



# ADJUSTMENT BUDGET 2021-2022



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## **PART 1 – ADJUSTMENT BUDGET**

### **1.1 CHAIRPERSON’S REPORT**

#### **Introduction**

The Board has considered management’s recommendation to adjust the 2021/2022 budget and accordingly approve the entity’s budget in terms of Sec 87(6) and (9) of the MFMA.

#### **Background**

(a) This adjustment budget is mainly informed by:

- A review of operational and capital needs guided by actual expenditure against available budget at the date of this adjustment budget assessment.
- A review of projects plans and their feasibility in the current financial year.
- An increase in repairs and maintenance expenditure needed due to larger than originally anticipated needs and network failures.
- Impact of Covid-19 in the economy

(b) To adjust revenue upwards by R 671,000.

## **Legislation**

This adjustments budget is prepared in line with the Municipal Finance Management Act (MFMA) Section 87(6) (9) and Section 18 -

**Section 87(6) of the MFMA states** - *The board of directors of a municipal entity may, with the approval of the mayor, revise the budget of the municipal entity, but only for the following reasons:*

- (a) To adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;
- (b) to authorise expenditure of any additional allocations to the municipal entity from its parent municipality;
- (c) to authorise, within a prescribed framework, any unforeseeable and unavoidable expenditure approved by the mayor of the parent municipality;
- (d) to authorise any other expenditure within a prescribed framework.

**Section 87(9) of the MFMA states** - The mayor must table the budget or adjusted budget and any adjustments budget of a municipal entity as approved by its board of directors, at the next council meeting of the municipality.

## Overview

The tables below give an overview of the proposed adjustment budget that will be presented before Council for approval.

	APPROVED BUDGET	ADDITIONAL	REDUCED	ADJUSTMENT BUDGET
<b>OPERATING BUDGET</b>				
Operating Expenditure	2 813 932 275	99 067 721	-705 000	2 912 294 996
Operating Revenue	3 236 287 734	671 000		3 236 958 734
<b>(Surplus/Deficit)</b>	<b>-422 355 459</b>	<b>98 396 721</b>	<b>-705 000</b>	<b>-324 663 738</b>
Gains and Losses	10 473 341			10 473 341
<b>Surplus after Gains and Losses</b>	<b>-411 882 118</b>	<b>98 396 721</b>	<b>-705 000</b>	<b>-314 190 397</b>
Less: Capital Grants	20 466 030			20 466 030
Less: Public Contribution	13 000 000			13 000 000
<b>Surplus after Funding and Losses</b>	<b>-378 416 088</b>	<b>98 396 721</b>	<b>-705 000</b>	<b>-280 724 367</b>
Capital Expenditure Financing -Own Funds	184 285 795	85 294 407	-52 594 407	216 985 795
<b>Net (Surplus)/Deficit</b>	<b>-194 130 293</b>	<b>183 691 128</b>	<b>-53 299 407</b>	<b>-63 738 572</b>

	APPROVED BUDGET	ADDITIONAL	REDUCED	ADJUSTMENT BUDGET
<b>CAPITAL BUDGET</b>				
Own Funds	184 285 795	85 294 407	-52 594 407	216 985 795
Grants and Subsidies	20 466 030			20 466 030
Public Contributions	13 000 000			13 000 000
<b>Total Capital Expenditure Financing</b>	<b>217 751 825</b>	<b>85 294 407</b>	<b>-52 594 407</b>	<b>250 451 825</b>

## Conclusion

Based on the details as outline above and in terms of the Section 89 (9) of the MFMA, it is recommended that Council approve the Adjustment Budget as contained herein and together with the resolutions as outlined below.

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**Chairperson of the Board**

## **1.2 RESOLUTIONS**

That in terms of Section 89(6) and (9) of the MFMA, 56 of 2003, the annual budget (as approved on the 31<sup>st</sup> May 2021) of the Entity's Operating Revenue be increased from R 3, 236 billion to R 3, 237 billion, Operating Expenditure be increased from R 2,813 billion to R 2,912 billion and Capital Expenditure Budget be increased from R 217,751 to R 250,451 million, be approved/adopted for the 2021/22 financial year as set out in the following tables:

**(a)** Table E1 – Adjustments Budget Summary

**(b)** Table E2 – Adjustments Budget Financial Performance (Revenue & Expenditure)

**(c)** Table E3 – Capital Expenditure Budget by Vote and Funding

**(d)** Table E4 – Financial Position

**(e)** Table E5 – Cash flows

### **1.3 EXECUTIVE SUMMARY**

The Adjustment budget was compiled in the context of 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 inclines. The pandemic hit South Africa's economy at a time that the economy was already under substantial strain.

The Adjustment Budget 2021/22 is mainly informed by Section 87 (6) (a); (c); and (d) of the Municipal Financial Management Act whereby it stated-

- (a) to adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;
- (b) to authorise expenditure of any additional allocations to the municipal entity from its parent municipality;
- (c) to authorise, within a prescribed framework, any unforeseeable and unavoidable expenditure approved by the mayor of the parent municipality;
- (d) to authorise any other expenditure within a prescribed framework.

The adjustment of the 2021/22 budget focuses on allocation of resources to the following priorities;

- Increased operational and capital needs and requirements
- Critical repairs and maintenance of electrical network

Below is a summary of financial performance for the Adjustment Budget.

### 1.3.1 SUMMARY OF STATEMENT OF FINANCIAL PERFORMANCE

#### a) REVENUE BY SOURCE:

REVENUE PER SOURCE	ADJUSTMENT BUDGET 2021-22		
	APPROVED MTREF 2021-22	INCREASE/ DECREASE	ADJUSTMENT 2021-22
FINES AND PENALTIES	-1 829 923	0	-1 829 923
PUBLIC CONTRIBUTIONS	-13 000 000	0	-13 000 000
URBAN SETTLE DEVELOPMENT GRANT	-20 466 030	0	-20 466 030
<b>SERVICE CHARGES</b>	<b>-3 132 341 971</b>	<b>0</b>	<b>-3 132 341 971</b>
SALE OF ELECTRICITY - CONVENTIONAL	-1 942 271 835	0	-1 942 271 835
SALE OF ELECTRICITY - PREPAID	-1 190 070 136	0	-1 190 070 136
INTEREST EARNED	-32 564 090	-85 000	-32 649 090
OPERATIONAL REVENUE	-2 354 567	0	-2 354 567
OTHER INCOME	-8 458 706	-586 000	-9 044 706
COST OF FREE BASIC SERVICES	-25 272 447	0	-25 272 447
<b>TOTAL INCOME</b>	<b>-3 236 287 734</b>	<b>-671 000</b>	<b>-3 236 958 734</b>

GAINS AND LOSSES PER SOURCE	ADJUSTMENT BUDGET 2021-22		
	APPROVED MTREF 2021-22	INCREASE/ (DECREASE)	ADJUSTMENT 2021-22
<b>GAINS AND LOSSES</b>	<b>10 473 341</b>	<b>0</b>	<b>10 473 341</b>
DISPOSAL OF FIXED AND INTANGIBLE ASSETS - GAINS	-1 035	0	-1 035
DISPOSAL OF FIXED AND INTANGIBLE ASSETS - LOSSES	10 474 376	0	10 474 376

Explanatory notes to the above Tables follow for line items with major changes.



**b) OPERATING EXPENDITURE BY TYPE:**

EXPENDITURE BY SOURCE	ADJUSTMENT BUDGET 2021-22		
	APPROVED MTREF 2021-22	INCREASE/ (DECREASE)	ADJUSTMENT 2021-22
EMPLOYEE SALARIES AND WAGES	379 701 890	0	379 701 890
REMUNERATION OF DIRECTORS	982 439	0	982 439
CONTRACTED SERVICES	126 395 066	39 699 045	166 094 111
OPERATIONAL COST	73 836 885	5 873 306	79 710 191
INVENTORY	34 478 972	50 695 370	85 174 342
BULK PURCHASES	2 002 152 946	0	2 002 152 946
FINANCE LEASES	58 864	0	58 864
CONTRIBUTION TO MMM	120 000 000	0	120 000 000
OPERATING LEASES	2 863 937	2 800 000	5 663 937
DEPRECIATION AND AMORTISATION	73 461 276	-705 000	72 756 276
<b>TOTAL EXPENDITURE</b>	<b>2 813 932 275</b>	<b>98 362 721</b>	<b>2 912 294 996</b>

**c) INTERNAL FUNDING PROJECTS:**

INTERNAL FUNDING PROJECTS	ADJUSTMENT BUDGET 2021-22		
	APPROVED MTREF 2021-22	INCREASE/ DECREASE	ADJUSTMENT 2021-22
<b>CAPITAL GRANTS AND SUBSIDIES BEFORE GRANTS AND SUBSIDIES</b>	<b>-411 882 118</b>	<b>97 691 721</b>	<b>-314 190 397</b>
CAPITAL CONDITIONAL GRANTS & SUBSIDIES (USDG)	20 466 030	0	20 466 030
PUBLIC ELECTRICITY CONNECTIONS	13 000 000	0	13 000 000
<b>SURPLUS AFTER CAPITAL GRANTS AND SUBSIDIES</b>	<b>-378 416 088</b>	<b>97 691 721</b>	<b>-280 724 367</b>
<b>INTERNAL FUNDING PROJECTS OUT OF SURPLUS</b>	<b>184 285 795</b>	<b>32 700 000</b>	<b>216 985 795</b>
<b>SUPPORT PROJECTS:</b>	<b>94 423 929</b>	<b>15 998 158</b>	<b>110 422 087</b>
BULK SMART METER INSTALLATION	239 593	0	239 593
UPGRADE & REFURB COMPUTER NETWORK	1 537 427	5 000 000	6 537 427
IMPLEM BUSINESS CONT DISASTER RECOV INFRASTRUCTURE	2 800 000	0	2 800 000
VEHICLES	30 000 000	34 498 158	64 498 158
OFFICE BUILDING	2 718 850	0	2 718 850
FURNITURE AND OFFICE EQUIPMENT	515 100	0	515 100
SECURITY EQUIPMENT (CCTV)	1 034 488	2 500 000	3 534 488
TRAINING & DEVELOPMENT	574 174	0	574 174
COMPUTER EQUIPMENT (COVID-19)	1 004 297	0	1 004 297
<b>SERVICE DELIVERY PROJECTS:</b>	<b>35 296 988</b>	<b>20 333 919</b>	<b>55 630 907</b>
INSTALLATION OF OF PREPAID METERS (INDIGENTS)	100 000	200 000	300 000
SERVITUDES AND LAND	600 000	0	600 000
METER REPLACEMENT PROJECT	10 562 188	5 000 000	15 562 188
INSTALLATION OF PUBLIC LIGHTING	8 000 000	0	8 000 000
EXTENSION AND UPGRADING OF THE 11KV	5 000 000	15 133 919	20 133 919
SHIFTING OF CONNECTION AND REPLACEMENT SERVICES	1 005 275	0	1 005 275
UPGRADING AND EXTENTION OF LV NETWORK	3 000 000	0	3 000 000
REFURBISHMENT OF HIGH MAST LIGHTS	7 029 525	0	7 029 525
BOTSH-E: EST NEW 33/11KV 10MVA FIRM CAP	5 000 000	0	5 000 000
BOTSH: UPG SUB T (2ND TRANS SCADA EQUI	8 000 000	-8 000 000	0
BOTSH: UPG SUB W (C/WORK B/W 2ND TRA S/D	10 000 000	0	10 000 000
BLOEM: C/Y-EST 33/11KV 20MVA FIRM SUPDC	10 000 000	-10 000 000	0
BLOEM: N/STAD-UPG 132/11KV 20MVA FIRM DC	13 000 000	-8 000 000	5 000 000
INFRA CATALYST PROJECTS	8 000 000	0	8 000 000
TRANSFORMER REPLACE & OTHER RELATED EQUI	9 800 000	0	9 800 000
BOTSHABELO: ESTABLISHMENT OF 132KV (INDUSTRIAL)	5 000 000	-4 962 330	37 670
<b>REFURBISHMENT PROJECTS (renewal)</b>	<b>33 333 686</b>	<b>-21 632 077</b>	<b>11 701 609</b>
REP LOW VOLT DECREPIT 2/4/8 WAY BOXES	508 390	0	508 390
REMEDIAL WORK 132KV SOUTHERN LINES	200 000	0	200 000
REPLACEMENT OF 11KV SWITCHGEARS	1 858 403	0	1 858 403
REPLACEMENT OF OIL PLANT	200 000	0	200 000
S/LIGHTS REPLACE POLE TRNS POLES SECTION	2 077 195	0	2 077 195
REPLACEMENT OF 32V BATTERIES	510 827	0	510 827
REPLACEMENT OF 110V BATTERIES	1 557 553	0	1 557 553
REPAIR MMM DIST DIST CENTRE	11 133 919	-7 133 919	4 000 000
REPAIRS OF VISTA DISTRIBUTION CENTRE	14 498 158	-14 498 158	0
REFURBISHMENT OF PROTECTION AND SCADA SYSTEMS	789 241	0	789 241
<b>INTERNAL ELECTRIFICATION PROJECTS:</b>	<b>6 431 192</b>	<b>22 962 330</b>	<b>29 393 522</b>
ELECTRIFICATION PROJECTS	6 431 192	22 962 330	29 393 522
<b>(SURPLUS) / DEFICIT AFTER INTERNAL FUNDING PROJECTS</b>	<b>-194 130 293</b>	<b>130 391 721</b>	<b>-63 738 572</b>

**a) Major Adjustments as per Revenue by Source is as follows:**

**1. Interest earned**

There is an upward adjustment by R 85,000 on interest earned. The reason is due to an increase on interest rates earned on investments.

**2. Other income**

There is an upward adjustment by R 586,000 on other income. The reason is due to an expected increase on clearance certificates and training.

**b) Major Adjustments as per Operating Expenditure by Type is as follows:**

**1. Contracted Services**

There is an upwards adjustment by R 39, 699 million on contracted services. The main reason is to align the budget with the projected expected contracted services expenditure based off current year to date actual expenditure against budgeted expenditure and current contract register.

**2. Operational Costs & Inventory**

There is an upwards adjustment by R 5,873 million on Operating cost and R 50,695 million on Inventory. The main reason is due to an increased need for repairs and maintenance of the electrical network to ensure stable and consistent electricity distribution.

**3. Operating leases**

There is an upwards adjusted by R 2,800 million on operating leases to accommodate the financing of the new photo copier leases.

**4. Depreciation and Amortisation**

There is a downward adjustment by R 705,000 on depreciation and amortisation to better align the budget with expected projections.

### 1.3.2 SUMMARY OF STATEMENT OF CAPITAL EXPENDITURE

Centlec - Table E3 Adjustments Capital Expenditure Budget by asset class and funding - 31/12/2021										
Description	Budget Year 2021/22								Budget Year +1	Budget Year +2
	Original Budget	Prior Adjusted	Downward adjusts	Parent muni.	Unfore. Unavoid.	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		1	2	3	4	5	6	7		
	A	A1	B	C	D	E	F	G		
<b>Capital expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>	155 770		14 834			(2 800)	12 034	167 804	112 395	94 716
Electrical Infrastructure	155 770		14 834			(2 800)	12 034	167 804	112 395	94 716
<i>HV Substations</i>	2 592		2 500			(400)	2 100	4 692	3 076	3 167
<i>HV Transmission Conductors</i>	200							200	280	291
<i>MV Networks</i>	32 629		33 134			(2 400)	30 734	63 363	35 833	20 428
<i>LV Networks</i>	120 349		(20 800)				(20 800)	99 549	70 436	68 003
<b>Community Assets</b>	28 925		(21 632)				(21 632)	7 293	27 284	27 756
Community Facilities	28 351		(21 632)				(21 632)	6 719	26 692	27 144
Sport and Recreation Facilities	574							574	592	611
<b>Computer Equipment</b>	2 542		5 000			2 800	7 800	10 342	2 648	2 765
<b>Furniture and Office Equipment</b>	515							515	516	516
<b>Transport Assets</b>	30 000		34 498				34 498	64 498	619	639
<b>Total Capital Expenditure to be adjusted</b>	217 752		32 700				32 700	250 452	143 462	126 392
<b>Funded by:</b>										
National Government	20 466							20 466	12 725	18 238
District Municipality	13 000							13 000	13 417	13 848
Transfers recognised - capital	33 466							33 466	26 142	32 086
<b>Borrowing</b>										
Internally generated funds	184 286		32 700				32 700	216 986	117 320	94 306
<b>Total Capital Funding</b>	217 752		32 700				32 700	250 452	143 462	126 392

#### c) Major Capital Expenditure adjustments by Project Type is as follows:

##### 1. Internal Funding

- There is an upwards adjustment on internal funding by R 32,700 million. The reason for the upward adjustment is mainly to accommodate the purchase of new fleet during the financial year. This was originally budgeted for during the 2020/21 financial year however no expenditure for this was incurred during that financial year, hence the adjustment in the current financial year.

## 1.4 ADJUSTMENT BUDGET STATEMENT TABLES

### E1: Adjustment Budget Summary

Centlec - Table E1 Adjustments Budget Summary - 31/12/2021

Description	Budget Year 2021/22								Budget Year +1	Budget Year +2
	Original Budget	Prior Adjusted	Downward adjusts	Parent muni.	Unfore. Unavoid.	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
	A	1 A1	2 B	3 C	4 D	5 E	6 F	7 G		
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates										
Service charges	3 165 360							3 165 360	3 238 134	3 380 612
Investment revenue	640							640	678	719
Other own revenue	36 823		671				671	37 494	47 242	55 335
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>3 202 823</b>		<b>671</b>				<b>671</b>	<b>3 203 494</b>	<b>3 286 054</b>	<b>3 436 666</b>
Employee costs	379 702							379 702	390 334	401 263
Remuneration of Board Members	982							982	1 024	1 069
Depreciation and debt impairment	83 820		(705)				(705)	83 115	86 824	82 395
Finance charges	59							59	61	64
Materials and bulk purchases	2 039 583		50 695			(2 951)	47 744	2 087 327	2 154 281	2 305 321
Transfers and grants	120 000							120 000	120 000	120 000
Other expenditure	200 261		48 372			2 951	51 323	251 584	208 965	211 957
<b>Total Expenditure</b>	<b>2 824 407</b>		<b>98 363</b>				<b>98 363</b>	<b>2 922 769</b>	<b>2 961 488</b>	<b>3 122 069</b>
<b>Surplus/(Deficit)</b>	<b>378 416</b>		<b>(97 692)</b>				<b>(97 692)</b>	<b>280 724</b>	<b>324 566</b>	<b>314 597</b>
Transfers and subsidies - capital (monetary allocations) (National /	20 466						97 692	118 158	12 725	18 238
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit										
Institutions, Private Enterprises,	13 000						(97 692)	(84 692)	13 417	13 848
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>411 882</b>		<b>(97 692)</b>				<b>(97 692)</b>	<b>314 190</b>	<b>350 708</b>	<b>346 683</b>
Taxation							97 692	97 692		
<b>Surplus/ (Deficit) for the year</b>	<b>411 882</b>		<b>(97 692)</b>				<b>(49 947)</b>	<b>1 989 636</b>	<b>350 708</b>	<b>346 683</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>217 752</b>		<b>32 700</b>				<b>32 700</b>	<b>250 452</b>	<b>143 462</b>	<b>126 392</b>
Transfers recognised - capital	33 466							33 466	26 142	32 086
Borrowing										
Internally generated funds	184 286		32 700				32 700	216 986	117 320	94 306
<b>Total sources of capital funds</b>	<b>217 752</b>		<b>32 700</b>				<b>32 700</b>	<b>250 452</b>	<b>143 462</b>	<b>126 392</b>
<b>Financial position</b>										
Total current assets	1 013 077							1 013 077	1 230 844	1 286 232
Total non current assets	8 384 320							8 384 320	8 595 926	8 818 588
Total current liabilities	864 275							864 275	971 948	1 015 686
Total non current liabilities	1 628 688							1 628 688	1 700 351	1 776 866
Community wealth/Equity	6 904 434							6 904 434	7 154 471	7 312 268
<b>Cash flows</b>										
Net cash from (used) operating	115 540							115 540	142 936	126 637
Net cash from (used) investing	(211 097)							(211 097)	(139 031)	(122 467)
Net cash from (used) financing	(124 230)							(124 230)		
<b>Cash/cash equivalents at the year</b>	<b>88 751</b>	<b>88 751</b>	<b>88 751</b>	<b>88 751</b>	<b>88 751</b>	<b>88 751</b>	<b>355 003</b>	<b>443 754</b>	<b>92 656</b>	<b>96 825</b>

## E2: Adjustment Budget – Financial Performance (Revenue & Expenditure)

Centlec - Table E2 Adjustments Budget - Financial Performance (revenue and expenditure) - 31/12/2021

Description	Budget Year 2021/22								Budget Year +1	Budget Year +2
	Original Budget	Prior Adjusted	Downward adjusts	Parent muni.	Unfore. Unavoid.	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		1	2	3	4	5	6	7		
	A	A1	B	C	D	E	F	G		
<b>Revenue By Source</b>										
Property rates								-		
Service charges - electricity revenue	3 165 360							3 165 360	3 238 134	3 380 612
Service charges - water revenue										
Service charges - sanitation revenue										
Service charges - refuse revenue										
Rental of facilities and equipment										
Interest earned - external investments	640							640	678	719
Interest earned - outstanding debtors	25 094		85				85	25 179	33 840	41 129
Dividends received										
Fines, penalties and forfeits	1 830							1 830	1 940	2 056
Licences and permits										
Agency services										
Transfers and subsidies										
Other revenue	9 898							9 898	11 462	12 150
Gains	1		586				586	587		
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>3 202 823</b>		<b>671</b>				<b>671</b>	<b>3 203 494</b>	<b>3 286 054</b>	<b>3 436 666</b>
<b>Expenditure By Type</b>										
Employee related costs	379 702							379 702	390 334	401 263
Remuneration of Directors	982							982	1 024	1 069
Debt impairment	10 358							10 358	9 065	8 561
Depreciation & asset impairment	73 461		(705)				(705)	72 756	77 758	73 833
Finance charges	59		-					59	61	64
Bulk purchases	2 002 153		-					2 002 153	2 115 279	2 265 103
Other materials	37 430		50 695			(2 951)	47 744	85 174	39 002	40 218
Contracted services	123 737		39 699			2 658	42 357	166 094	128 934	130 747
Transfers and subsidies	120 000							120 000	120 000	120 000
Other expenditure	76 408		8 673			293	8 966	85 374	79 911	81 085
Losses	116							116	120	125
<b>Total Expenditure</b>	<b>2 824 407</b>		<b>98 363</b>				<b>98 363</b>	<b>2 922 769</b>	<b>2 961 488</b>	<b>3 122 069</b>
<b>Surplus/(Deficit)</b>	<b>378 416</b>		<b>(97 692)</b>				<b>(97 692)</b>	<b>280 724</b>	<b>324 566</b>	<b>314 597</b>
Transfers and subsidies - capital (monetary allocations) (National /	20 466							20 466	12 725	18 238
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Transfers and subsidies - capital (in-kind	13 000							13 000	13 417	13 848
								-		
<b>Surplus/(Deficit) before taxation</b>	<b>411 882</b>		<b>(97 692)</b>				<b>(97 692)</b>	<b>314 190</b>	<b>350 708</b>	<b>346 683</b>
Taxation										
<b>Surplus/ (Deficit) for the year</b>	<b>411 882</b>		<b>(97 692)</b>				<b>(97 692)</b>	<b>314 190</b>	<b>350 708</b>	<b>346 683</b>

### E3: Adjustment Budget – Capital Expenditure

Centlec - Table E3 Adjustments Capital Expenditure Budget by asset class and funding - 31/12/2021										
Description	Budget Year 2021/22								Budget Year +1 2022/23	Budget Year +2 2023/24
	Original Budget	Prior Adjusted	Downward adjusts	Parent muni.	Unfore. Unavoid.	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		1	2	3	4	5	6	7		
	A	A1	B	C	D	E	F	G		
<b>Capital expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>	155 770		14 834			(2 800)	12 034	167 804	112 395	94 716
Electrical Infrastructure	155 770		14 834			(2 800)	12 034	167 804	112 395	94 716
<i>HV Substations</i>	2 592		2 500			(400)	2 100	4 692	3 076	3 167
<i>HV Transmission Conductors</i>	200							200	280	291
<i>MV Networks</i>	32 629		33 134			(2 400)	30 734	63 363	35 833	20 428
<i>LV Networks</i>	120 349		(20 800)				(20 800)	99 549	70 436	68 003
<b>Community Assets</b>	28 925		(21 632)				(21 632)	7 293	27 284	27 756
Community Facilities	28 351		(21 632)				(21 632)	6 719	26 692	27 144
Sport and Recreation Facilities	574							574	592	611
<b>Computer Equipment</b>	2 542		5 000			2 800	7 800	10 342	2 648	2 765
<b>Furniture and Office Equipment</b>	515							515	516	516
<b>Transport Assets</b>	30 000		34 498				34 498	64 498	619	639
<b>Total Capital Expenditure to be adjusted</b>	217 752		32 700				32 700	250 452	143 462	126 392
<b>Funded by:</b>										
National Government	20 466							20 466	12 725	18 238
District Municipality	13 000							13 000	13 417	13 848
Transfers recognised - capital	33 466							33 466	26 142	32 086
<b>Borrowing</b>										
Internally generated funds	184 286		32 700				32 700	216 986	117 320	94 306
<b>Total Capital Funding</b>	217 752		32 700				32 700	250 452	143 462	126 392

## E4: Adjustment Budget – Financial Position

Centlec - Table E4 Adjustments Budget - Financial Position - 31/12/2021										
Description	Budget Year 2021/22								Budget Year +1 2022/23	Budget Year +2 2023/24
	Original Budget	Prior Adjusted	Downward adjusts	Parent muni.	Unfore. Unavoid.	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		1	2	3	4	7	8	9		
	A	A1	B	C	D	E	F	G		
<b>ASSETS</b>										
<b>Current assets</b>										
Cash	87 568							87 568	91 421	95 535
Call investment deposits	1 182							1 182	1 235	1 290
Consumer debtors	924 326							924 326	964 996	1 008 421
Other debtors	66 710							66 710	69 645	72 779
Current portion of long-term receivables										
Inventory	99 182							99 182	103 546	108 206
<b>Total current assets</b>	<b>1 178 969</b>							<b>1 178 969</b>	<b>1 230 844</b>	<b>1 286 232</b>
<b>Non current assets</b>										
Long-term receivables										
Investments										
Investment property										
Investment in Associate										
Property, plant and equipment	6 985 685							6 985 685	7 137 087	7 295 529
Biological										
Intangible	102 393							102 393	105 863	109 488
Other non-current assets	1 296 242							1 296 242	1 352 976	1 413 571
<b>Total non current assets</b>	<b>8 384 320</b>							<b>8 384 320</b>	<b>8 595 926</b>	<b>8 818 588</b>
<b>TOTAL ASSETS</b>	<b>9 563 289</b>							<b>9 563 289</b>	<b>9 826 769</b>	<b>10 104 820</b>
<b>LIABILITIES</b>										
<b>Current liabilities</b>										
Bank overdraft										
Borrowing	25 252							25 252	26 363	27 549
Consumer deposits	125 211							125 211	130 720	136 602
Trade and other payables	744 229							744 229	776 975	811 939
Provisions	36 293							36 293	37 890	39 595
<b>Total current liabilities</b>	<b>930 985</b>							<b>930 985</b>	<b>971 948</b>	<b>1 015 686</b>
<b>Non current liabilities</b>										
Borrowing										
Provisions	1 628 688							1 628 688	1 700 351	1 776 866
<b>Total non current liabilities</b>	<b>1 628 688</b>							<b>1 628 688</b>	<b>1 700 351</b>	<b>1 776 866</b>
<b>TOTAL LIABILITIES</b>	<b>2 559 673</b>							<b>2 559 673</b>	<b>2 672 299</b>	<b>2 792 552</b>
<b>NET ASSETS</b>	<b>7 003 616</b>							<b>7 003 616</b>	<b>7 154 471</b>	<b>7 312 268</b>
<b>COMMUNITY WEALTH/EQUITY</b>										
Accumulated Surplus/(Deficit)	1 525 489							1 525 489	1 731 124	1 943 155
Reserves	5 478 128							5 478 128	5 423 346	5 369 113
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>7 003 616</b>							<b>7 003 616</b>	<b>7 154 471</b>	<b>7 312 268</b>



## E5: Adjustment Budget – Cash Flows

Centlec - Table E5 Adjustments Budget - Cash Flows - 31/12/2021										
Description	Budget Year 2021/22								Budget Year	Budget Year
	Original	Prior	Downward	Parent muni.	Unfore.	Other	Total Adjusts.	Adjusted	Adjusted	Adjusted
	Budget	Adjusted	adjusts		Unavoid.	Adjusts.		Budget	Budget	Budget
R thousands	A	1	2	3	4	5	6	7		
	A	A1	B	C	D	E	F	G		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates										
Service charges	2 841 853							2 841 853	2 914 321	3 042 551
Other revenue	11 379							11 379	12 062	12 785
Transfers and Subsidies - Operational										
Transfers and Subsidies - Capital	33 466							33 466	41 007	42 975
Interest	29 308							29 308	31 066	37 663
Dividends										
<b>Payments</b>										
Suppliers and employees	(2 680 406)							(2 680 406)	(2 735 458)	(2 889 274)
Finance charges	(59)							(59)	(61)	(64)
Dividends paid	(120 000)							(120 000)	(120 000)	(120 000)
Transfers and Grants										
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>115 540</b>							<b>115 540</b>	<b>142 936</b>	<b>126 637</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE	122							122	127	133
Decrease (increase) in non-current receivables										
Decrease (increase) in non-current investments										
<b>Payments</b>										
Capital assets	(211 219)							(211 219)	(139 158)	(122 600)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(211 097)</b>							<b>(211 097)</b>	<b>(139 031)</b>	<b>(122 467)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans										
Borrowing long term/refinancing										
Increase (decrease) in consumer deposits										
<b>Payments</b>										
Repayment of borrowing										
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>-</b>									
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(95 557)</b>							<b>(95 557)</b>	<b>3 905</b>	<b>4 170</b>
Cash/cash equivalents at the year begin:	184 308	88 751	88 751	88 751	88 751	88 751	88 751	184 308	88 751	92 656
Cash/cash equivalents at the year end:	88 751	88 751	88 751	88 751	88 751	88 751	88 751	88 751	92 656	96 826

## SE1: Measurable Performance Targets

Centlec - Supporting Table SE1 Adjustments Budget - measurable performance targets - 31/12/2021					
Performance target description	Unit of measurement	Budget Year 2021/22	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget	Adjusted Budget		
		A			
Complete 1550 household connections identified for electrification in the MMM area by 30 June 2020.	Monthly, quarterly progress report and proof of payments	Complete 1550 household connections identified for electrification in the MMM area by 30 June 2022.	Complete 1550 household connections identified for electrification in the MMM area by 30 June 2022.	Complete 1550 household connections identified for electrification in the MMM area by 30 June 2023.	Complete 1550 household connections identified for electrification in the MMM area by 30 June 2024.
Erection of 23 high mast lights within Mangaung by 30 June 2020	Monthly, quarterly progress report and proof of payments	Erection of 15 high mast lights within Mangaung by 30 June 2022	Erection of 15 high mast lights within Mangaung by 30 June 2022	Erection of 15 high mast lights within Mangaung by 30 June 2023	Erection of 15 high mast lights within Mangaung by 30 June 2024
480 kilometers of 132kV lines inspections based on the maintenance plan from 1st July 2019 to 30 June 2020.	Monthly, quarterly progress report and proof of payments	480 kilometers of 132kV lines inspections based on the maintenance plan from 1st July 2021 to 30 June 2022.	480 kilometers of 132kV lines inspections based on the maintenance plan from 1st July 2021 to 30 June 2022.	480 kilometers of 132kV lines inspections based on the maintenance plan from 1st July 2021 to 30 June 2023.	480 kilometers of 132kV lines inspections based on the maintenance plan from 1st July 2022 to 30 June 2024.
346 DC Transformer Inspections based on the maintenance plan to be completed from 1st of July 2018 to 30 June 2019.	Monthly, quarterly progress report and proof of payments	346 DC Transformer Inspections based on the maintenance plan to be completed from 1st of July 2021 to 30 June 2022.	346 DC Transformer Inspections based on the maintenance plan to be completed from 1st of July 2021 to 30 June 2022.	346 DC Transformer Inspections based on the maintenance plan to be completed from 1st of July 2021 to 30 June 2023.	346 DC Transformer Inspections based on the maintenance plan to be completed from 1st of July 2022 to 30 June 2024.
504 Distribution Centre Panels to be tested based on the maintenance plan from 1st of July 2018 to 30 June 2019.	Monthly, quarterly progress report and proof of payments	504 Distribution Centre Panels to be tested based on the maintenance plan from 1st of July 2021 to 30 June 2022.	504 Distribution Centre Panels to be tested based on the maintenance plan from 1st of July 2021 to 30 June 2022.	504 Distribution Centre Panels to be tested based on the maintenance plan from 1st of July 2021 to 30 June 2023.	504 Distribution Centre Panels to be tested based on the maintenance plan from 1st of July 2022 to 30 June 2024.
Unplanned interruptions of the supply should be restored as per NERSA license requirements in terms of NRS 048 by 30 June 2020	Monthly, quarterly progress report and proof of payments	Unplanned interruptions of the supply should be restored as per NERSA license requirements in terms of NRS 048 by 30 June 2022	Unplanned interruptions of the supply should be restored as per NERSA license requirements in terms of NRS 048 by 30 June 2022	Unplanned interruptions of the supply should be restored as per NERSA license requirements in terms of NRS 048 by 30 June 2022	Unplanned interruptions of the supply should be restored as per NERSA license requirements in terms of NRS 048 by 30 June 2024
Planned scheduled interruptions of the supply should be restored as per NERSA license requirements in terms of NRS 048 by 30 June 2020.	Monthly, quarterly progress report and proof of payments	Planned scheduled interruptions of the supply should be restored as per NERSA license requirements in terms of NRS 048 by 30 June 2020.	Planned scheduled interruptions of the supply should be restored as per NERSA license requirements in terms of NRS 048 by 30 June 2020.	Planned scheduled interruptions of the supply should be restored as per NERSA license requirements in terms of NRS 048 by 30 June 2023.	Planned scheduled interruptions of the supply should be restored as per NERSA license requirements in terms of NRS 048 by 30 June 2024.
Installed capacity of embedded generators on the Municipal Distribution Network	Monthly, quarterly progress report and proof of payments	Installed capacity of embedded generators on the Municipal Distribution Network	Installed capacity of embedded generators on the Municipal Distribution Network	Installed capacity of embedded generators on the Municipal Distribution Network	Installed capacity of embedded generators on the Municipal Distribution Network

## SE 2 – Financial and Non-Financial Indicators

Centlec - Supporting Table SE2 Adjustments Budget - financial and non-financial indicators - 31/12/2021					
Description of financial indicator	Basis of calculation	Budget Year 2021/22		Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
<b>Borrowing Management</b>					
Borrowing to Asset Ratio	Total Long-term Borrowing/ Total Assets	0%	0%	0%	0%
Capital Charges to Operating Expenditure	Interest & Depreciation /Operating Expenditure	3%	2%	3%	2%
Borrowed funding of capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0%	0%	0%	0%
<b>Safety of Capital</b>					
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves	36%	36%	37%	38%
Gearing	Long Term Borrowing/ Funds & Reserves	0%	0%	0%	0%
<b>Liquidity</b>					
Current Ratio	Current assets/current liabilities	117%	117%	127%	127%
Current Ratio adjusted for debtors	Current assets/current liabilities less debtors > 90 days	117%	117%	0%	0%
Liquidity Ratio	Monetary Assets/Current Liabilities	10%	10%	10%	10%
<b>Revenue Management</b>					
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing	0%	0%	0%	0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	29%	29%	31%	31%
Longstanding Debtors Reduction Due To Recovery	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0%	0%	0%	0%
<b>Creditors Management</b>					
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))				
<b>Funding of Provisions</b>					
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions				
<b>Other Indicators</b>					
Electricity Distribution Losses	% Volume (Total units purchased + generated less total units sold)/Total units purchased + generated	7%	7%	7%	6%
Water Distribution Losses	% Volume (Total units purchased + own source less total units sold)/Total units purchased + own source				
Employee costs	Employee costs/Total Revenue - capital revenue	12%	12%	12%	12%
Repairs & Maintenance	R&M/Total Revenue - capital revenue	0%	0%	0%	0%
Interest & Depreciation	I&D/Total Revenue - capital revenue	2%	2%	2%	2%
<b>Financial viability indicators</b>					
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	0%	0%	0%	0%
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0%	0%	0%	0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0%	0%	0%	0%

### SE3 – Investment Portfolio

Centlec - Supporting Table SE3 Adjustments Budget - investment Portfolio - 31/12/2021								
Investments by maturity Name of institution & investment ID	Budget Year 2021/22							
	Period of investment	Type of investment	Expiry date of investment	Accrued interest for the month	Yield %	Market value		
	Months					Begin	Change	End
ABSA - 1 Day Account	February 2013	Call Account	n/a	12		8 434	24 934	33 368
<b>Total investments</b>				<b>12</b>		<b>8 434</b>	<b>24 934</b>	<b>33 368</b>

## SE4 – Board Member allowances and staff benefits

Centlec - Supporting Table SE4 Adjustments Budget - board member allowances and staff benefits - 31/12/2021										
Summary of Employee and Board Member remuneration	Budget Year 2021/22								Budget Year +1	Budget Year +2
	Original Budget	Prior Adjusted	Downward adjusts	Parent muni.	Unfore. Unavoid.	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		3	4	5	6	7	8	9		
R thousands	A	A1	B	C	D	E	F	G		
<b>Remuneration</b>										
<b>Board Members of Entities</b>										
Basic Salaries	982							982	1 024	1 069
Pension Contributions										
Medical Aid Contributions										
Motor vehicle allowance										
Cell phone allowance										
Housing allowance										
Other benefits and allowances										
In-kind benefits										
Board Fees										
<b>Sub Total - Board Members of Entities</b>	<b>982</b>							<b>982</b>	<b>1 024</b>	<b>1 069</b>
<b>Senior Managers of Entities</b>										
Basic Salaries	10 820							10 820	11 118	11 429
Pension Contributions	464							464	481	495
Medical Aid Contributions	120							120	123	126
Motor vehicle allowance	554							554	570	586
Cell phone allowance	132							132	136	140
Housing allowance										
Other benefits or allowances										
Performance Bonus										
In-kind benefits										
<b>Sub Total - Senior Managers of Entities</b>	<b>12 089</b>							<b>12 089</b>	<b>12 428</b>	<b>12 776</b>
<b>Other Staff of Entities</b>										
Basic Salaries	212 307							212 307	212 769	212 769
Pension Contributions	39 860							39 860	39 860	39 860
Medical Aid Contributions	22 312							22 312	22 937	23 579
Motor vehicle allowance	22 613							22 613	22 613	22 613
Cell phone allowance	866							866	890	915
Housing allowance	1 519							1 519	1 562	1 606
Overtime	37 956							37 956	46 839	46 839
Performance Bonus	18 782							18 782	19 308	19 848
Other benefits or allowances	11 398							11 398	2 052	2 052
In-kind benefits										
<b>Sub Total - Other Staff of Entities</b>	<b>367 612</b>							<b>367 612</b>	<b>368 830</b>	<b>370 081</b>
<b>Total Municipal Entities remuneration</b>	<b>380 684</b>							<b>380 684</b>	<b>382 282</b>	<b>383 926</b>

## SE5 – Monthly Cash and Revenue / Expenditure

Centlec - Supporting Table SE5 Adjustments Budget - monthly cash and revenue/expenditure - 31/12/2021															
Description	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
<b>R thousands</b>															
<b>Revenue By Source</b>															
Property rates															
Service charges - electricity revenue	286 836	294 445	299 256	210 102	203 414	207 949	232 398	227 562	241 240	236 249	236 355	481 811	3 157 614	3 238 134	3 380 612
Service charges - water revenue															
Service charges - sanitation revenue															
Service charges - refuse revenue															
Rental of facilities and equipment															
Interest earned - external investments	48	52	52	64	54	70	83	53	53	53	53	33	640	678	719
Interest earned - outstanding debtors	1 936	(26 028)	29 635	1 688	2 003	2 071	2 680	2 660	2 660	2 660	2 660	7 318	31 925	33 840	41 129
Dividends received															
Fines, penalties and forfeits	112	200	408	214	454	77	162	152	152	152	152	(397)	1 830	1 940	2 056
Licences and permits															
Agency services															
Transfers and subsidies	1 126			101	338	392			8 367			23 143	33 466	26 142	32 086
Other revenue	511	570	538	541	768	498	901	901	901	901	901	2 881	10 813	11 462	12 150
Gains	-	1	14	2 349	-	-	-	-	-	-	-	(2 363)			
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>290 568</b>	<b>269 240</b>	<b>329 902</b>	<b>215 058</b>	<b>207 030</b>	<b>211 057</b>	<b>236 165</b>	<b>231 329</b>	<b>253 373</b>	<b>240 016</b>	<b>240 122</b>	<b>512 426</b>	<b>3 236 288</b>	<b>3 312 196</b>	<b>3 468 752</b>
<b>Expenditure By Type</b>															
Employee related costs	32 080	33 865	31 905	37 684	68 565	34 287	31 642	31 642	31 642	31 642	31 642	(16 894)	379 702	390 334	401 263
Remuneration of Board Members	82	82	82	82	10	5	82	82	82	82	82	230	982	1 024	1 069
Debt impairment	-	1 726	863	863	863	863	863	863	863	863	863	863	10 358	9 065	8 561
Depreciation & asset impairment	18 107	18 985	18 985	18 985	18 985	18 985	6 122	6 122	6 122	6 122	6 122	(70 180)	73 461	77 758	73 833
Finance charges	-	10	5	5	5	5	5	5	5	5	5	5	59	61	64
Dividends paid															
Bulk purchases	241 448	521 446	58 031	157 522	169 351	143 111	166 846	166 846	166 846	166 846	166 846	(122 986)	2 002 153	2 115 279	2 265 103
Other materials	3 500	3 039	3 052	3 688	2 169	4 607	3 119	3 119	3 119	3 119	3 119	1 779	37 430	39 002	40 218
Contracted services	5 516	12 413	13 147	8 981	9 981	8 464	10 311	10 311	10 311	10 311	10 311	13 667	123 737	128 934	130 747
Transfers and subsidies							10 000	10 000	10 000	10 000	10 000	70 000	120 000	120 000	120 000
Other expenditure	3 160	9 684	11 086	2 281	2 117	7 952	6 367	6 367	6 367	6 367	6 367	8 290	76 408	79 911	81 085
Losses	-	29	569	2	3	1	10	10	10	10	10	(537)	115	120	125
<b>Total Expenditure</b>	<b>303 893</b>	<b>601 280</b>	<b>137 726</b>	<b>230 094</b>	<b>272 060</b>	<b>218 280</b>	<b>235 367</b>	<b>235 367</b>	<b>235 367</b>	<b>235 367</b>	<b>235 367</b>	<b>(115 763)</b>	<b>2 824 406</b>	<b>2 961 488</b>	<b>3 122 069</b>
<b>Capital expenditure</b>															
Capital assets	2 968	15 741	19 038	14 756	6 677	2 785	18 146	18 146	18 146	18 146	18 146	65 055	217 752	143 462	126 392
<b>Total capital expenditure</b>	<b>2 968</b>	<b>15 741</b>	<b>19 038</b>	<b>14 756</b>	<b>6 677</b>	<b>2 785</b>	<b>18 146</b>	<b>18 146</b>	<b>18 146</b>	<b>18 146</b>	<b>18 146</b>	<b>65 055</b>	<b>217 752</b>	<b>143 462</b>	<b>126 392</b>
<b>Cash flow</b>															
Property rates															
Service charges	299 122	331 238	343 823	221 529	256 422	241 323	202 513	201 284	198 527	184 740	252 015	109 316	2 841 853	2 914 321	3 042 551
Other revenue							948	948	948	948	948	6 638	11 379	12 062	12 785
Transfers and Subsidies									8 367			25 100	33 466	41 007	42 975
Interest	67	52	793	2 442	776	633	2 442	2 442	2 442	2 442	2 442	12 333	29 308	31 066	37 663
Suppliers, employees and other	(273 706)	(331 893)	(332 193)	(208 050)	(216 444)	(219 342)	(191 008)	(189 849)	(187 248)	(174 245)	(282 190)	(74 239)	(2 680 406)	(2 735 458)	(2 889 274)
Finance charges	(362)	(469)	(786)	(5)	(447)	-	(5)	(5)	(5)	(5)	(5)	(5)	2 034	(59)	(61)
Dividends	-	-	-	(10 000)	-	-	(10 000)	(10 000)	(10 000)	(10 000)	(10 000)	(60 000)	(120 000)	(120 000)	(120 000)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>25 121</b>	<b>(1 071)</b>	<b>11 637</b>	<b>5 517</b>	<b>40 308</b>	<b>22 613</b>	<b>4 890</b>	<b>4 821</b>	<b>13 031</b>	<b>3 881</b>	<b>(36 789)</b>	<b>21 182</b>	<b>115 540</b>	<b>142 936</b>	<b>126 637</b>
Decrease (increase) in non-current receivables															
Decrease (increase) in non-current investments															
Proceeds on disposal of PPE				10			10	10	10	10	10	61	122	127	133
Capital assets	(12 375)	(3 510)	(25 713)	(17 602)	(23 627)	(11 782)	(17 602)	(17 602)	(17 602)	(17 602)	(17 602)	(28 603)	(211 219)	(139 158)	(122 600)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(12 375)</b>	<b>(3 510)</b>	<b>(25 713)</b>	<b>(17 591)</b>	<b>(23 627)</b>	<b>(11 782)</b>	<b>(17 591)</b>	<b>(17 591)</b>	<b>(17 591)</b>	<b>(17 591)</b>	<b>(17 591)</b>	<b>(28 542)</b>	<b>(211 097)</b>	<b>(139 031)</b>	<b>(122 467)</b>
Borrowing long term/refinancing/short term															
Repayment of borrowing															
Increase in consumer deposits															
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7 360)</b>	<b>(95 557)</b>	<b>(91 652)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>12 746</b>	<b>(4 581)</b>	<b>(14 076)</b>	<b>(11 675)</b>	<b>16 681</b>	<b>10 832</b>	<b>(12 701)</b>	<b>(12 771)</b>	<b>(4 561)</b>	<b>(13 711)</b>	<b>(54 381)</b>	<b>(7 360)</b>	<b>(95 557)</b>	<b>(91 652)</b>	<b>(87 483)</b>

## SE6 (a) – Capital expenditure on new assets

Centlec - Supporting Table SE6a Adjustments capital expenditure on new assets by asset category - 31/12/2021										
Description	Budget Year 2021/22								Budget Year +1 2022/23	Budget Year +2 2023/24
	Original Budget	Prior Adjusted	Downward adjusts	Parent muni.	Unfore. Unavoid.	Other Adjusts	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		1	2	3	4	5	6	7		
	A	A1	B	C	D	E	F	G		
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>	124 071		(300)			(2 800)	(3 100)	120 971	89 551	71 011
Electrical Infrastructure	124 071		(300)			(2 800)	(3 100)	120 971	89 551	71 011
<i>HV Substations</i>	1 034		2 500				2 500	3 534	1 036	1 038
<i>MV Networks</i>	14 231		18 000			(2 800)	15 200	29 431	24 160	8 326
<i>LV Networks</i>	108 805		(20 800)				(20 800)	88 005	61 585	58 821
<b>Community Assets</b>	28 925		(21 632)				(21 632)	7 293	27 284	27 756
Community Facilities	28 351		(21 632)				(21 632)	6 719	26 692	27 144
<i>Outdoor Facilities</i>	574							574	592	611
<b>Computer Equipment</b>	2 542		5 000			2 800	7 800	10 342	2 648	2 765
Computer Equipment	2 542		5 000			2 800	7 800	10 342	2 648	2 765
<b>Furniture and Office Equipment</b>	515							515	516	516
Furniture and Office Equipment	515							515	516	516
<b>Transport Assets</b>	30 000		34 498				34 498	64 498	619	639
Transport Assets	30 000		34 498				34 498	64 498	619	639
<b>Total Capital Expenditure on new assets to be adjusted</b>	186 053		17 566				17 566	203 619	120 619	102 687

## SE6 (b) – Capital expenditure on existing assets by asset category

Centlec - Supporting Table SE6b Adjustments capital expenditure on renewal of existing assets by asset category - 31/12/2021											
Description	Budget Year 2021/22								Budget Year +1 2022/23	Budget Year +2 2023/24	
	Original Budget	Prior Adjusted	Downward adjusts	Parent muni.	Unfore. Unavoid.	Other Adjusts	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget	
		1	2	3	4	5	6	7			
	A	A1	B	C	D	E	F	G			
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>											
<b>Infrastructure</b>	15 680					(200)	(200)	15 480	9 306	9 694	
Electrical Infrastructure	15 680					(200)	(200)	15 480	9 306	9 694	
<i>HV Substations</i>	1 558					(400)	(400)	1 158	2 040	2 130	
<i>MV Networks</i>	12 609					200	200	12 809	5 710	5 962	
<i>LV Networks</i>	1 514							1 514	1 556	1 603	
<b>Total Capital Expenditure on renewal of existing assets to be adjusted</b>	15 680					(200)	(200)	15 480	9 306	9 694	

### SE6 (c) – Expenditure on Repairs and maintenance by asset category

Centlec - Supporting Table SE6c Adjustments expenditure on repairs and maintenance by asset category - 31/12/2021										
Description	Budget Year 2021/22								Budget Year +1 2022/23	Budget Year +2 2023/24
	Original Budget	Prior Adjusted	Downward adjusts	Parent muni.	Unfore. Unavoid.	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		1	2	3	4	5	6	7		
	A	A1	B	C	D	E	F	G		
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>	3 744							3 744	36 398	38 298
<i>HV Substations</i>	3 744							3 744	36 398	38 298
<b>Other assets</b>	6 850					2 700	2 700	9 550	1 976	2 065
<i>Municipal Offices</i>	6 850					2 700	2 700	9 550	1 976	2 065
<b>Machinery and Equipment</b>	1 220							1 220		
<i>Machinery and Equipment</i>	1 220							1 220		
<b>Transport Assets</b>	7 162					(550)	(550)	6 612	7 271	7 598
<i>Transport Assets</i>	7 162					(550)	(550)	6 612	7 271	7 598
<b>Total Repairs and maintenance expenditure to be adjusted</b>	18 977					2 150	2 150	21 127	45 645	47 961



## SE6 (d) – Depreciation by asset category

Centlec - Supporting Table SE6d Adjustments Depreciation by asset category - 31/12/2021										
Description	Budget Year 2021/22								Budget Year +1 2022/23	Budget Year +2 2023/24
	Original Budget	Prior Adjusted	Downward adjusts	Parent muni.	Unfore. Unavoid.	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		1	2	3	4	5	6	7		
	A	A1	B	C	D	E	F	G		
<b>Depreciation by Asset Class/Sub-class</b>										
<b>Infrastructure</b>	51 910							51 910	19 273	20 140
<i>LV Networks</i>	51 910							51 910	19 273	20 140
<b>Community Assets</b>	1 637							1 637	391	409
Community Facilities	1 637							1 637	391	409
<b>Intangible Assets</b>	7 438							7 438	2 959	3 092
<i>Computer Software and Applications</i>	7 438							7 438	2 959	3 092
<b>Furniture and Office Equipment</b>	6 797		(500)				(500)	6 297	11 867	12 401
Furniture and Office Equipment	6 797		(500)				(500)	6 297	11 867	12 401
<b>Machinery and Equipment</b>	56		(5)				(5)	51	347	362
Machinery and Equipment	56		(5)				(5)	51	347	362
<b>Transport Assets</b>	5 623		(200)				(200)	5 423	12 727	13 300
Transport Assets	5 623		(200)				(200)	5 423	12 727	13 300
<b>Total Depreciation to be adjusted</b>	<b>73 461</b>		<b>(705)</b>				<b>(705)</b>	<b>72 756</b>	<b>47 564</b>	<b>49 704</b>

## SE6 (e) Capital expenditure on upgrading of existing assets by asset category

Centlec - Supporting Table SE6e Adjustments capital expenditure on upgrading of existing assets by asset category - 31/12/2021										
Description	Budget Year 2021/22								Budget Year +1 2022/23	Budget Year +2 2023/24
	Original Budget	Prior Adjusted	Downward adjusts	Parent muni.	Unfore. Unavoid.	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		1	2	3	4	5	6	7		
	A	A1	B	C	D	E	F	G		
<b>Capital expenditure on upgrading of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>	16 019		15 134			200	15 334	31 353	13 537	14 011
<i>HV Transmission Conductors</i>	200							200	280	291
<i>MV Networks</i>	5 789		15 134			200	15 334	21 123	5 962	6 141
<i>LV Networks</i>	10 030							10 030	7 295	7 579
<b>Total Capital Expenditure on upgrading of existing assets to be adjusted</b>	<b>16 019</b>		<b>15 134</b>			<b>200</b>	<b>15 334</b>	<b>31 353</b>	<b>13 537</b>	<b>14 011</b>

## SE7 – List of Capital programmes and projects affected by the Adjustment Budget

Centlec - Supporting Table SE7 List of capital projects affected by Adjustments Budget - 31/12/2021					
Function	Project Description	2021/22 Medium Term Revenue & Expenditure Framework			
		Budget Year 2021/22	Adjusted Budget	Budget Year +1 2022/23	Budget Year +2 2023/24
Energy Sources	Capital:Infrastructure:Existing:Upgrading:Electrical Infrastructure:Hv Transmission	200	200	280	291
Energy Sources	Capital:Infrastructure:Existing:Upgrading:Electrical Infrastructure:Mv Networks	5 789	21 123	5 962	6 141
Energy Sources	Capital:Infrastructure:Existing:Upgrading:Electrical Infrastructure:Lv Networks	10 030	10 030	7 295	7 579
Energy Sources	Capital:Infrastructure:New:Electrical Infrastructure:Hv Substations	1 034	3 534	1 036	1 038
Energy Sources	Capital:Infrastructure:New:Electrical Infrastructure:Mv Networks	14 231	29 431	14 779	14 968
Energy Sources	Capital:Infrastructure:New:Electrical Infrastructure:Lv Networks	108 805	88 005	71 585	52 818
Energy Sources	Capital:Non-Infrastructure:New:Computer Equipment	2 542	10 342	2 648	2 765
Energy Sources	Capital:Non-Infrastructure:New:Furniture And Office Equipment	515	515	516	516
Energy Sources	Capital:Non-Infrastructure:New:Transport Assets	30 000	64 498		
Energy Sources	Capital:Infrastructure:Existing:Renewal:Electrical Infrastructure:Hv Substations	1 558	1 558	2 040	2 130
Energy Sources	Capital:Infrastructure:Existing:Renewal:Electrical Infrastructure:Mv Networks	12 609	12 409	5 960	6 222
Energy Sources	Capital:Infrastructure:Existing:Renewal:Electrical Infrastructure:Lv Networks	1 514	1 514	1 556	1 603
Energy Sources	Capital:Non-Infrastructure:New:Community Assets:Community Facilities:Centres	28 351	6 719	29 212	29 710
Energy Sources	Capital:Non-Infrastructure:New:Community Assets:Sport And Recreation Facilities:Outdoor Facilities	574	574	592	611
<b>Total Capital expenditure</b>		<b>217 752</b>	<b>250 452</b>	<b>143 462</b>	<b>126 392</b>

**CERTIFICATION**

Print Name \_\_\_\_\_  
**ACTING CHIEF FINANCIAL OFFICER OF CENTLEC (SOC) LTD**

Signature \_\_\_\_\_  


Date \_\_\_\_\_  
14/01/2022

**CHIEF EXECUTIVE OFFICER CERTIFICATION**

**Chief Executive Officer's certification:**

I Molefane Sebiso, Chief Executive Officer of CENTLEC (SOC) Ltd, hereby certify that the Adjustment Budget 2021/22 and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the Regulations made under the Act, and that the Adjustments Budget and supporting documentation are consistent with the business plan of the Entity, the service delivery agreement with the Parent Municipality and the Integrated Development Plan of the Parent Municipality.

Print Name Molefane Sebiso  
**CHIEF EXECUTIVE OFFICER OF CENTLEC (SOC) LTD**

Signature \_\_\_\_\_  


Date \_\_\_\_\_  
14/01/2022