

SEKHUKHUNE DISTRICT MUNICIPALITY



FINAL BUDGET 2022-23 MTREF BUDGET BOOK

Abbreviations and Acronyms

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

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PART 1 – Final 2022/23 MTREF Annual Budget

1.1 Mayor's report

FOREWORD BY EXECUTIVE MAYOR

The South African government terminated the National State of Disaster in response to the Covid – 19 pandemic. Economists view this move by government as a step in the right direction to getting back to normality post the Covid – 19 pandemic. For the past 750 days, South Africa has been in a National State of Disaster. This is an extraordinary situation that is unprecedented in our country's history. The Covid – 19 pandemic, exacerbated the triple challenges the country was already facing – poverty, unemployment, and inequality.

However, with the termination of the National Disaster Management, organisations such as Business Unity South Africa (BUSA) welcomed the repeal of the National State of Disaster regulations and called for all sectors of society to demonstrate similar united effort to deal with severe socioeconomic problems.

BUSA CEO, Cas Coovadia, believes the declaration of a state of a State of Disaster at the advent of Covid – 19 in our country was the right decision and has, by and large, had a positive impact on our ability to manage the impact of the pandemic on lives and livelihoods.

Similarly, since the termination of the National State of Disaster, the unemployment rate in South Africa has decreased by 0,8 of a percentage point to 34.5 % in the first quarter of 2022, statistic South Africa has revealed. Though, good news, this should not bring false hope of an economic recovery as South Africa has shed more than half a million jobs in the third quarter of 2021, this coupled with the recent decision by the South African Reserve Bank to increase the repo rate by 50 basis points to 4,75%, will have a negative impact on the middle class.

According to the Monetary Policy Committee of the South African Reserve Bank, the economy is expected to grow by 1.7 % in 2022, revised down from 2.0%, this is due to a combination of short – term factors, including the flooding in Kwa – Zulu Natal and the continued electricity supply constraints. The bank's forecast of headline inflation for this year is revised higher to 5.9% [from 5.8%], primarily due to the higher food and fuel prices.

This is the kind of news that should worry emerging economies such as South Africa.

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

Nearly two million people lost jobs because of this pandemic which threw our economy into a tailspin.

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

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

Government debt is expected to increase from R4.35 trillion in 2021/22 to R4.69 trillion in 2022/23.

The government pays about R301.8 billion to service the national debt.

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

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

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

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

District Assumptions

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

Budget Assumptions – Operational

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

On Revenue

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

Total Expenditure

- The total annual capital expenditure budget increases from R 397 million (2021/22) to R 489 million in the 2022/23 financial year. The capital budget increases further to R 512 million & R 520 million in both the 2023/24 & 2024/25 outer years,
- The R 489 million total annual capital budget is funded through government grants amounting to R 469 million, the R 20 million balance is funded through own sources of revenue,
- Included in capital expenditure funded through own revenue sources is the following:

✓ Zaaiplaas Village Reticulation	R 8 million
✓ Ga Maphopha Reservoir	R 4 million
✓ Nkadimeng Phase 5-10	R400 thousand
✓ Ga Mashabela Water reticulation	R 1.5 million
✓ Nkadimeng Ext 2	R 1.6 million
✓ Olifantspoort South Regional Water Supply Phase 6	R500 thousand
✓ Zaaiplaas Village Reticulation	R 500 thousand
✓ Audio Visuals and CCTV Equipment	R 500 thousand
✓ Computer	R 2 million
✓ Air Quality Analyzer	R 500 thousand

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The total capital expenditure funded from conditional grants increased from R 379 million to R 469 million in the 2022/23 financial year due to increased MIG grant allocation grant.

The MIG is allocated R 466.6m for capital projects in the 2022/23 financial year and other funds have been budgeted for the MIG overheads and VIP sanitation. The MIG allocation increases R 499 million & R 510 million in both the 2023/24 & 2024/25 outer years.

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

Operating Expenditure

The municipality's total operational revenue is R 1.230 billion and total operational expenditure is R 1.210 billion resulting in an operating surplus of R 20.4 million.

The operating surplus of R 20.4 million will be utilised to finance capital assets to an amount of R 20.1 million resulting in a net surplus of R 233.4 thousand.

The municipality has budgeted an operating surplus of R 233.4 thousand in the 2022/23 financial year

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

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

Honourable Speaker,

I hereby table to this honourable council the following documents for approval and public consultation as mandated by section 16(2) of MFMA read with section 74 and 75a of MSA

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

Cllr J.L Mathebe

Executive Mayor

COUNCIL RESOLUTION

Council has in its Special council of the 30th of May 2022, resolved to note the tabled budget as per council resolution no **SC02/05/22** and make the budget available for consultation together with supporting schedules a subject of public consultation. The council resolution is attached

2.2 Executive Summary.

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

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

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

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

PURPOSE

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

BACKGROUND

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

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

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

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

IDP Review Roadmap

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

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

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

DISCUSSIONS

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

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

1) Budget Assumptions - Legislated

National Assumptions

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

District Assumptions

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

2) Budget Assumptions – Operational

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

Revenue

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

Employee costs

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

3) BUDGET ESTIMATES

a) REVENUE

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

Code	Operating Revenue	Final Adjusted budget 2021/2022	Final Budget 2022/2023	Final Budget 2023/2024	Final Budget 2024/2025
3405	Service charges	- 98 638 109.00	- 103 570 014.45	- 108 748 515.17	- 114 185 940.93
3405	Interest income	- 21 485 844.00	- 21 659 404.48	- 22 612 418.28	- 23 629 977.10
3405	Other revenue	- 17 024 924.00	- 17 876 170.20	- 18 769 978.71	- 19 708 477.65
3405	Operating grants	- 1 024 213 000.00	- 1 087 843 560.00	- 1 149 230 990.00	- 1 253 412 000.00
Total		-1 161 361 877.00	- 1 230 949 149.13	- 1 299 361 902.16	- 1 410 936 395.68

CAPITAL REVENUE

Capital Revenue	Final Adjusted budget 2021/2022	Final Budget 2022/2023	Final Budget 2023/2024	Final Budget 2024/2025
MIG	- 371 960 000.00	- 466 625 440.00	- 499 222 010.00	- 509 537 000.00
RRAMS	- 2 341 000.00	- 2 451 000.00	- 2 460 000.00	- 2 549 000.00
WSIG (Rollover)	- 4 800 000.00			
Total	- 379 101 000.00	- 469 076 440.00	- 501 682 010.00	- 512 086 000.00

Total Annal Revenue				
Budget	- 1 540 462 877.00	- 1 700 025 589.13	- 1 801 043 912.16	- 1 923 022 395.68

Discussion

- Total annual Revenue increases from **R1.5 billion** to **R1.7 billion** in the 2022/23 financial year and increases to **R1.8 billion & R 1.9 billion** in both 2023/24 and 2024/25 outer years.
- Capital revenue increases from **R379.1 million** to **R469 million** in the 2022/23 financial year, the capital budget increases also to **R 501 million & R512 million** in both the 2023/24 & 2024/25 outer years.
- Service charges tariffs to increase by 5% in the current year to adopt a cost reflective tariff as recommended by circular 115 of the MFMA. The municipality is in the process of procuring the water meters to increase the revenue base in areas where it couldn't bill before and also disconnect or restrict (Depending on business or residential) services where there are arrears
- Interest income increases by R 200 thousand from in the 2022/23 financial year, a decrease of about R 47 thousand in the 2023/24 and a R 1 million increase in the 2024/25 financial year. Interest income has increased slightly because the municipality will spend the capital grants from the beginning of the financial year, therefore interest on investment will not increase.

b) DEPARTMENTAL EXPENDITURE

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OPERATING EXPENDITURE

Operating expenditure		Final budget 2021/2022	Adjusted budget 2021/2022	Final Budget 2022/2023	Final Budget 2023/2024	Budget 2023/2024	Final Budget 2024/2025	Budget 2024/2025
3105	Executive Council - Speaker's office	45 342 410.00		48 349 162.94	48 421 958.10		50 724 050.39	
3205	Executive Mayor's office	37 959 087.00		42 821 516.35	44 429 958.01		46 660 234.76	
3305	Municipal Manager's office	80 048 111.00		88 662 700.51	108 896 425.56		126 186 681.75	
3405	Budget and Treasury	194 867 707.00		206 871 302.45	232 083 435.82		253 449 572.93	
3510	Infrastructure and Water Services	560 442 673.00		571 510 778.55	577 079 537.11		611 228 226.24	
3605	Planning and Econ Development	16 011 396.00		19 209 120.37	22 557 534.10		23 662 591.17	
3705	Community services	73 440 924.00		76 902 219.91	81 085 301.89		85 276 546.34	
3805	Sekhukhune Development Agency	5 487 800.00		7 708 058.26	11 508 719.23		15 310 714.83	
3905	Corporate Services	137 327 901.00		148 550 876.71	162 863 439.42		188 785 451.68	
Total		1 150 928 009.00		1 210 585 736.05	1 288 926 308.24		1 401 284 070.09	

Discussions

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

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

- ✓ Bulk Water purchases – **R 140 million.**
- ✓ Eskom – **R 41.6 million.**
- ✓ Security services – **R 40 million**
- ✓ Depreciation and impairments – **R 117.6 million.**
- ✓ Fleet management – **R 30 million.**
- ✓ Operational maintenance – **R 61 million.**
- Included in the operating expenditure is the anticipated cost for VIP sanitation projects amounting to **R 50 million** and **R 10.9 million** for Operations and Maintenance which is funded by the MIG grant
- An amount of **R 6.5 million** has been allocated for legal fees.
- An amount **R 7.7 million** allocation as a grant to the SDA.

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- The external bursaries allocated at **R 459 thousand** and internal allocated **R 720 thousand** to encourage staff empowering.
- An allocation of **R 13.3 million** for lease costs (Property rentals and equipment rentals).

c) CAPITAL EXPENDITURE

Capital Expenditure					
Capital expenditure		Final budget 2021/2022	Adjusted Final Budget 2022/2023	Final Budget 2023/2024	Budget Final 2024/2025
	MIG	371 960 000.00	466 625 440.00	499 222 010.00	509 537 000.00
	RRAMS	2 341 000.00	2 451 000.00	2 460 000.00	2 549 000.00
	WSIG (Rollover)	4 800 000.00			
Total		379 101 000.00	469 076 440.00	501 682 010.00	512 086 000.00
	SDM (Own revenue sources)	18 296 708.00	20 130 000.00	10 031 520.00	8 269 239.00
Total Capital expenditure		397 397 708.00	489 206 440.00	511 713 530.00	520 355 239.00

- The total annual capital expenditure budget increases from **R 397 million** (2021/22) to **R 489 million** in the 2022/23 financial year. The capital budget increases further to **R 512 million & R 520 million** in both the 2023/24 & 2024/25 outer years.
- The **R 489 million** total annual capital budget is funded through government grants amounting to **R 469 million**, the **R 20 million** balance is funded through own sources of revenue.
- Included in capital expenditure funded through own revenue sources is the following:
 - ✓ Zaaiplaas Village Reticulation **R 8 million**
 - ✓ Ga Maphopha Reservoir **R 4 million**
 - ✓ Nkadimeng Phase 5-10 **R 400 thousand**
 - ✓ Ga Mashabela Water reticulation **R 1.5 million**
 - ✓ Nkadimeng Ext 2 **R 1.6 million**
 - ✓ Olifantspoort South Regional Water Supply Phase 6 **R 500 thousand**
 - ✓ Zaaiplaas Village Reticulation **R 500 thousand**
 - ✓ Audio Visuals and CCTV Equipment **R 500 thousand**
 - ✓ Computer **R 2 million**
 - ✓ Air Quality Analyzers **R 500 thousand**

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- The total capital expenditure funded from conditional grants increased from **R 379 million** to **R 469 million** in the 2022/23 financial year due to increased MIG grant allocation grant.
- The **MIG** is allocated **R 466.6m** for capital projects in the 2022/23 financial year and other funds have been budgeted for the MIG overheads and VIP sanitation. The MIG allocation increases to **R 499 million** & **R 510 million** in both the 2023/24 & 2024/25 outer years.
- **RRAMS** is allocated **R 2.4 million** in the 2022/23 financial year, the allocation increases to **R 2.5 million** and **R 2.6 million** in both the 2023/24 & 2024/25 outer years.

d) ACCUMULATED SURPLUS AND BUDGET FUNDING

OPERATING EXPENDITURE

Operating expenditure		Final budget 2021/2022	Adjusted Final Budget 2022/2023	Budget Final 2023/2024	Budget Final 2024/2025
3105	Executive Council - Speaker's office	45 342 410.00	48 349 162.94	48 421 958.10	50 724 050.39
3205	Executive Mayor's office	37 959 087.00	42 821 516.35	44 429 958.01	46 660 234.76
3305	Municipal Manager's office	80 048 111.00	88 662 700.51	108 896 425.56	126 186 681.75
3405	Budget and Treasury	194 867 707.00	206 871 302.45	232 083 435.82	253 449 572.93
3510	Infrastructure and Water Services	560 442 673.00	571 510 778.55	577 079 537.11	611 228 226.24
3605	Planning and Econ Development	16 011 396.00	19 209 120.37	22 557 534.10	23 662 591.17
3705	Community services	73 440 924.00	76 902 219.91	81 085 301.89	85 276 546.34
3805	Sekhukhune Development Agency	5 487 800.00	7 708 058.26	11 508 719 .23	15 310 714.83
3905	Corporate Services	137 327 901.00	148 550 876.71	162 863 439.42	188 785 451.68
Total		1 150 928 009.00	1 210 585 736.05	1 288 926 308.24	1 401 284 070.09

CAPITAL EXPENDITURE

Capital expenditure		Final budget 2021/2022	Adjusted Final Budget 2022/2023	Budget Final 2023/2024	Budget Final 2024/2025
	MIG	371 960 000.00	466 625 440.00	499 222 010.00	509 537 000.00
	RRAMS	2 341 000.00	2 451 000.00	2 460 000.00	2 549 000.00
	WSIG (Rollover)	4 800 000.00			
Total		379 101 000.00	469 076 440.00	501 682 010.00	512 086 000.00
	SDM	18 296 708.00	20 130 000.00	10 031 520.00	8 269 239.00
Total Capital expenditure		397 397 708.00	489 206 440.00	511 713 530.00	520 355 239.00
Total Annual Expenditure Budget		1 548 325 717.00	1 699 792 176.05	1 800 639 839.23	1 921 704 767.89
Surplus/Deficit		7 862 840.00	- 233 413.08	- 404 072.93	- 1 317 627.78

Discussion

- The municipality's total operational revenue is **R 1.230 billion** and total operational expenditure is **R 1.210 billion** resulting in an operating surplus of **R 20.4 million**
- The operating surplus of **R 20.4 million** will be utilised to finance capital assets to an amount of **R 20.1 million** resulting in a net surplus of **R 233.4 thousand**
- The municipality has budgeted an operating surplus of **R 233.4 thousand** in the 2022/23 financial year
- The cash reserves anticipated will be used to fund future capital replacement and to cash back our retention creditor balance
- The capital grants spending equates to conditional grants to be received in the financial year

Legal Implications

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

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

Financial Implications:

The total annual revenue of **R 1.7 billion** and total annual expenditure budget of **R 1.7 billion. R 1.2 billion** total operational expenditure and **R 489 million** total capital expenditure.

Communication implications:

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

The IDP/budget was also subjected to public participation.

Recommendations:

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1. That the Mayoral Committee consider the proposed Final Budget/Integrated Development Plan as well as the final Medium-Term Revenue and Expenditure (MTREF) Budget for 2022/2023-2024/2025 financial year and further recommend to Council for approval.

2. That the Mayoral committee note that the following budget related policies were considered in the preparation of the final budget/IDP and will be tabled together with the budget/IDP for approval:
 - ✓ -Water and Sanitation Tariff policy
 - ✓ -Indigent policy
 - ✓ -Free Basic Water Policy
 - ✓ -Credit control and debt collection policy
 - ✓ -Investment and cash management policy
 - ✓ -Asset management policy
 - ✓ -Funding and reserves policy
 - ✓ -Supply chain management policy
 - ✓ -Virement policy
 - ✓ -Budget policy
 - ✓ -Blacklisting policy
 - ✓ -Petty cash policy
 - ✓ -Acting policy
 - ✓ -Cost Containment policy
 - ✓ -Secondment policy
 - ✓ -Overtime policy

- ✓ -Relocation policy
- ✓ -Service Standards
- ✓ -Political Support staff policy
- ✓ -Recruitment Selection and appointment policy
- ✓ -Subsistence and Travelling allowance policy
- ✓ -Individual Performance Management and Development System policy
- ✓ -Subsidized Motor Transport Scheme policy
- ✓ -Bursary Policy

Legislative background

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

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

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

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

Budget principles and assumptions

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

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

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

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

- The main challenges experienced during the compilation of the 2022/23 MTREF can be summarised as follows:
 - The need to reprioritise infrastructure projects and necessary operational expenditure within the existing limited resources considering the cash flow realities and cash position of the municipality;
 - The municipality's inability to generate enough own revenue to assist in addressing the infrastructure and other service delivery challenges in our communities.
 - The increasing Operational expenditure partens.
- The following budgeting principles and guidelines directly informed the compilation of the

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2022/23 MTREF final Annual budget:

- The final annual budget for 2022/23 and the MTREF was prepared on a zero base principle, meaning that each item or programme was budgeted considering the specification of the projects and not the historical expenditure.
- The 2021/22 Adjustment Budget priorities and targets, as well as the base line allocations contained in that Adjustment Budget were considered as the upper limits for the new baselines for the 2022/23 annual budget where resources allow and necessary;
- Only programmes and capital projects contained in the municipality's Integrated Development Plan will be budgeted for during the 2022/23 MTREF to ensure that the budget remain an implementation tool for the municipality's IDP.
- For the 2022/23 financial year and throughout the MTREF, tariffs for property rates will be increased by 5% to make property rates affordable to our communities and to encourage debtors to pay their accounts.
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

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

Sekhukhune District Municipality

Final Budget working sheet summary

2022/2023 MTREF

OPERATING REVENUE

Code	Operating Revenue	Final Adjusted budget 2021/2022	Final Budget 2022/2023	Final Budget 2023/2024	Final Budget 2024/2025
3405	Service charges	- 98 638 109,00	- 103 570 014,45	- 108 748 515,17	- 114 185 940,93
3405	Interest income	- 21 485 844,00	- 21 659 404,48	- 22 612 418,28	- 23 629 977,10
3405	Other revenue	- 17 024 924,00	- 17 876 170,20	- 18 769 978,71	- 19 708 477,65
3405	Operating grants	- 1 024 213 000,00	- 1 087 843 560,00	- 1 149 230 990,00	- 1 253 412 000,00
Total		-1 161 361 877,00	-1 230 949 149,13	-1 299 361 902,16	-1 410 936 395,68

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CAPITAL REVENUE

Capital Revenue		Final Adjusted budget 2021/2022	Final Budget 2022/2023	Final Budget 2023/2024	Final Budget 2024/2025
	MIG	- 371 960 000,00	- 466 625 440,00	- 499 222 010,00	- 509 537 000,00
	RRAMS	- 2 341 000,00	- 2 451 000,00	- 2 460 000,00	- 2 549 000,00
	WSIG (Rollover)	- 4 800 000,00			
Total		- 379 101 000,00	- 469 076 440,00	- 501 682 010,00	- 512 086 000,00
Total Annal Revenue Budget		- 1 540 462 877,00	- 1 700 025 589,13	- 1 801 043 912,16	- 1 923 022 395,68

OPERATING EXPENDITURE

Operating expenditure		Final Adjusted budget 2021/2022	Final Budget 2022/2023	Final Budget 2023/2024	Final Budget 2024/2025
3105	Executive Council - Speaker's office	45 342 410,00	48 349 162,94	48 421 957,10	50 724 050,39
3205	Executive Mayor's office	37 959 087,00	42 821 516,35	44 429 958,01	46 660 234,76
3305	Municipal Manager's office	80 048 111,00	88 662 700,51	108 896 425,56	126 186 681,75
3405	Budget and Treasury	194 867 707,00	206 871 302,45	232 083 435,82	253 449 572,93
3510	Infrastructure and Water Services	560 442 673,00	571 510 778,55	577 079 537,11	611 228 226,24
3605	Planning and Econ Development	16 011 396,00	19 209 120,37	22 557 534,10	23 662 591,17
3705	Community services	73 440 924,00	76 902 219,91	81 085 301,89	85 276 546,34
3805	Sekhukhune Development Agency	5 487 800,00	7 708 058,26	11 508 719,23	15 310 714,83
3905	Corporate Services	137 327 901,00	148 550 876,71	162 863 439,42	188 785 451,68
Total		1 150 928 009,00	1 210 585 736,05	1 288 926 308,24	1 401 284 070,09

CAPITAL EXPENDITURE

Capital expenditure		Final Adjusted budget 2021/2022	Final Budget 2022/2023	Final Budget 2023/2024	Final Budget 2024/2025
	MIG	371 960 000,00	466 625 440,00	499 222 010,00	509 537 000,00
	RRAMS	2 341 000,00	2 451 000,00	2 460 000,00	2 549 000,00
	WSIG (Rollover)	4 800 000,00			
Total		379 101 000,00	469 076 440,00	501 682 010,00	512 086 000,00
	SDM	18 296 708,00	20 130 000,00	10 031 520,00	8 269 239,00
Total Capital expenditure		397 397 708,00	489 206 440,00	511 713 530,00	520 355 239,00
Total Annual Expenditure Budget		1 548 325 717,00	1 699 792 176,05	1 800 639 838,24	1 921 639 309,09

Surplus/Deficit	7 862 840,00	- 233 413,08	- 404 073,92	- 1 383 086,59
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Table 1 Consolidated Overview of the 2022/23 MTREF.

Description	Adjusted Annual Budget 2020/21	Draft Annual Budget 2021/22	Draft Annual Budget 2022/23	Draft Annual Budget 2023/24
Total Revenue	-1 161 361 877.00	- 1 230 949 149,13	-1 299 361 902,16	- 1 410 936 395,68
Total Operating Expenditure	1 150 928 009.00	1 210 585 736,05	1 288 926 308,24	1 401 284 070,09
Operating surplus/(Deficit for the year)	-389 534 868.00	- 489 439 853,08	- 512 117 603,92	- 521 738 325,59
Total Funding for Capital Expenditure	397 397 708.00	489 206 440,00	511 713 530,00	520 355 239,00
Total Surplus/Deficit	7 862 840.00	- 233 413,08	- 404 072,93	- 1 317 627,78

- Total annual Revenue increases from **R1.5 billion** to **R1.7 billion** in the 2022/23 financial year and increases to **R1.8 billion & R 1.9 billion** in both 2023/24 and 2024/25 outer years.
- Capital revenue increases from **R379.1 million** to **R489 million** in the 2022/23 financial year, the capital budget also increases to **R 512 million & R 520 million** in both the 2023/24 & 2024/25 outer years.
- Service charges tariffs to increase by 5% in the current year to adopt a cost reflective tariff as recommended by circular 115 of the MFMA.

Total operating expenditure for the 2022/23 financial year has been appropriated at **R 1.2 billion** and translates into an operating budgeted surplus of **R 489 million** as indicated in table A4.

This surplus is used to fund capital expenditure for 2022/23 as indicated in table 1 above. The operating surplus for 2022/23 increases to **R 489 million**. The operating surplus for the two outer years increases to **R 512 million** for 2023/24 and further increases to **R 521 million** in 2024/25 financial year. These surpluses will be used to fund capital projects for two outer years.

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

Operating Revenue Framework

The need to generate sustainable revenue is essential to meet funding requirements for Sekhukhune District municipality to continue improving the quality of services provided to its communities and to address the service delivery backlogs. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and high level of unemployment, inadequate town planning, and many other socio-economic challenges in our municipality which directly affects negatively the municipality's revenue generation and collection.

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

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

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

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

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

Table 2 Summary of revenue classified by main revenue source:

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

Description R thousand	R ef 1	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<u>Revenue By Source</u>											
Property rates	2	–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	2	73 837	81 947	72 888	82 323	84 603	84 603	71 565	88 834	93 275	97 939
Service charges - sanitation revenue	2	12 257	12 894	12 453	13 535	14 035	14 035	12 757	14 736	15 473	16 247
Service charges - refuse revenue	2	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment											
Interest earned - external investments		2 264	9 890	15 003	17 486	21 486	21 486	19 685	21 659	22 612	23 630
Interest earned - outstanding debtors		21 580	16 996	12 937	13 996	14 496	14 496	14 500	15 221	15 982	16 781
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		(56)	63	4	108	48	48	4	50	53	55
Licences and permits											
Agency services											
Transfers and subsidies		1 194 613	859 189	1 074 694	982 113	1 024 213	1 024 213	893 473	1 087 844	1 149 231	1 253 412
Other revenue	2	14 714	1 596	82 986	3 076	2 071	2 071	(1 425)	2 175	2 284	2 398
Gains		516	–	–	410	410	410	3	430	452	474
Total Revenue (excluding capital transfers and contributions)		1 319 726	982 574	1 270 964	1 113 047	1 161 362	1 161 362	1 010 562	1 230 949	1 299 362	1 410 936

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

The total revenue for the municipality excluding capital transfers amount to **R 1.231 billion** for 2022/23,

R 1.299 billion for 2023/24 and **R 1.410 billion** for 2024/25. The total amount for operational grants to be received for 2022/23 is **R 1.087 billion**. For the two outer years the total operational grants to be received amounts to **R 1.149 billion** and **R 1.253 billion** for 2023/24 and 2024/25 financial years respectively.

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

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

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

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

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

Operating Expenditure Framework

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

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

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

Table 5 Summary of operating expenditure by standard classification item

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

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

Employee Related Costs

The budget allocation for employee related costs for the 2022/23 financial year is **R 459.5 million**, which equalsto 37 per cent of the total operating expenditure.

The total budget employee related costs has increased from **R 419.5 million** in 2021/22 adjusted budget to **R 459.4 million** in 2022/23 which reflect a 9.5 per cent increase. This is as a result of the inclusion of the vacant positions which couldn't be filled during the 2021/22 financial year together with other new vacant positions which are budgeted to be filled in the 2022/23 financial year. The increase also includes a 4.9% annual salary increase for the 2022/23 financial year.

As part of the municipality's cost reprioritization and cash management strategy to make enough funds available to fund capital projects, non-critical vacancies on the municipal structure were not funded

Below are the high priority positions that will be filled in the 2022/23 financial year:

DEPARTMENT	POSITION	DIVISION	NUMBER	STATUS (VACANT/NEW)
MM's Office	Risk Officer	Risk Management	1	Vacant
MM's Office	MPAC Researcher	MPAC Support	1	Vacant
MM's Office	Chauffer (Contract)	Office of the Speaker	1	New

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MM's Office	Protection Officer (Contract0	Office of the Speaker	2	New
Senior Compliance Officer	Protection Officer (Contract0	Office of the Speaker	1	New
Legal admin officer	Protection Officer (Contract0	Office of the Speaker	1	New
MM's Office	Mayoral Committee Coordinator	Executive Support	1	New
MM's Office	Protection Officer	Executive Support	1	Vacant
Corporate Services	Senior PMS Officer	OD & Individual PMS	1	Vacant
Corporate Services	OHS Officer	EAP& Compliance	1	Vacant
Corporate Services	OD Officer	Organisational Development	1	Vacant
Corporate Services	Manager ICT	ICT	1	Vacant
BTO	Manager Budget	Budget & Treasury	1	Vacant
BTO	Senior Logistics Clerk	Supply Chain Management	1	Vacant
BTO	Expenditure Clerk	Expenditure	1	Vacant
BTO	Accountant	Credit Control and Debt Collection	1	Vacant
BTO	Accountant Reporting	Reporting	1	Vacant
Community Services	FireFighter1	Emergency Services	20	New
PED	Senior IDP Officer	IDP and DDM	1	Vacant
PED	LED Officer	Local Economic Development	1	Vacant
PED	GIS Officer	IDP and DDM	1	New
IWS	Deputy Director	Water Services Authority	1	Vacant
IWS	Deputy Director	Water Services Provision	1	Vacant
IWS	Project Manager	Programme Management Unit	1	Vacant
BTO	Project Officer	Expenditure	1	Vacant
IWS	Planning Engineer	Planning and Design	1	Vacant
IWS	Bulk Specialist	Bulk Operations	1	Vacant

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IWS	Electrical Artisan	Electro-Mechanical	2	Vacant
IWS	Diesel Mechanical Artisan	Electro-Mechanical	1	Vacant
IWS	Artisan Fitting & Turner	Electro-Mechanical	2	Vacant
IWS	Artisan Boilermaker	Electro-Mechanical	1	Vacant
IWS	Artisan Aid	Electro-Mechanical	2	3 Vacant and 1 New
IWS	Artisan Welder	Operations and Maintenance	2	Vacant
IWS	Depot Supervisor	Operations and Maintenance	2	Vacant
IWS	Artisan Plumber	Operations and Maintenance	2	Vacant
IWS	General Worker	Operations and Maintenance	10	13 Vacant 32 New
IWS	Heavy Duty Operator (Crane Truck)	Operations and Maintenance	1	Vacant
IWS	TLB Operator	Operations and Maintenance	5	New

Remuneration of Councillors

The cost associated with the remuneration of councilors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act20 of 1998). The total budget for councillor allowances is **R 18.4 million** for 2022/23, **R 19.2 million** and **R 20.1 million** for 2023/24 and 2024/25 respectively. There was 0.05% increase for oversight visits

Debt Impairment

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

Depreciation

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

Contracted Services

Contracted services comprise of security services, cleaning services, repairs and maintenance for infrastructure assets and operating leases for office equipment and machinery and maintenance of the landfill side. The budget on contracted service is **R 239.3 million** for the 2022/23 financial year, it increases to **R 297.9 million** and increases further to **R 334.3 million** in the 2023/24 and 2024/25 outer years respectively.

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

Other Expenditure

The municipality has also budgeted an amount of **R 183.9 million** on other general expenditure items for the 2022/23 financial year. The budget for the 2023/24 & 2024/25 is **R 201.7 million** & **R 215.7 million** for the general expenditure.

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

Capital expenditure

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

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

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

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<u>Single-year expenditure to be appropriated</u>	2										
Vote 01 - Speakers Office		–	–	–	–	530	530	–	–	–	–
Vote 02 - Executive Mayor's Office		–	–	–	–	–	–	–	–	–	–
Vote 03 - Municipal Manager Office		–	–	–	–	–	–	–	–	–	–
Vote 04 - Budget And Treasury		–	–	–	–	1 000	1 000	–	–	–	–
Vote 05 - Infrastructure And Water Services		457 493	390 198	429 537	424 001	395 668	395 668	253 043	488 656	511 714	520 355
Vote 06 - Planning And Economic Development		–	–	–	–	–	–	–	–	–	–
Vote 07 - Community Services		–	–	–	–	–	–	–	–	–	–
Vote 08 - Sekhukhune Development Angancy		–	–	–	–	–	–	–	550	–	–
Vote 09 - Corporate Services		–	–	–	–	200	200	–	–	–	–
Capital single-year expenditure sub-total		457 493	390 198	429 537	424 001	397 398	397 398	253 043	489 206	511 714	520 355
Total Capital Expenditure - Vote		457 493	390 198	429 537	424 001	397 398	397 398	253 043	489 206	511 714	520 355
Total Capital Expenditure - Functional	3	457 493	390 198	429 537	424 001	397 398	397 398	253 043	489 206	511 714	520 355
Funded by:											
National Government		449 104	386 878	400 327	415 901	379 618	379 618	244 894	469 076	501 682	512 086
Provincial Government											
District Municipality											
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)											
Transfers recognised - capital	4	449 104	386 878	400 327	415 901	379 618	379 618	244 894	469 076	501 682	512 086
Borrowing	6										
Internally generated funds		8 741	3 320	29 210	8 100	17 780	17 780	8 149	20 130	10 032	8 269
Total Capital Funding	7	457 844	390 198	429 537	424 001	397 398	397 398	253 043	489 206	511 714	520 355

New and Existing Capital Assets

For 2022/23 an amount of **R 489.2 million** has been appropriated for the new capital expenditure which will be funded by MIG to the amount of **R 466.6 million**, **RRAMS to the amount of R 2.5 million** and equitable share to the amount of **R 20.1 million**. For 2023/24 and 2024/25 the budget has been appropriated at **R 511.7 million** and **R 520.3 million** respectively.

Infrastructure and Development vote is appropriated the highest allocation of **R 466.6 million** which amounts to 97 per cent of the total capital budget for 2022/23 for construction of reservoirs and pipelines (Reticulation and Bulk), Corporate Services is allocated 3 per cent of the total capital budget. The remaining 2 per cent is allocated to Budget & Treasury Office.

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

Description	Final budget 2022/23	Final budget 2023/24	Final budget 2024/25
CHERRY PICKER x1 (Trailor)	-	260 000,00	500 000,00
CRANE TRUCK x1	-	1 700 000,00	1 100 000,00
TIPPER TRUCK x1	-	600 000,00	
WATER TANKERS x1	-	4 300 000,00	4 400 000,00
Zaaiplaas Village Reticulation	8 000 000,00		
Ga Maphopha Reservoir	4 000 000,00		
Nkadimeng Phase 5-10	400 000,00		
GaMashabela Water Reticulation	1 500 000,00		
Nkadimeng Ext 2	1 600 000,00		
Olifantspoort South Regional Water Supply Phase 6	500 000,00		
Zaaiplaas Village Reticulation	500 000,00		
MHS EQUIPMENT (AIR QUALITY ANALYZERS) NEW	500 000,00		
PURCHASE OF OFFICE CONTAINERS	-	1 000 000,00	
COMPUTER	2 080 000,00	2 171 520,00	2 269 239,00
SDM FUNDED (OWN FUNDING)	20 130 000,00	10 031 520,00	8 269 239,00
MIG ZAAIPLAAS VILLAGE RETICUL PHASE - CO	8 000 000,00	-	-
MIG MOTLAILANA; MAKGEMENG & TAUNG WS	11 314 943,70	-	-
MIG-NSD07 REGION WATER SCHM RESERV	4 042 602,77	-	-
DEHOOP/NEBO PLA/SCHONORD SCH VILGS MKGER	13 554 104,08	-	-
MIG-MALEKANE REGIONAL WATER SCHEME	120 553 542,88	70 000 000,00	-
MIG-LEBALELO SOUTH PH3MAROGA & MOTLOLO	67 246 488,89	-	-
MIG - UPGRADING OF DE HOOP WTW	90 000 000,00	31 234 087,84	-
MIG - UPGRADING OF GROBLERSDAL - LUCKAU BULK WATER SCHEME PHASE 1	114 702 545,89	125 654 105,89	100 000 000,00
MIG - MOUTSE EAST AND WEST WATER RETICULATION	37 211 211,79	114 929 265,16	157 404 551,11

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MIG - UPGRADING OF GROBLERSDAL - LUCKAU BULK WATER SCHEME PHASE 2			73 093 789,89
MIG - MAMPURU BULK WATER SCHEME	-	157 404 551,11	179 038 659,00
TOTAL	466 625 440,00	499 222 010,00	509 537 000,00
RRAMS CAPITAL ACQUISITION	2 451 000,00	2 460 000,00	2 549 000,00
RRAMS	2 451 000,00	2 460 000,00	2 549 000,00

2.3 FINAL ANNUAL BUDGET TABLES (A1 to A10)

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

Table 7 MBRR A1 – Annual Budget Summary

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

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

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

Table MBRR A3 – Budgeted Financial Performance (Municipal Vote)

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

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

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

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

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

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

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

Vote Description R thousand	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Capital expenditure - Vote	2										
Single-year expenditure to be appropriated											
Vote 01 - Speakers Office		-	-	-	-	530	530	-	-	-	-
Vote 04 - Budget And Treasury		-	-	-	-	1 000	1 000	-	-	-	-
Vote 05 - Infrastructure And Water Services		457 493	390 198	429 537	424 001	395 668	395 668	203 923	488 656	511 714	520 355
Vote 08 - Sekhukhune Development Angancy		-	-	-	-	-	-	-	550	-	-
Vote 09 - Corporate Services		-	-	-	-	200	200	-	-	-	-
Vote 14 -		457 493	390 198	429 537	424 001	397 398	397 398	203 923	489 206	511 714	520 355
Vote 15 - Other		457 493	390 198	429 537	424 001	397 398	397 398	203 923	489 206	511 714	520 355
Capital single-year expenditure sub-total											
Total Capital Expenditure - Vote											
Capital Expenditure - Functional											
Governance and administration		-	-	-	-	1 730	1 730	-	-	-	-
Executive and council		-	-	-	-	530	530	-	-	-	-
Finance and administration		-	-	-	-	1 200	1 200	-	-	-	-
Internal audit											
Community and public safety		-	-	-	-	-	-	-	-	-	-
Health											
Economic and environmental services		-	-	-	-	-	-	-	550	-	-
Planning and development		-	-	-	-	-	-	-	550	-	-
Road transport											
Environmental protection											
Trading services		457 493	390 198	429 537	424 001	395 668	395 668	203 923	488 656	511 714	520 355
Water management		446 548	390 198	429 537	424 001	395 668	395 668	203 923	488 656	511 714	520 355
Waste management											
Other											
Total Capital Expenditure - Functional	3	457 493	390 198	429 537	424 001	397 398	397 398	203 923	489 206	511 714	520 355
Funded by:											
National Government		449 104	386 878	400 327	415 901	379 618	379 618	244 894	469 076	501 682	512 086
Provincial Government											
District Municipality											
Transfers recognised - capital	4	449 104	386 878	400 327	415 901	379 618	379 618	198 608	469 076	501 682	512 086
Borrowing	6										
Internally generated funds		8 741	3 320	29 210	8 100	17 780	17 780	5 315	20 130	10 032	8 269
Total Capital Funding	7	457 844	390 198	429 537	424 001	397 398	397 398	203 923	489 206	511 714	520 355

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2.3.3 Table MBRR A6 – Budgeted Financial Position

DC47 Sekhukhune - Table A6 Budgeted Financial Position

Description R thousand	R ef	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
ASSETS											
Current assets											
Cash		12 160	30 716	(195 635)	236 446	310 563	310 563	(99 406)	171 871	234 312	312 994
Call investment deposits	1	1	149 981	149 981	1	1	1	149 981	100 001	110 001	120 001
Consumer debtors	1	119 368	124 776	171 683	120 559	101 738	101 738	228 644	94 223	91 582	78 527
Other debtors		88 873	109 535	153 275	92 568	92 568	92 568	181 767	92 568	92 568	92 568
Current portion of long-term receivables											
Inventory	2	22 284	31 911	31 592	31 773	204 225	204 225	38 321	265 245	416 966	562 022
Total current assets		242 686	446 920	310 897	481 347	709 095	709 095	499 308	723 908	945 430	1 166 112
Non current assets											
Long-term receivables											
Investments		58 868	(118 292)	(128 644)	–	–	–	490 948	–	–	–
Investment property											
Investment in Associate											
Property, plant and equipment	3	3 359 050	3 671 056	4 010 824	3 713 221	3 677 518	3 677 518	4 263 867	3 772 527	3 795 034	3 819 015
Biological											
Intangible		–	–	–	–	–	–	–	–	–	–
Other non-current assets		–	–	–	–	–	–	–	–	–	–
Total non current assets		3 417 918	3 552 764	3 882 180	3 713 221	3 677 518	3 677 518	4 754 815	3 772 527	3 795 034	3 819 015
TOTAL ASSETS		3 660 604	3 999 684	4 193 077	4 194 568	4 386 613	4 386 613	5 254 123	4 496 435	4 740 463	4 985 127
Current liabilities											
Bank overdraft	- 1										
Borrowing	4	–	–	–	–	–	–	–	–	–	–
Consumer deposits		4 209	4 371	4 624	4 315	4 315	4 315	4 859	4 315	4 315	315 437
Trade and other payables	4	485 234	513 637	717 586	220 000	277 003	277 003	704 158	274 290	294 747	056
Provisions		–	–	–	–	–	–	–	–	–	–
Total current liabilities		489 443	518 008	722 210	224 315	281 318	281 318	709 016	278 604	299 062	441 371
Non current liabilities											
Borrowing		1 228	3 322	3 822	–	–	–	3 822	–	–	–
Provisions		51 803	50 186	58 972	51 803	51 803	51 803	58 972	51 803	51 803	51 803
Total non current liabilities		53 030	53 508	62 794	51 803	51 803	51 803	62 794	51 803	51 803	51 803
TOTAL LIABILITIES		542 473	571 516	785 004	276 117	333 120	333 120	771 810	330 407	350 865	493 174
NET ASSETS	5	3 118 131	3 428 168	3 408 073	3 918 451	4 053 493	4 053 493	4 482 312	4 166 028	4 389 599	4 491 954
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		3 344 128	3 565 197	4 147 225	4 010 276	4 020 962	4 020 962	4 551 981	4 085 220	4 247 770	4 198 404
Reserves	4	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	3 344 128	3 565 197	4 147 225	4 010 276	4 020 962	4 020 962	4 551 981	4 085 220	4 247 770	4 198 404

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Table MBRR A7 – Budgeted Cash Flows

DC47 Sekhukhune - Table A7 Budgeted Cash Flows

Description R thousand	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year 2023/24 +1	Budget Year 2024/25 +2
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		–	–	–	–	–	–	–	–	–	–
Service charges		–	–	63 554	36 182	54 183	54 183	49 951	62 142	65 249	78 794
Other revenue		–	–	111 253	17 486	25 025	25 025	(374 564)	2 215	2 325	2 441
Transfers and Subsidies - Operational	1	–	–	4 720	982 113	1 024 213	1 024 213	10 451	1 087 844	1 149 231	1 253 455
Transfers and Subsidies - Capital	1	–	–	365 494	415 997	379 101	379 101	262 623	469 076	501 682	512 086
Interest		–	–	–	19 056	21 486	21 486	192	21 659	22 612	23 630
Dividends									–	–	–
Payments											
Suppliers and employees		–	–	(1 231 812)	(397 053)	143 043	143 043	(1 496 206)	(1 092 661)	(1 157 396)	(1 253 510)
Finance charges									–	–	–
Transfers and Grants	1								–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		–	–	(686 791)	1 073 782	1 647 050	1 647 050	(1 547 555)	550 275	583 703	616 896
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	–	–	410	410	410	–	430	452	474
Decrease (increase) in non-current receivables									–	–	–
Decrease (increase) in non-current investments		58 868	(177 161)	(10 351)	128 644	–	–	619 592	–	–	–
Payments											
Capital assets		–	–	(355 877)	(424 001)	(397 398)	(397 398)	(227 847)	(489 206)	(511 714)	(520 355)
NET CASH FROM/(USED) INVESTING ACTIVITIES		58 868	(177 161)	(366 228)	(294 948)	(396 988)	(396 988)	391 745	(488 776)	(511 262)	(519 881)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									–	–	–
Borrowing long term/refinancing									–	–	–
Increase (decrease) in consumer deposits		(4 209)	(162)	(253)	310	–	–	(234)	–	–	–
Payments											
Repayment of borrowing									–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		(4 209)	(162)	(253)	310	–	–	(234)	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD		54 659	(177 323)	(1 053 272)	779 143	1 250 062	1 250 062	(1 156 045)	61 499	72 441	97 015
Cash/cash equivalents at the year begin:	2	18 249	12 161	180 698	181 178	237 402	237 402	–	218 705	280 204	352 645
Cash/cash equivalents at the year end:	2	72 908	(165 162)	(872 574)	960 321	1 487 464	1 487 464	(1 156 045)	280 204	352 645	449 660

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. The 2022/23 MTREF provide for a net increase in cash of **R 61.5 million** for the 2022/23 financial year, net increase of **R 72.4 million** in 2023/24 and net decrease of **R 97 million** in 2024/25.
4. Cash Flow from Operating activities;

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

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

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

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

Description R thousand	R ef	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Cash and investments available											
Cash/cash equivalents at the year end	1	72 908	(165 162)	(872 574)	960 321	487 464	487 464	(156 045)	280 204	352 645	449 660
Other current investments > 90 days		(60 747)	345 860	826 920	(723 874)	(176 900)	(176 900)	1206 620	(8 332)	(8 332)	(16 666)
Non current assets - Investments	1	58 868	(118 292)	(128 644)	–	–	–	490 948	–	–	–
Cash and investments available:		71 029	62 405	(174 297)	236 447	310 564	310 564	541 523	271 872	344 313	432 995
Application of cash and investments											
Unspent conditional transfers		61 053	68 934	30 315	20 000	20 000	20 000	230 324	20 000	32 309	42 352
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2										
Other working capital requirements	3	385 808	391 847	307 893	98 812	123 466	123 466	1751 703	154 953	164 507	290 530
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:		446 861	460 782	338 208	118 812	143 466	143 466	982 027	174 953	196 816	332 882
Surplus(shortfall)		(375 832)	(398 376)	(512 505)	117 635	167 098	167 098	440 504)	96 919	147 496	100 112

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

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.

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

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Table MBRR table A9 – Asset Management

DC47 Sekhukhune - Table A9 Asset Management

Description R thousand	Re f	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
CAPITAL EXPENDITURE										
<u>Total New Assets</u>	1	452 407	284 515	287 860	389 073	370 735	370 735	482 713	502 394	511 806
<i>Roads Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		57 390	283 703	287 790	387 073	366 268	366 268	479 083	500 222	509 537
<i>Sanitation Infrastructure</i>		394 878	648	62	-	500	500	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		452 268	284 351	287 852	387 073	366 768	366 768	479 083	500 222	509 537
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	163	9	2 000	3 047	3 047	2 880	2 172	2 269
Furniture and Office Equipment		139	-	-	-	920	920	750	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<u>Total Renewal of Existing Assets</u>	2	5 086	93 986	136 758	32 587	24 122	24 122	4 043	6 860	6 000
<i>Roads Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-

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<i>Electrical Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>	432	93 986	115 458	28 687	20 222	20 222	4 043	-	-
<i>Sanitation Infrastructure</i>	4 654	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>	-	-	-	-	-	-	-	-	-
Infrastructure	5 086	93 986	115 458	28 687	20 222	20 222	4 043	-	-
Community Facilities	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Community Assets	-	-	-	-	-	-	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	(616)	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	21 916	3 900	3 900	3 900	-	6 860	6 000
Land	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	6	11 698	4 918	2 341	2 541	2 541	2 451	2 460	2 549
<i>Roads Infrastructure</i>	-	2 091	2 008	2 341	2 341	2 341	2 451	2 460	2 549
<i>Storm water Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>	-	9 606	2 910	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>	-	-	-	-	-	-	-	-	-
Infrastructure	-	11 698	4 918	2 341	2 341	2 341	2 451	2 460	2 549
Community Facilities	-	-	-	-	-	-	-	-	-

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Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-	
Community Assets	-	-	-	-	-	-	-	-	-	
Heritage Assets	-	-	-	-	-	-	-	-	-	
Revenue Generating	-	-	-	-	-	-	-	-	-	
Non-revenue Generating	-	-	-	-	-	-	-	-	-	
Investment properties	-	-	-	-	-	-	-	-	-	
Operational Buildings	-	-	-	-	200	200	-	-	-	
Housing	-	-	-	-	-	-	-	-	-	
Other Assets	-	-	-	-	200	200	-	-	-	
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	
Servitudes	-	-	-	-	-	-	-	-	-	
Licences and Rights	-	-	-	-	-	-	-	-	-	
Intangible Assets	-	-	-	-	-	-	-	-	-	
Computer Equipment	-	-	-	-	-	-	-	-	-	
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-	
Machinery and Equipment	-	-	-	-	-	-	-	-	-	
Transport Assets	-	-	-	-	-	-	-	-	-	
Land	-	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	
Total Capital Expenditure	4	457 493	390 198	429 537	424 001	397 398	397 398	489 206	511 714	520 355
Roads Infrastructure	-	-	2 091	2 008	2 341	2 341	2 341	2 451	2 460	2 549
Storm water Infrastructure	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	-	57 822	387 295	406 157	415 760	386 490	386 490	483 125	500 222	509 537
Sanitation Infrastructure	-	399 532	648	62	-	500	500	-	-	-
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-	-
Infrastructure	-	457 354	390 035	408 228	418 101	389 331	389 331	485 576	502 682	512 086
Community Facilities	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-	-
Community Assets	-	-	-	-	-	-	-	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	200	200	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	200	200	-	-	-	-

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Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	163	9	2 000	3 047	3 047	2 880	2 172	2 269
Furniture and Office Equipment		139	-	(616)	-	920	920	750	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	21 916	3 900	3 900	3 900	-	6 860	6 000
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		457 493	390 198	429 537	424 001	397 398	397 398	489 206	511 714	520 355
ASSET REGISTER SUMMARY - PPE (WDV)	5	2 233 022	2 388 135	2 672 393	2 587 193	2 551 489	2 551 489	2 646 498	2 669 005	2 692 987
Roads Infrastructure		30 856	29 039	29 551	31 248	28 048	28 048	31 358	31 367	31 456
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		2 111 790	2 276 876	2 531 006	2 489 401	2 460 131	2 460 131	2 556 766	2 573 863	2 583 178
Sanitation Infrastructure		49 748	37 193	37 193	48 398	48 898	48 898	48 398	48 398	48 398
Solid Waste Infrastructure		-	(0)	(0)	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		2 192 394	2 343 109	2 597 750	2 569 047	2 537 077	2 537 077	2 636 522	2 653 628	2 663 032
Community Assets		35 604	34 892	33 681	35 182	35 182	35 182	35 182	35 182	35 182
Heritage Assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other Assets		(15 408)	(15 564)	(15 716)	(15 408)	(15 208)	(15 208)	(15 408)	(15 408)	(15 408)
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		5 483	7 840	10 667	(20 477)	(19 430)	(19 430)	(19 597)	(20 305)	(4 867)
Furniture and Office Equipment		4 595	4 350	3 007	4 595	5 515	5 515	5 345	4 595	4 595
Machinery and Equipment		3 791	3 997	13 682	3 791	3 791	3 791	3 791	3 791	3 791
Transport Assets		6 562	9 512	29 321	10 462	4 562	4 562	4 662	7 522	6 662
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	2 022 233	2 135 388	2 393 672	2 193 587	2 489 551	2 489 551	2 498 646	2 005 669	2 987 692

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2.3.5 Table 16 MBRR table A10 – Basic Service delivery measurement

DC47 Sekhukhune - Table A10 Basic service delivery measurement

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Household service targets	1									
<u>Water:</u>										
Piped water inside dwelling		–	–	–	–	–	–	15 000	20 000	–
Piped water inside yard (but not in dwelling)		–	–	–	–	–	–	10 000	15 000	–
Using public tap (at least min.service level)	2	–	–	–	–	457 276	457 276	457 276	469 235	500 880
Other water supply (at least min.service level)	4	–	–	–	–	98 722	98 722	98 722	119 597	146 028
<i>Minimum Service Level and Above sub-total</i>		–	–	–	–	555 998	555 998	580 998	623 832	646 908
Using public tap (< min.service level)	3	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	4	–	–	–	–	–	–	25 000	10 000	–
No water supply		–	–	–	–	–	–	25 000	5 000	–
<i>Below Minimum Service Level sub-total</i>		–	–	–	–	–	–	50 000	15 000	–
Total number of households	5	–	–	–	–	555 998	555 998	630 998	638 832	646 908
<u>Sanitation/sewerage:</u>										
Flush toilet (connected to sewerage)		–	–	–	–	–	–	–	–	–
Flush toilet (with septic tank)		–	–	–	–	–	–	10 000	15 000	20 000
Chemical toilet		–	–	–	–	–	–	–	–	–
Pit toilet (ventilated)		–	–	–	–	48 000	48 000	48 000	48 000	–
Other toilet provisions (> min.service level)		–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>		–	–	–	–	48 000	48 000	58 000	63 000	20 000
Bucket toilet		–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)		–	–	–	–	–	–	5 000	10 000	15 000
No toilet provisions		–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>		–	–	–	–	–	–	5 000	10 000	15 000
Total number of households	5	–	–	–	–	48 000	48 000	63 000	73 000	35 000
<u>Energy:</u>										
Electricity (at least min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (min.service level)		–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>		–	–	–	–	–	–	–	–	–
Electricity (< min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
Other energy sources		–	–	–	–	–	–	–	–	–

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<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-
<u>Refuse:</u>									
Removed at least once a week		-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-
Removed less frequently than once a week		-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-
<u>Households receiving Free Basic Service</u>	7								
Water (6 kilolitres per household per month)		-	-	43 124	-	-	-	47 436	52 180
Sanitation (free minimum level service)		-	-	34 601	-	-	-	41 867	46 054
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-
<u>Cost of Free Basic Services provided - Formal Settlements (R'000)</u>	8								
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	-	-
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-
<u>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</u>		-	-	-	-	-	-	-	-
Total cost of FBS provided		-	-	-	-	-	-	-	-
<u>Highest level of free service provided per household</u>									
Property rates (R value threshold)									
Water (kilolitres per household per month)		-	-	-	-	-	15 000	28 000	35 000
Sanitation (kilolitres per household per month)		-	-	-	-	-	10 000	15 000	20 000
Sanitation (Rand per household per month)		-	-	-	-	-	5 000	10 000	15 000
Electricity (kwh per household per month)									
Refuse (average litres per week)									
<u>Revenue cost of subsidised services provided (R'000)</u>	9								
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)									
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		-	-	-	-	-	-	-	-
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-

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Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-
Municipal Housing - rental rebates	6								
Housing - top structure subsidies									
Other									
Total revenue cost of subsidised services provided		-	-	-	-	-	-	-	-

Explanatory notes to Table A10 - Basic Service Delivery Measurement

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

3 PART 2 – SUPPORTING DOCUMENTS

3.1 Overview of municipal budget process.

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

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

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

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

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

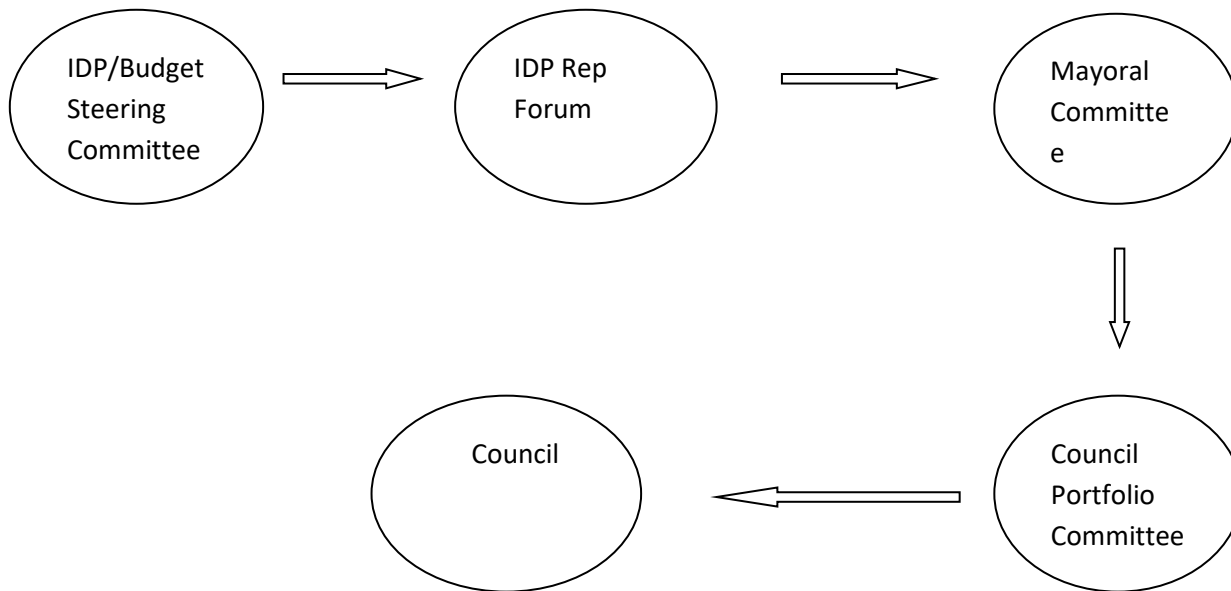
Budget Process Overview

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

Organizational structures for IDP/Budget process

There are various structures responsible to oversee the implementation of the process plan and management of the IDP/Budget process. The IDP/Budget is developed on administrative level by the Municipal Managers and Directors responsible for planning assisted by IDP managers of municipalities

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



5. Inputs from IDP Consultative Meetings

IDP/Budget Public participation started on the 04th April 2022 and were concluded on the 29th April 2022. The consultative meetings were jointly held with all local municipalities in the District. All inputs were recorded and distributed for final inclusion into the 2022/23 MTREF budget/IDP

IDP and Service Delivery and Budget Implementation Plan

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

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

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

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

Financial Modelling and Key Planning Drivers

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

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

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

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

2.2 Overview of alignment of annual budget with IDP and SDBIP

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

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

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

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

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

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

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

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

IDP Strategic Objectives

The following are the strategic objectives of the district:

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

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

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

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

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

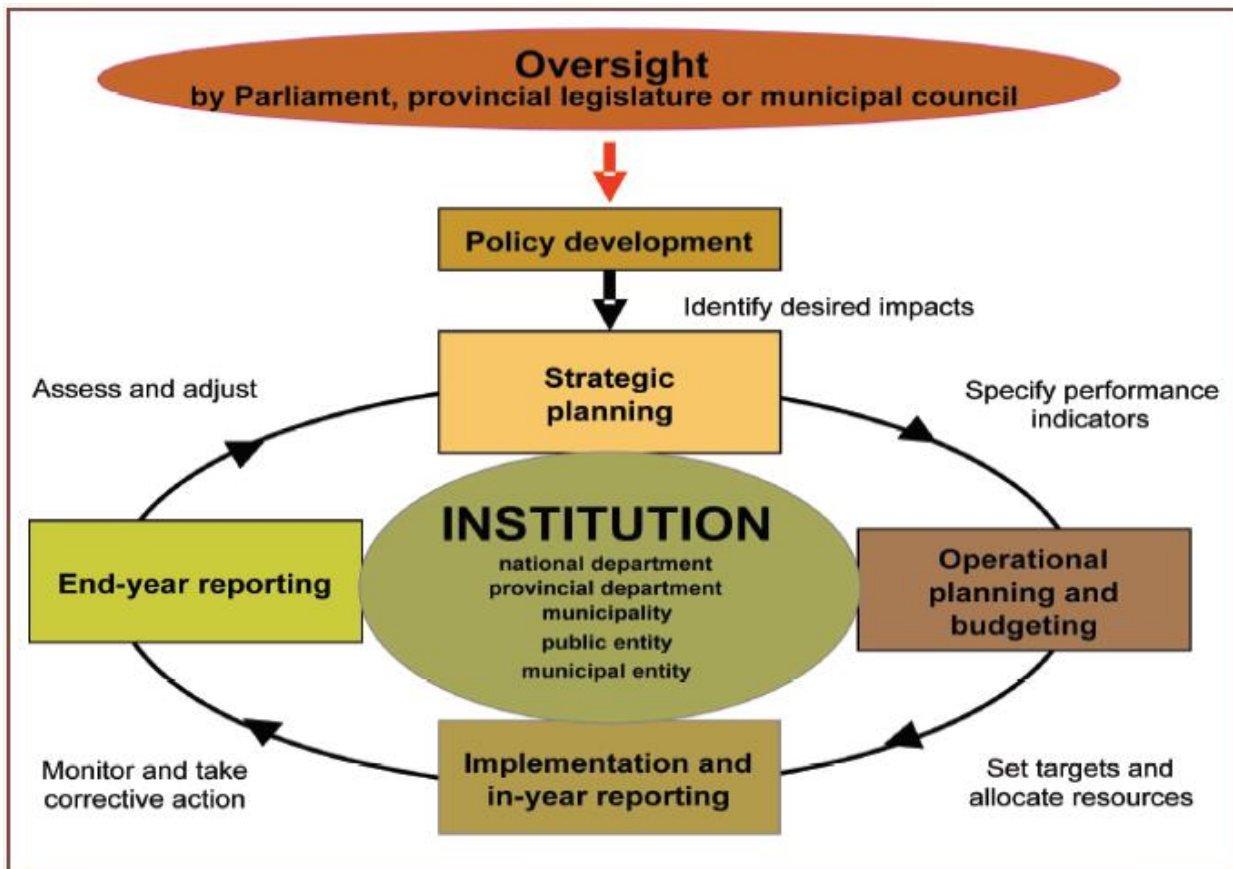
Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the revised IDP, including:

- Strengthening the analysis and strategic planning processes of the district;
- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

2.3 Measurable performance objectives and indicators

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

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



Planning, budgeting and reporting cycle

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

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

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

Free Basic Services: basic social services package for indigent households

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

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

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

Providing clean water and managing waste water

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

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

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

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

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

2.4 Overview of budget related-policies

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

Review of credit control and debt collection procedures/policies

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

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

Asset Management Policy

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

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

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

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

Supply Chain Management Policy

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

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

Virement Policy

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

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the municipality's system of delegations. The Budget and Virement Policy was approved by Council in May 2022.

Cash Management and Investment Policy

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

Tariff Policies

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

Subsidised Motor Vehicle

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

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

Petty Cash policy

The petty cash policy is now stand alone policy where each depot/region will be given a petty cash allowance of R1000.00 to do maintenance work. The district is so decentralised in such a way that issuing petty cash from Head office is costly. All the reconciliations are done at head office.

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

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

2.5 Overview of budget assumptions

External factors

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

General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2022/23 MTREF:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on municipality's residents and businesses;
- The impact of municipal cost drivers;

- The increase in prices for bulk water; and
- The increase in the cost of remuneration.

Collection rate for revenue services

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

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

The municipality is currently in the process of procuring water meters to be installed in areas (Villages) that are already being supplied with water, this will increase billing as more areas will be billed.

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

Growth or decline in tax base of the municipality

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

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

Impact of national, provincial and local policies

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

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

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

Budget Process Overview

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

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

IDP and Service Delivery and Budget Implementation Plan

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

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

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

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

Financial Modelling and Key Planning Drivers

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

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

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

Community Consultation

The below consultation schedule for 2022/23 MTREF which was tabled before Council on 30th of July 2021 and was also published on the municipality's website, and hard copies were made available at customer care offices, municipal notice boards and the municipality's community libraries and at tribal offices.

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

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

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

3.2 Overview of alignment of annual budget with IDP

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

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

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

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

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

Table 17 IDP Strategic Objectives

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

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

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

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

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

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

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

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

Strategic Objective	Go al	Go al Co de	R e f	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand												
GOOD GOVERNANCE AND PUBLIC PARTICIPATION				-	-	-	-	-	-	-	-	-
FIANCIAL VIABILITY				1 319 747	982 574	1 269 775	1 113 047	1 161 362	1 161 362	1 230 949	1 299 362	1 410 936
LOCAL ECONOMIC DEVELOPMENT				-	-	-	-	-	-	-	-	-
BASIC SERVICE DELIVERY, INFRASTRUCTURE DEVELOPMENT AND SOCIAL SERVICES				(19)	-	-	-	-	-	-	-	-
INSTITUTIONAL DEVELOPMENT AND ORGANISATIONAL TRANSFORMATION				(2)	-	-	-	-	-	-	-	-
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	1 319 726	982 574	1 269 775	1 113 047	1 161 362	1 161 362	1 230 949	1 299 362	1 410 936

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

Strategic Objective	Goal	Goal Code	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
Allocations to Other Priorities			–	–	–	–	–	–	–	–	–
GOOD GOVERNANCE AND PUBLIC PARTICIPATION			68 485	66 394	68 270	81 026	83 301	83 301	91 171	92 852	97 384
FIANCIAL VIABILITY			179 504	113 129	79 509	200 655	194 868	194 868	206 871	232 083	253 450
LOCAL ECONOMIC DEVELOPMENT			14 282	11 038	12 664	21 173	21 499	21 499	26 917	34 066	38 973
BASIC SERVICE DELIVERY, INFRASTRUCTURE DEVELOPMENT AND SOCIAL SERVICES			648 328	644 018	732 180	601 512	639 371	639 371	648 413	658 165	696 505
INSTITUTIONAL DEVELOPMENT AND ORGANISATIONAL TRANSFORMATION			203 167	223 537	217 077	199 166	217 376	217 376	237 214	271 760	314 972
Allocations to other priorities											
0			1 113 765	1 058 115	1 109 701	1 103 532	1 156 415	1 156 415	1 210 586	1 288 926	1 401 284

Operational Expenditure.

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

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

Strategic Objective	Go al	Go al Co de	R ef	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand												
GOOD GOVERNANCE AND PUBLIC PARTICIPATION FIANCIAL VIABILITY LOCAL ECONOMIC DEVELOPMENT BASIC SERVICE DELIVERY, INFRASTRUCTURE DEVELOPMENT AND SOCIAL SERVICES INSTITUTIONAL DEVELOPMENT AND ORGANISATIONAL TRANSFORMATION			3	-	-	-	-	530	530	-	-	-
				-	-	-	-	1 000	1 000	-	-	-
				-	-	-	-	-	-	550	-	-
				457 493	390 198	429 537	424 001	395 668	395 668	488 656	511 714	520 355
				-	-	-	-	200	200	-	-	-
Allocations to other priorities			1									
Total Capital Expenditure			1	457 493	390 198	429 537	424 001	397 398	397 398	489 206	511 714	520 355

3.3 Measurable performance objectives and indicators

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

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

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

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

Table 21 MBRR Table SA8 - Performance indicators and benchmarks**DC47 Sekhukhune - Supporting Table SA8 Performance indicators and benchmarks**

Description of financial indicator	Basis of calculation	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0,3%	0,0%	0,0%	0,4%	0,4%	0,4%	0,0%	0,4%	0,4%	0,4%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	0,5	0,9	0,4	2,1	2,5	2,5	0,7	2,6	3,2	2,6
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0,5	0,9	0,4	2,1	2,5	2,5	0,7	2,6	3,2	2,6
Liquidity Ratio	Monetary Assets/Current Liabilities	0,0	0,3	(0,1)	1,1	1,1	1,1	0,1	1,0	1,2	1,0
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		0,0%	0,0%	74,5%	37,7%	54,9%	54,9%	59,2%	60,0%	60,0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		0,0%	0,0%	74,5%	37,7%	54,9%	54,9%	59,2%	60,0%	60,0%	69,0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	15,8%	23,8%	25,6%	19,1%	16,7%	16,7%	40,6%	15,2%	14,2%	12,1%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))										
Creditors to Cash and Investments		529,2%	-237,2%	-71,2%	20,8%	17,3%	17,3%	-33,2%	90,8%	74,4%	87,8%
<u>Other Indicators</u>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)	0	0	0	0	0	0	0	0	0	0
	Total Cost of Losses (Rand '000)	-	-	-	-	-	-	-	-	-	-
	% Volume (units purchased and generated less units sold)/units purchased and generated	-	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Water Distribution Losses (2)	Total Volume Losses (kℓ)	-	-	-	-	-	-	-	-	-	-

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	Total Cost of Losses (Rand '000)	0	0	0	0	0	0	0	0	0	0
	% Volume (units purchased and generated less units sold)/units purchased and generated	–	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Employee costs	Employee costs/(Total Revenue - capital revenue)	28,3%	40,2%	32,5%	38,9%	36,1%	36,1%	36,6%	37,3%	35,3%	34,3%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	29,4%	41,5%	33,2%	40,0%	37,7%	37,7%		38,8%	36,8%	35,7%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	9,0%	10,1%	7,6%	11,7%	14,9%	14,9%		10,0%	9,2%	8,8%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	7,7%	12,4%	7,4%	9,3%	8,9%	8,9%	0,0%	8,7%	8,6%	9,1%
IDP regulation financial viability indicators	-										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	–	–	10,3	6,1	6,1	6,1	5,4	6,3	6,4	6,7
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	241,9%	247,1%	380,8%	222,3%	197,0%	197,0%	486,7%	180,4%	169,3%	149,8%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1,3	(3,0)	(15,6)	14,4	21,2	21,2	(23,8)	3,8	4,5	5,3

3.3.1 Performance indicators and benchmarks

3.3.1.1 Borrowing Management

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

3.4 Overview of budget related-policies

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

3.4.1 Review of credit control and debt collection procedures/policies

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

The 2022/23 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 50 per cent on current debtors. In addition the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the municipality's cash levels and since these overdue debtors has not paid in the past two financial years and an impairment was made to their balances as at 30 June 2020, the municipality has not made any projection for them in the cash flow statement for 2022/23 MTREF. In addition, the a payment incentive scheme was consulted with the customers and is being implemented to encourage customers who were not paying to start paying by taking advantage of the settlement offer by the municipality.

3.4.2 Budget Policy

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

3.4.3 Supply Chain Management Policy

The Supply Chain Management Policy was reviewed and approved by Council in May 2022

3.4.4 Cash Management and Investment Policy

The municipality's Cash Management and Investment Policy was adopted by Council in May 2022. The aim of the policy is to ensure that the municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduce time frames to achieve certain benchmarks.

3.4.5 Tariff Policies

The municipality's tariff policy provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policy was reviewed and approved by council in May 2022.

3.5 *Overview of budget assumptions*

3.5.1 External factors

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

3.5.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2022/23 MTREF:

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

3.5.3 Interest rates for borrowing and investment of funds

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

3.6 *Overview of budget funding*

3.6.1 Medium-term outlook: operating revenue

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

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

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

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

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

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

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

ANNEXURE A**SEKHUKHUNE DISTRICT MUNICIPALITY**

WATER ,SANITATION AND SUNDRY TARRIFS FOR
2022/2023 FINANCIAL YEAR

			2021/2022	2022/2023	2024/2025	2024/2025
AREA OF SUPPLY SEKHUKHUNE DISTRICT MUNICIPALITY DIRECT SUPPLY						
WATER			2021/2022	2022/2023	2024/2025	2024/2025
i)	<u>Residential</u>					
	<i>Metered</i>					
	Basic charge Full Time Supply		45.49	47.77	50.15	52.66
Rebates	Basic Charge Part Time / Time Managed Supply (50% Discount)		22.74	23.88	25.07	26.33
	Basic charge (complexes with 10 or less units)		532.82	559.46	587.43	616.80
	Basic charge (complexes with greater 10 units)		852.51	895.13	939.89	986.89
	Unit Charge		-		-	-
	First 6 Units (Indigents)		-	-	-	-
	First 6 Units (Non-Indigents)		13.67	14.36	15.07	15.83
	7 to 10 Units		15.94	16.74	17.58	18.46
	11 to 30 Units		17.54	18.42	19.34	20.30
	Above 30 units		19.29	20.26	21.27	22.33
	<i>Unmetered</i>		-		-	-

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	Monthly Flat Rate		179.09	188.05	197.45	207.32
	<i>Pre-Paid</i>		-		-	-
	Unit Charge		16.07	16.88	17.72	18.61
	<i>Communal Stand Pipes (Above RDP)</i>		-		-	-
	Monthly Flat Rate		17.01	17.86	18.75	19.69
	<i>Communal Stand Pipes (Pre-Paid)</i>		-		-	-
	First 6 Units		13.67	14.35	15.07	15.82
	After First 6 Units		15.98	16.77	17.61	18.49
	Above 30 units		17.01	17.86	18.75	19.69
ii)	<u>Business</u>		-		-	-
	Basic charge		134.46	141.19	148.25	155.66
	Basic charge Government		532.82	559.46	587.43	616.80
	Basic charge Malls		852.51	895.13	939.89	986.89
	Consumption charge		-		-	-
Business Area	First 6 Units		19.66	20.65	21.68	22.76
Schools	7 to 30 Units		19.66	20.65	21.68	22.76
Churches & Government Institutions	Above 30 units		19.66	20.65	21.68	22.76
	Departmental		19.66	20.65	21.68	22.76
	<u>Commercial/ Industry</u>		-		-	-
	Basic charge		134.46	141.18	148.24	155.66
iii)	Water Tankers (per tank)		719.42	755.39	793.16	832.81
Tankers	Per kiloliter		20.76	21.80	22.89	24.03
All tariffs are VAT exclusive			-			
SEWERAGE			2021/2022	2022/2023	2024/2025	2024/2025
i)	Basic charge (Residential)		59.05	62.00	65.10	68.35
	Basic charge (Commercial)		110.73	116.26	122.08	128.18
ii)	<u>Sewerage Points</u>		-		-	-
	Residential		-		-	-
	First two Points		9.83	10.32	10.84	11.38
	There after per point		9.83	10.32	10.84	11.38
	Commercial		39.18	41.14	43.19	45.35

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			-		-	-
Schools		Per student	5.54	5.81	6.11	6.41
	Departmental		9.23	9.69	10.18	10.68
iii)	<u>Other Sewerage Tariffs</u>		-		-	-
IV)	<u>New connections (Water/Sewerage)</u>		-		-	-
	As calculated by the Director Technical Services (Cost + 10%)		-		-	-
			-		-	-
V)	<u>Issue of Council Documents/Information</u>		-		-	-
	Basic Fee of R30 plus photo copy fees as in paragraph (II) of Sundry Tariffs		-		-	-
Sucking			-		-	-
	Residential Sucking		306.51	321.83	337.92	354.82
	Business Sucking		353.72	371.41	389.98	409.48
	Basic charge for sucking (Businesses)		442.15	464.26	487.47	511.84

All tariffs are VAT exclusive

AREA OF SUPPLY GREATER TUBATSE LOCAL MUNICIPALITY						
SEWERAGE			2021/2022	2022/2023	2024/2025	2024/2025
Indigent People	See policy		Free	Free		
Residential Stands	0 to 500 sqm	per stand	132.65	139.28	146.24	153.56
Size of the stand	501 and more	per stand	198.96	208.91	219.36	230.33
Residential 2 & 3 Stands	Per unit/flat	per unit /flat	132.65	139.28	146.24	153.56
Business Stands			-		-	-
Business Stands	Minimum charge <1000sqm		353.72	371.41	389.98	409.48
	Greater than 1000sqm (per additional 1000sqm)	per size of building	442.15	464.26	487.47	511.84
Government Prop.	Minimum charge <1000sqm		353.72	371.41	389.98	409.48
Businesses and Industrial	Greater than 1000sqm (per additional 1000sqm)	per size of building	442.15	464.26	487.47	511.84
Churches			-		-	-
Churches	Fix charge		331.61	348.19	365.60	383.88
Schools			4.94	5.19	5.45	5.72
Government and	Minimum charge stands <1000sqm		353.72	371.41	389.98	409.48
Municipal	Greater than 1000sqm (per additional 1000sqm)		198.96	208.91	219.36	230.33
Other	Domestic effluent by private tanker per kilolitre		41.83	43.92	46.11	48.42

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Domestic effluent by drum of 210 litres	10.46	10.98	11.53	12.11
Trade effluent from inside the jurisdiction per tanker	753.87	791.56	831.14	872.70
Trade effluent from outside the jurisdiction per tanker	135.67	192.45	252.07	314.68
100 mm nominal diameter connection	456.95	979.80	528.79	105.23
150 mm nominal diameter connection	256.51	869.34	512.81	188.45
Inspection of connections	486.37	510.69	536.22	563.03
Interest on outstanding amounts more than 90 days	Prime plus 1%	Prime plus 1%		
<i>All tariffs are VAT exclusive</i>				
BULK CONTRIBUTIONS	2021/2022	2022/2023	2024/2025	2024/2025
Bulk Contribution per unit	cost plus 10%	cost plus 5%	cost plus 10%	cost plus 10%
(Residential)				
Sewerage	cost plus 10%	cost plus 5%	cost plus 10%	cost plus 10%
Water	cost plus 10%	cost plus 5%	cost plus 10%	cost plus 10%
Roads & Streetlights	cost plus 10%	cost plus 5%	cost plus 10%	cost plus 10%
Total	cost plus 10%	cost plus 5%	cost plus 10%	cost plus 10%
Bulk Contribution per unit	cost plus 10%	cost plus 5%	cost plus 10%	cost plus 10%
(Business)				
Sewerage	cost plus 10%	cost plus 5%	cost plus 10%	cost plus 10%
Water	cost plus 10%	cost plus 5%	cost plus 10%	cost plus 10%
Roads & Streetlights	cost plus 10%	cost plus 5%	cost plus 10%	cost plus 10%
Total	cost plus 10%	cost plus 5%	cost plus 10%	cost plus 10%
Interest on outstanding amounts more than 90 days	Prime plus 1%	Prime plus 1%	Prime plus 1%	Prime plus 1%
<i>All tariffs are VAT exclusive</i>				

3.6.2 Cash Flow Management

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

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

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Table 28 MBRR Table A7 - Budget cash flow statement

DC47 Sekhukhune - Table A7 Budgeted Cash Flows

Description R thousand	R ef	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
CASH FLOW FROM OPERATING ACTIVITIES Receipts											
Property rates		-	-	-	-	-	-	-	-	-	-
Service charges		-	-	63 554	36 182	54 183	54 183	49 951	62 142	65 249	78 794
Other revenue		-	-	111 253	17 486	25 025	25 025	(374 564)	2 215	2 325	2 441
Transfers and Subsidies - Operational	1	-	-	4 720	982 113	024 213	024 213	10 451	087 844	149 231	253 455
Transfers and Subsidies - Capital	1	-	-	365 494	415 997	379 101	379 101	262 623	469 076	501 682	512 086
Interest		-	-	-	19 056	21 486	21 486	192	21 659	22 612	23 630
Dividends									-	-	-
Payments											
Suppliers and employees		-	-	(1 231 812)	(397 053)	143 043	143 043	(1 496 206)	(1 092 661)	(1 157 396)	(1 253 510)
Finance charges									-	-	-
Transfers and Grants	1								-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	-	(686 791)	073 782	647 050	647 050	(1 547 555)	550 275	583 703	616 896
CASH FLOWS FROM INVESTING ACTIVITIES Receipts											
Proceeds on disposal of PPE		-	-	-	410	410	410	-	430	452	474
Decrease (increase) in non-current receivables									-	-	-
Decrease (increase) in non-current investments		58 868	(177 161)	(10 351)	128 644	-	-	619 592	-	-	-
Payments											
Capital assets		-	-	(355 877)	(424 001)	(397 398)	(397 398)	(227 847)	(489 206)	(511 714)	(520 355)
NET CASH FROM/(USED) INVESTING ACTIVITIES		58 868	(177 161)	(366 228)	(294 948)	(396 988)	(396 988)	391 745	(488 776)	(511 262)	(519 881)
CASH FLOWS FROM FINANCING ACTIVITIES Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-

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Increase (decrease) in consumer deposits		(4 209)	(162)	(253)	310	–	–	(234)	–	–	–
Payments											
Repayment of borrowing									–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		(4 209)	(162)	(253)	310	–	–	(234)	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD		54 659	(177 323)	(1 053 272)	779 143	1 250 062	1 250 062	(1 156 045)	61 499	72 441	97 015
Cash/cash equivalents at the year begin:	2	18 249	12 161	180 698	181 178	237 402	237 402	–	218 705	280 204	352 645
Cash/cash equivalents at the year end:	2	72 908	(165 162)	(872 574)	960 321	1 487 464	1 487 464	(1 156 045)	280 204	352 645	449 660

The above table shows a net increase in cash held for all the MTREF years of R61.5million, R72.4 million and R97 million respectively for both 2022/23, 2023/24 & 2024/25 financial years.

3.6.3 Cash Backed Reserves/Accumulated Surplus Reconciliation

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

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

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

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

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

Description R thousand	R e f	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre- audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<u>Cash and investments available</u>											
Cash/cash equivalents at the year end	1	72 908	(165 162)	(872 574)	960 321	1 487 464 (1)	1 487 464 (1)	(1 156 045)	280 204	352 645	449 660
Other current investments > 90 days		(60 747)	345 860	826 920	(723 874)	176 900	176 900	1 206 620	(8 332)	(8 332)	(16 666)
Non current assets - Investments	1	58 868	(118 292)	(128 644)	–	–	–	490 948	–	–	–
Cash and investments available:		71 029	62 405	(174 297)	236 447	310 564	310 564	541 523	271 872	344 313	432 995
<u>Application of cash and investments</u>											
Unspent conditional transfers		61 053	68 934	30 315	20 000	20 000	20 000	230 324	20 000	32 309	42 352
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2										
Other working capital requirements	3	385 808	391 847	307 893	98 812	123 466	123 466	1 751 703	154 953	164 507	290 530
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:		446 861	460 782	338 208	118 812	143 466	143 466	1 982 027	174 953	196 816	332 882
Surplus(shortfall)		(375 832)	(398 376)	(512 505)	117 635	167 098	167 098	(1 440 504)	96 919	147 496	100 112

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From the above table it can be seen that the cash and investments available total is **R 271.8 million** in the 2022/23 financial year and increases to **R 344.3 million** by 2023/24 and further increases to **R 432.9 million** by 2024/25.

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

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

Funding compliance measurement

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

Table 30 MBRR SA10 – Funding compliance measurement

DC47 Sekhukhune Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<u>Funding measures</u>	-	-										
Cash/cash equivalents at the year end - R'000	18(1)b	1	72 908	(165 162)	(872 574)	960 321	1 487 464	1 487 464	(1 156 045)	280 204	352 645	449 660
Cash + investments at the yr end less applications - R'000	18(1)b	2	(375 832)	(398 376)	(512 505)	117 635	167 098	167 098	(1 504 440)	96 919	147 496	100 112
Cash year end/monthly employee/supplier payments	18(1)b	3	1,3	(3,0)	(15,6)	14,4	21,2	21,2	(23,8)	3,8	4,5	5,3
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	558 475	488 965	799 018	425 416	389 535	389 535	602 745	489 440	512 118	521 738
Service charge rev % change - macro CPIX target exclusive	18(1)a, (2)	5	N.A.	4,2%	(16,0%)	6,3%	(3,1%)	(6,0%)	(20,5%)	(1,0%)	(1,0%)	(1,0%)

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Cash receipts % of Ratepayer & Other revenue	18(1)a, (2)	6	0,0%	0,0%	96,4%	47,5%	68,7%	68,7%	(333,3%)	53,2%	53,2%	60,9%
Debt impairment expense as a % of total billable revenue	18(1)a, (2)	7	0,0%	2,8%	0,1%	11,1%	10,8%	10,8%	0,0%	10,7%	10,6%	10,5%
Capital payments % of capital expenditure	18(1)c; 19	8	0,0%	0,0%	82,9%	100,0%	100,0%	100,0%	90,0%	100,0%	100,0%	100,0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0,0%	0,0%	0,0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	12,5%	38,7%	(34,4%)	(8,8%)	0,0%	111,2%	(3,9%)	(1,4%)	(7,1%)
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	3,6%	2,7%	2,4%	3,5%	4,7%	4,7%	2,9%	3,3%	3,2%	3,2%
Asset renewal % of capital budget	20(1)(vi)	14	1,1%	24,1%	31,8%	7,7%	6,1%	6,1%	0,0%	0,8%	1,3%	1,2%
Supporting indicators												
% incr <i>total service charges (incl prop rates)</i>	18(1)a	-	-	-	-	(10,0%)	12,3%	2,9%	0,0%	(14,5%)	5,0%	5,0%
% incr Property Tax	18(1)a	-	-	-	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
% incr Service charges - electricity revenue	18(1)a	-	-	-	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
% incr Service charges - water revenue	18(1)a	-	-	-	11,0%	(11,1%)	12,9%	2,8%	0,0%	(15,4%)	5,0%	5,0%
% incr Service charges - sanitation revenue	18(1)a	-	-	-	5,2%	(3,4%)	8,7%	3,7%	0,0%	(9,1%)	5,0%	5,0%
% incr Service charges - refuse revenue	18(1)a	-	-	-	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
% incr in	18(1)a	-	-	-	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Total billable revenue	18(1)a	-	86 095	94 841	85 340	95 858	98 638	98 638	84 322	103 570	108 749	114 186
Service charges		-	86 095	94 841	85 340	95 858	98 638	98 638	84 322	103 570	108 749	114 186
Property rates		-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue		-	73 837	81 947	72 888	82 323	84 603	84 603	71 565	88 834	93 275	97 939
Service charges - sanitation revenue		-	12 257	12 894	12 453	13 535	14 035	14 035	12 757	14 736	15 473	16 247
Service charges - refuse removal		-	-	-	-	-	-	-	-	-	-	-
Service charges - other		-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		-	-	-	-	-	-	-	-	-	-	-
Capital expenditure excluding capital grant funding		-	8 389	3 320	29 210	8 100	17 780	17 780	8 149	20 130	10 032	8 269

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Cash receipts from ratepayers	18(1)a	–	–	174 807	53 668	79 208	79 208	(324 614)	64 357	67 574	81 235
Ratepayer & Other revenue	18(1)a	122 333	113 496	181 267	113 038	115 253	115 253	97 401	121 016	127 067	133 420
Change in consumer debtors (current and non-current)		37 699	26 070	90 648	(111 831)	(130 652)	(130 652)	85 453 ¹	(26 336)	(2 641)	(13 055)
Operating and Capital Grant Revenue	18(1)a	1 320 392	303 106	1 523 421	1 398 014	1 403 314	1 403 314	163 767	1 556 920	1 650 913	1 765 498
Capital expenditure - total	20(1)(vi)	457 493	390 198	429 537	424 001	397 398	397 398	253 043	489 206	511 714	520 355
Capital expenditure - renewal	20(1)(vi)	5 086	93 986	136 758	32 587	24 122	24 122		4 043	6 860	6 000
Supporting benchmarks											
Growth guideline maximum		6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%
CPI guideline		4,3%	3,9%	4,6%	5,0%	5,0%	5,0%	5,0%	5,4%	5,6%	5,4%
DoRA operating grants total MFY											
DoRA capital grants total MFY											
Provincial operating grants											
Provincial capital grants											
District Municipality grants											
Total gazetted/advised national, provincial and district grants									–	–	–
Average annual collection rate (arrears inclusive)											
DoRA operating											
									–	–	–
									–	–	–
Trend											
Change in consumer debtors (current and non-current)		37 699	26 070	90 648	85 453	(26 336)	(2 641)	(13 055)	–	–	–
Total Operating Revenue		1 319 726	982 574	1 270 964	1 113 047	1 161 362	1 161 362	1 010 562	1 230 949	1 299 362	1 410 936
Total Operating Expenditure		887 728	938 234	921 881	1 103 532	1 150 928	1 150 928	1 679 409	1 210 586	1 288 926	1 401 284
Operating Performance Surplus/(Deficit)		431 999	44 340	349 084	9 515	10 434	10 434	331 153	20 363	10 436	9 652
Cash and Cash Equivalents (30 June 2012)									280 204		
Revenue											
% Increase in Total Operating Revenue			(25,5 %)	29,4%	(12,4%)	4,3%	0,0%	(13,0%)	6,0%	5,6%	8,6%
% Increase in Property Rates Revenue			0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
% Increase in Electricity Revenue			0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%

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% Increase in Property Rates & Services Charges				10,2%	(10,0%)	12,3%	2,9%	0,0%	(14,5%)	5,0%	5,0%	5,0%
Expenditure												
% Increase in Total Operating Expenditure				5,7%	(1,7%)	19,7%	4,3%	0,0%	(41,0%)	5,2%	6,5%	8,7%
% Increase in Employee Costs				5,9%	4,5%	4,8%	(3,1%)	0,0%	(11,9%)	9,5%	(0,2%)	5,5%
% Increase in Electricity Bulk Purchases				0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Average Cost Per Budgeted Employee Position (Remuneration)					805417,7475	455922,9547				4836093,642		
Average Cost Per Councillor (Remuneration)					0	0				0		
R&M % of PPE		3,6%		2,7%	2,4%	3,5%	4,7%	4,7%		3,3%	3,2%	3,2%
Asset Renewal and R&M as a % of PPE		6,0%		9,0%	9,0%	6,0%	8,0%	8,0%		5,0%	5,0%	5,0%
Debt Impairment % of Total Billable Revenue		0,0%		2,8%	0,1%	11,1%	10,8%	10,8%	0,0%	10,7%	10,6%	10,5%
Capital Revenue												
Internally Funded & Other (R'000)		8 741		3 320	29 210	8 100	17 780	17 780	8 149	20 130	10 032	8 269
Borrowing (R'000)		–		–	–	–	–	–	–	–	–	–
Grant Funding and Other (R'000)		449 104		386 878	400 327	415 901	379 618	379 618	244 894	469 076	501 682	512 086
Internally Generated funds % of Non Grant Funding		100,0%		100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Borrowing % of Non Grant Funding		0,0%		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Grant Funding % of Total Funding		98,1%		99,1%	93,2%	98,1%	95,5%	95,5%	96,8%	95,9%	98,0%	98,4%
Capital Expenditure												
Total Capital Programme (R'000)		457 493		390 198	429 537	424 001	397 398	397 398	253 043	489 206	511 714	520 355
Asset Renewal		5 086		105 684	141 677	34 928	26 663	26 663	26 663	6 494	9 320	8 549
Asset Renewal % of Total Capital Expenditure		1,1%		27,1%	33,0%	8,2%	6,7%	6,7%	10,5%	1,3%	1,8%	1,6%
Cash												
Cash Receipts % of Rate Payer & Other		0,0%		0,0%	96,4%	47,5%	68,7%	68,7%	(333,3%)	53,2%	53,2%	60,9%
Cash Coverage Ratio		0		(0)	(0)	0	0	0	(0)	0	0	0
Borrowing												
Credit Rating (2009/10)										0		
Capital Charges to Operating		0,0%		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Borrowing Receipts % of Capital Expenditure		0,0%		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Reserves												
Surplus/(Deficit)		(375 832)		(398 376)	(512 505)	117 635	167 098	167 098	(1 440 504)	96 919	147 496	100 112
Free Services												
Free Basic Services as a % of Equitable Share		0,0%		0,0%	0,0%	0,0%	0,0%	0,0%		0,0%	0,0%	0,0%
Free Services as a % of Operating Revenue (excl operational transfers)		0,0%		0,0%	0,0%	0,0%	0,0%	0,0%		0,0%	0,0%	0,0%
High Level Outcome of Funding Compliance												

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Total Operating Revenue		1 319 726	982 574	1 270 964	1 113 047	1 161 362	1 161 362	1 010 562	1 1 230 949	1 299 362	1 410 936
Total Operating Expenditure		887 728	938 234	921 881	1 103 532	1 150 928	1 150 928	679 409	1 1 210 586	1 288 926	1 401 284
Surplus/(Deficit) Budgeted Operating Statement		431 999	44 340	349 084	9 515	10 434	10 434	331 153	20 363	10 436	9 652
Surplus/(Deficit) Considering Reserves and Cash Backing		(375 832)	(398 376)	(512 505)	117 635	167 098	167 098	(1 440 504)	96 919	147 496	100 112
MTREF Funded (1) / Unfunded (0)	15	0	0	0	1	1	1	0	1	1	1
MTREF Funded ✓ / Unfunded ✗	15	✗	✗	✗	✓	✓	✓	✗	✓	✓	✓

3.7 Expenditure on allocations and grants programmes

Table 30 MBRR SA18 - Transfers and Grants Received

DC47 Sekhukhune - Supporting Table SA18 Transfers and grant receipts

Description R thousand	R ef	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
RECEIPTS: Operating Transfers and Grants	1, 2									
National Government:		1 320	2 679	2 549	973 933	134 892	134 892	83 353	76 735	94 060
Local Government Equitable Share										
LGFMG: RECEIPTS		1 320	1 785	2 549	973 933	2 300	2 300	2 400	2 400	2 400
MDG: RECEIPTS		–	894	–	–	–	–	–	–	–
MIG: RECEIPTS		–	–	–	–	132 592	132 592	80 953	74 335	91 660
Provincial Government:		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	1 320	2 679	2 549	973 933	134 892	134 892	83 353	76 735	94 060
Capital Transfers and Grants										
National Government:		532 227	527 622	521 796	415 997	379 101	379 101	469 076	501 682	512 086
MIG: RECEIPTS		464 936	465 195	466 015	413 560	371 672	371 672	466 625	501 682	512 086
RRAMS: RECEIPTS		–	–	–	2 437	2 437	2 437	2 451	–	–
WSIG: RECEIPTS		67 291	62 427	55 781	–	4 992	4 992	–	–	–
Provincial Government:		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–

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Total Capital Transfers and Grants	5	532 227	527 622	521 796	415 997	379 101	379 101	469 076	501 682	512 086
TOTAL RECEIPTS OF TRANSFERS & GRANTS		533 547	530 301	524 345	1 389 930	513 993	513 993	552 429	578 417	606 146

Table 31 MBRR SA19 - Expenditure on Transfers & Grants

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

Description R thousand	R ef	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
EXPENDITURE:	1									
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		1 320	2 555	2 676	973 933	134 892	134 892	83 353	76 735	94 060
Local Government Equitable Share										
LGFMG: TRSF TO REV		1 320	1 788	2 549	973 933	2 300	2 300	2 400	2 400	2 400
MDG: TRSF TO REV		–	767	127	–	–	–	–	–	–
MIG: TRSF TO REV		–	–	–	–	132 592	132 592	80 953	74 335	91 660
Provincial Government:		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:		1 320	2 555	2 676	973 933	134 892	134 892	83 353	76 735	94 060
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		510 659	458 818	491 478	415 997	379 101	379 101	469 076	501 682	512 086
MIG: TRSF TO REV		480 067	418 108	460 141	413 560	371 864	371 864	466 625	501 682	512 086
RRAMS: TRSF TO REV		2 286	2 063	2 309	2 437	2 437	2 437	2 451	–	–
WSIG: TRSF TO REV		28 306	38 646	29 027	–	4 800	4 800	–	–	–
Provincial Government:		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants		510 659	458 818	491 478	415 997	379 101	379 101	469 076	501 682	512 086
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		511 979	461 373	494 154	1 389 930	513 993	513 993	552 429	578 417	606 146

Table 32 MBRR SA 20 – Reconciliation of transfers, grant receipts and unspent funds

DC47 Sekhukhune - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description R thousand	R ef	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Operating transfers and grants:	1, 3									
National Government:										
Balance unspent at beginning of the year		0	(1)	(124)	–	–	–	–	–	–
Current year receipts		(3 066)	(5 344)	(8 843)	(982 113)	(1 021 904)	(1 021 904)	(96 363)	(76 735)	(94 060)
Conditions met - transferred to revenue		3 065	5 220	8 970	982 113	1 021 904	1 021 904	96 363	76 735	94 060
Conditions still to be met - transferred to liabilities		(1)	(125)	3	–	–	–	–	–	–
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	(2 309)	(2 309)	(2 309)	(2 309)	(2 352)
Conditions met - transferred to revenue		–	–	–	–	2 309	2 309	2 309	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	(2 309)	(2 352)
Total operating transfers and grants revenue		3 065	5 220	8 970	982 113	1 024 213	1 024 213	98 672	76 735	94 060
Total operating transfers and grants - CTBM	2	(1)	(125)	3	–	–	–	–	(2 309)	(2 352)
Capital transfers and grants:	1, 3									
National Government:										
Balance unspent at beginning of the year		(39 484)	(61 052)	(21 354)	(20 000)	(20 000)	(20 000)	(20 000)	(30 000)	(40 000)

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Current year receipts		(532 227)	(527 622)	(521 796)	(415 997)	(379 101)	(379 101)	(469 076)	(501 682)	(512 086)
Conditions met - transferred to revenue		510 659	458 818	491 478	415 997	379 101	379 101	469 076	501 682	512 086
Conditions still to be met - transferred to liabilities		(61 052)	(190 903)	(73 026)	(20 000)	(20 000)	(20 000)	(20 000)	(30 000)	(40 000)
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		510 659	458 818	491 478	415 997	379 101	379 101	469 076	501 682	512 086
Total capital transfers and grants - CTBM	2	(61 052)	(190 903)	(73 026)	(20 000)	(20 000)	(20 000)	(20 000)	(30 000)	(40 000)
TOTAL TRANSFERS AND GRANTS REVENUE		513 724	464 038	500 448	398 110	403 314	403 314	567 748	578 417	606 146
TOTAL TRANSFERS AND GRANTS - CTBM		(61 053)	(191 028)	(73 023)	(20 000)	(20 000)	(20 000)	(20 000)	(32 309)	(42 352)

3.8 Allocations and grants made by the municipality.

SDA

3.9 Councillor and employee benefits

Table 33 MBRR SA22 - Summary of councillor and staff benefits

DC47 Sekhukhune - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	R ef	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Councillors (Political Office Bearers plus Other)	1	A	B	C	D	E	F	G	H	I
Basic Salaries and Wages		6 966	7 126	7 039	7 927	7 927	7 927	7 967	8 317	8 692
Pension and UIF Contributions		501	513	497	596	596	596	599	626	654
Medical Aid Contributions		212	219	226	252	252	252	253	265	276
Motor Vehicle Allowance										
Cellphone Allowance		1 561	1 582	1 564	1 976	1 976	1 976	1 985	2 073	2 166
Housing Allowances										
Other benefits and allowances		7 357	6 026	5 717	7 579	7 579	7 579	7 617	7 952	8 310
Sub Total - Councillors		16 598	15 467	15 043	18 330	18 330	18 330	18 422	19 233	20 098
% increase	4		(6,8%)	(2,7%)	21,9%	–	–	0,5%	4,4%	4,5%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		296	3 054	5 177	6 818	3 990	3 990	6 183	6 505	6 844
Pension and UIF Contributions		36	160	242	607	457	457	479	504	530
Medical Aid Contributions		–	9	–	–	–	–	–	–	–
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	3	28	229	508	836	626	626	657	691	727
Cellphone Allowance	3	8	48	102	158	166	166	174	183	193
Housing Allowances	3	89	100	35	121	121	121	125	131	137
Other benefits and allowances	3	32	120	66	317	201	201	211	222	234
Payments in lieu of leave		28	–	77	33	149	149	157	165	173

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Long service awards Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		2 508	(1 812)	8 851	–	–	–	–	–	–
% increase	4	3 024	1 907	15 057	8 890	5 709	5 709	7 987	8 401	8 839
Other Municipal Staff			(36,9%)	689,5%	(41,0%)	(35,8%)	–	39,9%	5,2%	5,2%
Basic Salaries and Wages Pension and UIF Contributions		237 889	246 415	254 809	287 472	289 363	289 363	328 260	314 699	332 640
Medical Aid Contributions Overtime		37 602	39 465	40 852	43 855	43 365	43 365	43 357	45 628	48 002
Performance Bonus		12 130	13 325	14 030	14 374	14 706	14 706	14 428	15 222	16 014
Motor Vehicle Allowance	3	–	–	–	–	500	500	–	–	–
Cellphone Allowance	3	28 826	27 397	23 436	31 001	22 217	22 217	25 708	26 872	28 271
Housing Allowances Other benefits and allowances	3	1 702	1 640	1 530	2 549	1 764	1 764	1 844	1 939	2 040
Payments in lieu of leave	3	2 219	2 270	2 238	3 437	3 149	3 149	3 312	3 481	3 662
Long service awards Post-retirement benefit obligations	6	42 013	50 825	48 515	29 274	32 279	32 279	28 089	35 333	37 170
Sub Total - Other Municipal Staff		3 902	3 852	3 021	4 780	4 739	4 739	4 975	5 233	5 506
% increase	4	1 700	4 160	2 840	537	1 323	1 323	1 268	1 334	1 404
		411	1 418	173	285	194	194	202	213	224
Total Parent Municipality		368 395	390 768	391 445	417 565	413 599	413 599	451 442	449 955	474 934
Board Members of Entities			6,1%	0,2%	6,7%	(0,9%)	–	9,1%	(0,3%)	5,6%
Basic Salaries and Wages Pension and UIF Contributions										
Medical Aid Contributions Overtime										
Performance Bonus	3									
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances Other benefits and allowances	3									
Board Fees										

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Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Board Members of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
Senior Managers of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
Other Staff of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		388 017	408 142	421 545	444 786	437 639	437 639	477 851	477 589	503 871

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% increase	4		5,2%	3,3%	5,5%	(1,6%)	–	9,2%	(0,1%)	5,5%
TOTAL MANAGERS AND STAFF	5,7	371 419	392 675	406 502	426 455	419 308	419 308	459 429	458 356	483 773

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

DC47 Sekhukhune - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

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

3.10 Monthly targets for revenue, expenditure and cash flow

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

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Table 364 MBRR SA25 - Budgeted monthly revenue and expenditure

DC47 Sekhukhune - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description R thousand	R ef	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue By Source	-															
Property rates													-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue		8 063	6 764	8 774	7 978	7 978	7 978	6 719	6 690	7 281	6 875	6 670	7 064	88 834	93 275	97 939
Service charges - sanitation revenue		1 027	1 027	1 208	966	1 208	846	1 027	1 329	1 087	1 148	1 630	2 234	14 736	15 473	16 247
Service charges - refuse revenue													-	-	-	-
Rental of facilities and equipment													-	-	-	-
Interest earned - external investments		2 082	1 497	2 145	1 476	1 356	810	1 754	2 302	1 986	1 947	2 359	1 946	21 659	22 612	23 630
Interest earned - outstanding debtors		1 450	1 250	900	2 000	1 268	1 607	880	1 540	1 200	1 201	821	1 105	15 221	15 982	16 781
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		13	2	5	3	3	4	2	7	2	5	2	3	50	53	55
Licences and permits													-	-	-	-
Agency services													-	-	-	-
Transfers and subsidies		1 084	1 590	328 023	1 084	1 637	1 084	373 977	3 784	1 084	1 234	1 084	372 177	1 087 844	1 149 231	1 253 412
Other revenue		299	49	399	49	239	49	299	49	49	599	49	49	2 175	2 284	2 398
Gains		36	36	36	36	36	36	36	36	36	36	36	36	430	452	474
Total Revenue (excluding capital transfers and contributions)		14 052	12 215	341 489	13 592	13 725	12 413	384 694	15 735	12 725	13 045	12 650	384 614	230 949	299 362	410 936

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Expenditure By Type	-														
Employee related costs		41 947	34 077	35 579	38 050	33 525	34 241	34 999	34 929	36 376	36 629	50 243	48 835	459 429	483 773
Remuneration of councillors		1 535	1 535	1 535	1 535	1 535	1 535	1 535	1 535	1 535	1 535	1 535	1 535	18 422	20 098
Debt impairment		920	920	920	920	920	920	920	920	920	920	920	920	11 040	12 044
Depreciation & asset impairment		6 260	7 185	12 082	4 846	9 305	13 765	8 766	8 649	10 988	8 599	9 743	6 697	106 885	127 397
Finance charges		42	42	42	42	42	42	42	42	42	42	42	42	509	556
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventory consumed		18 277	13 868	15 281	18 582	14 020	12 123	15 313	15 290	13 896	17 012	16 553	20 859	191 075	207 271
Contracted services		19 944	19 944	19 944	19 944	19 944	19 944	19 944	19 944	19 944	19 944	19 944	19 944	239 331	334 393
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure		16 850	15 186	14 354	14 354	13 938	15 186	15 186	15 602	15 186	15 602	14 770	17 681	183 895	215 752
Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		105 776	92 758	99 737	98 274	93 230	97 756	96 706	96 912	98 889	100 284	113 750	116 514	1 210 586	1 401 284
Surplus/(Deficit)		(91 723)	(80 544)	241 752	(84 682)	(79 505)	(85 344)	287 988	(81 177)	(86 164)	(87 239)	(101 101)	268 101	20 363	9 652
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		-	-	112 176	-	-	-	200 000	1 900	-	-	-	155 000	469 076	512 086
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(91 723)	(80 544)	353 929	(84 682)	(79 505)	(85 344)	487 988	(79 277)	(86 164)	(87 239)	(101 101)	423 101	489 440	521 738

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Taxation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	(91 723)	(80 544)	353 929	(84 682)	(79 505)	(85 344)	487 988	(79 277)	(86 164)	(87 239)	(101 101)	423 101	489 440	512 118	521 738

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

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

Description	R ef	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue by Vote	-															
Vote 01 - Speakers Office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 02 - Executive Mayor's Office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 03 - Municipal Manager Office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 04 - Budget And Treasury		14 052	12 215	453 666	13 592	13 725	12 413	584 694	17 635	12 725	13 045	12 650	539 614	1 700 026	1 801 044	1 923 022
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		14 052	12 215	453 666	13 592	13 725	12 413	584 694	17 635	12 725	13 045	12 650	539 614	1 700 026	1 801 044	1 923 022

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<u>Expenditure by Vote to be appropriated</u>	-															
Vote 01 - Speakers Office	4 029	4 029	4 029	4 029	4 029	4 029	4 029	4 029	4 029	4 029	4 029	4 029	48 349	48 422	50 724	
Vote 02 - Executive Mayor's Office	3 568	3 568	3 568	3 568	3 568	3 568	3 568	3 568	3 568	3 568	3 568	3 568	42 822	44 430	46 660	
Vote 03 - Municipal Manager Office	7 389	7 389	7 389	7 389	7 389	7 389	7 389	7 389	7 389	7 389	7 389	7 388	88 663	108 896	126 187	
Vote 04 - Budget And Treasury	14 592	15 517	20 414	13 178	17 638	22 097	17 099	16 982	19 321	16 931	18 075	15 029	206 871	232 083	253 450	
Vote 05 - Infrastructure And Water Services	55 186	41 792	43 022	48 409	39 922	39 522	43 691	43 630	42 718	47 519	59 841	66 259	571 511	577 080	611 228	
Vote 06 - Planning And Economic Development	1 601	1 601	1 601	1 601	1 601	1 601	1 601	1 601	1 601	1 601	1 601	1 601	19 209	22 558	23 663	
Vote 07 - Community Services	6 389	5 840	6 693	7 078	6 062	6 529	6 307	6 693	7 241	6 226	6 226	5 619	76 902	81 085	85 277	
Vote 08 - Sekhukhune Development Angancy	642	642	642	642	642	642	642	642	642	642	642	642	7 708	11 509	15 311	
Vote 09 - Corporate Services	12 379	12 379	12 379	12 379	12 379	12 379	12 379	12 379	12 379	12 379	12 379	12 379	148 551	162 863	188 785	
Total Expenditure by Vote	105 776	92 758	99 737	98 274	93 230	97 756	96 706	96 912	98 889	100 284	113 750	116 514	1 210 586	1 288 926	1 401 284	
Surplus/(Deficit) before assoc.	(91 723)	(80 544)	353 929	(84 682)	(79 505)	(85 344)	487 988	(79 277)	(86 164)	(87 239)	(101 101)	423 101	489 440	512 118	521 738	
Taxation												—	—	—	—	
Attributable to minorities												—	—	—	—	
Share of surplus/ (deficit) of associate												—	—	—	—	
Surplus/(Deficit)	1	(91 723)	(80 544)	353 929	(84 682)	(79 505)	(85 344)	487 988	(79 277)	(86 164)	(87 239)	(101 101)	423 101	489 440	512 118	521 738

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

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

Description R thousand	R ef	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue - Functional	-															
Governance and administration		14 052	12 215	453 666	13 592	13 725	12 413	584 694	17 635	12 725	13 045	12 650	539 614	1 700 026	1 801 044	1 923 022
Executive and council Finance and administration		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internal audit		14 052	12 215	453 666	13 592	13 725	12 413	584 694	17 635	12 725	13 045	12 650	539 614	1 700 026	1 801 044	1 923 022
Community and public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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Energy sources												-	-	-	-
Water management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management												-	-	-	-
Other												-	-	-	-
Total Revenue - Functional	14 052	12 215	453 666	13 592	13 725	12 413	584 694	17 635	12 725	13 045	12 650	539 614	1	1	1
		12 215	453 666	13 592	13 725	12 413	584 694	17 635	12 725	13 045	12 650				
Expenditure - Functional															
Governance and administration	48 346	48 723	54 472	47 621	51 065	55 991	50 772	51 040	53 927	50 522	51 666	48 012	612 158	677 781	751 083
Executive and council	14 986	14 986	14 986	14 986	14 986	14 986	14 986	14 986	14 986	14 986	14 986	14 985	179 833	201 748	223 571
Finance and administration	33 360	33 737	39 486	32 635	36 079	41 005	35 785	36 053	38 941	35 536	36 680	33 027	432 324	476 032	527 512
Internal audit												-	-	-	-
Community and public safety	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and social services												-	-	-	-
Sport and recreation												-	-	-	-
Public safety												-	-	-	-
Housing												-	-	-	-
Health												-	-	-	-
Economic and environmental services	2 243	2 243	2 243	2 243	2 243	2 243	2 243	2 243	2 243	2 243	2 243	2 243	26 917	34 066	38 973
Planning and development	2 243	2 243	2 243	2 243	2 243	2 243	2 243	2 243	2 243	2 243	2 243	2 243	26 917	34 066	38 973
Road transport												-	-	-	-
Environmental protection												-	-	-	-
Trading services	55 186	41 792	43 022	48 409	39 922	39 522	43 691	43 630	42 718	47 519	59 841	66 259	571 511	577 080	611 228

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Energy sources		–	–	–	–	–	–	–	–	–	–	–	–	–	–
Water management		55 057	41 663	42 892	48 280	39 792	39 393	43 562	43 500	42 589	47 389	59 712	66 129	569 959	609 507
Waste water management		129	129	129	129	129	129	129	129	129	129	129	129	1 552	1 721
Waste management													–	–	–
<i>Other</i>													–	–	–
Total Expenditure - Functional		105 776	92 758	99 737	98 274	93 230	97 756	96 706	96 912	98 889	100 284	113 750	116 514	1 210 586	1 288 926
Surplus/(Deficit) before assoc.		(91 723)	(80 544)	353 929	(84 682)	(79 505)	(85 344)	487 988	(79 277)	(86 164)	(87 239)	(101 101)	423 101	489 440	521 738
Share of surplus/ (deficit) of associate													–	–	–
Surplus/(Deficit)	1	(91 723)	(80 544)	353 929	(84 682)	(79 505)	(85 344)	487 988	(79 277)	(86 164)	(87 239)	(101 101)	423 101	489 440	521 738

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

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

Description R thousand	R e f	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<u>Multi-year expenditure to be appropriated</u>	1															
Vote 01 - Speakers Office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 02 - Executive Mayor's Office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 03 - Municipal Manager Office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 04 - Budget And Treasury		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 05 - Infrastructure And Water Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 06 - Planning And Economic Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 07 - Community Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 08 - Sekhukhune Development Agency		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 09 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Single-year expenditure to be appropriated</u>																

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Vote 01 - Speakers Office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 02 - Executive Mayor's Office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 03 - Municipal Manager Office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 04 - Budget And Treasury		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 05 - Infrastructure And Water Services		34 716	43 851	25 071	61 680	25 071	41 883	39 538	44 803	33 510	39 538	29 639	69 356	488 656	511 714	520 355
Vote 06 - Planning And Economic Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 07 - Community Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 08 - Sekhukhune Development Angancy		46	46	46	46	46	46	46	46	46	46	46	46	550	-	-
Vote 09 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	34 761	43 897	25 117	61 726	25 117	41 929	39 584	44 848	33 556	39 584	29 685	69 402	489 206	511 714	520 355
Total Capital Expenditure	2	34 761	43 897	25 117	61 726	25 117	41 929	39 584	44 848	33 556	39 584	29 685	69 402	489 206	511 714	520 355

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

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

Description R thousand	R ef	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Capital Expenditure - Functional	1															
Governance and administration		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance and administration		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internal audit													-	-	-	-
Community and public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and social services													-	-	-	-
Sport and recreation													-	-	-	-
Public safety													-	-	-	-
Housing													-	-	-	-
Health													-	-	-	-
Economic and environmental services		46	46	46	46	46	46	46	46	46	46	46	46	550	-	-
Planning and development		46	46	46	46	46	46	46	46	46	46	46	46	550	-	-
Road transport													-	-	-	-
Environmental protection													-	-	-	-

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Trading services		34 716	43 851	25 071	61 680	25 071	41 883	39 538	44 803	33 510	39 538	29 639	69 356	488 656	511 714	520 355
Energy sources													–	–	–	–
Water management		34 716	43 851	25 071	61 680	25 071	41 883	39 538	44 803	33 510	39 538	29 639	69 356	488 656	511 714	520 355
Waste management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste management													–	–	–	–
Other													–	–	–	–
Total Capital Expenditure - Functional	2	34 761	43 897	25 117	61 726	25 117	41 929	39 584	44 848	33 556	39 584	29 685	69 402	489 206	511 714	520 355
Funded by:																
National Government		33 084	42 220	23 440	60 048	23 440	40 251	37 906	43 171	31 878	37 906	28 008	67 724	469 076	501 682	512 086
Provincial Government													–	–	–	–
District Municipality Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)													–	–	–	–
Transfers recognised - capital		33 084	42 220	23 440	60 048	23 440	40 251	37 906	43 171	31 878	37 906	28 008	67 724	469 076	501 682	512 086
Borrowing Internally generated funds													–	–	–	–
		1 678	1 678	1 678	1 678	1 678	1 678	1 678	1 678	1 678	1 678	1 678	1 677	20 130	10 032	8 269
Total Capital Funding		34 761	43 897	25 117	61 726	25 117	41 929	39 584	44 848	33 556	39 584	29 685	69 402	489 206	511 714	520 355

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

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DC47 Sekhukhune - Supporting Table SA30
Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Cash Receipts By Source													1		
Property rates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	40 408	40 408	48 755	61 857
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	21 734	21 734	16 494	16 937
Service charges - refuse revenue												-			
Rental of facilities and equipment												-			
Interest earned - external investments	-	-	-	-	-	-	-	-	-	-	-	21 659	21 659	22 612	23 630
Interest earned - outstanding debtors												-			
Dividends received												-			
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-	-	-	43	43	45	47
Licences and permits												-			
Agency services												-			
Transfers and Subsidies - Operational	-	-	-	-	-	-	-	-	-	-	-	1 087 844	1 087 844	1 149 231	1 253 455

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Other revenue	-	-	-	-	-	-	-	-	-	-	-	2 173	2 173	2 280	2 394
Cash Receipts by Source	-	-	-	-	-	-	-	-	-	-	-	¹ 173 860	¹ 173 860	¹ 239 417	¹ 358 321
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	-	-	-	-	-	-	-	-	-	-	469 076	469 076	501 682	512 086
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)												-			
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	430	430	452	474
Short term loans Borrowing long term/refinancing												-			
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables												-			
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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Total Cash Receipts by Source	-	-	-	-	-	-	-	-	-	-	-	¹ 643 367	¹ 643 367	¹ 741 551	¹ 870 881
Cash Payments by Type															
Employee related costs	-	-	-	-	-	-	-	-	-	-	-	109 802	109 802	114 091	148 602
Remuneration of councillors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisitions - water & other inventory	-	-	-	-	-	-	-	-	-	-	-	34 851	34 851	34 851	34 851
Contracted services	-	-	-	-	-	-	-	-	-	-	-	284 092	284 092	133 235	135 305
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	-	-	-	-	-	-	-	-	-	-	-	663 916	663 916	875 220	934 752
Cash Payments by Type	-	-	-	-	-	-	-	-	-	-	-	¹ 092 661	¹ 092 661	¹ 157 396	¹ 253 510
Other Cash Flows/Payments by Type															
Capital assets	-	-	-	-	-	-	-	-	-	-	-	489 206	489 206	511 714	520 355

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Repayment of borrowing Other Cash Flows/Payments												-			
												-			
Total Cash Payments by Type	-	-	-	-	-	-	-	-	-	-	-	¹ 581 868	1 581 868	1 669 110	1 773 865
NET INCREASE/(DECREASE) IN CASH HELD	-	-	-	-	-	-	-	-	-	-	-	61 499	61 499	72 441	97 015
Cash/cash equivalents at the month/year begin:	218 705	218 705	218 705	218 705	218 705	218 705	218 705	218 705	218 705	218 705	218 705	218 705	218 705	280 204	352 645
Cash/cash equivalents at the month/year end:	218 705	218 705	218 705	218 705	218 705	218 705	218 705	218 705	218 705	218 705	218 705	280 204	280 204	352 645	449 660

3.11 Contracts having future budgetary implications

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

3.12 Capital expenditure details

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

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

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

Description R thousand	R e f 1	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<u>Capital expenditure on new assets by Asset Class/Sub-class</u>										
-										
<u>Infrastructure</u>		452 268	284 351	287 852	387 073	366 768	366 768	479 083	500 222	509 537
Roads Infrastructure		-	-	-	-	-	-	-	-	-
<i>Roads</i>										
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
<i>Drainage Collection</i>										
<i>Storm water Conveyance</i>										
<i>Attenuation</i>										
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
<i>Power Plants</i>										
Water Supply Infrastructure		57 390	283 703	287 790	387 073	366 268	366 268	479 083	500 222	509 537
<i>Dams and Weirs</i>										

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Boreholes	5 785	–	–	–	–	–	–	–	–
Reservoirs	6 220	–	–	–	–	–	–	–	–
Pump Stations									
Water Treatment Works									
Bulk Mains	21 621	818	–	–	–	–	2 000	–	–
Distribution	23 764	282 885	287 790	387 073	366 268	366 268	477 083	500 222	509 537
Distribution Points									
PRV Stations									
Capital Spares									
Sanitation Infrastructure	394 878	648	62	–	500	500	–	–	–
Pump Station	–	648	62	–	500	500	–	–	–
Reticulation	394 878	–	–	–	–	–	–	–	–
Waste Water Treatment Works									
Outfall Sewers									
Toilet Facilities									
Capital Spares									
Solid Waste Infrastructure	–	–	–	–	–	–	–	–	–
Landfill Sites									
Waste Transfer Stations									
Waste Processing Facilities									
Waste Drop-off Points									
Waste Separation Facilities									
Electricity Generation Facilities									
Capital Spares									
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Capital Spares									
Coastal Infrastructure	–	–	–	–	–	–	–	–	–
Capital Spares									
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
Data Centres									
Community Assets	–	–	–	–	–	–	–	–	–

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Community Facilities	-	-	-	-	-	-	-	-	-
<i>Halls</i>									
<i>Capital Spares</i>									
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
<i>Indoor Facilities</i>									
<u>Heritage assets</u>	-	-	-	-	-	-	-	-	-
Monuments									
Historic Buildings									
<u>Investment properties</u>	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
<i>Improved Property</i>									
<i>Unimproved Property</i>									
Non-revenue Generating	-	-	-	-	-	-	-	-	-
<i>Improved Property</i>									
<i>Unimproved Property</i>									
<u>Other assets</u>	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-
<i>Municipal Offices</i>									
<i>Pay/Enquiry Points</i>									
<i>Capital Spares</i>									
Housing	-	-	-	-	-	-	-	-	-
<i>Staff Housing</i>									
<u>Biological or Cultivated Assets</u>	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets									
<u>Intangible Assets</u>	-	-	-	-	-	-	-	-	-
Servitudes									
Licences and Rights	-	-	-	-	-	-	-	-	-
<i>Water Rights</i>									
<i>Effluent Licenses</i>									
<i>Solid Waste Licenses</i>									
Computer Software and Applications									

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Load Settlement Software Applications Unspecified										
Computer Equipment	–	163	9	2 000	3 047	3 047	2 880	2 172	2 269	
Computer Equipment	–	163	9	2 000	3 047	3 047	2 880	2 172	2 269	
Furniture and Office Equipment	139	–	–	–	920	920	750	–	–	
Furniture and Office Equipment	139	–	–	–	920	920	750	–	–	
Machinery and Equipment	–	–	–	–	–	–	–	–	–	
Machinery and Equipment										
Transport Assets	–	–	–	–	–	–	–	–	–	
Transport Assets										
Land	–	–	–	–	–	–	–	–	–	
Land	–	–	–	–	–	–	–	–	–	
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–	
Zoo's, Marine and Non-biological Animals										
Total Capital Expenditure on new assets	1	452 407	284 515	287 860	389 073	370 735	370 735	482 713	502 394	511 806

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

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

Description R thousand	R ef 1	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<u>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</u>										
-										
<u>Infrastructure</u>		5 086	93 986	115 458	28 687	20 222	20 222	4 043	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads										
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure		432	93 986	115 458	28 687	20 222	20 222	4 043	-	-
Dams and Weirs										
Boreholes		432	6 287	10 406	-	-	-	-	-	-
Reservoirs										
Pump Stations										
Water Treatment Works		-	87 699	104 589	28 687	19 122	19 122	4 043	-	-
Bulk Mains										
Distribution		-	-	462	-	1 100	1 100	-	-	-
Distribution Points										
PRV Stations										
Capital Spares										

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Sanitation Infrastructure	4 654	-	-	-	-	-	-	-	-
<i>Pump Station</i>									
<i>Reticulation</i>	1 831	-	-	-	-	-	-	-	-
<i>Waste Water Treatment Works</i>	2 823	-	-	-	-	-	-	-	-
<i>Outfall Sewers</i>									
<i>Toilet Facilities</i>									
<i>Capital Spares</i>									
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-
<i>Landfill Sites</i>									
<i>Waste Transfer Stations</i>									
<i>Waste Processing Facilities</i>									
<i>Waste Drop-off Points</i>									
<i>Waste Separation Facilities</i>									
<i>Electricity Generation Facilities</i>									
<i>Capital Spares</i>									
Rail Infrastructure	-	-	-	-	-	-	-	-	-
<i>Rail Lines</i>									
<i>Rail Structures</i>									
<i>Rail Furniture</i>									
<i>Drainage Collection</i>									
<i>Storm water Conveyance</i>									
<i>Attenuation</i>									
<i>MV Substations</i>									
<i>LV Networks</i>									
<i>Capital Spares</i>									
Coastal Infrastructure	-	-	-	-	-	-	-	-	-
<i>Sand Pumps</i>									
<i>Piers</i>									
<i>Revetments</i>									
<i>Promenades</i>									
<i>Capital Spares</i>									
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
<i>Data Centres</i>									
<i>Core Layers</i>									
<i>Distribution Layers</i>									
<i>Capital Spares</i>									
<u>Community Assets</u>	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-
<i>Halls</i>									
<i>Centres</i>									
<i>Crèches</i>									
<i>Clinics/Care Centres</i>									
<i>Fire/Ambulance Stations</i>									

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Testing Stations									
Museums									
Galleries									
Theatres									
Libraries									
Cemeteries/Crematoria									
Police									
Parks									
Public Open Space									
Nature Reserves									
Public Ablution Facilities									
Markets									
Stalls									
Abattoirs									
Airports									
Taxi Ranks/Bus Terminals									
Capital Spares									
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Indoor Facilities									
Outdoor Facilities									
Capital Spares									
Heritage assets	-	-	-	-	-	-	-	-	-
Monuments									
Historic Buildings									
Works of Art									
Conservation Areas									
Other Heritage									
Investment properties	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property									
Unimproved Property									
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property									
Unimproved Property									
Other assets	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-
Municipal Offices									
Pay/Enquiry Points									
Building Plan Offices									
Workshops									
Yards									
Stores									
Laboratories									
Training Centres									
Manufacturing Plant									

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Depots										
Capital Spares										
Housing	-	-	-	-	-	-	-	-	-	-
Staff Housing										
Social Housing										
Capital Spares										
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets										
Intangible Assets	-	-	-	-	-	-	-	-	-	-
Servitudes										
Licences and Rights	-	-	-	-	-	-	-	-	-	-
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications										
Load Settlement Software Applications										
Unspecified										
Computer Equipment	-	-	-	-	-	-	-	-	-	-
Computer Equipment										
Furniture and Office Equipment	-	-	(616)	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	(616)	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment										
Transport Assets	-	-	21 916	3 900	3 900	3 900	-	6 860	6 000	
Transport Assets	-	-	21 916	3 900	3 900	3 900	-	6 860	6 000	
Land	-	-	-	-	-	-	-	-	-	-
Land										
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										
Total Capital Expenditure on renewal of existing assets	1	5 086	93 986	136 758	32 587	24 122	24 122	4 043	6 860	6 000
Renewal of Existing Assets as % of total capex		0,0%	24,1%	31,8%	7,7%	6,1%	6,1%	0,8%	1,3%	1,2%
Renewal of Existing Assets as % of deprecn"		5,0%	76,9%	145,0%	31,8%	23,5%	23,5%	3,8%	6,1%	4,7%

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

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

Description R thousand	R ef 1	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Repairs and maintenance expenditure by Asset Class/Sub-class										
-										
Infrastructure		117 279	95 653	95 681	127 310	169 410	169 410	108 103	112 681	115 373
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads										
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure		36 099	19 284	18 151	45 747	42 747	42 747	43 957	46 869	48 866
Dams and Weirs										
Boreholes		25 064	15 231	9 793	32 637	29 637	29 637	29 823	32 179	33 595
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution		11 035	4 053	8 358	13 110	13 110	13 110	14 135	14 691	15 271
Distribution Points										
PRV Stations										
Capital Spares										

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Sanitation Infrastructure	81 180	76 369	77 530	81 563	126 663	126 663	64 145	65 812	66 508
<i>Pump Station</i>									
<i>Reticulation</i>	66 260	57 788	76 422	70 000	112 100	112 100	50 000	50 000	50 000
<i>Waste Water Treatment Works</i>									
<i>Outfall Sewers</i>	14 920	18 581	1 108	11 563	14 563	14 563	14 145	15 812	16 508
<i>Toilet Facilities</i>	–	–	–	–	–	–	–	–	–
<i>Capital Spares</i>									
Solid Waste Infrastructure	–	–	–	–	–	–	–	–	–
<i>Landfill Sites</i>									
<i>Waste Transfer Stations</i>									
<i>Waste Processing Facilities</i>									
<i>Waste Drop-off Points</i>									
<i>Waste Separation Facilities</i>									
<i>Electricity Generation Facilities</i>									
<i>Capital Spares</i>									
Rail Infrastructure	–	–	–	–	–	–	–	–	–
<i>Rail Lines</i>									
<i>Rail Structures</i>									
<i>Rail Furniture</i>									
<i>Drainage Collection</i>									
<i>Storm water Conveyance</i>									
<i>Attenuation</i>									
<i>MV Substations</i>									
<i>LV Networks</i>									
<i>Capital Spares</i>									
Coastal Infrastructure	–	–	–	–	–	–	–	–	–
<i>Sand Pumps</i>									
<i>Piers</i>									
<i>Revetments</i>									
<i>Promenades</i>									
<i>Capital Spares</i>									
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
<i>Data Centres</i>									
<i>Core Layers</i>									
<i>Distribution Layers</i>									
<i>Capital Spares</i>									
Community Assets	–	–	–	–	–	–	–	–	–
Community Facilities	–	–	–	–	–	–	–	–	–
<i>Halls</i>									
<i>Centres</i>									

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Crèches									
Clinics/Care Centres									
Fire/Ambulance Stations									
Testing Stations									
Museums									
Galleries									
Theatres									
Libraries									
Cemeteries/Crematoria									
Police									
Parks									
Public Open Space									
Nature Reserves									
Public Ablution Facilities									
Markets									
Stalls									
Abattoirs									
Airports									
Taxi Ranks/Bus Terminals									
Capital Spares									
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Indoor Facilities									
Outdoor Facilities									
Capital Spares	1	1	1	1	1	1	1	1	1
Heritage assets	-	-	-	-	-	-	400	522	545
Monuments									
Historic Buildings									
Works of Art									
Conservation Areas									
Other Heritage	-	-	-	-	-	-	400	522	545
Investment properties	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property									
Unimproved Property									
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property									
Unimproved Property									
Other assets	1 438	280	195	800	600	600	2 080	2 485	2 597
Operational Buildings	1 438	280	195	800	600	600	2 080	2 485	2 597

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<i>Municipal Offices</i>		1 438	280	195	800	600	600	2 080	2 485	2 597
<i>Capital Spares</i>										
Housing		–	–	–	–	–	–	–	–	–
<i>Staff Housing</i>										
<u>Biological or Cultivated Assets</u>		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets										
<u>Intangible Assets</u>		–	–	–	–	–	–	–	–	–
Servitudes										
Licences and Rights		–	–	–	–	–	–	–	–	–
<i>Water Rights</i>										
<i>Effluent Licenses</i>										
<i>Solid Waste Licenses</i>										
<i>Computer Software and Applications</i>										
<i>Load Settlement Software Applications</i>										
<i>Unspecified</i>										
<u>Computer Equipment</u>		–	–	–	–	100	100	104	109	113
Computer Equipment		–	–	–	–	100	100	104	109	113
<u>Furniture and Office Equipment</u>		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
<u>Machinery and Equipment</u>		73	1	(589)	63	303	303	9 066	329	344
Machinery and Equipment		73	1	(589)	63	303	303	9 066	329	344
<u>Transport Assets</u>		495	3 373	1 283	2 000	2 707	2 707	3 300	3 445	4 600
Transport Assets		495	3 373	1 283	2 000	2 707	2 707	3 300	3 445	4 600
<u>Land</u>		–	–	–	–	–	–	–	–	–
Land										
<u>Zoo's, Marine and Non-biological Animals</u>		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals										
Total Repairs and Maintenance Expenditure	1	119 285	99 306	96 569	130 174	173 121	173 121	123 052	119 571	123 573
R&M as a % of PPE		3,6%	2,7%	2,4%	3,5%	4,7%	4,7%	2,9%	3,2%	3,3%
R&M as % Operating Expenditure		13,4%	10,6%	10,5%	11,8%	15,0%	15,0%	18,1%	9,9%	9,6%

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Table 46 MBRR SA36 - Detailed capital budget per municipal vote

DC47 Sekhukhune - Supporting Table SA36 Detailed capital budget

Capital Budget																
R thousand														2022/23 Medium Term Revenue & Expenditure Framework		
Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Audited Outcome 2020/21	Current Year 2021/22 Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Parent municipality: <i>List all capital projects grouped by Function</i>																
Administrative And Corporate Support	Purchase Of Office	PC001002004_007_00018	NEW	An efficient; competitive and responsive economic infrastructure network	Growth		Water Supply Infrastructure	Distribution Furniture And Office	R-WHOLE OF THE DISTRICT	0	0	–	200	–	–	–
Finance	Office Equipment	PC002003005_00002	NEW	An efficient; effective and development-oriented public service	Growth		Equipment Furniture And Office	Equipment Furniture And Office	R-WHOLE OF THE DISTRICT	0	0	–	600	–	–	–
Finance	Scanners	PC002003005_00003	NEW	An efficient; effective and development-oriented public service	Growth		Equipment Furniture And Office	Equipment Furniture And Office	R-WHOLE OF THE DISTRICT	0	0	–	200	–	–	–
Finance	Storage Room (Warehouse)	PC002002002_003001006_00001	UPGRADING	An efficient; effective and development-oriented public service	Governance		Operational Buildings	Stores	R-ADMIN OR HEAD OFFICE	0	0	–	200	–	–	–
Mayor And Council	Cameras	PC002003004_00004	NEW	An efficient; effective and development-oriented public service	Growth		Computer Equipment	Computer Equipment	R-ADMIN OR HEAD OFFICE	0	0	–	530	–	–	–
Support To Local Municipalities	Computer	PC002003004_00002	NEW	An efficient; effective and development-oriented public service	Growth		Computer Equipment Furniture And Office	Computer Equipment Furniture And Office	R-WHOLE OF THE DISTRICT	0	0	–	–	300	–	–
Support To Local Municipalities	Office Equipment	PC002003005_00002	NEW	An efficient; effective and development-oriented public service	Growth		Equipment Furniture And Office	Equipment Furniture And Office	R-WHOLE OF THE DISTRICT	0	0	–	–	250	–	–
Water Distribution	Wa At C - Boreholes: Acquisition	PC001001001_004002_00003	RENEWAL	An efficient; competitive and responsive economic infrastructure network	Inclusion and Access		Water Supply Infrastructure	Boreholes	R-GREATER TUBATSE/FE TAKG	0	0	6 134	–	–	–	–

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Water Distribution	Wsig Tukagomo Rdp Section Borehole	PC001001001004002_00013	REN EWA L	An efficient; competitive and responsive economic infrastructure network	Inclusion and Access		Water Supply Infrastructure	Boreholes	R-WHOLE OF THE DISTRICT	0	0	4 272	-	-	-	-
Water Distribution	Covid-19 Nebo Ga Malekana To Jane Furse	PC001001001004005_00001	REN EWA L	An efficient; competitive and responsive economic infrastructure network	Inclusion and Access		Water Supply Infrastructure	Water Treatment Works	R-WHOLE OF THE DISTRICT	0	0	(852)	-	-	-	-
Water Distribution	Mig-Nsd07 Region Water Schm Reserv	PC001001001004005_00013	REN EWA L	An efficient; competitive and responsive economic infrastructure network	Inclusion and Access		Water Supply Infrastructure	Water Treatment Works	R-WHOLE OF THE DISTRICT	0	0	47 256	19 122	4 043	-	-
Water Distribution	Rbig-Ermlm Moutse Bws-Pr7-12;13 & 14	PC001001001004005_00009	REN EWA L	An efficient; competitive and responsive economic infrastructure network	Inclusion and Access		Water Supply Infrastructure	Water Treatment Works	R-WHOLE OF THE DISTRICT	0	0	617	-	-	-	-
Water Distribution	Rbig-Gtml Ph4f Bulk	PC001001001004005_00004	REN EWA L	An efficient; competitive and responsive economic infrastructure network	Inclusion and Access		Water Supply Infrastructure	Water Treatment Works	R-WHOLE OF THE DISTRICT	0	0	3 846	-	-	-	-
Water Distribution	Rbig-Gtml Phase 4e Bulk	PC001001001004005_00003	REN EWA L	An efficient; competitive and responsive economic infrastructure network	Inclusion and Access		Water Supply Infrastructure	Water Treatment Works	R-WHOLE OF THE DISTRICT	0	0	2 247	-	-	-	-
Water Distribution	Rbig-Gtml Phase 4g Bulk	PC001001001004005_00005	REN EWA L	An efficient; competitive and responsive economic infrastructure network	Inclusion and Access		Water Supply Infrastructure	Water Treatment Works	R-WHOLE OF THE DISTRICT	0	0	35 187	-	-	-	-
Water Distribution	Rbig-Mklm Nebo Bws Makgeru To Schoonoor	PC001001001004005_00007	REN EWA L	An efficient; competitive and responsive economic infrastructure network	Inclusion and Access		Water Supply Infrastructure	Water Treatment Works	R-WHOLE OF THE DISTRICT	0	0	16 288	-	-	-	-
Water Distribution	Wsig- Phiring Water Intervention Ph2	PC001001001004007_00002	REN EWA L	An efficient; competitive and responsive economic infrastructure network	Inclusion and Access		Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	462	1 100	-	-	-
Water Distribution	Water Reticulation Project	PC001001002004005_00001	UPG RAD I NG	An efficient; competitive and responsive economic infrastructure network	Inclusion and Access		Water Supply Infrastructure	Water Treatment Works	R-WHOLE OF THE DISTRICT	0	0	425	-	-	-	-
Water Distribution	Wsig: Janefurse Rdp Package Plant	PC001001002004005_00002	UPG RAD I NG	An efficient; competitive and responsive economic infrastructure network	Inclusion and Access		Water Supply Infrastructure	Water Treatment Works	R-WHOLE OF THE DISTRICT	0	0	2 486	-	-	-	-
Water Distribution	Rams Capital Acquisition	PC001001002006002_00001	UPG RAD I NG	An efficient; competitive and responsive economic infrastructure network	Inclusion and Access		Roads Infrastructure	Road Structures	R-ELIAS MOTSOALE I	0	0	2 008	2 341	2 451	2 460	2 549

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Water Distribution	Mig Nkadameng Rws Ext 2(Ph 9-11)ftl	PC001002004 006_00002	NEW	An efficient; competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Bulk Mains	R-WHOLE OF THE DISTRICT	0	0	-	-	1 600	-	-
Water Distribution	Nkadameng Phase5-10 (Ph 9c1)	PC001002004 006_00003	NEW	An efficient; competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Bulk Mains	R-EMPRAM MOGALE	0	0	-	-	400	-	-
Water Distribution	Covid-19 Borehole Motetema Booster Pumps	PC001002004 007_00039	NEW	An efficient; competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	852	-	-	-	-
Water Distribution	Covid-19 Equipment	PC001002004 007_00054	NEW	An efficient; competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	434	-	-	-	-
Water Distribution	Covid-19 Mig - Covid 19 Projects Dehoop/Nebo	PC001002004 007_00014	NEW	An efficient; competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	2 097	27 284	-	-	-
Water Distribution	Pla/Schonord Sch Vilgs Mkger	PC001002004 007_00044	NEW	An efficient; competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-GREATER TUBATSE/FE TAKG	0	0	8 924	105 473	13 554	-	-
Water Distribution	Ga Maphopha Command Res	PC001002004 007_00020	NEW	An efficient; competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	-	2 700	4 000	-	-
Water Distribution	Mig - Mampuru Bulk Water Scheme	PC001002004 007_00056	NEW	An efficient; competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	-	-	-	157 405	179 039
Water Distribution	Mig - Upgrading Of De Hoop Wtw	PC001002004 007_00053	NEW	An efficient; competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	-	-	90 000	31 234	-
Water Distribution	Mig - Upgrading Of Groblersdal-Luckau P1	PC001002004 007_00054	NEW	An efficient; competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	-	-	114 703	125 654	100 000
Water Distribution	Mig - Upgrading Of Groblersdal-Luckau P2	PC001002004 007_00055	NEW	An efficient; competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	-	-	-	-	73 094
Water Distribution	Mig Motlailana; Makgemeng & Taung Ws	PC001002004 007_00024	NEW	An efficient; competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	3 774	29 410	11 315	-	-
Water Distribution	Mig Zaaiplaas Village Reticul Phase - Co	PC001002004 007_00019	NEW	An efficient; competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	950	8 000	16 000	-	-
Water Distribution	Mig- Mklm Ga-Mashabela Water Reticulat	PC001002004 007_00040	NEW	An efficient; competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	-	-	1 500	-	-
Water Distribution	Mig- Moutse East & West Water Retic	PC001002004 007_00057	NEW	An efficient; competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	-	-	37 211	114 929	157 405
Water Distribution	Mig- Gamogashwa(Seng	PC001002004 007_00043	NEW	An efficient; competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	57 399	4 762	-	-	-

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	apudi) & (Manamane)																
Water Distribution	Mig-GtIm Ga-Malekane	PC001002004 007_00001	NEW	An efficient; competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-GREATER TUBATSE/FE TAKG	0	0	1 002	400	-	-	-		
Water Distribution	Mig-GtIm Lebalale South Conn	PC001002004 007_00042	NEW	An efficient; competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	42 235	37 748	-	-	-		
Water Distribution	Mig-Lebalale South Ph3maroga & Motlolo	PC001002004 007_00046	NEW	An efficient; competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	61 901	76 802	67 246	-	-		
Water Distribution	Mig-Malekana Wtw	PC001002004 007_00007	NEW	An efficient; competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	-	-	-	-	-		
Water Distribution	Mig-Malekane Regional Water Scheme	PC001002004 007_00045	NEW	An efficient; competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	81 974	67 458	120 554	70 000	-		
Water Distribution	Mig-Mampuru	PC001002004 007_00008	NEW	An efficient; competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	-	-	-	-	-		
Water Distribution	Mig-Mklm Ga-Marishane Water Reticulation	PC001002004 007_00041	NEW	An efficient; competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	5 795	-	-	-	-		
Water Distribution	Olifantspoort South Rws	PC001002004 007_00058	NEW	An efficient; competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	-	-	500	-	-		
Water Distribution	Purchase Of Office Sdm-Capital	PC001002004 007_00018	NEW	An efficient; competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	-	2 200	-	1 000	-		
Water Distribution	Replacement Reserve	PC001002004 007_00037	NEW	An efficient; competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	380	-	-	-	-		
Water Distribution	Sdm-Ems	PC001002004 007_00029	NEW	An efficient; competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	16	130	-	-	-		
Water Distribution	Sdm-O&M Management Plan	PC001002004 007_00033	NEW	An efficient; competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	152	-	-	-	-		
Water Distribution	Settlement Of Vehicles	PC001002004 007_00040	NEW	An efficient; competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-ADMIN OR HEAD OFFICE	0	0	5 642	-	-	-	-		
Water Distribution	Wsig Flag Boshielo Water Consev & Wdm	PC001002004 007_00013	NEW	An efficient; competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	583	3 700	-	-	-		
Water Distribution	Wsig Uitspanning Water Source Developmen	PC001002004 007_00012	NEW	An efficient; competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	4 178	-	-	-	-		

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Water Distribution	Wsig:Magoroane Water Supply	PC001002004 007_00052	NEW	An efficient; competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	5 265	-	-	-	-
Water Distribution	Wsig:Rutseng Water Intervention Zaaiplaas Village	PC001002004 007_00038	NEW	An efficient; competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	4 238	-	-	-	-
Water Distribution	Tret- Technical Report	PC001002004 007_00059	NEW	An efficient; competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	-	-	500	-	-
Water Distribution	Mig-Em Rossenekal Wwtw	PC001002005 001_00003	NEW	An efficient; competitive and responsive economic infrastructure network	Growth	Sanitation Infrastructure	Pump Station	R-WHOLE OF THE DISTRICT	0	0	62	500	-	-	-
Water Distribution	Sdm Council Chamber	PC002002001 005_00001	REN EWA L	An efficient; effective and development-oriented public service	Governance	Furniture And Office Equipment	Furniture And Office Equipment	R-WHOLE OF THE DISTRICT	0	0	(616)	-	-	-	-
Water Distribution	Cherry Picker	PC002002001 010_00001	REN EWA L		Governance	Transport Assets	Transport Assets	R-ADMIN OR HEAD OFFICE	0	0	-	-	-	260	500
Water Distribution	Crane Truck	PC002002001 010_00002	REN EWA L		Governance	Transport Assets	Transport Assets	R-ADMIN OR HEAD OFFICE	0	0	-	-	-	1 700	1 100
Water Distribution	Moutse Water Tanker	PC002002001 010_00002	REN EWA L		Governance	Transport Assets	Transport Assets	R-WHOLE OF THE DISTRICT	0	0	21 980	-	-	-	-
Water Distribution	Tipper Truck	PC002002001 010_00003	REN EWA L		Governance	Transport Assets	Transport Assets	R-ADMIN OR HEAD OFFICE	0	0	-	-	-	600	-
Water Distribution	Water Tankers	PC002002001 010_00001	REN EWA L		Governance	Transport Assets	Transport Assets	R-ELIAS MOTSOLEDI	0	0	(64)	3 900	-	4 300	4 400
Water Distribution	Audio Visuals And Ccvt Equipment	PC002003004 _00003	NEW	An efficient; effective and development-oriented public service	Growth	Computer Equipment	Computer Equipment	R-ADMIN OR HEAD OFFICE	0	0	-	-	500	-	-
Water Distribution	Computer	PC002003004 _00002	NEW	An efficient; effective and development-oriented public service	Growth	Computer Equipment	Computer Equipment	R-WHOLE OF THE DISTRICT	0	0	9	2 000	2 080	2 172	2 269
Water Distribution	Computers (Epwp)	PC002003004 _00002	NEW	An efficient; effective and development-oriented public service	Growth	Computer Equipment	Computer Equipment	R-WHOLE OF THE DISTRICT	0	0	-	17	-	-	-
Water Distribution	Computers (Fmg)	PC002003004 _00003	NEW	An efficient; effective and development-oriented public service	Growth	Computer Equipment	Computer Equipment	R-WHOLE OF THE DISTRICT	0	0	-	500	-	-	-

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Water Distribution	Mhs Equipment	PC002003005_00002	NEW	An efficient; effective and development-oriented public service	Growth		Furniture And Office Equipment	Furniture And Office Equipment	R-WHOLE OF THE DISTRICT	0	0	-	-	500	-	-
Water Distribution	Tv;Chairs; Headsets; Tablets And Router	PC002003005_00002	NEW	An efficient; effective and development-oriented public service	Growth		Furniture And Office Equipment	Furniture And Office Equipment	R-WHOLE OF THE DISTRICT	0	0	-	120	-	-	-
Parent Capital expenditure												429 537	397 398	489 206	511 714	520 355
Entities: <i>List all capital projects grouped by Entity</i>																
Entity A Water project A																
Entity B Electricity project B																
Entity Capital expenditure												-	-	-	-	-
Total Capital expenditure												429 537	397 398	489 206	511 714	520 355

3.13 Legislation compliance status

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

1. In year reporting

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

2. Internship programme

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

3. Budget and Treasury Office

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

4. Audit Committee

An Audit Committee has been established and is fully functional.

5. Service Delivery and Implementation Plan

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

6. Annual Report

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

7. MFMA Training

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

3.14 Other supporting documents

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

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

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

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

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Depreciation & asset impairment										
Depreciation of Property, Plant & Equipment	85 939	100 599	91 372	102 514	102 554	102 554	–	106 885	111 671	116 697
Lease amortisation	–	–	–	–	–	–	–	–	–	–
Capital asset impairment	15 101	21 631	7 952	–	–	–	–	–	–	–
Total Depreciation & asset impairment	101 040	122 230	99 324	102 514	102 554	102 554	–	106 885	111 671	116 697
Bulk purchases - electricity										
Electricity bulk purchases	–	–	–	–	–	–	–	–	–	–
Total bulk purchases	–	–	–	–	–	–	–	–	–	–
Transfers and grants										
Cash transfers and grants	–	–	–	–	–	–	–	–	–	–
Non-cash transfers and grants	7 416	3 497	2 556	758	796	796	703	–	–	–
Total transfers and grants	7 416	3 497	2 556	758	796	796	703	–	–	–
Contracted services										
<i>Outsourced Services</i>	109 897	76 271	81 948	94 674	135 399	135 399	9 847	96 960	102 307	105 752
<i>Consultants and Professional Services</i>	61 252	37 227	37 475	49 943	51 553	51 553	22 566	60 531	75 465	88 838
<i>Contractors</i>	54 713	66 719	47 539	58 813	70 360	70 360	44 459	98 472	121 367	139 290
Total contracted services	225 863	180 217	166 962	203 430	257 312	257 312	76 872	255 963	299 139	333 880
Other Expenditure By Type										
Collection costs	–	–	–	–	–	–	–	600	700	800
Contributions to 'other' provisions	–	–	–	–	–	–	–	–	–	–
Audit fees	6 286	5 216	5 461	7 174	7 054	7 054	6 224	7 855	8 200	8 569
<i>Other Expenditure</i>	140 514	143 021	156 561	149 188	160 313	160 313	110 122	178 941	190 196	216 542
Total 'Other' Expenditure	146 801	148 237	162 022	156 362	167 367	167 367	116 345	187 396	199 096	225 912
Repairs and Maintenance by Expenditure Item										
Employee related costs	–	–	–	–	–	–	–	–	–	–
Inventory Consumed (Project Maintenance)	39 287	22 856	8 292	36 287	33 287	33 287	25 712	34 618	36 141	37 731
Contracted Services	79 998	76 450	78 998	93 887	139 834	139 834	17 601	91 134	82 974	85 432
Other Expenditure	–	–	–	–	–	–	–	1 500	1 500	1 500
Total Repairs and Maintenance Expenditure	119 285	99 306	87 290	130 174	173 121	173 121	43 313	127 252	120 615	124 663

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Inventory Consumed										
Inventory Consumed - Water	–	–	–	–	(68 873)	(68 873)	–	(140 743)	(146 936)	(158 401)
Inventory Consumed - Other	12 466	25 651	24 308	177 905	237 343	237 343	15 233	303 214	316 507	345 338
Total Inventory Consumed & Other Material	12 466	25 651	24 308	177 905	168 471	168 471	15 233	162 471	169 571	186 937

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

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

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

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

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

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

Work-in-progress										
Opening Balance		-	-	-	-	-	-	-	-	-
Materials										
Transfers										
Closing balance - Work-in-progress										
	-	-	-	-	-	-	-	-	-	-
Housing Stock										
Opening Balance		-	-	-	-	-	-	-	-	-
Acquisitions										
Transfers										
Sales										
Closing Balance - Housing Stock										
	-	-	-	-	-	-	-	-	-	-
Land										
Opening Balance		-	-	-	-	-	-	-	-	-
Acquisitions										
Sales										
Adjustments										
Correction of Prior period errors										
Closing Balance - Land										
	-	-	-	-	-	-	-	-	-	-
Closing Balance - Inventory & Consumables										
	22 284	31 911	31 592	31 773	204 225	204 225	37 286	360 583	530 727	696 117
Property, plant and equipment (PPE)										
PPE at cost/valuation (excl. finance leases)	4 033 561	4 456 493	4 902 350	4 430 206	4 403 602	4 403 602	5 106 273	4 494 613	4 516 318	4 525 860
Leases recognised as PPE	-	-	-	-	-	-	-	-	-	-
Less: Accumulated depreciation	674 511	785 437	888 608	716 984	726 084	726 084	888 608	722 884	722 884	722 884
Total Property, plant and equipment (PPE)										
	3 359 050	3 671 056	4 013 742	3 713 221	3 677 518	3 677 518	4 217 665	3 771 728	3 793 434	3 802 975
LIABILITIES										
Current liabilities - Borrowing										
Short term loans (other than bank overdraft)										
Current portion of long-term liabilities										
Total Current liabilities - Borrowing										
	-	-	-	-	-	-	-	-	-	-
Trade and other payables										
Trade Payables	385 808	391 847	425 098	200 000	257 003	257 003	293 569	250 000	300 000	350 000
Other creditors	-	-	-	-	-	-	-	-	-	-
Unspent conditional transfers	61 053	68 934	29 966	20 000	20 000	20 000	223 832	20 000	30 000	40 000
VAT	38 373	52 855	66 000	-	-	-	75 527	-	-	-
Total Trade and other payables										
	485 234	513 637	521 065	220 000	277 003	277 003	592 928	270 000	330 000	390 000
Non current liabilities - Borrowing										
Borrowing										
Finance leases (including PPP asset element)	1 228	3 322	3 822	-	-	-	3 822	-	-	-
Total Non current liabilities - Borrowing										
	1 228	3 322	3 822	-	-	-	3 822	-	-	-

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

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

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

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

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Total number of households			-	-	-	-	-	-	-	-	-
Dwellings provided by municipality	4										
Dwellings provided by province/s											
Dwellings provided by private sector	5										
Total new housing dwellings			-	-	-	-	-	-	-	-	-
Economic	6										
Inflation/inflation outlook (CPIX)											
Interest rate - borrowing											
Interest rate - investment			-	-	-						
Remuneration increases											
Consumption growth (electricity)											
Consumption growth (water)											
Collection rates	7										
Property tax/service charges											
Rental of facilities & equipment											
Interest - external investments											
Interest - debtors											
Revenue from agency services											

Detail on the provision of municipal services for A10

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

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		Chemical toilet	-	-	-	-	-	-	-	-	-
		Pit toilet (ventilated)	-	-	-	-	48 000	48 000	48 000	48 000	-
		Other toilet provisions (> min.service level)	-	-	-	-	-	-	-	-	-
		<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	48 000	48 000	48 000	48 000	-
		Bucket toilet	-	-	-	-	-	-	-	-	-
		Other toilet provisions (< min.service level)	-	-	-	-	-	-	-	-	-
		No toilet provisions	-	-	-	-	-	-	-	-	-
		<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
		Total number of households	-	-	-	-	48 000	48 000	48 000	48 000	-
		<u>Energy:</u>									
		Electricity (at least min.service level)	-	-	-	-	-	-	-	-	-
		Electricity - prepaid (min.service level)	-	-	-	-	-	-	-	-	-
		<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-
		Electricity (< min.service level)	-	-	-	-	-	-	-	-	-
		Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-	-
		Other energy sources	-	-	-	-	-	-	-	-	-
		<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
		Total number of households	-	-	-	-	-	-	-	-	-
		<u>Refuse:</u>									
		Removed at least once a week	-	-	-	-	-	-	-	-	-
		<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-
		Removed less frequently than once a week	-	-	-	-	-	-	-	-	-
		Using communal refuse dump	-	-	-	-	-	-	-	-	-
		Using own refuse dump	-	-	-	-	-	-	-	-	-
		Other rubbish disposal	-	-	-	-	-	-	-	-	-
		No rubbish disposal	-	-	-	-	-	-	-	-	-
		<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
		Total number of households	-	-	-	-	-	-	-	-	-
Municipal services	in-house	R ef .	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
			Outcom e	Outcom e	Outcom e	Original Budget	Adjuste d Budget	Full Year Forecas t	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
			<u>Household service targets (000)</u>								
			<u>Water:</u>								
			Piped water inside dwelling	-	-	-	-	-	15 000	20 000	-

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8 1 0 9 1 0	Piped water inside yard (but not in dwelling)	-	-	-	-	-	-	10 000	15 000	-
	Using public tap (at least min.service level)	-	-	-	-	457 276	457 276	457 276	469 235	500 880
	Other water supply (at least min.service level)	-	-	-	-	98 722	98 722	98 722	119 597	146 028
	<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	555 998	555 998	580 998	623 832	646 908
	Using public tap (< min.service level)	-	-	-	-	-	-	-	-	-
	Other water supply (< min.service level)	-	-	-	-	-	-	25 000	10 000	-
	No water supply	-	-	-	-	-	-	25 000	5 000	-
	<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	50 000	15 000	-
	Total number of households	-	-	-	-	555 998	555 998	630 998	638 832	646 908
	<u>Sanitation/sewerage:</u>	-	-	-	-	-	-	-	-	-
	Flush toilet (connected to sewerage)	-	-	-	-	-	-	-	-	-
	Flush toilet (with septic tank)	-	-	-	-	-	-	-	-	-
	Chemical toilet	-	-	-	-	-	-	-	-	-
	Pit toilet (ventilated)	-	-	-	-	48 000	48 000	48 000	48 000	-
	Other toilet provisions (> min.service level)	-	-	-	-	-	-	-	-	-
	<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	48 000	48 000	48 000	48 000	-
	Bucket toilet	-	-	-	-	-	-	-	-	-
	Other toilet provisions (< min.service level)	-	-	-	-	-	-	-	-	-
	No toilet provisions	-	-	-	-	-	-	-	-	-
	<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
	Total number of households	-	-	-	-	48 000	48 000	48 000	48 000	-
	<u>Energy:</u>	-	-	-	-	-	-	-	-	-
	Electricity (at least min.service level)	-	-	-	-	-	-	-	-	-
	Electricity - prepaid (min.service level)	-	-	-	-	-	-	-	-	-
	<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-
	Electricity (< min.service level)	-	-	-	-	-	-	-	-	-
	Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-	-
	Other energy sources	-	-	-	-	-	-	-	-	-
	<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
	Total number of households	-	-	-	-	-	-	-	-	-
	<u>Refuse:</u>	-	-	-	-	-	-	-	-	-
	Removed at least once a week	-	-	-	-	-	-	-	-	-
	<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-
	Removed less frequently than once a week	-	-	-	-	-	-	-	-	-
	Using communal refuse dump	-	-	-	-	-	-	-	-	-
	Using own refuse dump	-	-	-	-	-	-	-	-	-
	Other rubbish disposal	-	-	-	-	-	-	-	-	-
	No rubbish disposal	-	-	-	-	-	-	-	-	-
	<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-

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		Total number of households	-	-	-	-	-	-	-	-	-
Municipal entity services	R ef .		2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
			Outcom e	Outcom e	Outcom e	Original Budget	Adjuste d Budget	Full Year Forecas t	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Name of municipal entity		Household service targets (000)									
		<u>Water:</u>									
		Piped water inside dwelling									
		Piped water inside yard (but not in dwelling)									
		Using public tap (at least min.service level)									
		Other water supply (at least min.service level)									
		<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-
		Using public tap (< min.service level)									
		Other water supply (< min.service level)									
		No water supply									
		<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
Name of municipal entity		Total number of households	-	-	-	-	-	-	-	-	-
		<u>Sanitation/sewerage:</u>									
		Flush toilet (connected to sewerage)									
		Flush toilet (with septic tank)									
		Chemical toilet									
		Pit toilet (ventilated)									
		Other toilet provisions (> min.service level)									
		<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-
		Bucket toilet									
		Other toilet provisions (< min.service level)									
		No toilet provisions									
		<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
Name of municipal entity		Total number of households	-	-	-	-	-	-	-	-	-
		<u>Energy:</u>									
		Electricity (at least min.service level)									
		Electricity - prepaid (min.service level)									
		<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-
		Electricity (< min.service level)									
		Electricity - prepaid (< min. service level)									
		Other energy sources									
		<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
Name of municipal entity		Total number of households	-	-	-	-	-	-	-	-	-
		<u>Refuse:</u>									

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		Removed at least once a week <i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-
		Removed less frequently than once a week									
		Using communal refuse dump									
		Using own refuse dump									
		Other rubbish disposal									
		No rubbish disposal									
		<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
		Total number of households	-	-	-	-	-	-	-	-	
Services provided by 'external mechanisms'	Ref		2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Names of service providers		Household service targets (000)									
		<u>Water:</u>									
		Piped water inside dwelling									
		Piped water inside yard (but not in dwelling)									
		Using public tap (at least min.service level)									
		Other water supply (at least min.service level)									
		<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-
		Using public tap (< min.service level)									
		Other water supply (< min.service level)									
		No water supply									
		<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
		Total number of households	-	-	-	-	-	-	-	-	
Names of service providers		<u>Sanitation/sewerage:</u>									
		Flush toilet (connected to sewerage)									
		Flush toilet (with septic tank)									
		Chemical toilet									
		Pit toilet (ventilated)									
		Other toilet provisions (> min.service level)									
		<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-
		Bucket toilet									
		Other toilet provisions (< min.service level)									
		No toilet provisions									
		<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
		Total number of households	-	-	-	-	-	-	-	-	
Names of service providers		<u>Energy:</u>									
		Electricity (at least min.service level)									

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		Electricity - prepaid (min.service level) <i>Minimum Service Level and Above sub-total</i> Electricity (< min.service level) Electricity - prepaid (< min. service level) Other energy sources <i>Below Minimum Service Level sub-total</i>									
			-	-	-	-	-	-	-	-	
			-	-	-	-	-	-	-	-	
Names of service providers		Total number of households <u>Refuse:</u>	-	-	-	-	-	-	-	-	
		Removed at least once a week <i>Minimum Service Level and Above sub-total</i> Removed less frequently than once a week Using communal refuse dump Using own refuse dump Other rubbish disposal No rubbish disposal <i>Below Minimum Service Level sub-total</i>									
			-	-	-	-	-	-	-	-	
			-	-	-	-	-	-	-	-	
		Total number of households	-	-	-	-	-	-	-	-	
Detail of Free Basic Services (FBS) provided			2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Electricity	Ref.	<u>Location of households for each type of FBS</u> Formal settlements - (50 kwh per indigent household per month Rands) <i>Number of HH receiving this type of FBS</i> Informal settlements (Rands) <i>Number of HH receiving this type of FBS</i> Informal settlements targeted for upgrading (Rands) <i>Number of HH receiving this type of FBS</i> Living in informal backyard rental agreement (Rands) <i>Number of HH receiving this type of FBS</i> Other (Rands) <i>Number of HH receiving this type of FBS</i>									
List type of FBS service											
		Total cost of FBS - Electricity for informal settlements	-	-	-	-	-	-	-	-	-
Water	Ref.	<u>Location of households for each type of FBS</u>									

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List type of FBS service		Formal settlements - (6 kilolitre per indigent household per month Rands) Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-
		Informal settlements (Rands) Number of HH receiving this type of FBS								
		Informal settlements targeted for upgrading (Rands) Number of HH receiving this type of FBS								
		Living in informal backyard rental agreement (Rands) Number of HH receiving this type of FBS								
		Other (Rands) Number of HH receiving this type of FBS								
		Total cost of FBS - Water for informal settlements	-	-	-	-	-	-	-	-
Sanitation	R ef .	<u>Location of households for each type of FBS</u>								
List type of FBS service		Formal settlements - (free sanitation service to indigent households) Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-
		Informal settlements (Rands) Number of HH receiving this type of FBS								
		Informal settlements targeted for upgrading (Rands) Number of HH receiving this type of FBS								
		Living in informal backyard rental agreement (Rands) Number of HH receiving this type of FBS								
		Other (Rands) Number of HH receiving this type of FBS								
		Total cost of FBS - Sanitation for informal settlements	-	-	-	-	-	-	-	-
Refuse Removal	R ef .	<u>Location of households for each type of FBS</u>								
List type of FBS service		Formal settlements - (removed once a week to indigent households) Number of HH receiving this type of FBS								
		Informal settlements (Rands) Number of HH receiving this type of FBS								
		Informal settlements targeted for upgrading (Rands) Number of HH receiving this type of FBS								
		Living in informal backyard rental agreement (Rands) Number of HH receiving this type of FBS								
		Other (Rands)								

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	Number of HH receiving this type of FBS									
	Total cost of FBS - Refuse Removal for informal settlements	-	-	-	-	-	-	-	-	-

Table 58 MBRR Table SA14 – Household bills.

DC47 Sekhukhune - Supporting Table SA14 Household bills

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

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Water: Consumption									
Sanitation									
Refuse removal									
Other									
sub-total	-	-	-	-	-	-	-	-	-
VAT on Services									
Total small household bill:	-	-	-	-	-	-	-	-	-
% increase/-decrease		-	-	-	-	-	-	-	-
			-	-	-	-			
Monthly Account for Household - 'Indigent' Household receiving free basic services	3								
Rates and services charges:									
Property rates									
Electricity: Basic levy									
Electricity: Consumption									
Water: Basic levy									
Water: Consumption									
Sanitation									
Refuse removal									
Other									
sub-total	-	-	-	-	-	-	-	-	-
VAT on Services									
Total small household bill:	-	-	-	-	-	-	-	-	-
% increase/-decrease		-	-	-	-	-	-	-	-

Table 59 MBRR Table SA15 – Investment particulars by type.
DC47 Sekhukhune - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
Parent municipality										
Securities - National Government Listed Corporate Bonds										
Deposits - Bank Deposits - Public Investment Commissioners		–	149 980	149 980	–	–	–	100 000	110 000	120 000
Deposits - Corporation for Public Deposits Bankers Acceptance Certificates		58 740	(118 423)	(128 774)	1	1	1	1	1	1
Negotiable Certificates of Deposit - Banks Guaranteed Endowment Policies (sinking) Repurchase Agreements - Banks Municipal Bonds		130	131	131	–	–	–	–	–	–
Municipality sub-total	1	58 869	31 689	21 338	1	1	1	100 001	110 001	120 001
Entities										
Securities - National Government Listed Corporate Bonds Deposits - Bank Deposits - Public Investment Commissioners Deposits - Corporation for Public Deposits Bankers Acceptance Certificates Negotiable Certificates of Deposit - Banks Guaranteed Endowment Policies (sinking) Repurchase Agreements - Banks										
Entities sub-total		–	–	–	–	–	–	–	–	–
Consolidated total:		58 869	31 689	21 338	1	1	1	100 001	110 001	120 001

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Table 61 MBRR Table SA17 – Borrowing.

7 Sekhukhune - Supporting Table SA17
Borrowing

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

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

2.1 Municipal Manager's quality certificate

I, **MJ Ntshudisane**, Municipal Manager of Sekhukhune District Municipality, hereby certify that the 2022/23 MTREF final budget and supporting documentation have been prepared in accordance with Municipal Finance Management Act and the Regulations made under the Act, and that the final 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 _____