	31 019 795,00	-	-
Bulk Purchases		-	95 911 202,00	95 911 202,00	-	-
Natural Sources		-	-	-	-	-
Authorised Consumption	12	-	68 872 747,00	68 872 747,00	-	-
Billed Authorised Consumption		-	58 345 762,00	58 345 762,00	-	-
Billed Metered Consumption		-	58 345 762,00	58 345 762,00	-	-
Free Basic Water		-	27 818 777,00	27 818 777,00	-	-
Subsidised Water		-	-	-	-	-
Revenue Water		-	30 526 985,00	30 526 985,00	-	-
UnBilled Authorised Consumption		-	10 526 985,00	10 526 985,00	-	-
Unbilled Metered Consumption		-	10 526 985,00	10 526 985,00	-	-
Unbilled Unmetered Consumption		-	-	-	-	-
Water Losses		-	51 623 011,00	51 623 011,00	-	-
Real losses		-	51 623 011,00	51 623 011,00	-	-
Leakage on Transmission and Distribution Mains		-	51 623 011,00	51 623 011,00	-	-
Non-revenue Water		-	62 149 996,00	62 149 996,00	-	-
Closing Balance Water		119 583 813,00	117 583 977,00	237 167 790,00	120 406 333,00	121 283 805,00
Consumables						
Standard Rated						
Opening Balance		3 833 322,00	-	3 833 322,00	3 994 322,00	4 166 077,00
Acquisitions		178 085 946,00	-	178 085 946,00	201 903 842,00	225 765 081,00
Issues	13	- 177 905 447,00	- 64 874 749,00	- 242 780 196,00	- 185 714 421,00	- 194 069 404,00
Adjustments	14	-	-	-	-	-
Write-offs	15	-	-	-	-	-
Closing balance - Consumables Standard Rated		4 013 821,00	- 64 874 749,00	- 60 860 928,00	20 183 743,00	35 861 754,00
Closing Balance - Inventory & Consumables		123 597 634,00	52 709 228,00	176 306 862,00	140 590 076,00	157 145 559,00
Property, plant & equipment						
PPE at cost/valuation (excl. finance leases)		4 430 205 538,00	- 26 603 292,00	4 403 602 246,00	4 716 148 129,00	4 920 074 139,00
Leases recognised as PPE	2	-	-	-	-	-
Less: Accumulated depreciation		716 984 393,00	9 100 000,00	726 084 393,00	747 097 736,00	779 222 938,00
Total Property, plant & equipment	1	3 713 221 145,00	- 35 703 292,00	3 677 517 853,00	3 969 050 393,00	4 140 851 201,00
Trade and other payables						
Trade Payables		200 000 000,00	79 381 887,00	279 381 887,00	190 000 000,00	160 000 000,00
Other creditors		-	-	-	-	-
Unspent conditional transfers		20 000 000,00	-	20 000 000,00	-	-
VAT		-	-	-	-	-
Total Trade and other payables	1	220 000 000,00	79 381 887,00	299 381 887,00	190 000 000,00	160 000 000,00
Provisions - non current						
Retirement benefits		-	-	-	-	-
Refuse landfill site rehabilitation		-	-	-	-	-
Other		51 802 526,00	-	51 802 526,00	53 978 231,00	56 299 297,00
Total Provisions - non current		51 802 526,00	-	51 802 526,00	53 978 231,00	56 299 297,00

CHANGES IN NET ASSETS						
Accumulated surplus/(Deficit)						
Accumulated surplus/(Deficit) - opening balance		3 584 324 658,00	28 800 710,00	3 613 125 368,00	3 827 808 526,00	4 078 863 768,00
GRAP adjustments		-	-	-	-	-
Restated balance		3 584 324 658,00	28 800 710,00	3 613 125 368,00	3 827 808 526,00	4 078 863 768,00
Surplus/(Deficit)		425 415 579,00	- 35 830 711,00	389 584 868,00	543 306 113,00	566 521 761,00
Other adjustments		535 522,00	-	535 522,00	558 013,00	582 008,00
Accumulated Surplus/(Deficit)	1	4 010 275 759,00	- 7 030 001,00	4 003 245 758,00	4 371 672 652,00	4 645 967 537,00
TOTAL COMMUNITY WEALTH/EQUITY	2	4 010 275 759,00	- 7 030 001,00	4 003 245 758,00	4 371 672 652,00	4 645 967 537,00

2.8.4 Table 28: SB7

DC47 Sekhukhune - Supporting Table SB7 Adjustments Budget - transfers and grant receipts - 22/02/2022

Description	Ref	Budget Year 2021/22		Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	12 F		
RECEIPTS:	1, 2				
-					
<u>Operating Transfers and Grants</u>					
National Government:		979 804 000,00	1 021 904 000,00	1 016 668 000,00	1 036 432 990,00
Local Government Equitable Share		878 832 000,00	878 832 000,00	942 269 000,00	959 698 000,00
Expanded Public Works Programme Integrated Grant	3,00	8 180 000,00	8 180 000,00	-	-
Local Government Financial Management Grant		2 300 000,00	2 300 000,00	2 400 000,00	2 400 000,00
Municipal Disaster Relief Grant		-	-	-	-
Municipal Infrastructure Grant		90 492 000,00	132 592 000,00	71 999 000,00	74 334 990,00
Other grant providers:		2 309 000,00	2 309 000,00	-	-
Development Bank of South Africa		-	-	-	-
Education Training and Development Practices SETA		2 309 000,00	2 309 000,00	-	-
Total Operating Transfers and Grants	6,00	982 113 000,00	1 024 213 000,00	1 016 668 000,00	1 036 432 990,00
<u>Capital Transfers and Grants</u>					
National Government:		415 901 000,00	379 101 000,00	539 683 000,00	566 107 010,00
Equitable Share		-	-	-	-
Municipal Infrastructure Grant		413 560 000,00	371 960 000,00	475 578 000,00	499 222 010,00
Public Transport Network Grant		-	-	-	-
Regional Bulk Infrastructure Grant		-	-	-	-
Rural Road Asset Management Systems Grant		2 341 000,00	2 341 000,00	2 453 000,00	2 460 000,00
Water Services Infrastructure Grant		-	4 800 000,00	61 652 000,00	64 425 000,00
Total Capital Transfers and Grants	6,00	415 901 000,00	379 101 000,00	539 683 000,00	566 107 010,00
TOTAL RECEIPTS OF TRANSFERS & GRANTS		1 398 014 000,00	1 403 314 000,00	1 556 351 000,00	1 602 540 000,00

2.8.5 Table 29: SB8

DC47 Sekhukhune - Supporting Table SB8 Adjustments Budget - expenditure on transfers and grant programme - 22/02/2022

Description	Ref	Budget Year 2021/22		Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	7,00 F		
EXPENDITURE ON TRANSFERS AND GRANT PROGRAM:	1,00				
<u>Operating expenditure of Transfers and Grants</u>					
National Government:		1 075 676 124,00	1 128 177 448,00	986 850 335,00	1 014 744 556,00
Equitable Share		995 079 625,00	998 319 114,00	925 737 575,00	953 077 636,00

Expanded Public Works Programme Integrated Grant		3 001 457,00	8 163 292,00	3 181 544,00	3 372 437,00
Local Government Financial Management Grant		1 869 542,00	1 369 542,00	1 953 794,00	2 048 077,00
Municipal Disaster Relief Grant		-	-	-	-
Municipal Infrastructure Grant		75 725 500,00	120 325 500,00	55 977 422,00	56 246 406,00
Rural Road Asset Management Systems Grant		-	-	-	-
Other grant providers:		1 709 000,00	2 309 000,00	-	-
Education Training and Development Practices SETA		1 709 000,00	2 309 000,00	-	-
			-		
Total operating expenditure of Transfers and Grants:		1 077 385 124,00	1 130 486 448,00	986 850 335,00	1 014 744 556,00
Capital expenditure of Transfers and Grants					
National Government:		415 901 000,00	379 617 708,00	539 683 000,00	566 107 010,00
Expanded Public Works Programme Integrated Grant		-	16 708,00	-	-
Local Government Financial Management Grant		-	500 000,00	-	-
Municipal Infrastructure Grant		413 560 000,00	371 960 000,00	475 578 000,00	499 222 010,00
Regional Bulk Infrastructure Grant		-	-	-	-
Rural Road Asset Management Systems Grant		2 341 000,00	2 341 000,00	2 453 000,00	2 460 000,00
Water Services Infrastructure Grant		-	4 800 000,00	61 652 000,00	64 425 000,00
Total capital expenditure of Transfers and Grants		415 901 000,00	379 617 708,00	539 683 000,00	566 107 010,00
Total capital expenditure of Transfers and Grants		1 493 286 124,00	1 510 104 156,00	1 526 533 335,00	1 580 851 566,00

2.8.6 Table 30: SB9

DC47 Sekhukhune - Supporting Table SB9 Adjustments Budget - reconciliation of transfers, grant receipts, and unspent funds - 22/02/2022

Description	Ref	Budget Year 2021/22			Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
			6,00	7,00		
R thousands		A	E	F		
Operating transfers and grants:						
National Government:						
Balance unspent at beginning of the year		-	-	-	-	-
Current year receipts		- 982 113 000,00	- 42 100 000,00	- 1 024 213 000,00	- 1 016 668 000,00	- 1 036 432 990,00
Conditions met - transferred to revenue		982 113 000,00	- 42 100 000,00	- 1 024 213 000,00	1 016 668 000,00	1 036 432 990,00
Total operating transfers and grants revenue		982 113 000,00	- 42 100 000,00	- 1 024 213 000,00	1 016 668 000,00	1 036 432 990,00
Capital transfers and grants:						
National Government:						
Balance unspent at beginning of the year		- 20 000 000,00	-	- 20 000 000,00	-	-
Current year receipts		- 415 997 002,00	36 896 002,00	- 379 101 000,00	- 539 808 002,00	- 566 374 012,00
Conditions met - transferred to revenue		415 997 002,00	58 249 653,00	- 316 700 769,15	539 808 002,00	566 374 012,00
Conditions still to be met - transferred to liabilities		- 20 000 000,00	- 21 353 651,00	- 82 400 230,85	-	-
Total capital transfers and grants revenue		415 997 002,00	58 249 653,00	- 316 700 769,15	539 808 002,00	566 374 012,00
Total capital transfers and grants - CTBM		- 20 000 000,00	- 21 353 651,00	- 82 400 230,85	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		1 398 110 002,00	16 149 653,00	- 1 340 913 769,15	1 556 476 002,00	1 602 807 002,00
TOTAL TRANSFERS AND GRANTS - CTBM		- 20 000 000,00	- 21 353 651,00	- 82 400 230,85	-	-

2.8.7 Table 31: SB12

DC47 Sekhukhune - Supporting Table SB12 Adjustments Budget - monthly revenue and expenditure (municipal vote) - 22/02/2022

Description	R ef	Budget Year 2021/22													Medium Term Revenue and Expendit ure Framew ork		
		July	August	Sept.	October	Novemb er	Decemb er	January	February	March	April	May	June	Full year budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
		Outcom e	Outcom e	Outcom e	Outcom e	Outcom e	Outcom e	Outcom e	Outcom e	Adjuste d Budget	Adjuste d Budget	Adjuste d Budget	Adjusted Budget		Adjuste d Budget	Adjuste d Budget	Adjuste d Budget
R thousands																	
Revenue by Vote																	
Vote 04 - Budget And Treasury		385 097	29 194	37 192	60 738	34 497	345 503	33 235	92	127 991	127 991	127 991	230 942	1 540 463	1 540 463	1 699 254	1 758 598
Total Revenue by Vote		385 097	29 194	37 192	60 738	34 497	345 503	33 235	92	127 991	127 991	127 991	230 942	1 540 463	1 540 463	1 699 254	1 758 598
Expenditure by Vote																	
Vote 01 - Speakers Office		2 603	2 502	2 771	3 273	2 358	2 516	2 640	258	4 025	4 025	4 025	14 347	45 342	45 342	44 052	46 584
Vote 02 - Executive Mayor's Office		2 453	2 618	2 644	3 127	2 759	2 669	2 883	140	3 095	3 095	3 095	9 383	37 959	37 959	44 200	49 905
Vote 03 - Municipal Manager Office		1 224	4 377	5 376	5 578	10 429	5 163	6 469	4 978	7 293	7 293	7 293	14 575	80 048	80 048	92 274	81 894
Vote 04 - Budget And Treasury		3 726	4 026	9 556	4 925	5 591	8 439	3 978	606	15 727	15 727	15 727	106 840	194 868	194 868	209 893	220 091
Vote 05 - Infrastructure And Water Services		23 904	37 240	28 838	44 834	47 887	40 127	32 238	5 468	48 748	48 748	48 748	153 664	560 443	560 443	393 279	411 480
Vote 06 - Planning And Economic Development		1 010	778	695	893	878	751	754	19	1 282	1 282	1 282	6 386	16 011	16 011	22 151	20 992
Vote 07 - Community Services		5 598	5 380	5 333	6 200	6 270	5 684	5 909	268	6 325	6 325	6 325	13 824	73 441	73 441	74 984	79 234
Vote 08 - Sekhukhune Development Angancy		174	153	419	157	214	279	287	5	566	566	566	2 100	5 488	5 488	4 719	4 932
Vote 09 - Corporate Services		4 820	12 140	11 027	8 493	9 289	7 808	9 685	8 364	12 439	12 439	12 439	28 386	137 328	137 328	129 112	129 323
Total Expenditure by Vote		45 513	69 214	66 659	77 480	85 674	73 435	64 843	20 105	99 500	99 500	99 500	349 504	1 150 928	1 150 928	1 014 663	1 044 434
Surplus/ (Deficit)		339 585	(40 021)	(29 467)	(16 743)	(51 177)	272 068	(31 608)	(20 013)	28 491	28 491	28 491	(118 562)	389 535	389 535	684 591	714 164

2.8.7 Table 32: SB13

DC47 Sekhukhune - Supporting Table SB13 Adjustments Budget - monthly revenue and expenditure (functional classification) - 22/02

Description - Standard classification	R ef	Budget Year 2021/22													Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Full year budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget		Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands																	
Governance and administration		385 097	29 194	37 192	60 738	34 497	345 503	33 235	92	127 991	127 991	127 991	230 942	540 463	540 463	699 254	758 598
<i>Executive and council</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance and administration		385 097	29 194	37 192	60 738	34 497	345 503	33 235	92	127 991	127 991	127 991	230 942	540 463	540 463	699 254	758 598
Total Revenue - Functional		385 097	29 194	37 192	60 738	34 497	345 503	33 235	92	127 991	127 991	127 991	230 942	540 463	540 463	699 254	758 598
Expenditure - Functional Governance and administration		20 424	31 044	36 706	31 596	36 696	32 279	31 564	14 613	48 903	48 903	48 903	187 353	568 986	568 986	594 514	607 030
<i>Executive and council</i>		6 280	9 497	10 791	11 978	15 546	10 348	11 992	5 375	14 413	14 413	14 413	38 304	163 350	163 350	180 526	178 383
Finance and administration		14 144	21 546	25 916	19 618	21 150	21 931	19 572	9 238	34 491	34 491	34 491	149 049	405 637	405 637	413 988	428 647
Economic and environmental services		1 184	931	1 115	1 050	1 092	1 030	1 041	24	1 849	1 849	1 849	8 486		21 499	26 870	25 923
<i>Planning and development</i>		1 184	931	1 115	1 050	1 092	1 030	1 041	24	1 849	1 849	1 849	8 486		21 499	26 870	25 923
Environmental protection													-		-	-	-
Trading services		23 904	37 240	28 838	44 834	47 887	40 127	32 238	5 468	48 748	48 748	48 748	153 664	560 443	560 443	393 279	411 480
<i>Energy sources</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water management		22 798	36 020	28 425	44 113	47 057	39 637	31 376	5 468	48 951	48 951	48 951	157 220		558 969	393 279	411 480
Waste water management		1 107	1 219	412	721	829	489	862	-	(203)	(203)	(203)	(3 556)		1 474	-	-

Waste management													-		-	-	-
Other													-		-	-	-
Total Expenditure - Functional		45 513	69 214	66 659	77 480	85 674	73 435	64 843	20 105	99 500	99 500	99 500	349 504	129 429	150 928	014 663	044 434
Surplus/ (Deficit) 1.		339 585	(40 021)	(29 467)	(16 743)	(51 177)	272 068	(31 608)	(20 013)	28 491	28 491	28 491	(118 562)	411 034	389 535	684 591	714 164
Surplus/ (Deficit) 1.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

2.8.8 Table 33: SB18a

DC47 Sekhukhune - Supporting Table SB18a Adjustments Budget - capital expenditure on new assets by asset class - 22/02/2022

Description	Ref	Budget Year 2021/22			Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget	Total Adjusts. 13,00	Adjusted Budget 14,00	Adjusted Budget	Adjusted Budget
R thousands		A	G	H		
Capital expenditure on new assets by Asset Class/Sub-class						
-						
Infrastructure		387 073 171,00	- 20 305 036,00	366 768 135,00	526 078 000,00	554 647 010,00
Water Supply Infrastructure		387 073 171,00	- 20 805 036,00	366 268 135,00	517 578 000,00	554 647 010,00
<i>Distribution</i>		387 073 171,00	- 20 805 036,00	366 268 135,00	517 578 000,00	554 647 010,00
Sanitation Infrastructure		-	500 000,00	500 000,00	8 500 000,00	-
<i>Pump Station</i>		-	500 000,00	500 000,00	8 500 000,00	-
Computer Equipment		2 000 000,00	1 046 708,00	3 046 708,00	-	-
Computer Equipment		2 000 000,00	1 046 708,00	3 046 708,00	-	-
		-	920 000,00	920 000,00	-	-
Furniture and Office Equipment		-	920 000,00	920 000,00	-	-
Furniture and Office Equipment		-	920 000,00	920 000,00	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-
		-	-	-	-	-
Total Capital Expenditure on new assets to be adjusted	1,00	389 073 171,00	- 18 338 328,00	370 734 843,00	526 078 000,00	554 647 010,00

2.8.9 Table 34: SB18b

DC47 Sekhukhune - Supporting Table SB18b Adjustments Budget - capital expenditure on renewal of existing assets by asset class - 22/02/2022

Description	Ref	Budget Year 2021/22			Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	13 G	14 H		
Capital expenditure on renewal of existing assets by Asset Class/Sub-class						
-						
Infrastructure		28 686 829,00	- 8 464 964,00	20 221 865,00	9 152 000,00	9 000 000,00
Water Supply Infrastructure		28 686 829,00	- 8 464 964,00	20 221 865,00	9 152 000,00	9 000 000,00
Dams and Weirs			-	-		
Boreholes		-	-	-	5 000 000,00	9 000 000,00
Water Treatment Works		28 686 829,00	- 9 564 964,00	19 121 865,00	-	-
Bulk Mains			-	-		
Distribution		-	1 100 000,00	1 100 000,00	4 152 000,00	-
Transport Assets		3 900 000,00	-	3 900 000,00	-	-
Transport Assets		3 900 000,00	-	3 900 000,00	-	-
Total Capital Expenditure on renewal of existing assets to be adjusted	#	32 586 829,00	- 8 464 964,00	24 121 865,00	9 152 000,00	9 000 000,00

2.8.10 Table 34: SB18c

DC47 Sekhukhune - Supporting Table SB18c Adjustments Budget - expenditure on repairs and maintenance by asset class - 22/02/2022

Description	Ref	Budget Year 2021/22			Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget	Total Adjusts. 13,00	Adjusted Budget 14,00	Adjusted Budget	Adjusted Budget
R thousands		A	G	H		
<u>Repairs and maintenance expenditure by Asset Class/Sub-class</u>						
-						
<u>Infrastructure</u>		127 310 353,00	42 100 000,00	169 410 353,00	110 332 009,00	112 546 948,00
Water Supply Infrastructure		45 747 429,00	- 3 000 000,00	42 747 429,00	48 260 316,00	49 932 029,00
<i>Dams and Weirs</i>			-	-		
<i>Boreholes</i>		32 637 105,00	- 3 000 000,00	29 637 105,00	34 573 138,00	35 628 928,00
<i>Distribution</i>		13 110 324,00	-	13 110 324,00	13 687 178,00	14 303 101,00
Sanitation Infrastructure		81 562 924,00	45 100 000,00	126 662 924,00	62 071 693,00	62 614 919,00
<i>Pump Station</i>			-	-		
<i>Reticulation</i>		70 000 000,00	42 100 000,00	112 100 000,00	50 000 000,00	50 000 000,00
<i>Waste Water Treatment Works</i>			-	-		
<i>Outfall Sewers</i>		11 562 924,00	3 000 000,00	14 562 924,00	12 071 693,00	12 614 919,00
<u>Other assets</u>		800 000,00	- 200 000,00	600 000,00	832 800,00	870 276,00
Operational Buildings		800 000,00	- 200 000,00	600 000,00	832 800,00	870 276,00
<i>Municipal Offices</i>		800 000,00	- 200 000,00	600 000,00	832 800,00	870 276,00
<u>Computer Equipment</u>		-	100 000,00	100 000,00	-	-
Computer Equipment		-	100 000,00	100 000,00	-	-
<u>Machinery and Equipment</u>		63 441,00	240 000,00	303 441,00	66 042,00	69 014,00
Machinery and Equipment		63 441,00	240 000,00	303 441,00	66 042,00	69 014,00
<u>Transport Assets</u>		2 000 000,00	706 741,00	2 706 741,00	2 082 000,00	2 175 690,00
Transport Assets		2 000 000,00	706 741,00	2 706 741,00	2 082 000,00	2 175 690,00
Total Repairs and Maintenance Expenditure to be adjusted	1,00	130 173 794,00	42 946 741,00	173 120 535,00	113 312 851,00	115 661 928,00

2.8.11 Table 35: General Expenses

Votenummer	Description	Adjusted Budget
11 002 300 150 000 000 000	OC: ADV/PUB/MARK - MUNICIPAL NEWSLETTERS	300 000.00
11 002 300 460 000 000 000	OC: BARGAINING COUNCIL	5 040 117.00
11 002 301 610 000 000 000	OC: ENTERTAINMENT - COUNCILLORS	4 209.00
11 002 301 670 000 000 000	OC: ENTERTAINMENT - SEC 79 COMM CHAIR	350 000.00
11 002 301 870 000 000 000	OC: HIRE CHARGES	369 788.00
11 002 304 510 000 000 000	OC: PRINTING & PUBLICATIONS	150 000.00
11 002 305 410 000 000 000	OC: SKILLS DEVELOPMENT FUND LEVY	204 805.00
11 002 305 730 000 000 000	OC: TRANSPORT - EVENTS	84 177.00
11 002 305 760 000 000 000	OC: T&S DOM - ACCOMMODATION	732 340.00
11 002 305 810 000 000 000	OC: T&S DOM TRP - W/OUT OPR OWN TRANSPRT	185 190.00
11 002 305 980 000 000 000	OC: TRANSPORT - MUNICIPAL ACTIVITIES	136 708.00
11 002 309 900 000 000 000	SUB TOTAL : OPERATIONAL COST	7 557 334.00
12 002 300 130 000 000 000	OC: ADV/PUB/MARK - CUSTOMER/CLIENT INFO	300 000.00
12 002 300 150 000 000 000	OC: ADV/PUB/MARK - MUNICIPAL NEWSLETTERS	500 000.00
12 002 300 180 000 000 000	OC: ADV/PUB/MARK - TENDERS	100 000.00
12 002 301 600 000 000 000	OC: ENTERTAINMENT - EXEC MAYOR	400 000.00
12 002 301 810 000 000 000	OC: EXT COM SERV PROV - SYS DEVELOPMENT	20 000.00
12 002 301 870 000 000 000	OC: HIRE CHARGES	2 300 000.00
12 002 305 410 000 000 000	OC: SKILLS DEVELOPMENT FUND LEVY	200 000.00
12 002 305 730 000 000 000	OC: TRANSPORT - EVENTS	350 000.00
12 002 305 760 000 000 000	OC: T&S DOM - ACCOMMODATION	500 000.00
12 002 305 870 000 000 000	OC: T&S FOREIGN - ACCOMMODATION	100 000.00
12 002 305 980 000 000 000	OC: TRANSPORT - MUNICIPAL ACTIVITIES	200 000.00
12 002 309 900 000 000 000	SUB TOTAL : OPERATIONAL COST	4 970 000.00
13 002 300 200 000 000 000	OC: AUDIT COST: EXTERNAL	7 023 687.00
13 002 300 400 000 000 000	OC: BC/FAC/C FEES - BANK ACCOUNTS	5 534 850.00
13 002 301 620 000 000 000	OC: ENTERTAINMENT - SENIOR MANAGEMENT	40 000.00
13 002 301 790 000 000 000	OC: EXT COM SERV PROV - SPEC COMPUT SERV	200 000.00
13 002 301 870 000 000 000	OC: HIRE CHARGES	505 141.00
13 002 302 440 000 000 000	OC: INSUR UNDER - EXCESS PAYMENTS	968 851.00
13 002 302 460 000 000 000	OC: INSUR UNDER - PREMIUMS	4 131 490.00

Votenummer	Description	Adjusted Budget
13 002 305 410 000 000 000	OC: SKILLS DEVELOPMENT FUND LEVY	122 389.00
13 002 305 760 000 000 000	OC: T&S DOM - ACCOMMODATION	93 690.00
13 002 309 900 000 000 000	SUB TOTAL : OPERATIONAL COST	18 620 098.00
14 002 300 150 000 000 000	OC: ADV/PUB/MARK - MUNICIPAL NEWSLETTERS	-
14 002 300 180 000 000 000	OC: ADV/PUB/MARK - TENDERS	391 854.00
14 002 300 400 000 000 000	OC: BC/FAC/C FEES - BANK ACCOUNTS	1 934 664.00
14 002 301 710 000 000 000	OC: EXT COM SERV PROV - GPS LICENCE FEES	100 000.00
14 002 301 800 000 000 000	OC: EXT COM SERV PROV - SYSTEM ADVISER	-
14 002 301 870 000 000 000	OC: HIRE CHARGES	400 000.00
14 002 305 410 000 000 000	OC: SKILLS DEVELOPMENT FUND LEVY	349 269.00
14 002 305 760 000 000 000	OC: T&S DOM - ACCOMMODATION	279 185.00
14 002 309 900 000 000 000	SUB TOTAL : OPERATIONAL COST	3 454 972.00
15 002 303 610 000 000 000	OC: MUNICIPAL SERVICES	40 000 000.00
15 002 305 410 000 000 000	OC: SKILLS DEVELOPMENT FUND LEVY	1 891 560.00
15 002 305 760 000 000 000	OC: T&S DOM - ACCOMMODATION	1 249 200.00
15 002 305 770 000 000 000	OC: T&S DOM - DAILY ALLOWANCE	34 727.00
15 002 305 980 000 000 000	OC: TRANSPORT - MUNICIPAL ACTIVITIES	-
15 002 306 610 000 000 000	OC: WET FUEL	1 852 299.00
15 002 309 900 000 000 000	SUB TOTAL : OPERATIONAL COST	45 027 786.00
16 002 300 120 000 000 000	OC: ADV/PUB/MARK - CORP & MUN ACTIVITIES	100 000.00
16 002 300 180 000 000 000	OC: ADV/PUB/MARK - TENDERS	72 280.00
16 002 301 870 000 000 000	OC: HIRE CHARGES	-
16 002 305 410 000 000 000	OC: SKILLS DEVELOPMENT FUND LEVY	80 000.00
16 002 305 760 000 000 000	OC: T&S DOM - ACCOMMODATION	100 000.00
16 002 305 980 000 000 000	OC: TRANSPORT - MUNICIPAL ACTIVITIES	17 719.00
16 002 309 900 000 000 000	SUB TOTAL : OPERATIONAL COST	369 999.00
17 002 301 870 000 000 000	OC: HIRE CHARGES	87 324.00
17 002 305 410 000 000 000	OC: SKILLS DEVELOPMENT FUND LEVY	526 547.00
17 002 305 760 000 000 000	OC: T&S DOM - ACCOMMODATION	20 820.00

Votenummer	Description	Adjusted Budget
17 002 309 900 000 000 000	SUB TOTAL : OPERATIONAL COST	634 691.00
18 002 300 200 000 000 000	OC: AUDIT COST: EXTERNAL	30 000.00
18 002 305 760 000 000 000	OC: T&S DOM - ACCOMMODATION	140 000.00
18 002 309 900 000 000 000	SUB TOTAL : OPERATIONAL COST	170 000.00
19 002 300 110 000 000 000	OC: ADV/PUB/MARK -BURSARIES (NON-EMPLOY)	441 636.00
19 002 300 120 000 000 000	OC: ADV/PUB/MARK - CORP & MUN ACTIVITIES	794 026.00
19 002 300 170 000 000 000	OC: ADV/PUB/MARK - STAFF RECRUITMENT	198 805.00
19 002 300 490 000 000 000	OC: BURSARIES (EMPLOYEES)	692 831.00
19 002 301 170 000 000 000	OC: COMM - PHONE FAX TELEGRAPH & TELEX	3 088 083.00
19 002 301 790 000 000 000	OC: EXT COM SERV PROV - SPEC COMPUT SERV	6 127 515.00
19 002 303 330 000 000 000	OC: LIC - VEHICLE LIC & REGISTRATIONS	875 000.00
19 002 305 410 000 000 000	OC: SKILLS DEVELOPMENT FUND LEVY	286 535.00
19 002 305 450 000 000 000	OC: STORAGE OF FILES (ARCHIVING)	1 400 000.00
19 002 305 760 000 000 000	OC: T&S DOM - ACCOMMODATION	69 164.00
19 002 305 970 000 000 000	OC: T&S - NON-EMPLOYEES	197 610.00
19 002 306 300 000 000 000	OC: VEHICLE TRACKING	37 460 709.00
19 002 306 610 000 000 000	OC: WET FUEL	18 000 000.00
19 002 306 620 000 000 000	OC: WORKMEN'S COMPENSATION FUND	2 590 000.00
19 002 309 900 000 000 000	SUB TOTAL : OPERATIONAL COST	72 221 914.00

2.2 Municipal Manager's quality certificate

I, **MJ Ntshudisane**, Municipal Manager of Sekhukhune District Municipality, hereby certify that the 2021/22 adjusted 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 _____