

MEDIUM TERM REVENUE  
AND EXPENDITURE  
FRAMEWORK  
2023/24 – 2025/26



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## **PART 1 – ANNUAL BUDGET**

### **1. CHAIRPERSON'S REPORT**

The Consolidated Medium Term Revenue and Expenditure Framework (MTRRF) Budget of 2023/24 - 2025/26 budget is thus compiled in distressed global economic outlook. There is significant evidence of a decline in economic growth and employment due to COVID-19 pandemic. The microeconomic results show that the pandemic moves the income distribution curve such that more households fall under the poverty line while at the same time, inequality worsened. The pandemic hit South Africa's economy at a time that the economy was already under substantial strain. The country's economy is also under severe pressure from macro-economic factors such as rapidly increased interest rates and increased load shedding.

Affordable and sustainable energy supply can unlock economic potential by encouraging investment in the city and the province and thereby propelling the province to an above national economic growth rate. The entity intends to work for other alternative energy sources during the coming year as part of its revenue enhancement strategy.

Given the sluggish growth and weak demand, the entity will concentrate the resources towards maintenance of the current network in order to minimise power outage and shorten supply disruption. Expansion programme will be held back; however, Service Delivery will be prioritised. Efforts to collect revenue will be strengthened and the entity will adopt zero tolerance on electricity theft, non-payment of bills, misuse of resources and network vandalism.

The revenue for the MTRREF budget totals to an amount or projected revenue of R 3,714 billion in 2023/24, representing an increase of R 271 million or 7% on that of 2022/23 Adjustment Budget (R 3,442 billion.) The allocation for the two outer years of the MTRREF period is R 3,875 billion in 2023/24 and R 4,054 billion in 2025/26.

The Operational Expenditure totals to projected expenditure of R 3,391 billion for 2023/24, representing an increase of R 268 million or 8% increase from that of the 2022/23 Adjustments Budget of (R 3,120 billion). The allocation for the two outer years of the MTRREF period is R 3,540 billion in 2023/24 and R 3,707 billion in 2025/26.

The Capital budget of the Entity herewith presented amount to R 240 million for 2023/24, representing increase of R 38 million or 16% from 2022/23 Adjustments Budget of R 202 million. The allocation for the two outer years of the MTRREF period is projected at R 247 million in 2024/25 and R 254 million in 2025/26.

The table below illustrates the above:

Details	APPROVED BUDGET 2022/23	ADJUSTMENT BUDGET 2022/23	Growth % As Per Adjustment Budget	Growth% as per MTRREF 2023-24	MTRREF 2023-24	MTRREF 2024-25	MTRREF 2025-26
Revenue	-3 593 185 966	-3 442 396 116	-4%	7%	-3 714 186 398	-3 875 150 374	-4 054 461 961
Operating Expenditure	3 167 910 898	3 120 755 354	-2%	8%	3 391 255 589	3 540 222 748	3 707 479 664
(Surplus)/Deficit	-425 275 068	-321 640 762	-6%	15%	-322 930 809	-334 927 626	-346 982 297
Capital Expenditure	265 225 272	223 590 966	-19%	7%	240 930 809	247 725 626	254 971 005
Surplus and or (Deficit)	-160 049 796	-98 049 796	-63%	-20%	-82 000 000	-87 202 000	-92 011 292

previous financial years.

All the projects are derived from the parent municipality's integrated development plan and will be consolidated in the Municipal Budget. The entity is positioned to continue to perform on its mandate of assisting the parent municipality achieve its goals of making energy accessible to all communities within the metro boundaries.

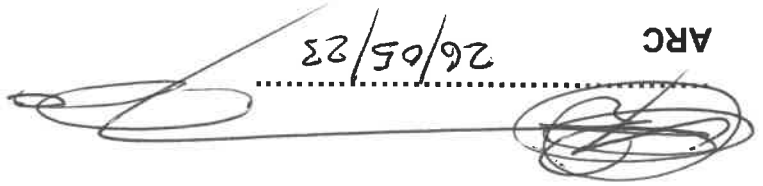
Good governance and firm internal controls are maintained to ensure the retention of improved audit opinion from the Auditor General (AGSA) received in the previous year. The budget further takes cognizance of, and address issues raised by the AGSA in the



The 2023/24 MTREF is prepared within the parameters set by the Parent Municipality including Circular No 123 guidelines provided by National Treasury and NERSA on energy tariffs. Projects to accelerate service delivery and strengthen the entity's cash flow position are addressed in the proposed MTREF.

The 2023/24 budget of the entity is herewith presented to the parent municipality for consideration in terms of the MFMA 87 (2).

ARC  
26/05/23



## 2. EXECUTIVE SUMMARY

The purpose of the 2023/24 MTRREF is to guide the entity's allocated resources to achieve its service delivery objectives as required by the Act MFMA (No 56 of 2003). The MTRREF is a financial plan to enable the Municipal Entity to achieve its vision and mission as articulated in the Business Plan.

The Budget serves to bring to light the current priorities as outlined below:

- Financial sustainability
- Good Governance
- Refurbishment and upgrade of the network
- New infrastructure investment

The tabling of the draft budget is the start of a journey towards the final budget approval before implementation in the start of the new financial year. The draft budget is an instrument which the Municipality engages the communities of the Metro to ensure proper public participation, and also to ensure that the community's needs as captured in the Integrated Development Plan (IDP) are translated into the budget for implementation. It serves to initiate many processes both politically and administratively, amongst others, consultations with communities throughout the municipal area.

Financial Year	Approved Budget	Adjustments Budget	Actual Expenditure	% Spent
2021/13	184 767 424	190 485 420	119 255 572	63%
2013/14	156 588 364	262 587 391	224 227 621	85%
2014/15	298 963 243	299 093 299	283 233 659	95%
2015/16	325 356 851	246 122 724	242 344 543	98%
2016/17	200 739 976	233 176 385	222 562 922	95%
2017/18	116 468 682	97 110 329	118 986 263	123%
2018/19	96 647 180	186 035 358	178 299 145	96%
2019/20	145 638 821	119 158 821	110 238 627	93%
2020/21	169 725 001	177 717 074	129 106 054	73%
2021/22	217 751 825	258 451 825	154 174 821	60%

## 2. Performance: Budget vs. Actual – Capital Expenditure

Funding Sources	Approved Budget 2021/22	Adjustment Budget 2021/22	Approved Budget 2022/23	Adjustment Budget 2022/23
Integrated National Electrification Programme	R'000	R'000	R'000	R'000
Urban Settlement Development Grant - (USDG)	20 466 030	20 466 030	20 000 000	26 000 000
Informal Settlements Upgrading Grant- (ISUPG)				21 276 390
Public Contributions	13 000 000	13 000 000	14 300 000	14 300 000
Revenue / Surplus (Internal funds)	184 285 795	216 985 795	230 925 272	162 014 576
<b>TOTAL</b>	<b>217 751 825</b>	<b>250 451 825</b>	<b>265 225 272</b>	<b>223 590 966</b>

The Capital Budget projects of the entity have been funded as follows over the years

### 1. Source of Funding

#### 2.1.1 PAST PERFORMANCE AND SPENDING LEVELS

#### 2.1 PAST AND CURRENT PERFORMANCE, ACHIEVEMENTS AND CHALLENGES (BUDGET IMPLEMENTATION)



### 3. Capital Expenditure per Category

The table below indicate the Entity's breakdown of its capital expenditure over the past years. The bias in terms of the spending being towards infrastructural related projects.

Capital Expenditure	Actuals 2017/18	Actuals 2018/19	Actuals 2019/20	Actuals 2020/21	Actuals 2021/22
	R'000	R'000	R'000	R'000	R'000
IMPLEMENT BUSINESS CONT DISASTER RECOVER INF					2 341 661
UPGRADE OF CURRENT PABX TO VOIP TELCOMMS					6 842 619
SERVITUDES LAND (INCL INVEST REMUNE REG	25 975	75 158	186 280	-	2 650
UPGRADING AND EXTENSION OF LV NETWORK	-	-	-	235 459	2 153 275
SCOA IMPLEMENTATION PROJECT					-
REFURBISHMENT OF HIGH MAST LIGHTS	2 097 321	471 911	4 013 235	641 829	3 004 498
SHIFTING OF CONNECTION AND REPLACEMENTS	1 285 179	1 794 997			839 671
BOTSHABELLO: ESTABLISHMENT OF 132KV (INDU					37 670
BOTSHABELLO: ESTABLISHMENT OF 132KV (INDU					4 510 066
EXTENSION AND UPGRADING OF THE 11KV NETW	16 796 159	8 792 618	9 297 519	1 465 592	9 961 525
ELITE SUBSTATION (AIRPORT NODE)	17 921 667	45 137 847			
INSTALL PREPAID METERS (INDIGENT)	58 297	5 515	58 397	61 194	100 523
ELECTRIFICATION (USDG GRANT)	20 159 955	13 822 419	23 964 187	42 776 076	20 466 030
METER PROJECT	3 197 793	4 129 172	10 019 714	18 475 539	13 218 913
FURNITURE AND OFFICE EQUIPMENT	2 599 437	2 630 857	4 998 015	313 933	59 350
PUBLIC ELECTRICITY CONNECTIONS	8 858 829	9 826 394	9 578 176	11 707 029	12 809 349
COMPUTER EQUIPMENT (COVID-19)			740 144	724 950	15 850
OFFICE BUILDING	4 627 983	3 455 539	1 728 503	194 993	1 173 438
VEHICLES	1 624 433				10 685 909
TRAINING & DEVELOPMENT	507 409	7 098 773	187 829		62 580
BULK METER REFURBISHMENT	167 600	644 700	553 550	176 782	
TRANSFORMER REPLACE & OTHER RELATED EQU	1 203 897		950 000	3 877 834	7 410 341
REP LOW VOLT DECCEPT 2/4/8 WAY BOXES		354 294	118 751		297 764
SLIGHTS REPLACE POLE TRANS POLES SECTION		2 207 259	4 852 605	5 772 275	2 077 653
REPLACEMENT OF 11KV SWITCHGEARS				1 762 846	817 156
REPLACEMENT OF 110KV BATTERIES		219 770			992 094
REPLACEMENT OF 32V BATTERIES		3 120			23 498
INSTALLATION OF PUBLIC LIGHTING	9 792 523	15 010 785	8 929 622	4 496 158	11 099 314
ELECTRIFICATION INTERNAL PROJECTS	4 813 335	3 281 215	11 604 446	8 375 441	33 231 745
INFRA CATALYST PROJECTS					5 700 000
REP BRITTLE OVERHEAD CONNECTIONS	139 513		42 890		2 185
REPLACEMENT OF DECCEPT 11KV CABLE	39 006				
REPLACEMENT OF 110KV BATTERIES		219 770			
REPAIR MMM DIST CENTRE	15 944 845			3 174 634	7 448 855
REPAIR VSTADIST DIST CENTRE	1 251 427		2 280 076	10 465 466	
REPLACEMENT OF 32V BATTERIES	3 120				
REPLACEMENT OF 2 & 4 WAY FIBREGLAS BOX IN SECTION H	176 374				
REP LOW VOLT DECCEPT 2/4/8 WAY BOXES		354 294	118 751		
REMEDIAL WORK 132KV SOUTHERN LINES	2 941 020				
REPLACEMENT OF 240mm XLPE BETWEEN SUB A AND H					
BOTSHABELLO: 132KV LINE FROM DC AROUND WESTERN					
SIDE TO SOUTH OF BOTSHABELLO	9 346 983	25 234 677			
REFURBISHMENT OF HIGH MAST LIGHTS	2 097 321	471 911	4 013 235		
UPGRADE & REFURB COMPUTER NETWORK	3 157 712	10 400 131	14 053 818	9 017 613	
OC-ADV/PUB/MARK - CORP & MUN ACT MARKETI					
SECURITY EQUIPMENT (CCTV)	352 008	2 582 992		880 343	738 186
REPLACEMENT OF 11KV SWITCHGEARS	490 100				
REFUR PROTEC & SCADA SYSTEMS DIST CENTR		658 202	1 990 964		560 519
SOLAR FARM GENERATION PLANT		591 000			
<b>TOTAL</b>	<b>118 986 263</b>	<b>178 299 145</b>	<b>114 280 705</b>	<b>129 106 054</b>	<b>154 174 821</b>



in 2025/26.

(2023/24 - 97%) of the budgeted revenue (excluding capital grants and transfers) and 97% significant part of the revenue basket of the entity. Services charges constitutes 97% billion and R 4,054 billion respectively. Revenue generated from services charges forms a R 3,442 billion. The allocation for the outer two years of the MTRRF period is R 3,875 increase in revenue of R 271 million (7%) on the 2022/23 Adjustments Budget of

The total revenue budget is projected at R 3,714 billion in 2023/24, representing an

the budget year the entity will seek to add other energy sources to its distribution licence. revenue collection levels and add other sustainable sources in the revenue streams. In For the Municipal Entity to continue with its quality service provision, it must sustain high

**A. OPERATING REVENUE BUDGET - HIGHLIGHTS ON MAJOR CATEGORIES**

**2.2.1 CONSOLIDATED MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK OUTLOOK: 2023/24 – 2025/26**

**2.2 BUDGET SUMMARY**

opinion.

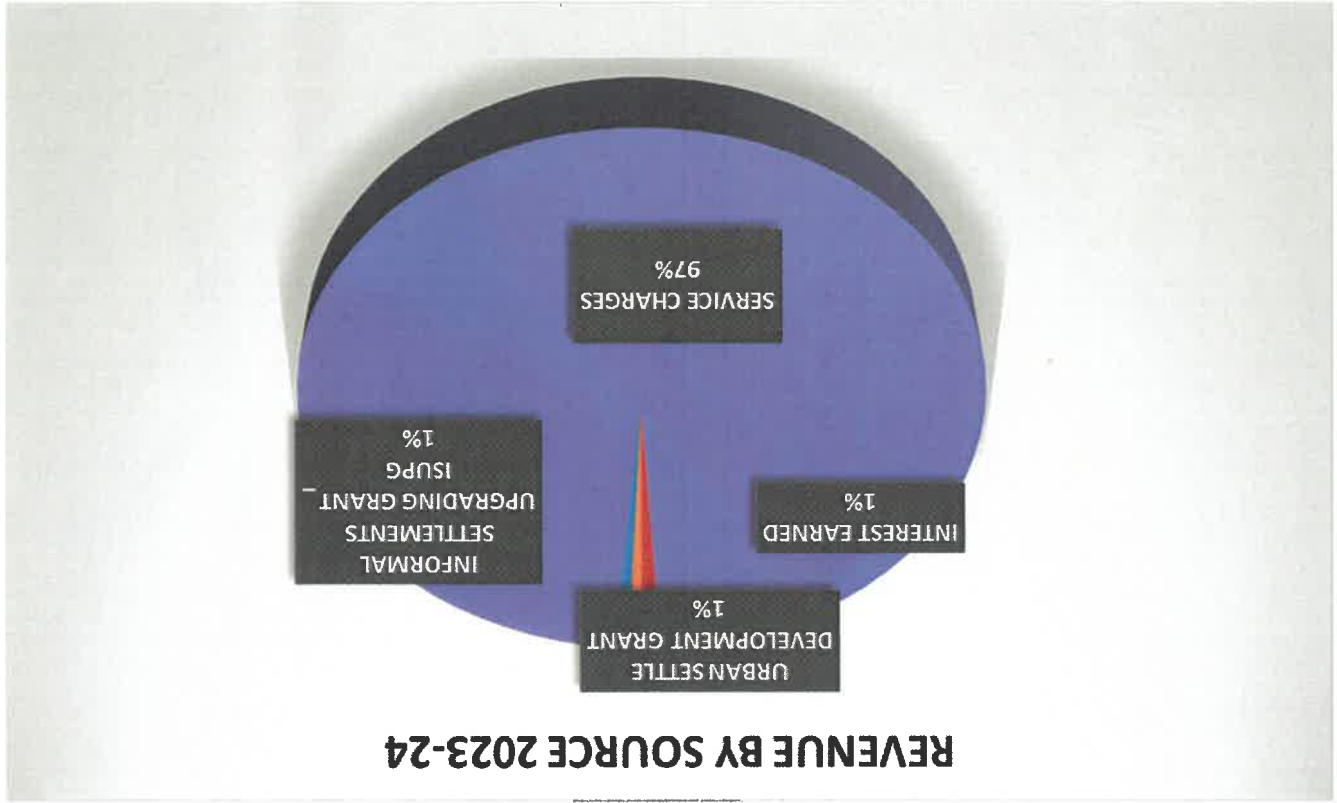
The entity's audit outcome for the 2021/22 financial year was an unqualified audit

Centlec (SOC) Ltd Audit Report:

**2.1.3 AUDIT OUTCOME 2021-2022**

- Declining revenue due to the constraints on supply side viz. customers heading to energy conservation as well as the protracted economic climate resulting in suppressed demand in general.
- Maintenance backlogs in respect of service delivery infrastructure and utilities.
- The low economic growth impacting on collectability of debt.
- Unfilled vacancies that puts pressure on service delivery and prudent administration.

**2.1.2 RISKS FACING MUNICIPAL ENTITY**



outlined above:

The graph below illustrates the sources of the Entity's revenue over the MTRF period, as

REVENUE PER TYPE	APPROVED MTRF 2022-23	PROPOSED ADJUSTMENT 2022-23	MTRF 2023-24	MTRF 2024-25	MTRF 2025-26
TOTAL INCOME	-3 593 185 963	-3 442 396 116	-3 714 186 398	-3 875 150 374	-4 054 461 961
DISPOSAL OF ASSETS LOSS/(GAINS)	-9 665 415	-7 365 415	-10 177 682	-10 676 388	-11 178 179
SALES OF GOODS AND RENDERING OF SERVICES	-3 494 389	-3 494 389	-3 679 592	-3 859 892	-4 041 307
OPERATIONAL REVENUE	-11 626 163	-11 626 163	-9 117 482	-9 564 238	-10 013 757
INTEREST EARNED	-34 335 298	-34 335 298	-34 573 215	-37 106 982	-37 485 240
RECONNECTION TEST AND REMOVAL - METERS	-9 917 542	-9 917 542	-6 158 338	-6 460 096	-6 763 721
SERVICE CHARGES	-3 484 929 397	-3 309 163 160	-3 578 588 914	-3 736 515 933	-3 914 878 621
URBAN SETTLEMENT DEVELOPMENT GRANT	-20 000 000	-26 000 000	-25 000 000	-26 150 000	-27 352 900
INFORMAL SETTLEMENTS UPGRADING GRANT - ISUPG	0	-21 276 390	-28 000 000	-25 000 000	-22 000 000
PUBLIC CONTRIBUTIONS	-14 300 000	-14 300 000	-15 057 900	-15 795 737	-16 538 137
FINES AND PENALTIES	-4 917 759	-4 917 759	-3 833 277	-4 021 108	-4 210 100

Details of the Revenue by Source are as outlined in the below table:

## Operating Revenue Budget – Highlights on major categories:

### Service Charges

The service charges revenue is projected at R 3,578 in 2023/24, representing an increase in revenue of R 269 million (8%) in 2022/23 Adjustments Budget of R 3,309 billion. The allocation for the outer two years of the MTRREF period is R 3,736 billion and R 3,914 billion respectively.

### Capital Grants and Subsidies (USDG & ISUPG)

Capital grants from the Provincial and National Governments amounts to R 53 million for 2023/24. The allocations for the 2024/25 is R 51 and R 49 million in 2025/26. The conditional grants allocation anticipating as gazetted, constitutes 1% of the budgeted revenue for the 2023/24 budget year.

The operating expenditure budget increases from the adjustments budget amount of R 3,391 billion in 2022/23 to a new consolidated budget amount of R 3,120 billion (representing an increase of 8% (R 270 million) in 2023/24. The allocation of the outer two years of the MTRREF period is R 3,540 billion and R 3,707 billion respectively.

- Modelling of feasible and sustainable budgets over the medium term;
- National Treasury guidelines;
- NERSA tariffs guideline;
- Growth in the City and continued economic development;
- Cognisance of national and local economic and fiscal conditions;
- Expenditure limits driven by realistic and realisable revenue levels;
- Relevant (budget and other) legislative imperatives.

following:

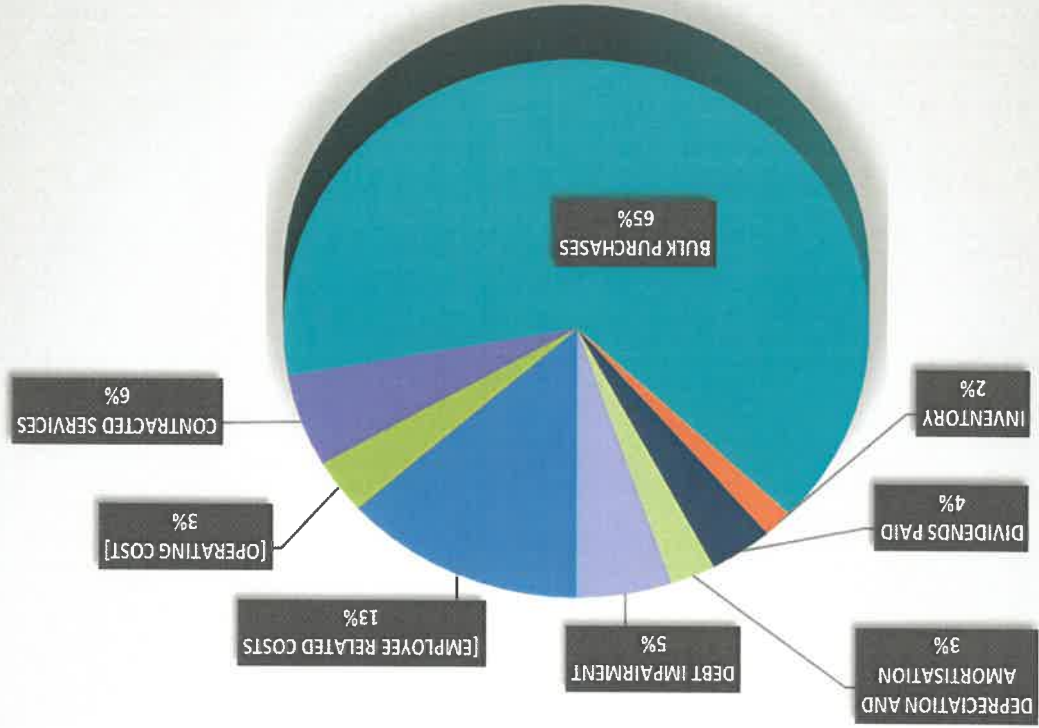
The Municipal Entity's expenditure for the 2023/24 budget and MTRREF is informed by the

## **B. OPERATING EXPENDITURE**

Capital grants from the Provincial and National Governments amounts to R 53 million for 2023/24. The allocations for the 2024/25 is R 51 and R 49 million in 2025/26. The conditional grants allocation anticipating as gazetted, constitutes 1% of the budgeted revenue for the 2023/24 budget year.

### **Capital Grants and Subsidies (USDG)**

**EXPENDITURE BY TYPE FOR 2023-24**



The graph below illustrates the sources of the entity's expenditure over the MTREF period, as outlined above

EXPENDITURE PER TYPE	APPROVED MTREF 2022-23	PROPOSED ADJUSTMENT 2022-23	MTREF 2023-24	MTREF 2024-25	MTREF 2025-26
EMPLOYEE SALARIES AND WAGES	427 909 204	427 909 204	450 588 392	472 667 223	495 335 582
REMUNERATION OF DIRECTORS	785 495	785 495	827 126	867 655	908 435
CONTRACTED SERVICES	204 086 817	192 127 235	189 195 712	191 128 732	201 425 858
OPERATIONAL COST	98 120 233	100 632 621	109 911 061	115 296 703	120 715 648
INVENTORY - MATERIALS & SUPPLIES	52 595 327	60 495 595	56 291 299	55 902 573	58 529 994
BULK PURCHASES	2 145 935 055	2 101 176 437	2 199 931 730	2 301 128 590	2 406 980 505
INTEREST ON FINANCE LEASES	240 806	240 806	253 569	265 994	278 495
DIVIDENDS PAID	120 000 000	120 000 000	120 000 000	120 000 000	120 000 000
OPERATING LEASES	2 729 052	4 179 052	4 256 700	4 465 278	4 675 146
DEPRECIATION AND AMORTISATION	76 591 921	76 591 921	85 000 000	93 000 000	102 000 000
DEBT IMPAIRMENT	38 916 988	36 616 988	175 000 000	185 500 000	196 630 000
<b>TOTAL EXPENDITURE</b>	<b>3 167 910 898</b>	<b>3 120 755 354</b>	<b>3 391 255 589</b>	<b>3 540 222 748</b>	<b>3 707 479 664</b>

The following table is a high level summary of the MTREF Budget for 2023/24 to 2025/26 (classified per main type of operating expenditure):

## Operating Expenditure Budget – Highlights on major categories:

### Salaries, Wages and Allowances:

Personnel costs increased by R 22 million from the 2022/23 Adjustments Budget of R 427 million to R 450 million in 2023/24. The main reason for the increase is the normal annual increase and new appointments. The allocation for the two outer years of the MTRRF period is R 472 million and R 495 million respectively.

### Remuneration of Directors:

The budget of this line item is aligned to the Council determination resolution. The 2022/23 Adjustments budget of R 785,495 to R 827,126 in 2023/24. The allocation for the two outer years of the MTRRF period is R 867,655 and R 908,435 respectively.

### Operational Cost

The operational cost increased by R 9 million from the 2022/23 Adjustments Budget of R 100 million to R 109 million in the 2023/24 budget year. The allocation for the two outer years of the MTRRF period is R 115 million and R 120 million respectively. The main increase is due to an increased need for advertising, software licenses and insurance premiums.

### Bulk Purchases:

Bulk purchases increased by R 98 million against the 2022/23 Adjustments budget of 2,101 billion, to the proposed amount of R 2,199 billion for the 2023/24 budget year. The allocation for the two outer years of the MTRRF period is R 2,301 billion and R 2,406 billion respectively. The increase is mainly due to increased Eskom tariffs.

### Contracted Services

Contracted Services decreased by R 3 million to R 189 million in the 2023/24 budget year from a base of R 192 million in the 2022/23 Adjustments budget. The allocation for the two outer years of the MTRRF period is R 191 million and R 201 million respectively. The main reason is to align the budget with the projected expected contracted services expenditure.

### **Inventory - Materials & Suppliers**

The budgeted inventory - Materials & Suppliers decreased by 4 million to an amount of R 56 million for 2023/24 (Adjustments Budget 2022/23 - R 60 million). The allocated amount for the two outer years of the MTRREF period is R 55 million and R 58 million respectively. The main reason is to curb expenditure for fuel.

### **Operating leases**

The budgeted operating leases increased by R 77,648 to an amount of R 4,2 million for 2023/24 (Adjustments Budget 2022/23 - R 4,1 million). The allocated amount for the two outer years of the MTRREF period is R 4,4 million and R 4,6 million respectively. The main reason for the increase is to accommodate the financing of new photo copier leases.

### **Depreciation**

The budgeted depreciation increased by R 9 million to an amount of R 85 million for 2023/24 (Adjustments Budget 2022/23 - R 76 million). The allocated amount for the two outer years of the MTRREF period is R 93 million and R 102 million respectively. The main reason is to align the budget with expected projections



### C. CAPITAL BUDGET

The capital budget increased by R 17 million for the 2023/24 financial year to R 240 million as compared to the approved Adjustments Budget of R 223 million for the 2022/23 period. The projected capital expenditure budget for the two outer years of the MTRF period has been set at R 247 million and R 254 million respectively. The budget is funded mainly from internally generated sources augmented by conditional grant for electrification.

#### CAPITAL FUNDING BY SOURCE

Funding of the capital budget for the new budget cycle is as outlined below:

<b>FUNDING BY SOURCE</b>	<b>APPROVED MTRF 2022-23</b>	<b>PROPOSED ADJUSTMENT 2022-23</b>	<b>MTRF 2023-24</b>	<b>MTRF 2024-25</b>	<b>MTRF 2025-26</b>
CAPITAL CONDITIONAL GRANTS & SUBSIDIES (USDG)	20 000 000	26 000 000	25 000 000	26 150 000	27 352 900
CAPITAL CONDITIONAL GRANTS & SUBSIDIES (ISPG)		21 276 390	28 000 000	25 000 000	22 000 000
PUBLIC ELECTRICITY CONNECTIONS	14 300 000	14 300 000	14 300 000	14 957 800	15 645 859
<b>TOTAL</b>	<b>34 300 000</b>	<b>61 576 390</b>	<b>67 300 000</b>	<b>66 107 800</b>	<b>64 998 759</b>

#### Conditional Grant Funding (USDG)

The main projects to be undertaken out of the (USDG Funding) allocation are as outlined

on the table below:

<b>FUNDING BY SOURCE (USDG)</b>	<b>APPROVED MTRF 2022-23</b>	<b>PROPOSED ADJUSTMENT 2022-23</b>	<b>MTRF 2023-24</b>	<b>MTRF 2024-25</b>	<b>MTRF 2025-26</b>
CAPITAL CONDITIONAL GRANTS & SUBSIDIES (USDG)	20 000 000	26 000 000	25 000 000	26 150 000	27 352 900
<b>TOTAL</b>	<b>20 000 000</b>	<b>26 000 000</b>	<b>25 000 000</b>	<b>26 150 000</b>	<b>27 352 900</b>

#### Conditional Grant Funding (ISPG)

The main projects to be undertaken out of the (ISPG Funding) allocation are as outlined

on the table below:

<b>FUNDING BY SOURCE (ISPG)</b>	<b>APPROVED MTRF 2022-23</b>	<b>PROPOSED ADJUSTMENT 2022-23</b>	<b>MTRF 2023-24</b>	<b>MTRF 2024-25</b>	<b>MTRF 2025-26</b>
CAPITAL CONDITIONAL GRANTS & SUBSIDIES (ISPG)		21 276 390	28 000 000	25 000 000	22 000 000
<b>TOTAL</b>	<b>0</b>	<b>21 276 390</b>	<b>67 300 000</b>	<b>66 107 800</b>	<b>64 998 759</b>

#### Public Contributions

The public contributions allocation is as outlined on the table below:

<b>FUNDING BY SOURCE (PUBLIC ELECTRICITY CONNECTIONS)</b>	<b>APPROVED MTRF 2022-23</b>	<b>PROPOSED ADJUSTMENT 2022-23</b>	<b>MTRF 2023-24</b>	<b>MTRF 2024-25</b>	<b>MTRF 2025-26</b>
PUBLIC ELECTRICITY CONNECTIONS	14 300 000	14 300 000	14 300 000	14 957 800	15 645 859
<b>TOTAL</b>	<b>20 000 000</b>	<b>26 000 000</b>	<b>25 000 000</b>	<b>26 150 000</b>	<b>27 352 900</b>

OWN FUNDED PROJECTS	APPROVED MTRF 2022-23	PROPOSED ADJUSTMENT 2022-23	MTRF 2023-24	MTRF 2024-25	MTRF 2025-26
SUPPORT PROJECTS:	99 802 617	49 052 617	69 668 850	72 873 617	76 225 803
VENDING BACK OFFICE	5 000 000	5 000 000	0	0	0
TRAINING & DEVELOPMENT	574 174	574 174	1 000 000	1 046 000	1 094 116
DIGITAL RADIO SYSTEM	3 000 000	1 000 000	1 500 000	1 569 000	1 641 174
IMPLEMENT BUSINESS CONT DISASTER RECOVERY	2 730 000	2 730 000	3 000 000	3 138 000	3 282 348
UPGRADE & REFURB COMPUTER NETWORK	5 390 000	5 390 000	2 000 000	2 092 000	2 188 232
BULK SMART METER INSTALLATION	239 593	239 593	0	0	0
VEHICLES	17 950 000	17 950 000	10 000 000	10 460 000	10 941 160
FURNITURE AND OFFICE EQUIPMENT	2 250 000	1 250 000	1 250 000	1 307 500	1 367 645
BOTSH-E: EST NEW 33/11KV 10MVA FIRM CAP	8 000 000	0	6 500 000	6 799 000	7 111 754
BOTSH: UPG SUB T (2ND TRANS SCADA EQUI	8 000 000	0	6 500 000	6 799 000	7 111 754
BOTSH: UPG SUB W (WORK BK 2ND TRA S/D	8 000 000	0	6 500 000	6 799 000	7 111 754
BLOEM C/Y-EST 33/11KV 20MVA FIRM SUPDC	8 000 000	0	6 500 000	6 799 000	7 111 754
BLOEM N/STAD-UPG 132/11KV 20MVA FIRM DC	10 000 000	0	8 000 000	8 368 000	8 752 928
INFRA CATALYST PROJECTS	8 000 000	8 000 000	8 000 000	8 368 000	8 752 928
SECURITY EQUIPMENT	2 250 000	1 500 000	1 500 000	1 569 000	1 641 174
OFFICE BUILDING	8 418 850	5 418 850	5 418 850	5 668 117	5 928 850
PROTECTION TEST EQUIPMENT	2 000 000	0	2 000 000	2 092 000	2 188 232
COMPUTER EQUIPMENT (COVID-19)	0	0	0	0	0
MARKETING & COMMUNICATION	0	0	0	0	0
SERVICE DELIVERY PROJECTS:	40 134 800	56 634 800	44 134 800	46 165 001	48 288 591
METER REPLACEMENT PROJECT	15 000 000	25 000 000	16 000 000	16 736 000	17 505 856
EXTENSION AND UPGRADE OF THE 11KV NETW	5 000 000	5 000 000	5 000 000	5 230 000	5 470 580
SERVITUDES LAND (INCL INVEST REMOVE REG	600 000	600 000	600 000	627 600	656 470
INSTALLATION OF PUBLIC LIGHTING	8 000 000	14 500 000	11 000 000	11 506 000	12 035 276
INSTALL PREPAID METERS (INDIGENT)	500 000	500 000	500 000	523 000	547 058
UPGRADING AND EXTENSION OF LV NETWORK	3 000 000	3 000 000	3 000 000	3 138 000	3 282 348
SHIFTING OF CONNECTION AND REPLACEMENT S	1 005 275	1 005 275	1 005 275	1 051 518	1 099 887
REFURBISHMENT OF HIGH MAST LIGHTS	7 029 525	7 029 525	7 029 525	7 352 883	7 691 116
REPAIRS AND MAINTENANCE PROJECTS:	19 500 000	14 500 000	16 500 000	17 259 000	18 052 914
BOTSHABELO: ESTABLISHMENT OF 132KV (INDU	5 000 000	0	5 000 000	5 230 000	5 470 580
INSTALLATION OF HIGH VOLTAGE TEST EQUIPMENT	2 500 000	2 500 000	2 500 000	2 615 000	2 735 290
TRANSFORMER REPLACE & OTHER RELATED EQUI	12 000 000	12 000 000	9 000 000	9 414 000	9 847 044
REFURBISHMENT PROJECTS (RENEWAL)	64 387 855	34 727 159	36 227 159	37 893 608	39 636 714
REF LOW VOLT DECEPT 24/8 WAY BOXES	800 000	800 000	800 000	836 800	875 293
REP BRITTLE OVERHEAD CONNECTIONS	1 000 000	1 000 000	1 000 000	1 046 000	1 094 116
S/LIGHTS REPLACE POLE TRNS POLES SECTION	2 176 900	2 176 900	2 176 900	2 277 037	2 381 781
REPLACEMENT OF 110V BATTERIES	2 750 000	2 750 000	2 750 000	2 876 500	3 008 819
REPLACEMENT OF 11KV SWITCHGEARS	2 250 000	2 250 000	2 250 000	2 353 500	2 461 761
REPLACEMENT OF OIL PLANT	500 000	0	500 000	523 000	547 058
REPLACEMENT OF 32V BATTERIES	2 500 000	2 500 000	2 500 000	2 615 000	2 735 290
REFUR PROTEC & SCADA SYSTEMS DIST CENTR	1 000 000	1 000 000	1 000 000	1 046 000	1 094 116
REPAIR MMM DIST CENTRE	12 247 311	2 837 950	2 286 098	2 358 366	2 455 349
REPAIR VSTA DIST CENTRE	30 163 644	10 412 309	10 964 161	11 501 405	12 041 971
REMEDIAL WORK 132KV SOUTHERN LINES	9 000 000	9 000 000	10 000 000	10 460 000	10 941 160
INTERNAL ELECTRIFICATION PROJECTS:	7 100 000	7 100 000	7 100 000	7 426 600	7 768 224
ELECTRIFICATION INTERNAL PROJECTS	7 100 000	7 100 000	7 100 000	7 426 600	7 768 224
TOTAL	230 925 272	162 014 576	173 630 809	181 617 826	189 972 246

**Own Funded Projects**

R 189 million respectively.

year. The allocation of the two MTRF period outer years is R 181 million and

Included in the capital budget are projects to the value of R 173 million for the 2023/24

**Own Funded Projects**

DESCRIPTION	GPS CO-ORDINATES	WARD	2022/23	2023/24	2024/25	2025/26
			BUDGET	ADJUSTMENT	MTRF	MTRF
BOTSH-E: EST NEW 33/11KV 10MVA FIRM CAP	-29.250986, 26.714119	Ward 32	8 000 000	6 500 000	6 799 000	7 111 754
BOTSH: UPG SUB T (2ND TRANS SCADA EQUI	-29.272449, 26.712158	Ward 34	8 000 000	6 500 000	6 799 000	7 111 754
BOTSH: UPG SUB W (C/WORK B/W 2ND TRA S/D	-29.257080, 26.680982	Ward 36	8 000 000	6 500 000	6 799 000	7 111 754
BLOEM: C/Y-EST 33/11KV 20MVA FIRM SUPDC	-29.124885, 26.224757	Ward 19	8 000 000	6 500 000	6 799 000	7 111 754
BLOEM: NSTAD-UPG 132/11KV 20MVA FIRM DC	-29.054360, 26.227047	Ward 48	10 000 000	8 000 000	8 368 000	8 752 928
INFRA CATALYST PROJECTS		All	8 000 000	8 000 000	8 368 000	8 752 928
EXTENSION AND UPGRADING OF THE 11KV NETW		All	5 000 000	5 000 000	5 230 000	5 470 580
SERVITUDES LAND (INCL INVEST REMUNE REG		All	600 000	600 000	627 600	656 470
INSTALLATION OF PUBLIC LIGHTING		All	8 000 000	14 500 000	11 506 000	12 035 276
INSTALL PREPAID METERS (INDIGENT)		All	500 000	500 000	523 000	547 058
UPGRADING AND EXTENSION OF LV NETWORK		All	3 000 000	3 000 000	3 138 000	3 282 348
REFURBISHMENT OF HIGH MAST LIGHTS			7 029 525	7 029 525	7 352 883	7 691 116
Van Stadenrus	-29°59'38", 27°2'8", 325°	Batho				
Bloemfontein	-29°8'7", 26°13'50"					
Ward 3	-29°9'25", 26°14'17"					
Ward 5	-29°9'48", 26°14'18"					
Ward14	-29°11'50", 26°14'22"					
Ward 67	-29°15'50", 26°40'41"					
Botshabelo	-29°13'3", 26°40'55"	F Section				
Ward 49	-29°15'14", 26°40'55"	W Section				
Thaba Nchu	-29°11'15", 26°50'34"	Mokwena				
Ward 46	-29°11'38", 26°48'35"					
Ward 30	-29°19'988, 26.694160		5 000 000	5 000 000	5 230 000	5 470 580
BOTSHABELO: ESTABLISHMENT OF 123KV (INDU			12 000 000	12 000 000	9 414 000	9 847 044
TRANSFORMER REPLAC & OTHER RELATED EQU						
S29 10 14.5 E26 14 34.4						
S29 03 44.8 E26 19 56.5						
REPLACEMENT OF 110V BATTERIES			2 750 000	2 750 000	2 876 500	3 008 819
S29 07 39.9 E26 10 04.3						
S29 06 24.5 E26 12 34.4						
S29 07 26.6 E26 09 33.3						
S29 07 08.7 E26 13 07.9						
S29 06 58.5 E26 13 36.8						
S29 06 58.5 E26 13 36.8						
S29 01 46.2 E26 19 42.5						
S29 07 46.4 E26 14 25.1						
REPLACEMENT OF 11KV SWITCHGEARS			2 250 000	2 250 000	2 353 500	2 461 761
S29 04 55.5 E26 14 59.7						
S29 08 43.2 E26 12 39.5						
S29 07 00.4 E26 13 27.1						
S29 06 59.3 E26 13 05.2						
S29 08 44.8 E26 15 31.8						

The table below is giving an outline of where is the budget going to be spent within the municipal boundaries per wards & GPS co-ordinates

**Capital Budget per wards and GPS co-ordinates**

DESCRIPTION	GPS CO-ORDINATES	WARD	BUDGET	ADJUSTMENT	MTRF	MTRF	MTRF	TOTALS
			2022/23	2022/23	2023/24	2024/25	2025/26	
REPLACEMENT OF OIL PLANT	S29 07 31.2 E26 13 29.8		500 000	-	500 000	523 000	547 058	
REPLACEMENT OF 32V BATTERIES	S29 10 07.2 E26 13 37.5		2 500 000	2 500 000	2 500 000	2 615 000	2 735 290	
	S29 10 44.5 E26 13 08.0							
	S29 06 38.0 E26 11 55.6							
	S29 06 28.9 E26 11 58.8							
	S29 08 44.1 E26 15 47.8							
	S29 12 38.5 E26 50 33.1							
	S29 08 24.2 E26 14 46.7							
	S29 14 01.2 E26 42 25.5							
	S29 08 18.9 E26 16 11.6							
	S29 08 03.3 E26 14 19.6							
	S29 09 07.8 E26 15 24.4							
	S29 09 50.6 E26 13 14.8							
REFUR PROT & SCADA SYSTEMS DIST CENTR			1 000 000		1 000 000	1 046 000	1 094 116	
REPAIR MMM DIST DIST CENTRE	S29 10 14.5 E26 14 34.4		12 247 311	2 837 950	2 837 950	2 968 496	3 105 047	
REPAIR VISTA DIST DIST CENTRE	S29 10 38.7 E26 12 48.7		30 163 644	10 412 309	10 412 309	10 891 275	11 392 274	
REMEDIAL WORK 132KV SOUTHERN LINES	-29°07'48.6"S, 26°08'26.9"E Wagatontein Area		9 000 000	9 000 000	10 000 000	10 460 000	10 941 160	
	-29°11'23.4"S, 26°10'38.8"E Ferreira Road							
	-29°17'12.640, 26°21'36.260 Max Steel							
	-29°29'29.727, 26°7'05.297, -29°19'37.59, 26°25'53.49, -29°7'11.006, 27°00'8.451, and -29°16'7.19, 26°26'9.267		7 100 000	7 100 000	7 100 000	7 426 600	7 768 224	
ELECTRIFICATION INTERNAL PROJECTS			14 300 000	14 300 000	14 300 000	14 957 800	15 645 859	
PUBLIC ELECTRICITY CONNECTIONS		All	14 300 000	14 300 000	14 300 000	14 957 800	15 645 859	
			171 940 480	140 779 784	135 779 784	142 025 654	148 558 834	

## D. SUMMARY OF THE BUDGET

The projected financial outcome of this budget at the end of the 2023/24 budget year can be summarized as follows:

- Table D1 Budget Summary		R thousands																
Description	2019/20	2020/21	2021/22	Current Year 2022/23			Medium Term Revenue and Expenditure Framework		Financial Performance					Cash flows				
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year 2023/24	Budget Year +1 2024/25
Property rates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges	2 503 722	2 660 509	2 886 778	3 484 929	3 309 163	3 309 163	3 578 589	3 736 516	3 914 879	-	-	-	-	-	-	-	-	-
Investment revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other own revenue	127 053	45 521	47 851	73 957	73 957	73 957	67 540	71 689	73 692	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	2 630 775	2 706 030	2 934 629	3 558 886	3 383 120	3 383 120	3 646 128	3 646 128	3 808 205	-	-	-	-	-	-	-	-	-
Employee costs	370 630	396 685	424 688	427 909	427 909	427 909	450 588	472 667	494 883	494 883	494 883	472 667	450 588	427 667	427 909	427 909	450 588	494 883
Remuneration of councillors	597	826	-	785	785	785	827	868	908	908	908	868	827	868	827	868	908	908
Depreciation and Debt Impairment	224 620	249 660	310 348	115 509	115 509	115 509	260 000	278 500	298 630	298 630	298 630	278 500	260 000	278 500	298 630	298 630	298 630	298 630
Interest	-	18	10 091	241	241	241	254	266	278	278	278	266	254	266	278	278	278	278
Inventory consumed and bulk purchases	1 741 222	1 791 261	2 106 339	2 198 580	2 161 672	2 161 672	2 256 223	2 357 031	2 465 510	2 465 510	2 465 510	2 357 031	2 256 223	2 357 031	2 465 510	2 465 510	2 465 510	2 465 510
Transfers and subsidies	259 229	12 000	-	120 000	120 000	120 000	120 000	120 000	120 000	120 000	120 000	120 000	120 000	120 000	120 000	120 000	120 000	120 000
Other expenditure	141 048	328 480	317 519	304 886	296 939	296 939	303 363	310 891	326 817	326 817	326 817	310 891	303 363	310 891	326 817	326 817	326 817	326 817
Total Expenditure	2 737 346	2 778 929	3 168 984	3 167 911	3 123 055	3 123 055	3 391 256	3 540 223	3 707 027	3 707 027	3 707 027	3 540 223	3 391 256	3 540 223	3 707 027	3 707 027	3 707 027	3 707 027
Surplus/(Deficit) (Transfers and subsidies - capital (monetary allocations))	(106 571)	(72 899)	(234 355)	390 975	260 064	260 064	254 873	105 906	101 178	101 178	101 178	105 906	105 873	105 906	101 178	101 178	101 178	101 178
Transfers and subsidies - capital (in-kind - all)	6 183	7 081	20 089	14 300	14 300	14 300	15 058	15 796	16 538	16 538	16 538	15 796	15 058	15 796	16 538	16 538	16 538	16 538
Surplus/(Deficit) after capital transfers & contributions	(77 779)	(22 058)	(189 513)	425 275	321 641	321 641	322 931	172 851	167 069	167 069	167 069	172 851	172 851	172 931	167 069	167 069	167 069	167 069
Income Tax	(25 006)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(52 773)	(22 058)	(189 513)	425 275	321 641	321 641	322 931	172 851	167 069	167 069	167 069	172 851	172 931	172 931	167 069	167 069	167 069	167 069
Capital expenditure & funds sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial position	1 087 612	767 802	795 847	722 065	722 065	722 065	816 841	854 416	893 719	893 719	893 719	854 416	816 841	854 416	893 719	893 719	893 719	893 719
Total current assets	7 747 573	7 709 381	7 673 700	7 728 789	7 728 789	7 728 789	7 579 109	7 604 854	7 631 874	7 631 874	7 631 874	7 604 854	7 579 109	7 604 854	7 631 874	7 631 874	7 631 874	7 631 874
Total non current assets	819 583	830 201	1 032 235	872 965	872 965	872 965	1 076 833	1 126 367	1 178 180	1 178 180	1 178 180	1 126 367	1 076 833	1 126 367	1 178 180	1 178 180	1 178 180	1 178 180
Total current liabilities	3 145 541	3 068 445	3 042 688	1 564 910	1 564 910	1 564 910	1 465 600	1 532 185	1 603 631	1 603 631	1 603 631	1 532 185	1 465 600	1 532 185	1 603 631	1 603 631	1 603 631	1 603 631
Total non current liabilities	4 870 062	4 578 537	4 394 643	6 012 979	6 012 979	6 012 979	5 853 517	5 800 717	5 743 783	5 743 783	5 743 783	5 800 717	5 853 517	5 800 717	5 743 783	5 743 783	5 743 783	5 743 783
Community wealth/equity	55 439	170 800	151 712	405 682	405 682	405 682	129 212	221 393	227 635	227 635	227 635	221 393	129 212	221 393	227 635	227 635	227 635	227 635
Net cash from (used) operating	(105 078)	(128 831)	(153 693)	(294 678)	(294 678)	(294 678)	(219 599)	(225 627)	(232 064)	(232 064)	(232 064)	(225 627)	(219 599)	(225 627)	(232 064)	(232 064)	(232 064)	(232 064)
Net cash from (used) investing	68 477	(58 656)	(1 584)	-	-	-	(1 774)	5 665	5 925	5 925	5 925	5 665	(1 774)	5 665	5 925	5 925	5 925	5 925
Net cash from (used) financing	55 439	170 800	151 712	405 682	405 682	405 682	129 212	221 393	227 635	227 635	227 635	221 393	129 212	221 393	227 635	227 635	227 635	227 635
Cash/cash equivalents at the year end	32 508	15 821	12 256	123 260	123 260	123 260	31 099	32 529	34 026	34 026	34 026	32 529	31 099	32 529	34 026	34 026	34 026	34 026

1. Table D1 is a budget summary and provides a concise overview of the consolidated Municipal entity's budget from all the major financial perspectives (operating, capital expenditure, financial position, cash flow and MFMVA funding compliance).
2. The table provides an overview of the amount approved by Council for operating performance, resources deployed to capital expenditure, financial positions, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the entity's budget being funded. This requires the simultaneous assessment of the financial performance, financial position and cash flow budgets, along with the capital budget. The budget summary provides the key information in this regard:
  - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTRREF period
  - b. Capital expenditure is balanced by capital funding sources, of which
    - i. Transfers recognised is reflected on the Financial Performance Budget
    - ii. Borrowing is incorporated in the net cash from financing on the cash flow budget
    - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the net cash from investing on the cash flow remains positive and is improving indicates that the necessary cash resources are available to fund the capital budget.

### 3. BUDGET RELATED RESOLUTIONS

- 3.1 That in terms of Section 24 of the Municipal Financial Management Act, 56 of 2003, the operating revenue of R 3,714 billion, operating expenditure of R 3,442 billion and capital expenditure of R 290 million for the financial year 2023/24 and allocations for the two projected outer years 2023/24 and 2025/26, be tabled as set out on the following tables:
- (a) Budgeted Financial Performance (revenue and expenditure): - Table D2,  
(b) Multi-Year and Single-Year capital appropriations (by vote, standard classification and Associated funding by source): - Table D3
- 3.2 That the financial position, cash flow, asset management and basic service delivery targets be tabled as set in the following tables:
- (a) Budgeted Financial Position – Table D4  
(c) Budgeted Cash-Flow – Table D5
- 3.3 Supply of electricity tariffs as set out in (Annexure A) attached, be noted for approval for the 2023/24 financial year
- 3.4 Supply of service tariffs as set out in (Annexure B) attached, be noted for approval for the 2023/24 financial year
- 3.5 That the Amendment Policy Register as set out in (Annexure C) be noted for approval for the 2023/24 financial year.
- 3.6 That the Training Tariffs as set out in (Annexure D) be noted for approval for the 2023/24 financial year.
- 3.7 That the Salaries as set out in (Annexure G) be noted for approval for the 2023/24 financial year.
- 3.8 That the Bulk Purchases as set out in (Annexure H) be noted for approval for the 2023/24 financial year.

**Table D2 - Budgeted Financial Performance (Revenue and Expenditure)**

Table D2 gives an overview of the budgeted financial performance in relation to the revenue by source and expenditure by type. This table facilitates the view of the budgeted operating performance in relation to the sources of funding and on what activities are the scarce resources to be spend on.

- Table D2 Budgeted Financial Performance (revenue and expenditure)

Description	Rel		Current Year 2022/23						2023/24 Medium Term Revenue &		
	2020/21	2021/22	Audited	Audited	Original	Adjusted	Full Year	Pre-audit	Budget	Budget	Budget
<b>Revenue</b>											
Exchange Revenue	2 503 722	2 886 778	3 484 929	3 309 163	3 309 163	3 309 163	3 309 163	3 578 589	3 736 516	3 914 879	
Service charges - Electricity	5 567	784	4 489	4 489	4 489	4 489	4 489	4 727	4 959	5 192	
Interest	2 964	638	2 964	2 964	2 964	2 964	2 964	4 277	32 148	32 294	
Interest earned from Receivables	25 379	23 122	24 515	29 846	29 846	29 846	29 846	29 846	32 148	32 294	
Interest earned from Current and Non Current Assets	2 503 722	2 886 778	3 484 929	3 309 163	3 309 163	3 309 163	3 309 163	3 578 589	3 736 516	3 914 879	
Non-Exchange Revenue											
Property rates	2 778	4 218	4 918	4 918	4 918	4 918	4 918	6 158	6 460	6 764	
Surcharges and Taxes	2 592	4 218	4 918	4 918	4 918	4 918	4 918	6 158	6 460	6 764	
Fines, penalties and forfeits	2 592	4 218	4 918	4 918	4 918	4 918	4 918	6 158	6 460	6 764	
Operational Revenue	15 367	11 257	25 038	25 038	25 038	25 038	25 038	16 630	17 445	18 265	
Gains on disposal of Assets	3 803	7 078	9 665	9 665	9 665	9 665	9 665	10 178	10 676	11 178	
Other Gains	90 365	11 257	25 038	25 038	25 038	25 038	25 038	16 630	17 445	18 265	
Discontinued Operations	2 778	4 218	4 918	4 918	4 918	4 918	4 918	6 158	6 460	6 764	
<b>Expenditure</b>											
Employee related costs	370 630	396 685	424 688	427 909	427 909	427 909	427 909	450 588	472 667	494 883	
Remuneration of councillors	597	826	785	785	785	785	785	827	868	908	
Bulk purchases - electricity	1 692 795	2 038 346	2 145 935	2 101 176	2 101 176	2 101 176	2 101 176	2 199 832	2 301 129	2 406 981	
Inventory consumed	48 427	67 992	52 645	60 496	60 496	60 496	60 496	56 291	55 903	58 530	
Debt impairment	74 389	17 791	76 856	38 917	38 917	38 917	38 917	175 000	185 500	196 630	
Depreciation and asset impairment	150 231	231 868	233 492	76 592	76 592	76 592	76 592	85 000	93 000	102 000	
Interest	-	18	10 091	241	241	241	241	254	266	278	
Contracted services	105 601	92 359	109 618	204 102	192 127	192 127	192 127	189 196	191 129	201 426	
Transfers and subsidies	259 229	12 000	120 000	120 000	120 000	120 000	120 000	120 000	120 000	120 000	
Irrecoverable debts written off	259 229	12 000	120 000	120 000	120 000	120 000	120 000	120 000	120 000	120 000	
Operational costs	25 800	230 640	192 806	100 784	104 812	104 812	104 812	114 168	119 762	125 391	
Losses on disposal of Assets	9 647	5 481	15 094	100 784	104 812	104 812	104 812	114 168	119 762	125 391	
Other Losses	2 737 346	2 778 929	3 168 984	3 167 911	3 123 055	3 123 055	3 123 055	3 391 256	3 540 223	3 707 027	
<b>Total Expenditure</b>	2 737 346	2 778 929	3 168 984	3 167 911	3 123 055	3 123 055	3 123 055	3 391 256	3 540 223	3 707 027	
Surplus/(Deficit)	(106 571)	(72 899)	(234 355)	390 975	260 064	260 064	260 064	254 873	267 982	281 544	
Transfers and subsidies - capital (monetary allocations)	22 609	43 761	24 753	20 000	47 276	47 276	47 276	53 000	51 150	49 353	
Transfers and subsidies - capital (in-kind)	6 183	7 081	20 089	14 300	14 300	14 300	14 300	15 058	15 796	16 538	
Surplus/(Deficit) after capital transfers & contributions	(77 779)	(22 058)	(189 513)	425 275	321 641	321 641	321 641	322 931	334 928	347 435	
Income Tax	(25 006)										
Surplus/(Deficit) after income tax	(52 773)	(22 058)	(189 513)	425 275	321 641	321 641	321 641	322 931	334 928	347 435	
Share of Surplus/Deficit attributable to Joint Venture											
Share of Surplus/Deficit attributable to Minorities											
Share of Surplus/Deficit attributable to municipality											
Share of Surplus/Deficit attributable to Associates											
Intercompany/Parent subsidiary transactions											
<b>Surplus/(Deficit) for the year</b>	(52 773)	(22 058)	(189 513)	425 275	321 641	321 641	321 641	322 931	334 928	347 435	



Vote Description		Ref	2019/20	2020/21	2021/22	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital expenditure by Asset Class/Sub-class		1	Outcome	Outcome	Outcome	Budget	Budget	Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousands		1	Outcome	Outcome	Outcome	Budget	Budget	Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Infrastructure			86 168	105 214	95 521	178 501	172 028	172 028	203 012	208 108	213 531
Roads Infrastructure			86 168	105 214	95 521	178 501	172 028	172 028	203 012	208 108	213 531
Electrical Infrastructure			86 168	105 214	95 521	178 501	172 028	172 028	203 012	208 108	213 531
Power Plants			2 500						4 250	4 446	
HV Substations			7 026	880	38	2 750	2 750	2 750	4 250	4 446	4 650
HV Switching Station											10 941
HV Transmission Conductors						9 000	9 000	9 000	10 000	10 460	10 941
MV Substations			8 396	5 817					27 350	28 608	29 924
MV Switching Stations			15 097	14 351	27 576	30 590	30 090	30 090	27 350	28 608	29 924
LV Networks			53 149	84 166	67 908	136 162	130 188	130 188	161 412	164 595	168 016
Capital Spares			11 715	13 835	14 640	50 830	18 669	18 669	18 669	19 528	20 426
Community Facilities			11 715	13 835	14 640	50 830	18 669	18 669	18 669	19 528	20 426
Centres			11 715	13 835	14 640	50 830	18 669	18 669	18 669	19 528	20 426
Other assets			859	-	63	574	574	574	1 000	1 000	1 046
Operational Buildings			859	63	574	574	574	574	1 000	1 000	1 046
Training Centres			859	63	574	574	574	574	1 000	1 046	1 094
Computer Equipment			10 175	9 743	17 764	8 120	8 120	8 120	5 000	5 230	5 471
Computer Equipment			10 175	9 743	17 764	8 120	8 120	8 120	5 000	5 230	5 471
Furniture and Office Equipment			219	314	219	7 250	6 250	6 250	1 250	1 308	1 368
Furniture and Office Equipment			219	314	219	7 250	6 250	6 250	1 250	1 308	1 368
Machinery and Equipment			2 000								
Machinery and Equipment			2 000								
Transport Assets			5 000			19 950	17 950	17 950	12 000	12 552	13 129
Transport Assets			5 000			19 950	17 950	17 950	12 000	12 552	13 129
Total capital expenditure on assets		1	116 136	129 106	154 175	265 225	223 591	223 591	240 931	247 726	254 971
Funded by:											
National Government			23 964	47 286	25 211	20 000	47 276	47 276	53 000	51 150	49 353
Provincial Government			15 762	11 707	10 355	14 300	14 300	14 300	14 300	14 958	15 646
Parent Municipality											
District Municipality											
Transfers recognised - capital			39 726	58 993	35 566	34 300	61 576	61 576	67 300	66 108	64 999
Borrowing		3	76 410	70 113	118 609	230 925	162 015	162 015	173 631	181 618	189 972
Internally generated funds			116 136	129 106	154 175	265 225	223 591	223 591	240 931	247 726	254 971
Total Capital Funding		4	116 136	129 106	154 175	265 225	223 591	223 591	240 931	247 726	254 971

- Table D3 Capital Budget by asset class and funding

Table D3 - Budgeted Capital expenditure by vote, standard classification and funding including information on capital transfers from national and provincial departments. Table D3 outlines a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations) capital expenditure by standard classification and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

Table D4 is consistent with international standards of good financial management practice and improves understanding of the councillors and management of the impact of the budget on the statement of financial position (balance sheet).

- Table D4 Budgeted Financial Position

Ref	Description	Current Year 2022/23						Medium Term Revenue and Expenditure Framework	
		Audited	Audited	Audited	Adjusted	Full Year	Pre-audit	Budget Year 2023/24	Budget Year 2024/25 + 2025/26
	R thousands	Outcome	Outcome	Outcome	Budget	Budget	Forecast	Budget Year	Budget Year
	<b>ASSETS</b>								
	<b>Current assets</b>								
	Cash and cash equivalents	32 393	15 821	12 256	37 677	37 677	37 677	31 099	32 529
	Trade and other receivables from exchange transactions	868 551	551 355	509 308	601 127	601 127	601 127	589 107	616 205
	Receivables from non-exchange transactions	78 891	103 765	148 957	601 127	601 127	601 127	93 330	97 623
	Current portion of non-current receivables								
	Inventory	107 776	96 587	125 051	83 260	83 260	83 260	103 306	108 058
	VAT		275	274					
	Other current assets								
	<b>Total current assets</b>	<b>1 087 612</b>	<b>767 802</b>	<b>795 847</b>	<b>722 065</b>	<b>722 065</b>	<b>722 065</b>	<b>816 841</b>	<b>854 416</b>
	<b>Non current assets</b>								
	Investments			300					
	Investment property								
	Property, plant and equipment	6 426 342	6 324 672	6 235 019	6 408 353	6 408 353	6 408 353	6 213 973	6 191 959
	Biological assets								
	Living and non-living resources								
	Heritage assets								
	Intangible assets	95 878	95 231	95 603	92 826	92 826	92 826	85 169	74 254
	Trade and other receivables from exchange transactions								
	Non-current receivables from non-exchange transactions								
	Other non-current assets	1 224 505	1 269 477	1 342 778	1 227 610	1 227 610	1 227 610	1 279 967	1 338 640
	Other non-current assets								
	<b>Total non current assets</b>	<b>7 747 573</b>	<b>7 709 381</b>	<b>7 673 700</b>	<b>7 728 789</b>	<b>7 728 789</b>	<b>7 728 789</b>	<b>7 579 109</b>	<b>7 604 854</b>
	<b>TOTAL ASSETS</b>	<b>8 835 185</b>	<b>8 477 183</b>	<b>8 469 546</b>	<b>8 450 854</b>	<b>8 450 854</b>	<b>8 450 854</b>	<b>8 395 950</b>	<b>8 459 270</b>
	<b>LIABILITIES</b>								
	<b>Current liabilities</b>								
	Bank overdraft								
	Financial liabilities	1 813	1 988	1 988	26 464	26 464	26 464	27 708	28 982
	Consumer deposits	128 776	127 043	130 374	124 918	124 918	124 918	123 143	128 808
	Trade and other payables from exchange transactions	545 497	523 017	670 805	683 548	683 548	683 548	886 159	926 922
	Trade and other payables from non-exchange transactions								
	Provision	3 271	1 831	2 489	38 035	38 035	38 035	39 823	41 654
	VAT	135 342	169 842	219 974					
	Other current liabilities	6 697	6 555	6 604					
	<b>Total current liabilities</b>	<b>819 583</b>	<b>830 201</b>	<b>1 032 235</b>	<b>872 965</b>	<b>872 965</b>	<b>872 965</b>	<b>1 076 833</b>	<b>1 126 367</b>
	<b>Non current liabilities</b>								
	Financial liabilities	911 545	853 594	854 289	1 564 910	1 564 910	1 564 910	1 465 600	1 532 185
	Provision	2 233 995	2 214 852	2 188 379	1 564 910	1 564 910	1 564 910	1 465 600	1 532 185
	Long term portion of trade payables								
	Other non-current liabilities								
	<b>Total non current liabilities</b>	<b>3 145 541</b>	<b>3 068 445</b>	<b>3 042 668</b>	<b>1 564 910</b>	<b>1 564 910</b>	<b>1 564 910</b>	<b>1 465 600</b>	<b>1 532 185</b>
	<b>TOTAL LIABILITIES</b>	<b>3 965 123</b>	<b>3 898 647</b>	<b>4 074 903</b>	<b>2 437 875</b>	<b>2 437 875</b>	<b>2 437 875</b>	<b>2 542 433</b>	<b>2 658 553</b>
	<b>NET ASSETS</b>	<b>4 870 062</b>	<b>4 578 537</b>	<b>4 394 643</b>	<b>6 012 979</b>	<b>6 012 979</b>	<b>6 012 979</b>	<b>5 853 517</b>	<b>5 800 717</b>
	<b>COMMUNITY WEALTH/EQUITY</b>								
	Accumulated surplus/(deficit)	712 804	484 626	301 236	1 862 577	1 862 577	1 862 577	1 700 133	1 688 867
	Reserves and funds	4 157 258	4 093 911	4 093 407	4 150 402	4 150 402	4 150 402	4 153 384	4 111 850
	Other								
	<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>4 870 062</b>	<b>4 578 537</b>	<b>4 394 643</b>	<b>6 012 979</b>	<b>6 012 979</b>	<b>6 012 979</b>	<b>5 853 517</b>	<b>5 800 717</b>

Ref	Description	Thousands									
		2019/20	2020/21	2021/22	Original Budget	Adjusted Budget	Full Year Forecast				
	CASH FLOW FROM OPERATING ACTIVITIES	Receipts	2 412 995	2 636 799	2 887 851	3 160 289	3 160 289	3 355 986	3 719 541		
		Property rates									
		Service charges									
1	Transfers and Subsidies - Operational	Other revenue	2 412 995	2 636 799	2 887 851	3 160 289	3 160 289	3 355 986	3 719 541		
		Transfers and Subsidies - Capital	26 792	51 488	28 571	60 300	60 300	60 300	66 108	64 999	
		Interest	26 343	23 760	25 299	25 412	25 412	25 412	34 119	35 888	
2	Payments	Dividends	(17 446)	(2 397 245)	(2 760 334)	(2 739 032)	(2 739 032)	(3 270 622)	(3 336 086)	(3 494 837)	
		Suppliers and employees									
		Finance charges									
	CASH FLOW FROM INVESTING ACTIVITIES	Receipts	3 066	275	275	329	329	329	9 285	9 712	
		Proceeds on disposal of PPE									
		Decrease (increase) in non-current receivables									
	CASH FLOWS FROM INVESTING ACTIVITIES	Payments	(108 144)	(129 106)	(153 968)	(295 007)	(295 007)	(228 984)	(235 339)	(242 222)	
		Decrease (increase) in non-current investments									
		Capital assets									
	NET CASH FROM/(USED) INVESTING ACTIVITIES	(105 078)	(128 831)	(153 693)	(294 678)	(294 678)	(294 678)	(219 599)	(225 627)	(232 064)	
	CASH FLOWS FROM FINANCING ACTIVITIES										
	Receipts										
	Short term loans										
	Borrowing long term financing	68 477	(58 656)	(1 584)					5 665	5 925	
	Increase (decrease) in consumer deposits										
	Payments										
	Repayment of borrowing										
	NET CASH FROM/(USED) FINANCING ACTIVITIES	68 477	(58 656)	(1 584)				(1 774)	5 665	5 925	
1	NET INCREASE/(DECREASE) IN CASH HELD	18 838	(16 686)	(3 565)	111 005	111 005	111 005	(92 182)	1 431	1 496	
2	Cash/cash equivalents at the year begin:	13 670	32 508	15 821	12 256	12 256	12 256	12 280	31 099	32 529	
2	Cash/cash equivalents at the year end:	32 508	15 821	12 256	123 260	123 260	123 260	31 099	32 529	34 026	
	Medium Term Revenue and Expenditure Framework										
					Current Year 2022/23			Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	

**Table D5 - Budgeted Cash Flow Statement**

The budgeted cash flow statement is the first measurement in determining if the budget is funded. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

- Table D5 Budgeted Cash Flow

**SUPPLEMENTARY SCHEDULES TO TABLES D2 TO D5**

**a. Support Table SD1: Supporting details to Measurable Performance Targets**

The table on Measurable Performance Objectives seeks to outline how the municipality entity intends to manage and monitor service delivery progress against identified strategic objectives and priorities by the respective directorates.

Refer to attached D-Schedules for SD1 Table on the Measurable Performance Targets

- Supporting Table SD1 Measurable performance targets

Performance target description	Unit of measurement	2019/20	2020/21	2021/22	Current Year 2022/23	Pre-audit	Budget Year	Budget Year	Budget Year	Medium Term Revenue and Expenditure Framework
Complete 800 household connections identified for electrification in the MMM area by 30 June 2023	Monthly, quarterly report and proof of payments	Zero household connections	Zero household connections	150 provided not dwellings	Complete 200 household connections identified for electrification in the MMM area by 30 June 2023	Complete 800 household connections identified for electrification in the MMM area by 30 June 2023	Complete 800 household connections identified for electrification in the MMM area by 30 June 2024	Complete 800 household connections identified for electrification in the MMM area by 30 June 2025	Complete 800 household connections identified for electrification in the MMM area by 30 June 2026	Complete 800 household connections identified for electrification in the MMM area by 30 June 2026
Erection of 10 high mast lights within Mangungu by 30 June 2023	Monthly, quarterly report and proof of payments	14 high mast lights	10 high mast lights	10 high mast lights erected	Erection of 10 high mast lights within Mangungu by 30 June 2023	Erection of 10 high mast lights within Mangungu by 30 June 2023	Erection of 40 high mast lights within Mangungu by 30 June 2024	Erection of 15 high mast lights within Mangungu by 30 June 2025	Erection of 15 high mast lights within Mangungu by 30 June 2026	Erection of 15 high mast lights within Mangungu by 30 June 2026
477,92 kilometers of 132kV lines inspections based on the maintenance plan from 1st July 2022 to 30th June 2023	Monthly, quarterly report and proof of payments	470,43 kilometers of 132kV lines inspections were completed	477,92 kilometers of 132kV lines inspections based on the maintenance plan from 1st July 2022 to 30th June 2023	477,92 kilometers of 132kV lines inspections based on the maintenance plan from 1st July 2022 to 30th June 2023	505,12 kilometers of 132kV lines inspections based on the maintenance plan from 1st July 2022 to 30th June 2023	505,12 kilometers of 132kV lines inspections based on the maintenance plan from 1st July 2022 to 30th June 2023	505,12 kilometers of 132kV lines inspections based on the maintenance plan from 1st July 2023 to 30th June 2024	505,12 kilometers of 132kV lines inspections based on the maintenance plan from 1st July 2024 to 30th June 2025	505,12 kilometers of 132kV lines inspections based on the maintenance plan from 1st July 2025 to 30th June 2026	505,12 kilometers of 132kV lines inspections based on the maintenance plan from 1st July 2025 to 30th June 2026
348 DC Transformer maintenance plan to be completed from 1st of July 2022 to 30 June 2023	Monthly, quarterly report and proof of payments	367 DC Transformers completed	348 DC Transformers completed	348 DC Transformers completed	348 DC Transformers completed based on the maintenance plan to be completed from 1st of July 2022 to 30 June 2023	348 DC Transformers completed based on the maintenance plan to be completed from 1st of July 2022 to 30 June 2023	348 DC Transformers completed based on the maintenance plan to be completed from 1st of July 2023 to 30 June 2024	348 DC Transformers completed based on the maintenance plan to be completed from 1st of July 2024 to 30 June 2025	348 DC Transformers completed based on the maintenance plan to be completed from 1st of July 2025 to 30 June 2026	348 DC Transformers completed based on the maintenance plan to be completed from 1st of July 2025 to 30 June 2026



Medium Term Revenue and Expenditure Framework	Budget Year	Planned	interruptions of the supply	Planned	Budget Year	Outcome	Planned	interruptions of the supply	Planned			
	2019/20	Outcome	One hundred	One hundred were submitted 2 days before notices (169) and sixty-submitted 2 days (149) planned before the execution of planned interruptions per NRS 047	2021/22	Outcome	One hundred were submitted 2 days before notices (149) planned before the execution of planned interruptions per NRS 047	Outcome	One hundred were submitted 2 days before notices (169) and sixty-submitted 2 days (149) planned before the execution of planned interruptions per NRS 047			
	2020/21	Outcome	76 notices	submitted 2 days before the execution of planned interruptions per NRS 047	Current Year 2022/23	Adjusted	Planned	should be restored as per NERSA license requirements in terms of NRS 047	4	4	Installations of approved and commissioned generation plants on the embedded generation plants on the Municipal network by the Municipal network by June 2023	
	2021/22	Outcome	One hundred were submitted 2 days before the execution of planned interruptions per NRS 047	submitted 2 days before the execution of planned interruptions per NRS 047	Current Year 2022/23	Forecast	Planned	should be restored as per NERSA license requirements in terms of NRS 047	4	4	4	Installations of approved and commissioned generation plants on the embedded generation plants on the Municipal network by the Municipal network by June 2023
	2022/23	Forecast	Planned	should be restored as per NERSA license requirements in terms of NRS 047	Current Year 2022/23	Adjusted	Planned	should be restored as per NERSA license requirements in terms of NRS 047	4	4	4	Installations of approved and commissioned generation plants on the embedded generation plants on the Municipal network by the Municipal network by June 2023
	2023/24	Forecast	Planned	should be restored as per NERSA license requirements in terms of NRS 047	Current Year 2022/23	Outcome	Planned	should be restored as per NERSA license requirements in terms of NRS 047	4	4	4	Installations of approved and commissioned generation plants on the embedded generation plants on the Municipal network by the Municipal network by June 2023
	2024/25	Year	Planned	should be restored as per NERSA license requirements in terms of NRS 047	Current Year 2022/23	Outcome	Planned	should be restored as per NERSA license requirements in terms of NRS 047	4	4	4	Installations of approved and commissioned generation plants on the embedded generation plants on the Municipal network by the Municipal network by June 2024
	2025/26	Year	Planned	should be restored as per NERSA license requirements in terms of NRS 047	Current Year 2022/23	Outcome	Planned	should be restored as per NERSA license requirements in terms of NRS 047	4	4	4	Installations of approved and commissioned generation plants on the embedded generation plants on the Municipal network by the Municipal network by June 2025
	2026/27	Year	Planned	should be restored as per NERSA license requirements in terms of NRS 047	Current Year 2022/23	Outcome	Planned	should be restored as per NERSA license requirements in terms of NRS 047	4	4	4	Installations of approved and commissioned generation plants on the embedded generation plants on the Municipal network by the Municipal network by June 2026
	2027/28	Year	Planned	should be restored as per NERSA license requirements in terms of NRS 047	Current Year 2022/23	Outcome	Planned	should be restored as per NERSA license requirements in terms of NRS 047	4	4	4	Installations of approved and commissioned generation plants on the embedded generation plants on the Municipal network by the Municipal network by June 2027

4 installations of approved and commissioned generation plants on the embedded generation plants on the Municipal network by June 2023

4 installations of approved and commissioned generation plants on the embedded generation plants on the Municipal network by June 2023

4 installations of approved and commissioned generation plants on the embedded generation plants on the Municipal network by June 2023

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4 installations of approved and commissioned generation plants on the embedded generation plants on the Municipal network by June 2023

4 installations of approved and commissioned generation plants on the embedded generation plants on the Municipal network by June 2023

4 installations of approved and commissioned generation plants on the embedded generation plants on the Municipal network by June 2023

b. Supporting Table SD2: Financial and Non-Financial Indicators

The table below provides the benchmark ratios based on the actual results of the last three (3) financial years and the outlook for the MTRREF period.

- Supporting Table SD2 Financial and non-financial indicators

Description of indicator	Basis of calculation	Ref	Current Year 2022/23							2019/20 Audited Outcome	2020/21 Audited Outcome	2021/22 Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year 2025/26
			Medium Term Revenue and Expenditure Framework																
<b>Borrowing Management</b>	<b>Credit Rating</b>	Finance Charges & Depreciation / Operating Expenditure	5%	8%	8%	2%	2%	2%	2%	2%	2%	37%	0%	0%	0%	0%	3%	3%	
		Borrowed funding of capital expenditure	90%	-84%	-1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
		transfers and grants and contributions expenditure																	
<b>Safety of Capital</b>	<b>Debt to Capital</b>	Long Term Borrowing / Funds & Reserves	19%	19%	19%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
<b>Liquidity</b>	<b>Current Ratio</b>	Current assets / current liabilities	133%	92%	77%	83%	83%	0%	0%	0%	0%	0%	0%	0%	0%	76%	76%	76%	
		Current assets/current liabilities less debtors > 90 days	133%	92%	77%	83%	83%	0%	0%	0%	0%	0%	0%	0%	0%	76%	76%	76%	
<b>Revenue Management</b>	<b>Liquidity Ratio</b>	Monetary Assets / Current Liabilities	4%	2%	1%	4%	4%	0%	0%	0%	0%	4%	0%	0%	0%	3%	3%	3%	
		Annual Debtors Collection Rate (Last 12 Mths Receipts / Last 12 Mths Billing)	96%	99%	99%	96%	96%	0%	0%	0%	0%	0%	0%	0%	0%	99%	99%	100%	
		Current Debtors Collection Rate (Cash receipts % of Refractor & Other Total Outstanding Debtors to Annual Revenue)	96%	99%	99%	96%	96%	0%	0%	0%	0%	0%	0%	0%	0%	99%	99%	100%	
<b>Creditors Management</b>	<b>Creditors System Efficiency</b>	% of Creditors Paid Within Terms (within MFMA s55(e))																	
		Employee costs/ Total Revenue - capital revenue	14%	15%	14%	12%	13%	0%	0%	0%	0%	13%	0%	0%	0%	12%	12%	12%	
		Total remuneration/ Total Revenue - capital revenue	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
		Repairs & Maintenance R&M/ Total Revenue - capital revenue	4%	4%	4%	1%	3%	0%	0%	0%	3%	0%	0%	0%	0%	3%	3%	3%	
		Finance charges & Depreciation F&D/ Total Revenue - capital revenue	5%	9%	8%	2%	2%	0%	0%	0%	2%	0%	0%	0%	0%	2%	2%	3%	
<b>Financial Viability Indicators</b>	<b>Debt coverage</b>	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	22176%	27969%	1354079%	1642120%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1523735%	1521479%	0%	
		Total outstanding service debtors/annual revenue received for services	38%	25%	23%	17%	18%	18%	18%	18%	18%	37%	0%	0%	0%	19%	19%	19%	
		Cost coverage (Available cash + Investments)/Monthly fixed operational expenditure	429%	419%	385%	358%	37%	37%	37%	37%	37%	37%	37%	37%	37%	345%	345%	332%	

- Supporting Table SD3 Budgeted Investment Portfolio

Investments by Maturity	Name of institution & investment ID	Ref	Period of Investment	Type of investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate	Opening balance	Investment Up	Closing Balance	Yrs/Months	
	ABSA - 1 Day Account		February 2013	Call Account	No	Variable Interest Rate	6%	56	4 671	4 727	1	4 727

The table below provides to the reader the monetary investment particulars by type and maturity.

**c. Supporting Table SD3: Budgeted Investment Portfolio**



**PROPOSED TARIFFS**

**Electricity Tariffs**

It is recommended:

i. That Centlec electricity tariffs be increased by 15.1% for 2023/24 financial year;

ii. That, electricity tariffs set out in Annexure A for 2023/24 financial year be approved;

iii. That, the new electricity tariffs for 2023/24 be implemented from the 1 July 2023.

iv. That, for the calculation of electricity accounts the consumer month will be the period between the successive monthly readings irrespective of the period between reading dates and with winter and summer component for all tariffs; and

**ANNEXURE B**

**Service Tariffs**

It is recommended:

i. That, the amendments of the policies as set out in Annexure B for the 2023/24 financial year be approved;

ii. That, the service Tariffs for 2023/24 be implemented from the 1 July 2023.

**ANNEXURE C**

**Policies**

It is recommended:

i. That, the amendments of the policies as set out in Annexure C for the 2023/24 financial year be approved;

ii. That, the newly approved policies for 2023/24 be implemented from the 1 July 2023.

**ANNEXURE D**

**Training Tariffs**

It is recommended:

i. That, the training tariffs as set out in Annexure D for the 2023/24 financial year be approved;

ii. That, the training tariffs for 2023/24 be implemented from the 1 July 2023.

**ANNEXURE A**

**Bulk Purchases**

- It is recommended:
- i. That, the Bulk purchases tariffs as set out in Annexure H for the 2023/24 financial year be approved;
  - ii. That, the Bulk Purchases tariffs for 2023/24 be implemented from the 1 July 2023.

**ANNEXURE H**

**Salaries**

- It is recommended:
- i. That, the Salaries as set out in Annexure G for the 2023/24 financial year be approved;
  - ii. That, the Salaries for 2023/24 be implemented from the 1 July 2023.

**ANNEXURE G**

## **PART 2 - SUPPORTING DOCUMENTATION**

### **1. OVERVIEW OF ANNUAL BUDGET PROCESS**

In terms of section 87 of MFMA The board of directors of a municipal entity must for each financial year submit a proposed budget for the entity to its parent municipality not later than 150 days before the start of the entity's financial year or earlier if requested by the parent municipality. This implies that the entity's budget must be submitted to the Municipality on or before the end of 20 January each year. The parent municipality must then consider the proposed budget by the entity, assess the entity's priorities and objectives and make recommendations.

The entity must then consider these recommendations and, if necessary, submit a revised budget to the parent municipality not later than 100 days before the start of the financial year which is approximately on or before the 15<sup>th</sup> of March each year. Thereafter the following will lead to the approval of the budget:

- The mayor of the parent municipality must table the proposed budget of the municipal entity in the council when the annual budget of the municipality for the relevant year is tabled.
- The board of directors of a municipal entity must approve the budget of the municipal entity not later than 30 days before the start of the financial year, taking into account any hearings or recommendations of the council of the parent municipality.

The framework within which the budget must be compiled is as follows:

- It must be balanced, deficit budget is not allowed;
- It must be consistent with any service delivery agreement or other agreement between the entity and the entity's parent municipality;
- It must be within any limits determined by the entity's parent municipality, including any limits on tariffs, revenue, expenditure and borrowing;
- It must include a multi-year business plan for the entity that—
  - sets key financial and non-financial performance objectives and measurement criteria as agreed with the parent municipality;
  - is consistent with the budget and integrated development plan of the entity's parent municipality;

- The budget shall be prepared on the Zero basis and combination method.
- The budget shall only be approved if it has been properly balanced
- All expenses, including depreciation expenses, shall be cash-funded.
- At least 7% of the operating budget component shall be set aside for maintenance.
- The budget for salaries, allowances and salaries-related benefits shall be separately prepared, and shall not exceed 30% of the aggregate operating budget component of the annual budget. For purposes of applying this principle, the remuneration of the Board of Directors shall be excluded from this limit.

The following budget principles shall apply:

#### 1.1 BUDGET PRINCIPLES:

- is consistent with any service delivery agreement or other agreement between the entity and the entity's parent municipality; and
  - reflects actual and potential liabilities and commitments, including particulars of any proposed borrowing of money during the period to which the plan relates;
- The above prescripts are as per the MFMA and directly also relates to Centec as a municipal entity.

## 1.2 BUDGET PROCESS PLAN:

# CENTLEC BUDGET PROCESS PLAN FOR 2023-24

BUDGET PHASES AND PERFORMANCE REPORTING	ACTIVITY	PLANNED DATES	FACILITATION
	Centlec - Budget Process Plan 2023/24 submission to the Board for approval	29-Aug-22	Office of the CFO
	MMM - Tabling of the IDP and Budget Process Plan for 2023/2024 financial year to Council	31-Aug-22	MMM
	Centlec - Budget Office start with preparation of budget framework in terms of NT Circulars and MMM parameters for the MTRREF 2023/24 to 2025/26	02-Nov-22	Office of the CFO
	Centlec - User Departments to start preparing departmental adjustment budget aligning with the budget framework issued by the Budget Office	08 November to 03 December 2022	User Departments
	Centlec - Adjustment Budget 2022/23, 1st Draft MTRREF Budget 2023/2024, Mid Year Report, Performance Assessment Report Section 88 as at 31 December 2022) to be considered by EXCO	23-Dec-22	Office of the CFO
	Centlec - Finance Committee to consider the Adjustment Budget 2022/23, 1st Draft MTRREF Budget 2023/2024, Mid Year Report, Performance Assessment Report Section 88 as at 31 December 2021)	09-Jan-23	Office of the CFO
	Centlec - Board Sitting to consider the Adjustment Budget 2022/23, 1st Draft MTRREF Budget 2023/2024, Mid Year Report, Performance Assessment Report Section 88 as at 31 December 2022)	12-Jan-23	Office of the CFO
	Centlec - Submission of the Adjustment Budget 2022/23, 1st Draft MTRREF Summary Budget 2023/2024, Mid Year Report, Performance Assessment Report Section 88 as at 31 December 2022)	20-Jan-23	Office of the CFO

BUDGET PHASES AND PERFORMANCE REPORTING	ACTIVITY	PLANNED DATES	FACILITATION
	<p>Centlec - Submission of the Adjustment Budget 2022/23, 1st Draft MTRREF Detailed Budget 2023/2026, Mid Year Budget, Performance Assessment Report Section 88 as at 30 December 2022)</p>	27-Jan-23	Office of the CFO
	<p>Centlec - Review tariffs and budget related policies</p>	07 to 13 Feb 2023	User Departments
	<p>MMM - provides Centlec with comments on the Adjustment budget 2022/23</p>	14-Feb-23	MMM
	<p>Centlec - Revised Adjustment Budget 2022/23, Business Plan, SDBIP 2023/24, Budget Related Policies 2023/24 presented to EXCO</p>	17-Feb-23	User Departments
	<p>Centlec - Revised Adjustment Budget 2022/23, Business Plan, SDBIP 2023/24, Budget Related Policies 2023/24 presented to the Finance Committee</p>	20-Feb-23	Office of the CFO
	<p>Centlec - Revised Adjustment Budget 2022/23, Business Plan, SDBIP 2023/24, Budget Related Policies 2023/24 presented to the BOARD</p>	22-Feb-23	Office of the CFO
	<p>Centlec - Submit the revised Adjustment Budget 2022/23, Business Plan, SDBIP 2023/24 to MMM</p>	24-Feb-23	Office of the CFO
	<p>MMM - Council approves the Adjustment Budget 2022/23</p>	27-Feb-23	MMM
	<p>Centlec - Publication of the approved Adjustment Budget 2022/23, Mid Year Report, Performance Assessment Report Section 88 as at 31 December 2022)</p>	28-Feb-23	Office of the CFO
	<p>MMM - provides Centlec with comments on the Draft Business Plan and MTRREF budget 2023-24 to 2025/2026</p>	02-Mar-23	MMM
	<p>Centlec - Submit the revised 2nd MTRREF Budget 2023/24 to 2025/26 budget pack to EXCO</p>	06-Mar-23	Office of the CFO
	<p>Centlec - Submit the revised 2nd MTRREF Budget 2023/24 to 2025/26 budget pack to the Finance Committee</p>	09-Mar-23	Office of the CFO
	<p>Centlec - Board to consider and approve the MTRREF 2023/24 to 2025/26 budget pack for submission to MMM (Special Sitting)</p>	14-Mar-23	Office of the CFO
	<p>Centlec - Submission of the MTRREF 2023/24 to 2025/26 budget pack and resolutions to the Parent Municipality (100 days before start of the new financial year)</p>	16-Mar-23	Office of the CFO
	<p>MMM - Tabling of the Draft including Proposed revisions and MTRREF 2023/24 to 2025/26 Budget and related resolutions MMM and Centlec</p>	31-Mar-23	MMM

FACILITATION	PLANNED DATES	ACTIVITY	BUDGET PHASES AND PERFORMANCE REPORTING
MMM	31-Mar-23	MMM - Tabling of the Draft including proposed revisions and MTRREF 2023/24 to 2025/26 Budget and related resolutions MMM and Centlec	APPROVAL PHASE
MMM & CENTLEC	06 Apr -22 Apr 2023	Centlec & MMM - Public participation process including hearings on Draft IDP and MTRREF Budgets	
Office of the Company Secretary	11-Apr-23	Centlec - Submission of the 3rd quarter reports for the period ending 31 March 2023 on the implementation of the budget and financial state of affairs of the entity to EXCO for consideration on submission to the Finance Committee	
Office of the CFO (Financial Information) / Office of the CEO (Non-Financial Performance)	23-Apr-23	Centlec - Submission of the 3rd quarter reports for the period ending 31 March 2023 on the implementation of the budget and financial state of affairs of the entity to the Finance Committee	
MMM	23-Apr-23	MMM - Budget Steering Committee meeting to review progress on the IDP and Budget	
Office of the CFO	09-May-23	Centlec - Submit the Final MTRREF Budget pack for 2023/24 to 2025/26 after the Public Participation to EXCO for consideration	
MMM - IDP Budget Lekgotla	11-May-23		
Office of the CFO	12-May-23	Centlec - Submit the Final MTRREF 2023/24 to 2025/26 budget pack after the Public Participation to the Finance Committee	
Office of the CFO	16-May-23	Centlec - Board Sitting to consider changes after Public Participation and approve the final MTRREF for 2023/24 to 2025/26 budget pack (Special Sitting) 30 days before the start of new financial year	
Office of the CFO	19-May-23	Centlec - Submit the final MTRREF for 2023/24 to 2025/26 budget 30 days before the start of new financial year to MMM	
MMM - Council meeting to approve IDP and MTRREF budget by resolution, setting taxes and tariffs, approving changes to IDP and budget related policies, approving measurable performance objectives for revenue by source and expenditure by vote before start of budget year.	30-May-23	MMM - Council meeting to approve IDP and MTRREF budget by resolution, setting taxes and tariffs, approving changes to IDP and budget related policies, approving measurable performance objectives for revenue by source and expenditure by vote before start of budget year.	
Office of the CFO	14-Jun-23	Centlec - Publication of approved MTRREF 2023/24 to 2025/26 Budget Pack, Annexures, D-schedules, Business Plan, SDBIP and policies on the website .	
Office of the CFO	10-Jul-23	Centlec - Submission of the 4th quarter reports for the period ending 30 June 2023 on the implementation of the budget and financial state of affairs of the municipality to EXCO to consider submission to Finance Committee	
Office of the CFO (Financial Information) / Office of the CEO (Non-Financial Performance)	13-Jul-23	Centlec - Submission of the 4th quarter reports for the period ending 30 June 2023 on the implementation of the budget and financial state of affairs of the municipality to the Finance Committee	
Office of the CFO	24-Aug-23	Centlec - Budget Process Plan 2024/25 submission to the Board for approval	
MMM	31-Aug-23	MMM - Tabling of the IDP and Budget Process Plan for 2024/2025 financial year to Council	

- Budget Related Policies:
- a. The budget should address priorities as identified in the Mangauing Metropolitan Municipality Integrated Development Plan;
  - b. Operating costs should be funded from revenues;
  - c. Revenue projections should be conservative;
  - d. The Company must produce a balanced budget in line with legislation; and
  - e. The Company should maintain its assets adequately to ensure reliable supply to its customers.

#### 4. OVERVIEW OF BUDGET RELATED POLICIES

The Measurable Performance Objectives of the Entity to manage and monitor service delivery progress against identified strategic objectives and priorities by the respective directorates is attached as Annexure SDBIP

#### 3. MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

In terms of schedule 1 of the Service Delivery Agreement between the entity and the parent municipality, the entity will act as the service provider and will execute on behalf of the parent municipality all services necessary as required by the electricity distribution licence conditions.

The budget of the entity will be funded from internal sources however a portion of capital expenditure will be funded by grants.

- Approval of the entity's proposed budget in terms of MFMA sec.87
- Approval of the Mid-Year and performance assessment of the entity in terms of MFMA sec.88

The entity remains wholly owned by the Mangauing Metropolitan Municipality as the parent municipality. There are no intentions by either parties to effect any changes to the control and ownership of the entity. The following are some of oversight processes instituted by the parent municipality:

#### 2. OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH SERVICE DELIVERY AGREEMENT



- SCM Policy
- Credit Control & Debt Collection Policy
- Small scale embedded generation policy
- ICT Business Continuity Plan Policy
- ICT Identity Management Password Policy
- ICT Security Policy
- ICT Backup Policy
- ICT Strategy Plan Policy
- ICT Incident Management Plan Policy
- ICT Disaster Recovery Plan Policy
- Connection Service Policy

The following policies that govern the entity's budget, compilation and/or implementation thereof were amended and submitted for approval for the 2023-24 year (Annexure C):

#### 4.2 Budget Related Policy overview for amendments and submitted for approval

- Bad Debts Policy
- Banking & Investments Policy
- Connection & Disconnection
- Estimation Policy
- Revenue Policy
- Service Connection Policy
- Tariff Policy
- Customer Care Policy
- Long-Term Debtors Policy
- Borrowings Policy
- Sundry Income Policy
- Pre-paid Electricity Vending Policy
- VAT Policy
- Petty Cash Policy
- Unauthorized, Irregular, Fruitless & Wasteful Expenditure
- Subsistence & Travel Policy
- Budget & Reporting Policy
- Assets Management Policy

The abovementioned policies are available on the Centec website ([www.centec.co.za](http://www.centec.co.za))

The following policies that govern the entity's budget, compilation and/or implementation thereof were not amended in 2022-24 year.

#### 4.1 Approved Policies

## 5. OVERVIEW OF BUDGET ASSUMPTIONS

### 5.1 Key Parameters

The following provisional growth rates and parameters were issued to directorates for compiling their operating budgets and tariffs:

The budget parameters were developed after the approval of the Budget Process to kick start the planning process on the 31 August 2022. The parameters and the final budget outcome influenced by:

- The actual audit outcome especially in respect of the depreciation, debt impairment and interest on shareholders loan provisions.
- The outcome of the current 2022/23 Adjustment Budget projections.
- The outcome of the proposed tariff increase by NERSA.
- Consider National Treasury Budget Circular No 123.

The following headline inflation forecast underpins the current national MTRRF period. General inflation outlook and its impact on the municipal activities.

<b>Macroeconomic projections 2023- Circular 123</b>			
<b>Description</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>
CPI Inflation	5.3%	4.9%	4.7%

Local government is expected to observe these inflation forecasts, as well as local economic conditions when determining their tariff rates and other charges when developing their budgets.

## 6. OVERVIEW OF BUDGET FUNDING

- (a) **The overview of budget funding must explain how the annual budget is to be funded, which must include at least the following –**
- a narrative summary of –
- (i) **the funding of operating and capital expenditure;**
  - (ii) **financial plans;**
  - (iii) **reserves;**
  - (iv) **the fiscal viability of the municipal entity;**
  - (v) **the overall impact on rates and tariffs; and**
  - (vi) **allocations from or distributions to the parent municipality;**

The budget of the entity will be funded from the revenue raised internally as well as conditional Grants from Department of Energy. It is important to note that the energy bulk purchases represent more than 65% of the entity's operational budget. The revenue from the sale of electricity represents more than 97% of the operating revenue for the entity.

**(b) Particulars of funding measures used to determine whether operating and Capital expenditure is funded in accordance with section 18 of the Act;**

Details of the proposed tariffs on energy and Services are attached as Annexures **(c) Particulars of tariffs and other charges;**

Details of the proposed tariffs on energy and Services are attached as Annexures

**(d) The debtors' collection levels that have been estimated;**

Electricity debtors collection rate set at 98% factored in the revenue projection

**(e) Particulars of planned savings and efficiencies for the medium term as detailed in the multi-year business plan;**

- Data Purification
- Meter maintenance
- Conversion to pre-paid metering
- Increase Automated Meter Reading (AMR)
- Streetlight Management (Smart)

None

(i) particulars of planned use of any bank overdrafts and reasons therefor;

Refer to (a) above for particulars

(k) particulars of proposed future revenue sources;

None

(iv) details of non-statutory reserves;

sufficient funds to meet any financial obligations as they fall due; and

(iii) details of allowances made for working capital – defined as holding

progressively meeting funding of provisions;

(ii) details of board decisions to set aside funds including time schedules for

reserves set aside for this purpose;

(i) any shortfall between liabilities or provisions and cash

surplus including –

(j) Particulars of the planned use of previous years' cash backed accumulated

None

the lease is three years or more;

(i) Particulars of planned proceeds from the lease of assets, where the period of

- Redundant material

- Retired fleet

(h) Particulars of planned proceeds from the sale of assets;

None

agreement or contract;

to be received, specifically listing donor assistance secured by formal

(g) Particulars of contributions and donations in cash or in-kind received planned

- Supporting Table SD3 Budgeted Investment Portfolio										
Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed Interest rate	Interest Rate	Opening balance	Investment Top Up	Closing Balance	Name of institution & investment ID	
									Yrs/Months	
1	February 2013	Call Account	No	Variable Interest Rate	6%	56	4 671	4 727	ABSA - 1 Day Account	
					0	56	4 671	4 727		

(ii) maturity date;

(i) type, and

(f) Particulars of the municipal entity's monetary investments by –

**- Table D3 Capital Budget by asset class and funding**

Funded by:										
National Government	23 964	47 286	25 211	20 000	26 000	26 000	14 300	14 300	14 300	49 353
Provincial Government	15 762	11 707	10 355	14 300	14 300	14 300	14 300	14 300	14 300	15 646
Parent Municipality										
District Municipality	39 726	58 993	35 566	34 300	40 300	40 300	40 300	40 300	67 300	64 999
Transfers recognised - capital										
Borrowing	76 410	70 113	118 609	230 925	162 015	162 015	162 015	162 015	173 631	189 972
Internally generated funds										
Total Capital Funding	116 136	129 106	154 175	265 225	202 315	202 315	202 315	202 315	240 931	254 971

The table D3 below outlines the allocation of grants to the municipal entity and the cash transfer to groups and individuals:

**7. ALLOCATIONS OF GRANTS MADE BY THE MUNICIPALITY**

None

(o) *particulars of any other transfers and grants to the municipal entity.*

Urban Settlement Development Grant

(n) *particulars of allocations from or distributions to from the parent municipality;*

None

(m) *particulars of any existing and any new borrowing proposed to be raised;*

**BOARD MEMBER ALLOWANCES AND EMPLOYEE BENEFITS**

The supporting table SD4 below provides an indication of the total cost to employer of the Board and staff members over the MTRRF period:

**- Supporting Table SD4 Board member allowances and staff benefits**

Summary of Employee and Board Member remuneration	2019/20	2020/21	2021/22	Current Year 2022/23				Medium Term Revenue and Expenditure Framework
				Original Budget	Adjusted Budget	Forecast	Pre-audit outcome	
				D	E	F	G	
Remuneration	Audited Outcome	Audited Outcome	Audited Outcome	Budget	Budget	Forecast	Pre-audit outcome	
	A	B	C	D	E	F	G	H
Board Members of Entities	597	826	142	785	785	785	827	868
	597	826	142	785	785	785	827	868
Board Members of Entities	3 474	4	4	2 488	12 130	12 130	12 773	13 399
	3 474	4	4	2 488	12 130	12 130	12 773	13 399
Senior Managers of Entities	43							
	43							
Senior Managers of Entities	24		514	28	116	116	122	128
	24		514	28	116	116	122	128
Sub Total - Board Members of Entities	3 544	-	3 034	12 246	12 246	12 246	12 895	13 526
	3 544	-	3 034	12 246	12 246	12 246	12 895	13 526
% increase				0	0	0	-	0
				0	0	0	-	0
Other Staff of Entities	217 254	229 889	251 548	248 765	248 765	248 765	261 950	274 785
	217 254	229 889	251 548	248 765	248 765	248 765	261 950	274 785
Other Staff of Entities	37 158	39 329	42 856	46 280	46 280	46 280	48 733	51 120
	37 158	39 329	42 856	46 280	46 280	46 280	48 733	51 120
Pension and UIF Contributions	21 144	22 412	24 409	42 859	42 859	42 859	45 131	47 342
	21 144	22 412	24 409	42 859	42 859	42 859	45 131	47 342
Overtime	22 014	38 392	40 893	33 155	33 155	33 155	34 912	36 623
	22 014	38 392	40 893	33 155	33 155	33 155	34 912	36 623
Performance Bonus	817	17 268	18 757	19 551	19 551	19 551	20 587	21 596
	817	17 268	18 757	19 551	19 551	19 551	20 587	21 596
Motor Vehicle Allowance	1 345	22 561	24 555	1 531	1 531	1 531	1 612	1 691
	1 345	22 561	24 555	1 531	1 531	1 531	1 612	1 691
Cellphone Allowance	1 674	835	827	746	746	746	785	823
	1 674	835	827	746	746	746	785	823
Housing Allowances	16 481	1 499	1 594	8 564	8 564	8 564	9 017	9 459
	16 481	1 499	1 594	8 564	8 564	8 564	9 017	9 459
Other benefits and allowances	49 200	10 699	11 488	12 291	12 291	12 291	12 943	13 577
	49 200	10 699	11 488	12 291	12 291	12 291	12 943	13 577
Payments in lieu of leave		8 197	817	1 923	1 923	1 923	2 025	2 124
		8 197	817	1 923	1 923	1 923	2 025	2 124
Long service awards		5 805	3 789	-	-	-	-	-
		5 805	3 789	-	-	-	-	-
Post-retirement benefit obligations								
Entertainment								
Scarcity								
Acting and post-related allowance								
In kind benefits								
Sub Total - Other Staff of Entities	367 086	396 685	421 512	415 664	415 664	415 664	437 694	459 141
	367 086	396 685	421 512	415 664	415 664	415 664	437 694	459 141
% increase		0	0	(0)			-	-
		0	0	(0)			-	-
Total Municipal Entities remuneration	371 227	397 511	424 688	428 695	428 695	428 695	451 416	473 535
	371 227	397 511	424 688	428 695	428 695	428 695	451 416	473 535
% increase								4.7%
								4.7%

The supporting table **SD5** below provides an indication of the summary of personnel numbers for the MTRF period:

- Supporting Table SD5 Summary of personnel numbers

Number	Summary of Personnel Numbers			Municipal Council and Boards of Municipal Entities																																		
	Ref	2021/22	Current Year 2022/23	Budget Year 2023/24	Councilors (Political Office Bearers plus Other Councilors)	Board Members of municipal entities	Municipal entity employees	CEO and Senior Managers	Other Managers	Professionals	Finance	Spatial planning	Information Technology	Roads	Electricity	Water	Sanitation	Refuse	Other	Technicians	Finance	Spatial planning	Information Technology	Roads	Electricity	Water	Sanitation	Refuse	Other	Other	Technicians	Finance						
Positions	1	7	7	7	7	7	2	7	7	39	1	13	26	133	25	133	13	73	39	30	48	435	68	26	342	1	34	182	130	74	1							
		4	6	6	6	6	6	6	6	6	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2					
Permanent employees	2	30	30	30	30	30	30	30	30	39	1	13	26	133	25	133	13	73	39	30	48	435	68	26	342	1	34	182	130	74	1							
		6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6			
Contract employees	3	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2				
		7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7			
Contract employees	4	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	
		7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	
Total Personnel Numbers	5	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14
		7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7
Total entry employees headcount	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7
% Increase	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7
Human Resources personnel headcount	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7

- Supporting Table SD10 Long term contracts

Ref	External mechanism	Name of organisation		R thousands	
	Period of agreement 1	Years/months	Service provided		
Expiry date of service delivery		Monetary value of agreement	agreement or contract		
2		agreement		-	

The supporting table SD10 gives and insight into the size of the city staff establishment, outlining the required number of positions to be filled for effective service delivery. The Entity currently has no contracts having budgetary implications in the budget year.

### 8. CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS



## 9. MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

The Supporting Table SD6 provides management and users of the budget with a monthly breakdown of the budget as contained in Tables D2 to D5. These tables are to be used as a measure of performance on the budget on a monthly basis. They are to be used on the monthly Section 87 report to track management's actual implementation of the budget. The following tables outline the monthly targets for revenue and expenditure, capital and cash flow are as follows:

- Supporting Table SD6 Budgeted monthly cash and revenue/expenditure

Description	Budget Year 2023/24												Budget Year 2022/23	
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year 2022/23
	Expenditure Framework												Budget Year 2023/24	Budget Year 2022/23
Receipts														
Property rates	339 619	291 589	290 124	268 567	264 488	263 498	261 768	251 599	234 759	216 457	361 366	3 399 885	3 555 956	3 713 541
Service charges	1 713	1 713	1 713	1 713	1 713	1 713	1 713	1 713	1 713	1 713	1 713	20 560	21 505	22 495
Transfers and subsidies - operating	-	-	428	-	428	-	-	-	-	428	66 015	67 300	65 108	64 999
Transfer and subsidies - capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	2 718	2 718	2 718	2 718	2 718	2 718	2 718	2 718	2 718	2 718	2 718	32 619	34 119	35 688
Dividends	2 718	2 718	2 718	2 718	2 718	2 718	2 718	2 718	2 718	2 718	2 718	32 619	34 119	35 688
Payments														
Suppliers and employees	(334 187)	(273 557)	(272 587)	(264 272)	(260 258)	(258 254)	(256 877)	(258 618)	(231 065)	(214 953)	(348 132)	(296 902)	(3 270 622)	(3 336 066)
Finance charges	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(29)	(29)
Dividends paid	(10 000)	(10 000)	(10 000)	(10 000)	(10 000)	(10 000)	(10 000)	(10 000)	(10 000)	(10 000)	(10 000)	(10 000)	(120 000)	(120 000)
Transfers and Subsidies	(16 192)	12 444	12 388	(1 292)	(1 357)	(945)	(697)	(12 636)	(1 405)	(2 094)	71	134 947	129 212	221 393
NET CASH FROM/USED) OPERATING ACTIVITIES	(16 192)	12 444	12 388	(1 292)	(1 357)	(945)	(697)	(12 636)	(1 405)	(2 094)	71	134 947	129 212	221 393
Receipts														
Proceeds on disposal of PPE														
Payments														
Capital assets	(19 074)	(19 074)	(19 074)	(19 074)	(19 074)	(19 074)	(19 074)	(19 074)	(19 074)	(19 074)	(19 074)	(19 074)	(19 074)	(19 074)
NET CASH FROM/USED) INVESTING ACTIVITIES	(19 074)	(19 074)	(19 074)	(19 074)	(19 074)	(19 074)	(19 074)	(19 074)	(19 074)	(19 074)	(19 074)	(19 074)	(19 074)	(19 074)
Receipts														
Increases (decreases) in consumer deposits	(148)	(148)	(148)	(148)	(148)	(148)	(148)	(148)	(148)	(148)	(148)	(148)	(148)	(148)
Payments														
Repayment of borrowing														
CASH FLOWS FROM FINANCING ACTIVITIES	(148)	(148)	(148)	(148)	(148)	(148)	(148)	(148)	(148)	(148)	(148)	(148)	(148)	(148)
NET INCREASE/(DECREASE) IN CASH HELD	(29 413)	(6 777)	(6 854)	(20 514)	(20 579)	(20 167)	(19 918)	(31 838)	(20 629)	(21 315)	(19 151)	125 010	(92 162)	1 431
Cash/cash equivalents at the year begin:	12 256	(17 157)	(23 934)	(30 789)	(51 302)	(71 881)	(92 048)	(111 969)	(143 824)	(164 450)	(185 765)	(204 916)	1 129 130	31 099
Cash/cash equivalents at the year end:	(17 157)	(23 934)	(30 789)	(51 302)	(71 881)	(92 048)	(111 969)	(143 824)	(164 450)	(185 765)	(204 916)	1 129 130	31 099	32 529
NET INCREASE/(DECREASE) IN CASH HELD	(29 413)	(6 777)	(6 854)	(20 514)	(20 579)	(20 167)	(19 918)	(31 838)	(20 629)	(21 315)	(19 151)	125 010	(92 162)	1 431
NET CASH FROM/USED) FINANCING ACTIVITIES	(148)	(148)	(148)	(148)	(148)	(148)	(148)	(148)	(148)	(148)	(148)	(148)	(148)	(148)
NET CASH FROM/USED) OPERATING ACTIVITIES	(16 192)	12 444	12 388	(1 292)	(1 357)	(945)	(697)	(12 636)	(1 405)	(2 094)	71	134 947	129 212	221 393
NET CASH FROM/USED) INVESTING ACTIVITIES	(19 074)	(19 074)	(19 074)	(19 074)	(19 074)	(19 074)	(19 074)	(19 074)	(19 074)	(19 074)	(19 074)	(19 074)	(19 074)	(19 074)
NET CASH FROM/USED) FINANCING ACTIVITIES	(148)	(148)	(148)	(148)	(148)	(148)	(148)	(148)	(148)	(148)	(148)	(148)	(148)	(148)
NET INCREASE/(DECREASE) IN CASH HELD	(29 413)	(6 777)	(6 854)	(20 514)	(20 579)	(20 167)	(19 918)	(31 838)	(20 629)	(21 315)	(19 151)	125 010	(92 162)	1 431
Cash/cash equivalents at the year begin:	12 256	(17 157)	(23 934)	(30 789)	(51 302)	(71 881)	(92 048)	(111 969)	(143 824)	(164 450)	(185 765)	(204 916)	1 129 130	31 099
Cash/cash equivalents at the year end:	(17 157)	(23 934)	(30 789)	(51 302)	(71 881)	(92 048)	(111 969)	(143 824)	(164 450)	(185 765)	(204 916)	1 129 130	31 099	32 529
NET INCREASE/(DECREASE) IN CASH HELD	(29 413)	(6 777)	(6 854)	(20 514)	(20 579)	(20 167)	(19 918)	(31 838)	(20 629)	(21 315)	(19 151)	125 010	(92 162)	1 431

### 10. CAPITAL EXPENDITURE DETAILS

The Supporting Table SD9 provides the details of Capital Expenditure by class and sub-class areas are provided below:

R thousand	Function	Ward Location	GPS Longitude	Audited Outcome	2023/24 Medium Term Revenue & Expenditure Framework			
					Current Year 2022/23	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
	ENTITIES: <i>List all capital projects grouped by Entity</i>							
	PENDING BACK OFFICE			5 000	1 000	1 046	-	-
	TRAINING & DEVELOPMENT		63	574	1 000	1 569	1 094	1 641
	DIGITAL RADIO SYSTEM			3 000	3 000	3 138	3 282	3 282
	IMPLEMENT BUSINESS CONT DISASTER RECOV INF		2 342	2 730	3 000	3 138	3 282	3 282
	UPGRADE & REPAIRS COMPUTER NETWORK		6 843	5 390	2 000	2 092	2 188	2 188
	BULK SMART METER INSTALLATION		240	240	-	-	-	-
	VEHICLES		10 886	17 950	10 000	10 460	10 941	10 941
	FURNITURE AND OFFICE EQUIPMENT		59	2 250	1 250	1 308	1 368	1 368
	BOTSH-E: EST NEW 33/11KV 10MVA FIRM CAP	Ward 32	-29,260986, 26,7714119	8 000	6 500	6 799	7 112	7 112
	BOTSH: UPG SUB T (2ND TRANS SCADA EQUI	Ward 34	-29,272449, 26,7712158	8 000	6 500	6 799	7 112	7 112
	BOTSH: UPG SUB W (CMWORK BM 2ND TRA S/D	Ward 36	-29,267080, 26,880982	8 000	6 500	6 799	7 112	7 112
	BLOEM: C/M-EST 33/11KV 20MVA FIRM SUPDC	Ward 19	-29,124885, 26,224757	8 000	6 500	6 799	7 112	7 112
	BLOEM: M/STAD-UPG 132/11KV 20MVA FIRM DC	Ward 48	-29,054360, 26,227047	10 000	8 000	8 368	8 753	8 753
	INFRA CATALYST PROJECTS	All	5 700	8 000	8 000	8 368	8 753	8 753
	SECURITY EQUIPMENT		738	2 250	1 500	1 569	1 641	1 641
	OFFICE BUILDING		1 173	8 419	5 419	5 668	5 929	5 929
	PROTECTION TEST EQUIPMENT		2 000	2 000	2 092	2 188	2 188	2 188
	METER REPLACEMENT PROJECT		13 219	15 000	16 000	16 736	17 506	17 506
	EXTENSION AND UPGRADING OF THE 11KV NETW	All	9 962	5 000	5 000	5 230	5 471	5 471
	SERVITUDES LAND (INCL INVEST REMOVE REG	All	3	600	600	628	656	656
	INSTALLATION OF PUBLIC LIGHTING	All	11 099	8 000	11 000	11 506	12 035	12 035
	INSTALL PREPAID METERS (INDIGENT)	All	101	500	500	523	547	547
	UPGRADING AND EXTENSION OF LV NETWORK	All	2 153	3 000	3 000	3 138	3 282	3 282
	SHIFTING OF CONNECTION AND REPLACEMENT S		840	1 005	1 005	1 052	1 100	1 100
	REFURBISHMENT OF HIGH MAST LIGHTS		3 004	7 030	7 030	7 353	7 691	7 691
	Botshabelo: Establishment of 132KV (INDU	Ward 30	-29,197988, 26,894160	38	5 000	5 000	5 230	5 471
	INSTALLATION OF HIGH VOLTAGE TEST EQUIPMENT	Ward 46	-29,1138, 26,4835		2 500	2 500	2 615	2 735
	TRANSFORMER REPLACE & OTHER RELATED EQUI	Ward 49 Makhena	-29,1115, 26,5034		12 000	12 000	12 615	12 615
		W Section	-29,1514, 26,4055		5 000	5 000	5 230	5 471
		F Section	-29,133, 26,4055		5 000	5 000	5 230	5 471
		Ward 37	-29,1550, 26,4041		5 000	5 000	5 230	5 471
		Ward 14	-29,1150, 26,1422		5 000	5 000	5 230	5 471
		Ward 5	-29,948, 26,1418		5 000	5 000	5 230	5 471
		Ward 3	-29,925, 26,1417		5 000	5 000	5 230	5 471
		Botsh	-29,87, 26,1390		5 000	5 000	5 230	5 471
			-29,5938, 27,28, 325		5 000	5 000	5 230	5 471
			S29 03 44,8 E26 19 56,5		5 000	5 000	5 230	5 471
			S29 10 14,5 E26 14 34,4		2 500	2 500	2 615	2 735
			S29 04 31,5 E26 14 43,3		2 500	2 500	2 615	2 735
					9 000	9 000	9 414	9 847

- Supporting Table SD9 Detailed capital budget

Function	Ward Location	GPS Longitude	Audited Outcome	2023/24 Medium Term Revenue & Expenditure Framework			
				Current Year 2022/23	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand							
REPAIR LOW VOLT DECRPPT 2/4/8 WAY BOXES	Kwagabonhain Area, Ferreira		298	800	800	837	875
REP BRITTLE OVERHEAD CONNECTIONS			2	1 000	1 000	1 046	1 094
SLIGHTS REPLACE POLE TRANS POLES SECTION			2 078	2 177	2 177	2 277	2 382
REPLACEMENT OF 110V BATTERIES			992	2 750	2 750	2 877	3 009
S29 07 39.9 E26 10 04.3							
REPLACEMENT OF 11KV SWITCHGEARS			817	2 250	2 250	2 354	2 462
S29 04 55.5 E26 14 59.7							
S29 08 43.2 E26 12 39.5							
S29 07 00.4 E26 13 27.1							
S29 06 59.3 E26 13 05.2							
S29 08 44.8 E26 15 31.8							
REPLACEMENT OF OIL PLANT			500	500	500	523	547
S29 07 31.2 E26 13 29.8							
REPLACEMENT OF 32V BATTERIES			23	2 500	2 500	2 615	2 735
S29 10 07.2 E26 13 37.5							
S29 06 28.9 E26 11 58.8							
S29 06 38.0 E26 11 55.6							
S29 08 18.9 E26 16 11.5							
S29 08 03.3 E26 14 19.6							
S29 09 07.8 E26 15 24.4							
S29 09 50.6 E26 13 14.8							
REPAIR PROTÉG & SCADA SYSTEMS DIST CENTR	561	1 000	1 000	1 046	1 094		
S29 10 14.5 E26 14 34.4							
REPAIR VISTA DIST CENTRE	7 449	12 247	12 247	2 968	3 105		
S29 10 38.7 E26 12 48.7							
REMEDIAL WORK 132KV SOUTHERN LINES	30 164	30 164	30 164	10 891	11 392		
S29 07 48.6 S.26 08 26.9 E							
-29°11'23.4"S, 26°10'38.8"E							
-29°17'12640,26,2136260							
ELECTRIFICATION INTERNAL PROJECTS	33 232	7 100	7 100	7 427	7 768		
-29,297927, 26,706297; -29,193759,							
CAPITAL CONDITIONAL GRANTS & SUBSIDIES (USDG)	20 466	20 000	20 000	26 150	27 353		
CAPITAL CONDITIONAL GRANTS & SUBSIDIES (SUPG)	12 809	14 300	14 300	14 958	15 646		
PUBLIC ELECTRICITY CONNECTIONS	16						
COMPUTER EQUIPMENT (COVID)							
Entity Capital expenditure	154 175	265 225	265 225	247 726	254 971		

## 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 87 reporting to the Executive Mayor (within 7 working days) has progressively improved and includes monthly published performance on the municipality's website.

### 2. Budget and Treasury Office

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

### 3. Audit Committee

An Audit Committee has been established and is fully functional.

### 4. Risk Management

The Risk Management Committee has not been established and a Chief Risk Officer has not been appointed, however this aspect is catered under Internal Audit and Audit and Risk Committee.

### 5. Service Delivery and Implementation Plan

The detailed 2023/24 SDBIP document is at a draft stage and will be finalised after approval of the 2023/24 MTRREF in May 2023 directly aligned and informed by the 2023/24 MTRREF.

### 6. Annual Report

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

QUALITY CERTIFICATION

Prepared By:

Print Name MONTAGNE DEBORAH LANGE

Acting Chief Financial Officer of CENTLEC (SOC) LTD

Signature 

Date 2023/05/19

CHIEF EXECUTIVE OFFICER CERTIFICATION

Chief executive officer's certification:

I Maryann Sebers, Chief Executive Officer of Centlec (SOC) Ltd, hereby certify that the Annual Budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the Regulations made under the Act, and that the annual budget and supporting documentation are consistent with the Integrated Development Plan of the Parent Municipality, the service delivery agreement with the Parent Municipality and the Business Plan of the Entity.

Print Name Maryann Sebers

Chief Executive Officer of CENTLEC (SOC) LTD

Signature 

Date 2023/05/23