

LETSEMENG LOCAL MUNICIPALITY



MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK

2013-14

TABLE OF CONTENTS

PART 1

1.1. Mayor's report	4 - 4
1.2. Resolutions	4 - 4
1.3. Executive summary	5 - 6
1.4. Annual budget tables	6 - 17

PART 2

2.1. Budget process	17 - 18
2.2. Alignment of the annual budget with the integrated development plan	18 - 19
2.3. Measurable performance objectives	19 - 19
2.4. Overview of the budget-related policies	19 - 21
2.5. Overview of the budget assumptions	21 - 21
2.6. Overview of the budget funding	21 - 22
2.7. Expenditure on allocations and grant programmes	22 - 22
2.8. Allocations and grants made by the municipality	22 - 22

LETSEMENG LOCAL MUNICIPALITY
2013-14 FINAL ANNUAL BUDGET

2.9. Councillor and board members allowances and employee benefits	22 - 23
2.10. Monthly targets of revenue, expenditure and cash flow	23 - 23
2.11. Annual budgets and service delivery and budget implementation plan: internal departments	23 - 23
2.12. Annual budgets and service delivery agreements: municipal entities and other external mechanisms	23 - 23
2.13. Contracts having future budgetary implications	23 - 24
2.14. Capital expenditure details	24 - 24
2.15. Legislation compliance	24 - 26
2.16. Other supporting documents	26 - 26
2.17. Municipal Manager's quality certificate	26 - 26

Annexures

Tariff list	27 - 42
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PART 1

1.1. MAYOR'S REPORT

The Mayor's report (formerly Mayor's budget speech) will be presented by the Mayor to Council during the final budget.

1.2. RESOLUTIONS

1. Council hereby resolve that the annual budget of the municipality for the financial year 2013-14; and indicative budget for the two outer years 2014-15 and 2015-16 be approved as set-out in:
 - a) Table A1: Budgeted Summary
 - b) Table A2: Budget Financial Performance (revenue & expenditure by standard classification)
 - c) Table A3: Budget Financial Performance (revenue & expenditure by municipal vote)
 - d) Table A4: Budget Financial Performance (revenue & expenditure)
 - e) Table A5: Budgeted Capital Expenditure by vote, standard classification and funding
 - f) Table A6: Budget Financial Position
 - g) Table A7: Budget Cash Flow
 - h) Table A8: Cash backed reserves / accumulated surplus reconciliation
 - i) Table A9: Asset Management
 - j) Table A10: Basic Service Delivery Measurement
2. that property rates tariff and tariffs for other services charges as reflected in the formal tariff list be approved for consultation processes;
3. council hereby resolve that the community and the relevant stakeholders be consulted on the tabled budget; draft IDP; proposed tariff;
4. council hereby resolve the Accounting Officer advertise and make available copies of the draft IDP; tabled budget and draft policies and that they be submitted to the relevant stakeholders.

1.3. EXECUTIVE SUMMARY

This section provides an overview of the Letsemeng Local Municipality's 2013-14 to 2015-16 Medium Term Revenue and Expenditure Framework. It includes an assessment of how the budget links with the national and provincial government contexts along with a review of the fiscal position of municipality.

The Municipality's budget must be seen within the context of the policies and financial priorities of national, provincial and district government. In essence, the spheres of Government are partners in meeting the service delivery challenges faced by Letsemeng Local Municipality. The municipality alone cannot meet these challenges. It requires support from the other spheres of Government through the direct allocation of resources, both financial and non-financial as well as the achievement of their own policies.

Therefore the municipality's resources have been allocated taking into consideration the priorities as set out during the State of the Nation Address (SOPA), State of the Provincial Address as well as other guidelines as issued by other spheres of government. Despite this, the BTO experienced some challenges during the compilation of the 2012-13 MTREF which can be summarised as follows:

- (a) The ongoing difficulties in the national and local economy and limited economic activities within Letsemeng municipality;
- (b) Aging and poorly maintained infrastructure with no capital maintenance plans to appropriately allocate resources towards maintenance;
- (c) The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality due to low revenue collection rates;
- (d) The increased cost of bulk water and electricity (due to tariff increases from Oranje Reit / Kulkfontein Dam and Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable as there will be point where services will no-longer be affordable to the majority of the residents of Letsemeng Municipality (thereby increasing the debtors book of the municipality);
- (e) The need to develop tariffs that are cost reflective of providing such services;
- (f) Wage increases (including long service bonuses) for municipal staff that continue to exceed consumer inflation as well as the need to fill critical vacancies;
- (g) The need to meet the community expectations in terms of service delivery with the limited financial resources at hand.

LETSEMENG LOCAL MUNICIPALITY
2013-14 FINAL ANNUAL BUDGET

The following budget principles and guidelines directly informed the compilation of the 2012/13 MTREF:

- (a) Budgeting for a funded and credible annual budget compared to a balanced budgeted;
- (b) The 2012-13 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2013-14 annual budget;
- (c) Tariffs on services and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity;
- (d) There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act.

Total operating revenue has grown by 6.34 per cent or R6.6 million for the 2013-14 financial year when compared to the 2012-13 Adjustments Budget.

Total operating expenditure for the 2013-14 financial year has been appropriated at R112.2 million and translates into a budgeted surplus of R0.00. When compared to 2012-13 Adjustment Budget, operational expenditure has grown by R6.6 million in the 2013-14 budget and by R2.4 million and R8.6 million for each of the respective outer years of the MTREF.

1.4. ANNUAL BUDGET TABLES

Below are the annual tables as per the requirements of Municipal Budget and Reporting Regulations:

- a) Table A1: Budget summary
- b) Table A2: Budget: Financial Performance
- c) Table A3: Budget Financial Performance (revenue and expenditure by municipal vote)
- d) Table A4: Budget Financial Performance (revenue and expenditure)
- e) Table A5: Budgeted Capital Expenditure by vote, standard, classification and funding

LETSEMENG LOCAL MUNICIPALITY
2013-14 FINAL ANNUAL BUDGET

f) Table A6: Budget Financial Position

g) Table A7: Budget Cash flow

h) Table A8: Cash backed reserves/accumulated surplus reconciliation

i) Table A9: Asset Management

k) Table A10: Basic service delivery measurement

**LETSEMENG LOCAL MUNICIPALITY
2013-14 FINAL ANNUAL BUDGET**

FS161 Letsemeng - Table A1 Budget Summary

Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Financial Performance										
Property rates	3 154	4 247	5 350	6 382	6 382	6 382	-	6 739	10 836	11 378
Service charges	16 004	23 053	24 542	40 406	40 980	40 980	-	44 222	46 909	49 801
Investment revenue	350	525	3 001	949	1 210	1 210	-	1 352	1 418	1 489
Transfers recognised - operational	55 022	45 845	48 782	53 833	55 008	55 008	-	53 974	53 834	53 500
Other own revenue	2 484	2 435	1 183	690	1 927	1 927	-	2 322	2 485	2 651
Total Revenue (excluding capital transfers and contributions)	77 014	76 106	82 858	102 259	105 507	105 507	-	108 610	115 483	118 819
Employee costs	18 686	21 767	25 382	33 257	33 152	33 152	-	35 971	38 148	40 487
Remuneration of councillors	1 725	2 183	3 068	2 600	2 700	2 700	-	3 575	3 807	4 040
Depreciation & asset impairment	6 683	21 835	21 930	1 298	1 298	1 298	-	6 438	6 753	7 091
Finance charges	972	3 998	4 383	66	66	66	-	68	71	75
Materials and bulk purchases	10 726	14 711	17 097	22 500	20 520	20 520	-	20 701	21 716	22 802
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	-	29 183	33 166	42 034	47 771	47 771	-	45 447	44 114	46 366
Total Expenditure	38 792	93 677	105 026	101 756	105 507	105 507	-	112 200	114 610	120 860
Surplus/(Deficit)	38 222	(17 570)	(22 167)	504	0	0	-	(3 590)	873	(2 040)
Transfers recognised - capital	8 651	21 920	24 216	22 090	23 167	23 167	-	42 306	57 254	84 179
Contributions recognised - capital & contributed a	2 400	2 348	283	1 791	2 375	2 375	-	2 506	2 629	2 760
Surplus/(Deficit) after capital transfers & contributions	49 273	6 697	2 331	24 385	25 542	25 542	-	41 222	60 756	84 899
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	49 273	6 697	2 331	24 385	25 542	25 542	-	41 222	60 756	84 899
Capital expenditure & funds sources										
Capital expenditure	11 051	24 648	24 499	23 881	25 542	25 542	-	44 812	59 883	86 940
Transfers recognised - capital	8 651	21 920	24 216	22 090	23 167	23 167	-	42 306	57 254	84 179
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	2 400	2 348	283	1 791	2 375	2 375	-	2 506	2 629	2 760
Total sources of capital funds	11 051	24 268	24 499	23 881	25 542	25 542	-	44 812	59 883	86 939
Financial position										
Total current assets	41 448	25 741	43 347	78 478	43 347	43 347	-	43 347	44 667	45 791
Total non current assets	151 541	160 851	626 406	254 419	626 405	626 405	-	626 405	627 248	627 749
Total current liabilities	4 284	4 021	18 911	6 736	18 579	18 579	-	18 579	18 576	18 681
Total non current liabilities	11 219	18 027	42 337	-	-	-	-	-	-	-
Community wealth/Equity	74 585	241 637	608 701	261 969	608 701	608 701	-	608 701	610 000	611 000
Cash flows										
Net cash from (used) operating	14 580	34 592	2 048	27 491	27 491	27 491	-	(15 343)	1 866	22 491
Net cash from (used) investing	(17 342)	(29 952)	(22 250)	28 594	28 594	28 594	-	42 524	65 683	92 790
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	33 719	38 359	18 157	93 694	93 730	93 730	37 645	69 181	136 730	252 011
Cash backing/surplus reconciliation										
Cash and investments available	7 168	7 695	22 477	53 479	22 477	22 477	-	22 477	22 826	23 327
Application of cash and investments	(15 509)	(18 036)	(1 640)	(26 332)	(2 004)	(2 004)	-	14 096	14 100	14 200
Balance - surplus (shortfall)	22 677	25 731	24 117	79 811	24 481	24 481	-	8 381	8 726	9 127
Asset management										
Asset register summary (WDV)	11 067	24 706	24 746	23 928	25 788	25 788	37 048	37 048	60 121	87 178
Depreciation & asset impairment	6 683	21 835	21 930	1 298	1 298	1 298	6 438	6 438	6 753	7 091
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	2 105	14 686	4 763	4 131	7 415	7 415	14 513	14 513	15 225	15 986
Free services										
Cost of Free Basic Services provided	11 530	8 967	8 967	9 416	9 416	9 416	3 404	3 404	10 084	10 443
Revenue cost of free services provided	13 791	10 956	10 957	11 420	11 520	11 570	36 432	36 432	13 280	13 285
Households below minimum service level										
Water:	-	-	-	1	1	1	1	1	0	0
Sanitation/sew erage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	1	1	1	1	1	1	1
Refuse:	-	-	-	8	8	8	9	9	9	9

**LETSEMENG LOCAL MUNICIPALITY
2013-14 FINAL ANNUAL BUDGET**

FS161 Letsemeng - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1									
Revenue - Standard										
<i>Governance and administration</i>		3 997	6 567	20 713	13 956	16 349	16 349	20 374	17 742	18 422
Executive and council		587	1 021	1 218	1 830	1 806	1 806	1 823	1 792	1 758
Budget and treasury office		2 574	4 364	17 251	10 951	13 276	13 276	17 546	14 946	15 682
Corporate services		836	1 182	2 245	1 175	1 268	1 268	1 005	1 004	982
<i>Community and public safety</i>		1 870	2 360	1 044	2 881	2 789	2 789	3 156	3 133	3 162
Community and social services		1 005	1 094	667	974	1 092	1 092	1 331	1 326	1 360
Sport and recreation		330	550	309	925	715	715	789	779	776
Public safety		528	649	-	916	684	684	757	745	740
Housing		8	68	68	66	182	182	180	183	186
Health		-	-	-	-	116	116	101	100	100
<i>Economic and environmental services</i>		142	209	130	795	1 174	1 174	1 278	1 270	1 274
Planning and development		-	115	115	685	832	832	953	940	938
Road transport		142	93	15	110	342	342	325	330	336
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		57 092	64 489	60 971	84 626	85 195	85 195	87 391	89 866	92 316
Electricity		20 632	25 729	27 858	36 475	36 475	36 475	37 653	39 098	40 630
Water		13 837	16 959	16 935	18 218	18 214	18 214	18 704	19 140	19 490
Waste water management		11 381	13 836	11 178	15 749	15 749	15 749	16 017	16 339	16 643
Waste management		11 242	7 965	5 000	14 184	14 757	14 757	15 017	15 288	15 553
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	63 102	73 625	82 858	102 259	105 507	105 507	112 200	112 011	115 174
Expenditure - Standard										
<i>Governance and administration</i>		17 921	13 394	54 091	32 918	34 860	34 860	40 585	39 125	41 355
Executive and council		2 612	3 775	7 850	10 352	12 578	12 578	14 803	13 723	14 508
Budget and treasury office		7 212	2 500	39 058	17 110	15 230	15 230	20 452	19 758	20 882
Corporate services		8 097	7 119	7 182	5 456	7 052	7 052	5 330	5 645	5 965
<i>Community and public safety</i>		1 365	2 103	2 440	4 748	5 239	5 239	7 411	7 851	8 300
Community and social services		1 105	1 909	2 292	3 649	3 737	3 737	5 851	6 208	6 570
Sport and recreation		37	81	120	433	470	470	485	508	534
Public safety		-	-	0	610	910	910	964	1 018	1 074
Housing		-	5	-	20	12	12	13	13	14
Health		223	109	28	37	110	110	98	103	109
<i>Economic and environmental services</i>		6 667	9 482	9 615	9 020	10 663	10 663	11 457	12 136	12 812
Planning and development		2 809	3 321	1 794	1 075	1 519	1 519	1 756	1 851	1 951
Road transport		3 857	6 161	7 821	7 944	9 144	9 144	9 702	10 285	10 861
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		20 375	26 187	38 880	55 070	54 745	54 745	52 748	55 497	58 392
Electricity		12 093	16 202	18 348	28 167	25 620	25 620	25 220	26 491	27 842
Water		5 260	6 873	14 201	14 234	14 046	14 046	14 272	15 038	15 839
Waste water management		1 073	948	2 834	5 704	8 376	8 376	7 183	7 551	7 941
Waste management		1 949	2 163	3 497	6 967	6 703	6 703	6 072	6 416	6 771
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	46 328	51 166	105 026	101 756	105 507	105 507	112 200	114 609	120 859
Surplus/(Deficit) for the year		16 773	22 459	(22 167)	503	0	0	0	(2 599)	(5 686)

**LETSEMENG LOCAL MUNICIPALITY
2013-14 FINAL ANNUAL BUDGET**

FS161 Letsemeng - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue by Vote	1									
Vote 1 - Budget and Treasury Office		2 574	4 364	17 251	10 951	13 424	13 424	17 647	15 046	15 782
Vote 2 - Corporate Service Management		1 954	2 399	2 946	2 274	2 453	2 453	2 173	2 169	2 152
Vote 3 - Technical Department		57 987	65 842	61 444	87 204	87 825	87 825	90 253	92 693	95 136
Vote 4 - Council		587	1 021	807	914	890	890	865	852	848
Vote 5 - Municipal Manager		-	-	411	916	916	916	958	940	910
Vote 6 - Technical Department		-	-	-	-	-	-	-	-	-
Vote 7 - Community Services		-	-	-	-	-	-	305	311	346
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	63 102	73 625	82 858	102 259	105 507	105 507	112 200	112 011	115 174
Expenditure by Vote to be appropriated	1									
Vote 1 - Budget and Treasury Office		7 212	2 500	39 087	17 218	15 478	15 478	20 776	20 101	21 244
Vote 2 - Corporate Service Management		9 098	8 905	9 353	8 797	10 431	10 431	8 856	9 376	9 908
Vote 3 - Technical Department		27 407	35 986	48 736	65 389	67 020	67 020	65 872	69 390	73 055
Vote 4 - Council		2 612	3 775	4 878	5 798	7 172	7 172	7 325	7 700	8 142
Vote 5 - Municipal Manager		-	-	2 972	4 553	5 406	5 406	7 477	6 023	6 365
Vote 6 - Technical Department		-	-	-	-	-	-	-	-	-
Vote 7 - Community Services		-	-	-	-	-	-	1 893	2 019	2 145
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	46 328	51 166	105 025	101 756	105 507	105 507	112 200	114 609	120 859
Surplus/(Deficit) for the year	2	16 773	22 460	(22 167)	503	(0)	(0)	0	(2 599)	(5 686)

**LETSEMENG LOCAL MUNICIPALITY
2013-14 FINAL ANNUAL BUDGET**

FS161 Letsemeng - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue By Source											
Property rates	2	3 154	4 247	5 350	6 382	6 382	6 382	-	6 739	10 836	11 378
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	11 024	13 349	14 516	20 453	20 453	20 453	-	22 642	24 272	26 031
Service charges - water revenue	2	1 845	5 051	5 302	7 905	7 905	7 905	-	7 696	8 073	8 476
Service charges - sanitation revenue	2	1 620	2 418	2 466	6 308	6 308	6 308	-	6 939	7 279	7 643
Service charges - refuse revenue	2	1 514	2 235	2 258	5 740	6 314	6 314	-	6 946	7 286	7 650
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		286	296	355	353	378	378	-	424	454	477
Interest earned - external investments		350	525	3 001	949	1 210	1 210	-	1 352	1 418	1 489
Interest earned - outstanding debtors		1 677	1 947	-	-	-	-	-	-	-	-
Dividends received		11	2	5	9	19	19	-	25	26	28
Fines		124	110	78	83	83	83	-	88	92	97
Licences and permits		7	5	3	5	5	5	-	5	6	6
Agency services		-	-	-	-	-	-	-	-	-	-
Transfers recognised - operational		55 022	45 845	48 782	53 833	55 008	55 008	-	53 974	53 834	53 500
Other revenue	2	380	75	742	239	1 442	1 442	-	1 781	1 907	2 045
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		77 014	76 106	82 858	102 259	105 507	105 507	-	108 610	115 483	118 819
Expenditure By Type											
Employee related costs	2	18 686	21 767	25 382	33 257	33 152	33 152	-	35 971	38 148	40 487
Remuneration of councillors		1 725	2 183	3 068	2 600	2 700	2 700	-	3 575	3 807	4 040
Debt impairment	3	-	9 465	7 056	10 608	10 608	10 608	-	5 296	5 556	5 833
Depreciation & asset impairment	2	6 683	21 835	21 930	1 298	1 298	1 298	-	6 438	6 753	7 091
Finance charges		972	3 998	4 383	66	66	66	-	68	71	75
Bulk purchases	2	10 726	14 711	17 097	22 500	20 520	20 520	-	20 701	21 716	22 802
Other materials	8	-	-	-	-	-	-	-	-	-	-
Contracted services		-	-	-	5 625	5 225	5 225	-	3 622	3 643	3 825
Transfers and grants		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	-	19 718	26 110	25 801	31 937	31 937	-	36 529	34 916	36 708
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Total Expenditure		38 792	93 677	105 026	101 756	105 507	105 507	-	112 200	114 610	120 860
Surplus/(Deficit)											
Transfers recognised - capital		8 651	21 920	24 216	22 090	23 167	23 167	-	42 306	57 254	84 179
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets		2 400	2 348	283	1 791	2 375	2 375	-	2 506	2 629	2 760
Surplus/(Deficit) after capital transfers & contributions		49 273	6 697	2 331	24 385	25 542	25 542	-	41 222	60 756	84 899
Taxation											
Surplus/(Deficit) after taxation		49 273	6 697	2 331	24 385	25 542	25 542	-	41 222	60 756	84 899
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		49 273	6 697	2 331	24 385	25 542	25 542	-	41 222	60 756	84 899
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		49 273	6 697	2 331	24 385	25 542	25 542	-	41 222	60 756	84 899

**LETSEMENG LOCAL MUNICIPALITY
2013-14 FINAL ANNUAL BUDGET**

FS161 Letsemeng - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Service Management		-	-	-	-	-	-	-	-	-	-
Vote 3 - Technical Department		-	-	-	-	-	-	-	-	-	-
Vote 4 - Council		-	-	-	-	-	-	-	-	-	-
Vote 5 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 6 - Technical Department		-	-	-	-	-	-	-	-	-	-
Vote 7 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - Budget and Treasury Office		-	573	7 706	128	327	327	-	343	360	378
Vote 2 - Corporate Service Management		-	6 127	71	710	710	-	44	46	49	
Vote 3 - Technical Department		10 639	17 290	10 319	10 835	12 296	12 296	43 277	2 158	68 892	
Vote 4 - Council		-	279	40	50	50	-	53	55	58	
Vote 5 - Municipal Manager		-	-	8	35	35	-	37	39	41	
Vote 6 - Technical Department		412	-	6 355	12 123	12 125	12 125	1 049	57 215	17 512	
Vote 7 - Community Services		-	-	-	-	-	-	10	10	10	
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	
Capital single-year expenditure sub-total		11 051	24 268	24 499	23 881	25 542	25 542	-	44 812	59 883	86 939
Total Capital Expenditure - Vote		11 051	24 268	24 499	23 881	25 542	25 542	-	44 812	59 883	86 939
Capital Expenditure - Standard											
Governance and administration		-	907	7 754	253	452	452	-	474	498	523
Executive and council		-	279	48	85	85	85	-	89	94	98
Budget and treasury office		-	573	7 706	128	327	327	-	343	360	378
Corporate services		-	55	-	40	40	40	-	42	44	47
Community and public safety		4 409	10 481	467	880	880	880	-	5 506	244	256
Community and social services		-	-	3	2	2	2	-	1 790	12	13
Sport and recreation		-	-	396	-	-	-	-	3 495	-	-
Public safety		4 409	4 409	-	210	210	210	-	221	232	243
Housing		-	6 072	68	668	668	668	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		4 256	7 721	5 389	9 026	9 025	9 025	-	263	127	133
Planning and development		4 256	1 147	389	15	15	15	-	16	17	17
Road transport		-	6 574	5 000	9 011	9 010	9 010	-	248	110	116
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		1 974	5 159	4 534	1 599	3 061	3 061	-	37 520	1 800	68 516
Electricity		545	1 174	1 449	152	152	152	-	159	167	175
Water		809	3 180	2 130	435	1 896	1 896	-	17 261	516	67 168
Waste water management		20	30	955	263	263	263	-	14 482	290	304
Waste management		600	775	-	750	750	750	-	5 618	827	868
Other		412	380	6 355	12 123	12 124	12 124	-	1 049	57 214	17 512
Total Capital Expenditure - Standard	3	11 051	24 648	24 499	23 881	25 542	25 542	-	44 812	59 883	86 940
Funded by:											
National Government		8 651	21 415	24 216	22 090	22 090	22 090	-	34 306	57 254	84 179
Provincial Government		-	505	-	-	1 077	1 077	-	8 000	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	8 651	21 920	24 216	22 090	23 167	23 167	-	42 306	57 254	84 179
Public contributions & donations	5										
Borrowing	6										
Internally generated funds		2 400	2 348	283	1 791	2 375	2 375	-	2 506	2 629	2 760
Total Capital Funding	7	11 051	24 268	24 499	23 881	25 542	25 542	-	44 812	59 883	86 939

**LETSEMENG LOCAL MUNICIPALITY
2013-14 FINAL ANNUAL BUDGET**

FS161 Letsemeng - Table A6 Budgeted Financial Position

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
ASSETS											
Current assets											
Cash		1	1 933	20 652	2 100	20 652	20 652		20 652	21 000	21 500
Call investment deposits	1	10 010	5 762	1 825	45 329	1 825	1 825	-	1 825	1 826	1 827
Consumer debtors	1	29 105	14 190	2 764	26 000	4 270	4 270	-	4 270	4 271	4 274
Other debtors		2 282	1 902	16 923	3 099	13 853	13 853		13 853	14 000	14 500
Current portion of long-term receivables						1 563	1 563		1 563	1 570	1 590
Inventory	2	50	1 954	1 184	1 950	1 184	1 184		1 184	2 000	2 100
Total current assets		41 448	25 741	43 347	78 478	43 347	43 347	-	43 347	44 667	45 791
Non current assets											
Long-term receivables		-	-	-	-	-	-		-	-	-
Investments		-	-	-	6 050	-	-		-	-	-
Investment property		-	-	-	-	-	-		-	-	-
Investment in Associate		-	-	-	-	-	-		-	-	-
Property, plant and equipment	3	151 525	160 793	626 159	248 322	626 159	626 159	-	626 159	627 000	627 500
Agricultural		-	-	-	-	-	-		-	-	-
Biological		-	-	-	-	-	-		-	-	-
Intangible	16	16	58	246	47	246	246		246	248	249
Other non-current assets		-	-	-	-	-	-		-	-	-
Total non current assets		151 541	160 851	626 406	254 419	626 405	626 405	-	626 405	627 248	627 749
TOTAL ASSETS		192 989	186 592	669 753	332 897	669 752	669 752	-	669 752	671 915	673 540
LIABILITIES											
Current liabilities											
Bank overdraft	1	2 843	-	-	-	-	-		-	-	-
Borrowing	4	-	-	-	-	-	-		-	-	-
Consumer deposits		569	643	669	736	669	669		669	670	671
Trade and other payables	4	-	1 995	18 046	500	14 096	14 096	-	14 096	14 100	14 200
Provisions		872	1 383	196	5 500	3 814	3 814		3 814	3 806	3 810
Total current liabilities		4 284	4 021	18 911	6 736	18 579	18 579	-	18 579	18 576	18 681
Non current liabilities											
Borrowing		-	-	262	-	-	-		-	-	-
Provisions		11 219	18 027	42 074	-	-	-		-	-	-
Total non current liabilities		11 219	18 027	42 337	-	-	-	-	-	-	-
TOTAL LIABILITIES		15 503	22 048	61 248	6 736	18 579	18 579	-	18 579	18 576	18 681
NET ASSETS	5	177 487	164 543	608 505	326 161	651 173	651 173	-	651 173	653 339	654 859
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		74 585	168 068	608 576	261 969	608 701	608 701		608 701	610 000	611 000
Reserves	4	-	73 569	125	-	-	-		-	-	-
Minorities' interests		-	-	-	-	-	-		-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	74 585	241 637	608 701	261 969	608 701	608 701	-	608 701	610 000	611 000

**LETSEMENG LOCAL MUNICIPALITY
2013-14 FINAL ANNUAL BUDGET**

FS161 Letsemeng - Table A7 Budgeted Cash Flows

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		10 688	37 014	31 069	43 771	43 771	43 771				
Government - operating	1	45 859	48 002	48 782	53 833	53 833	53 833		53 974	53 834	53 500
Government - capital	1		12 718	24 216	22 089	22 089	22 089		34 306	57 254	84 179
Interest		2 021	1 947	3 001	945	945	945		1 352	1 418	1 489
Dividends		11	2	5	9	9	9		25	26	28
Payments											
Suppliers and employees		(43 027)	(64 015)	(100 643)	(82 548)	(82 548)	(82 548)		(104 932)	(110 595)	(116 630)
Finance charges		(972)	(1 076)	(4 383)	(10 608)	(10 608)	(10 608)		(68)	(71)	(75)
Transfers and Grants	1										
NET CASH FROM/(USED) OPERATING ACTIVITIES		14 580	34 592	2 048	27 491	27 491	27 491	-	(15 343)	1 866	22 491
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	133	-	142	142	142		142	143	150
Decrease (Increase) in non-current debtors				-	(150)	(150)	(150)		(150)	(160)	(165)
Decrease (increase) other non-current receivables				-	(80)	(80)	(80)		(80)	(83)	(84)
Decrease (increase) in non-current investments		(17 342)	(30 085)	(22 250)	5 800	5 800	5 800		5 800	5 900	5 950
Payments											
Capital assets					22 882	22 882	22 882		36 812	59 883	86 939
NET CASH FROM/(USED) INVESTING ACTIVITIES		(17 342)	(29 952)	(22 250)	28 594	28 594	28 594	-	42 524	65 683	92 790
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing											
Increase (decrease) in consumer deposits											
Payments											
Repayment of borrowing											
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		(2 762)	4 640	(20 202)	56 085	56 085	56 085	-	27 181	67 549	115 281
Cash/cash equivalents at the year begin:	2	36 481	33 719	38 359	37 609	37 645	37 645	37 645	42 000	69 181	136 730
Cash/cash equivalents at the year end:	2	33 719	38 359	18 157	93 694	93 730	93 730	37 645	69 181	136 730	252 011

**LETSEMENG LOCAL MUNICIPALITY
2013-14 FINAL ANNUAL BUDGET**

FS161 Letsemeng - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Cash and investments available											
Cash/cash equivalents at the year end	1	33 719	38 359	18 157	93 694	93 730	93 730	37 645	69 181	136 730	252 011
Other current investments > 90 days		(26 551)	(30 664)	4 320	(46 265)	(71 253)	(71 253)	(37 645)	(46 704)	(113 904)	(228 684)
Non current assets - Investments	1	-	-	-	6 050	-	-	-	-	-	-
Cash and investments available:		7 168	7 695	22 477	53 479	22 477	22 477	-	22 477	22 826	23 327
Application of cash and investments											
Unspent conditional transfers		-	1 995	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	(15 509)	(20 031)	(1 640)	(26 332)	(2 004)	(2 004)	-	14 096	14 100	14 200
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		(15 509)	(18 036)	(1 640)	(26 332)	(2 004)	(2 004)	-	14 096	14 100	14 200
Surplus(shortfall)		22 677	25 731	24 117	79 811	24 481	24 481	-	8 381	8 726	9 127

**LETSEMENG LOCAL MUNICIPALITY
2013-14 FINAL ANNUAL BUDGET**

FS161 Letsemeng - Table A9 Asset Management

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	11 051	24 268	24 499	23 881	25 542	25 542	44 812	59 883	86 939
Infrastructure - Road transport		-	5 984	-	9 026	9 010	9 010	248	110	116
Infrastructure - Electricity		545	3 180	-	152	152	152	159	167	175
Infrastructure - Water		809	30	-	435	435	435	17 261	516	67 168
Infrastructure - Sanitation		20	775	-	263	263	263	14 482	290	304
Infrastructure - Other		600	978	6 072	1 418	1 418	1 418	6 667	18 081	18 379
Infrastructure		1 974	10 947	6 072	11 293	11 277	11 277	38 817	19 164	86 143
Community		4 409	4 409	-	12 335	12 337	12 337	5 506	244	256
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	4 668	8 911	18 427	205	1 682	1 682	190	40 170	231
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	47	246	246	300	305	310
Total Renewal of Existing Assets	2	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	-	5 984	-	9 026	9 010	9 010	248	110	116
Infrastructure - Road transport		-	5 984	-	9 026	9 010	9 010	248	110	116
Infrastructure - Electricity		545	3 180	-	152	152	152	159	167	175
Infrastructure - Water		809	30	-	435	435	435	17 261	516	67 168
Infrastructure - Sanitation		20	775	-	263	263	263	14 482	290	304
Infrastructure - Other		600	978	6 072	1 418	1 418	1 418	6 667	18 081	18 379
Infrastructure		1 974	10 947	6 072	11 293	11 277	11 277	38 817	19 164	86 143
Community		4 409	4 409	-	12 335	12 337	12 337	5 506	244	256
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	4 668	8 911	18 427	205	1 682	1 682	190	40 170	231
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	47	246	246	300	305	310
TOTAL CAPITAL EXPENDITURE - Asset class	2	11 051	24 268	24 499	23 881	25 542	25 542	44 812	59 883	86 939
ASSET REGISTER SUMMARY - PPE (WDV)										
Infrastructure - Road transport	5	-	5 984	5 000	9 011	9 010	9 010	105	110	116
Infrastructure - Electricity		545	3 180	1 449	152	152	152	159	167	175
Infrastructure - Water		809	30	2 130	435	1 896	1 896	13 788	516	67 168
Infrastructure - Sanitation		20	775	955	263	263	263	276	290	304
Infrastructure - Other		600	598	785	975	975	975	1 025	1 075	1 129
Infrastructure		1 974	10 568	10 319	10 835	12 296	12 296	15 354	2 159	68 893
Community		4 409	10 481	467	880	880	880	223	234	245
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		4 668	3 599	13 713	12 166	12 366	12 366	21 225	57 480	17 791
Agricultural Assets		-	-	-	-	-	-	-	-	16
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		16	58	246	47	246	246	246	248	249
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	11 067	24 706	24 746	23 928	25 788	25 788	37 048	60 121	87 178
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		6 682	21 825	21 020	1 208	1 208	1 208	6 428	6 752	7 004

**LETSEMENG LOCAL MUNICIPALITY
2013-14 FINAL ANNUAL BUDGET**

FS161 Letsemeng - Table A10 Basic service delivery measurement

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Household service targets	1									
Water:										
Piped water inside dwelling		8	10	10	10	10	10	10	10	10
Piped water inside yard (but not in dwelling)										
Using public tap (at least min.service level)	2									
Other water supply (at least min.service level)	4									
<i>Minimum Service Level and Above sub-total</i>		8	10	10	10	10	10	10	10	10
Using public tap (< min.service level)	3				800	800	800	500	450	300
Other water supply (< min.service level)	4									
No water supply										
<i>Below Minimum Service Level sub-total</i>		-	-	-	800	800	800	500	450	300
Total number of households	5	8	10	10	810	810	810	510	460	310
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		8	10	10	10	10	10	10	10	10
Flush toilet (with septic tank)										
Chemical toilet										
Pit toilet (ventilated)										
Other toilet provisions (> min.service level)										
<i>Minimum Service Level and Above sub-total</i>		8	10	10	10	10	10	10	10	10
Bucket toilet										
Other toilet provisions (< min.service level)										
No toilet provisions										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	8	10	10	10	10	10	10	10	10
Energy:										
Electricity (at least min.service level)										
Electricity - prepaid (min.service level)		8	10	10	10	10	10	10	10	10
<i>Minimum Service Level and Above sub-total</i>		8	10	10	10	10	10	10	10	10
Electricity (< min.service level)					704	704	704	800	900	1 000
Electricity - prepaid (< min. service level)										
Other energy sources										
<i>Below Minimum Service Level sub-total</i>		-	-	-	704	704	704	800	900	1 000
Total number of households	5	8	10	10	714	714	714	810	910	1 010
Refuse:										
Removed at least once a week		8	10	10	10	10	10	10	10	10
<i>Minimum Service Level and Above sub-total</i>		8	10	10	10	10	10	10	10	10
Removed less frequently than once a week										
Using communal refuse dump										
Using own refuse dump					8 291	8 291	8 291	9 000	9 100	9 200
Other rubbish disposal										
No rubbish disposal										
<i>Below Minimum Service Level sub-total</i>		-	-	-	8 291	8 291	8 291	9 000	9 100	9 200
Total number of households	5	8	10	10	8 301	8 301	8 301	9 010	9 110	9 210
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		8	10	10	10	10	10	10	10	10
Sanitation (free minimum level service)		5	6	6	6	6	6	6	6	6
Electricity/other energy (50kwh per household per month)		5	10	10	10	10	10	10	10	10
Refuse (removed at least once a week)		5	10	10	10	10	10	10	10	10
Cost of Free Basic Services provided (R'000)	8									
Water (6 kilolitres per household per month)		3 159	2 754	2 754	2 892	2 892	2 892	2 446	2 892	2 892
Sanitation (free sanitation service)		3 105	3 105	3 105	3 260	3 260	3 260	389	3 594	3 774
Electricity/other energy (50kwh per household per month)		2 161	2 754	2 892	3 036	3 036	3 036	180 063	3 187	3 187
Refuse (removed once a week)		3 105	3 105	3 105	3 260	3 260	3 260	389	3 594	3 774
Total cost of FBS provided (minimum social package)		11 530	8 967	8 967	9 416	9 416	9 416	3 404	10 084	10 443
Highest level of free service provided										
Property rates (R value threshold)		30 000	30 000	30 000	30 000	30 000	30 000	30 000	30 000	30 000
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)		56	55	55	60	60	60	80	80	80
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		30	30	30	30	30	30	30	30	30
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)		1 891	556	557	570	570	570	600	600	600
Property rates (other exemptions, reductions and rebates)										
Water		3 300	5 000	5 000	5 500	5 500	5 500	25 751	6 000	6 000
Sanitation		3 200	2 900	2 900	3 000	3 000	3 000	4 093	4 000	4 000
Electricity/other energy		2 200	1 500	1 500	1 550	1 600	1 650	1 895	1 750	1 750
Refuse		3 200	1 000	1 000	800	850	850	4 093	930	935
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
Total revenue cost of free services provided (total social package)	6	13 791	10 956	10 957	11 420	11 520	11 570	36 432	13 280	13 285

PART 2

2.1. BUDGET PROCESS

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

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2012) a time schedule that sets out the process to revise the IDP and prepare the annual budget. The Mayor tabled the required IDP process plan and budget time schedule in line with the applicable legislation. However, adherence to these plans was not achieved as the processes were not undertaken exactly at the dates that were indicated in the plans.

The budget was discussed at length by the section 79 committee of finance.

The community and other stakeholders were consulted during the review of Integrated Development Plan which informed this annual budget. Further consultation will take place immediately after the annual budget and revised Integrated Development Plan have been tabled to Council. These consultations are expected to take place between April 2013 and May 2013. Plans are in place for Council to consider approval of the IDP and annual budget at least 30 days before the start of a new financial year, as required by the Municipal Finance Management Act.

2.2. Alignment of the annual budget with the integrated development plan

The municipality has experienced challenges in terms of aligning its integrated development plan; annual budget and service delivery & budget implementation plan. This was also an audit query raised by the office of the Auditor General during the 2011-12 audit.

Therefore, management must pay special attention to aligning the above mentioned processes and ensuring genuine consultation of the stakeholders during the review of the IDP and annual budget compilation. Furthermore, the performance management framework must be fully functional and effective to ensure that a credible SDBIP is compiled which is fully linked to both the IDP and MTREF.

2.3. Measurable performance objectives

Performance Management is a system intended to manage and monitor service delivery progress against the predetermined strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the municipality has developed a performance management system (in the process of implementation) of which system is constantly refined as the integrated planning process unfolds. The measurable performance objectives will be included in the service delivery and budget implementation plan when it is submitted to the Mayor for approval.

2.4. Overview of the budget-related policies

The Municipal Budget and Reporting Regulations promulgated under the Municipal Finance Management Act, prescribe the budget-related policies that must be approved together with the budget. Although the municipality has complied in terms of compiling such policies and have them approved by Council, there has been major challenges (both internal and external) when it comes to implementation and adherence to such policies. Below is the overview of the policies that will be reviewed:

2.4.1 Credit control and debt collection policy

There has been a great challenge in terms of the effectiveness and implementation of credit control and debt collection policy. The absence of approved credit control procedures also led to audit queries being raised by Auditor General.

There was no annual updating and purification of the indigent register for the past year. However, there is improvement in terms of the registration process during the beginning of the 2011-12. A report is submitted, together with the quarterly report required in terms of the MFMA, where council is informed about the number of indigents that were registered at specific point in time.

2.4.3 Virement policy

These policies was reviewed and aimed at guiding the municipality in terms of compiling a credible and funded budget as required by the MFMA and also guide the municipality in terms of shifting of funds during the financial year. In addition to these policies, the mid-year budget assessment is used to guide and inform the mid-year review and adjustment budget process.

2.4.4 Supply chain management policy

The Auditor General raised many issues relating to our supply chain management process and policy. The outstanding issues that the Auditor general has raised are around irregular expenditure and fruitless and wasteful expenditure. The review of

this policy was made to incline more with Supply chain regulations to reduce the amounts regarded as irregular and fruitless and wasteful and the impact they would have in the image of the institution.

2.4.5 Cash management and investment policy

The cash management and investment policy was reviewed. The aim of the policy is to ensure that the municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves.

2.4.6 Tariff policies

The municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policies have been approved on various dates and a consolidated tariff policy is envisaged to be compiled for ease of administration and implementation of the next two years. The challenge still remains of ensuring that all proposed tariffs reflect the cost of providing such services.

2.4.7. Indigent support policy

The indigent support policy was last reviewed during May 2011 and this policy prescribes the threshold for indigent consumers as well as the free basic service component. The municipality has been experiencing problems where indigent consumers have been utilising services above the threshold thereby being unable to pay for the services, especially on water. Therefore the Municipality is in the process of procuring water meters that can restrict consumption to the prescribed threshold.

2.4.8. Budget policy

To set out the budgeting principles which the municipality will follow in preparing each annual budget, as well as to secure sound and sustainable management of budgeting and reporting practices by ensuring compliance with norms and standards and other requirements as established by the National Treasury.

2.4.9. Funding and Reserves policy

The funding of operating and capital budgets is done on an annual basis for a three year horizon. The budget must be balanced from both accounting perspective as well as a cash perspective.

The Council set as a long term objective a financially sustainable municipality with acceptable levels of service delivery to the community. Therefore, this policy aims to set standards and guidelines towards ensuring financial viability and sustainability over both the short-term and long-term and includes funding as well as reserves requirements.

2.5. Overview of the budget assumptions

Budgets are prepared in an environment of uncertainty and assumptions need to be made about internal and external factors that could impact on the budget during the course of the financial year. In compiling the 2013-14 Annual Budget, the following pivotal issues and assumptions were taken into consideration and modelled into the budget planning process:

- (a) Economic climate and poverty levels within the municipality will remain the same / constant for major part of the financial year given the limited economic activities with the vicinity;
- (b) That the revenue collection will not increase / improve by more than 15% from the 2012-13 financial year;
- (c) Cash flow projections will be strictly maintained to ensure the municipality's ability to meet its financial obligations;
- (d) The budget is prepared in the assumption that no allocations as per the 2014 annual Division of Revenue Act will be withheld / offset / paid back to the NRF.
- (e) Operational costs will be maintained at current levels or reduced as cost containment measures and where there is material decrease in revenue collection rate, expenditure will have to be reduced at the same proportion;
- (f) Filling of vacant posts will be prioritised taking into account the cash flow projections of the municipality.

LETSEMENG LOCAL MUNICIPALITY
2013-14 FINAL ANNUAL BUDGET

2.6. Overview of the budget funding

The operating budget will be funded from operational grants as well as revenue to be collected from service charges and property rates. Government grants and subsidies make 50% of the budget while 50% will be funding from own sources.

SUMMARY 2013-14 MTREF				
DETAILS	2012-13 ADJUSTMENT	2013-14	2014-15	2015-16
Property rates	6 382 000	6 739 000	7 364 000	7 732 000
Service Charges	40 980 000	44 223 000	46 910 000	49 800 000
investment	1 210 000	1 352 000	1 418 000	1 489 000
Transfers recognised: operating	55 008 000	53 974 000	53 834 000	53 500 000
Other revenue	1 927 000	2 322 000	2 484 000	2 653 000
Total Revenue	105 507 000	108 610 000	112 010 000	115 174 000
Employee Costs	33 152 000	35 971 000	38 148 000	40 487 000
Councillor Remuneration	2 700 000	3 575 000	3 807 000	4 040 000
Bulk Purchases : Water	2 520 000	2 701 000	2 834 000	2 976 000
Bulk Purchases : Electricity	18 000 000	18 000 000	18 882 000	19 826 000
Other Expenses	49 135 000	48 643 000	50 938 000	53 531 000
Total Expenses	105 507 000	108 890 000	114 609 000	120 860 000
Operating Surplus(deficit)	-	-280 000	-2 599 000	-5 686 000

The funding for capital budget will be from Municipal Infrastructure Grant, Municipal Water Infrastructure Grant as well as internally generated funds. Municipal Infrastructure Grant will fund 57%, Municipal Water Infrastructure Grant will fund 36% of the capital budget while 7% will be from internally generated funds.

SUMMARY : 2013/14 MTREF CAPITAL				
DETAILS	2012-13 ADJ	2013-14	2014-15	2015-16
Waste water management	263 000	6 482 000	290 000	304 000
Water	1 896 000	17 261 000	516 000	67 168 000
Roads	9 010 000	248 000	110 000	116 000
Public Safety	210 000	221 000	232 000	243 000
Electricity	151 600	159 000	167 000	175 000
Waste Management	750 000	5 618 000	827 000	868 000
Executive and council	85 000	89 000	94 000	98 000
Budget and Treasury office	327 000	343 000	360 000	378 000
Corporate Services	40 000	42 000	44 000	47 000
Housing	668 000	-	-	-
Community Services	2 000	1 790 000	12 000	13 000
Planning and development	15 000	16 000	17 000	17 000
Sport and Recreation	-	3 495 000	-	-
Other	12 124 000	1 049 000	57 214 000	17 512 000
Total Capital Expenditure	25 541 600	36 813 000	59 883 000	86 939 000
Capital grants	23 167 236	34 306 000	57 254 000	84 179 000
Own Contribution	2 375 000	2 506 000	2 629 000	2 760 000
Total Capital Funding	25 542 236	36 812 000	59 883 000	86 939 000

2.7. Councillor and board members allowances and employee benefits

There are critical vacant posts which have been identified to be filled during the current financial year and in 2013-14 financial year.

This review of the organogram has led to increase in employee related costs and benefits. The overall Councillor's allowances and employee benefits increases are as follows:

- (a) Employee costs will increase from R33.1 million (2012-13 adjustment budget) to R35.4 million;
- (b) Councillor allowances will increase from R2.7 million (2011-12 adjustment budget) to R2.9 million;

The budgeted salaries have increased by R9.4 Million about 32% compared to actuals in 30 June 2012. Of a concern is the fact the revenue did not increase with the same rate which brings a serious threat in terms of the financial sustainability of the municipality. Auditor General of South Africa, has already raised a going concern issue for the municipality.

Though the municipality wants to fill critical vacant posts, such post must be prioritised. Expenditure thereon must be in the same proportion as the additional revenue.

2.8. Monthly targets of revenue, expenditure and cash flow

The municipality has over the years been in a position to bill all its budgeted revenue. However, the challenges have been on revenue collection due to a number of factors both internal and external.

This meant that the municipality had to prioritise its spending as the spending is informed by availability of cash. Therefore, the spending on operational expenditure has been marginally less than anticipated due to cash flow constraints. Nevertheless, the municipality has been able to meet its financial obligations as they become due, during the course of the 2011-12.

Although the municipality has been operating with a positive cash flow balance for over three financial years, the revenue base of the municipality has decreased drastically. This meant that the municipality had very little to contribute towards capital expenditure. To date, the municipality contributes less than 5% towards capital budget and depend heavily on grants and subsidies from both national and provincial government, for its operational budget.

2.9. Annual budgets and service delivery and budget implementation plan: internal departments

The departmental service delivery implementation plan are at a draft stage and will be completed after adoption of the annual budget in order to form the high level of the municipal service delivery and budget implementation plan to be approved by the mayor, 28 days after the annual budget has been approved.

2.10. Annual budgets and service delivery agreements: municipal entities and other external mechanisms

The municipality does not have an entity and there are no services that are provided by through external mechanism.

2.11. Contracts having future budgetary implications

The municipality does not intend to enter into contracts that have future budgetary implications. In terms of the municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the BTO.

2.12. Capital expenditure details

The total capital expenditure budget of the municipality is R44.8 million.

The other balance on the MIG will be funding the PMU related costs. The other funding is from internal funds as indicated in Table A5.

2.13. Legislation compliance

Due to capacity constraints, the municipality has been experiencing challenges in terms of compliance to MFMA. However, there has been substantial improvement in terms of compliance. Reporting to National Treasury in electronic format (Appendix B returns) was fully complied with on a monthly basis where there have been challenges of compliance, such challenges were reported to Provincial Treasury.

2.14.1. In year reporting

Section 71 reporting to the Mayor will be submitted in Schedule C of the MBRR and plans are in place to update the website and published financial performance on the municipality's website. It is the intention of the municipality (Councillors and Management) to move beyond compliance but rather focus on the quality of reports that are required in terms of various legislations.

2.14.2. Internship programme

The municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Budget and Treasury Office.

The interns are undergoing training with Kgolo institute and their contracts will subsequently expire by the end of December 2014.

2.14.3. Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA. The challenge has been on recruiting, appointing and retaining competent personnel (especially with relevant accounting skills and municipal experience).

2.14.4. Service Delivery and Implementation Plan

The detailed SDBIP document is at a draft stage and will be finalised after approval of the 2012-13 Annual Budget in May 2013. Much still needs to be done from now till then to ensure direct aligned between the IDP, MTREF and SDBIP.

2.15. Other supporting documents

The documents mentioned below are attached as annexures to the annual budget:

- (a) Tariff list

2.16. Municipal Manager's quality certificate

The Municipal Manager's quality certificate as required by the Municipal Budget and Reporting Regulations is attached in the next page.

LETSEMENG LOCAL MUNICIPALITY
2013-14 FINAL ANNUAL BUDGET

LETSEMENG LOCAL MUNICIPALITY					
TARIFFS 2012/2013					
	Description	2012/2013		% Inc	2013/2014
		R			R
1.0	Property Tax				
	Category	2012/2013	Rebate		2013/2014
	Residential	0.010698	2%	5.6%	0.0110831
	Business, Industrial	0.011340	0%	6.7%	0.0120998
	Government	0.011813	0%	6.7%	0.0126045
	Vacant Stands	0.011340	0%	5.6%	0.0119750
	Churches	0.011340	100%	0%	0.0000000
	NGO, Creche, PBO structured and registered	0.011340	100%	0%	0.0000000
	Municipality	0.000000	100%	0%	0.0000000
	Small Holdings	0.005746	0%	6.4%	0.0061137
	Farms	0.001280	0%	6.7%	0.0013658
	PSI	0.010080	100%	0%	0.00000
	State owned	0.011813	0%	6.7%	0.0126045
	The above tariffs must be read in conjunction with the municipality's comprehensive Property Tax Policy				
	Property Tax is calculated on the total improvement value (Land & Improvements)				
	The first R 15 000 of the total improvement value of residential properties is exempted from property tax.				

LETSEMENG LOCAL MUNICIPALITY
2013-14 FINAL ANNUAL BUDGET

	The first R 45 000 of the total improvement , value of residential property of indigent owners is exempted from property tax.				
	Property tax is payable monthly and if not paid interest at a rate as determined from time to time will be levied on all arrear amounts.				
2.0	Administration				
2.1	Photocopies				
	Photocopies: Including Rent, Paper & Labour	1.44		10%	1.58
2.2	Tax Certificates				
	Per Certificate	62.17		10%	68.39
2.3	Valuation Certificate				
	Per Certificate	35.53		10%	39.08
2.4	Building Plan Fees				
	Per Application	94.14		10%	103.55
2.5	Posters in municipal open spaces or against posts				
	Deposit: per poster for consumers or political parties	9.31		10%	10.24
	If the personnel of the municipality must remove the posters after 7 days has lapsed since the gathering or meeting had taken place, the above deposit is forfeited.				
2.6	Facsimiles				
	Receiving of facsimiles	3.73		10%	4.10
	Sending of facsimiles	4.66		10%	5.13
2.7	Voters Lists				
	Per list or part thereof	46.60		10%	51.26
2.8	Budget				
	Per budget or part thereof	46.60		10%	51.26

LETSEMENG LOCAL MUNICIPALITY
2013-14 FINAL ANNUAL BUDGET

3.0	Cemeteries, Parks & Sport Grounds				
3.1	Cemetery Fees				
	Site Fee (Digging of grave included)	425.27		10%	467.80
	Site Fee (Digging of grave excluded)	49.48		10%	54.43
	The above exclude funerals over week ends				
	Pauper burials				
	Must qualify as an indigent according to the indigent policy				
	Must be an approved indigent				
	Must already receive a financial subsidy				
	Must be a permanent resident at the address as approved for indigent subsidy				
	The deceased must be on the application form of the approved application form for indigent subsidy				
	Pauper funerals will be subsidised as follows:				
	Adults	1 196.91		10%	1 316.60
	Children	797.94		10%	877.73
	No funerals will be allowed to take place over week ends except where the applicants will cover the grave themselves. If not then over time rates will be charged, over and above the normal tariffs				
	If a funeral is to take place on a Monday then arrangements must be made with the office before 10:00 on the previous Friday				
3.2	Sport Grounds				
	That all sport clubs received the following subsidies on the condition that the Municipal Manager can discuss any problems that he/she experiences regarding the usage of the subsidy by a sport club directly with the relevant sport club on behalf of the Council				

LETSEMENG LOCAL MUNICIPALITY
2013-14 FINAL ANNUAL BUDGET

	The usage of water, sewerage and refuse removal on condition that they maintain the club and grounds				
	R 525.00 per month which amount includes the maintenance of the facilities and free municipal services				
	Yachting Club				
	Free municipal services				
	Tennis Club				
	Free municipal services				
	Badminton Club				
	A subsidy of R 315.00 per annum for the renting of the hall				
	K.O.F.S				
	A subsidy of R 840.00 per month for the maintenance of the facilities				
	Sport Committees				
	A subsidy of R 1 500.00 per month for the maintenance of sport facilities as per contract				
3.3	Caravan Park Fees				
	Camping Fees per day	133.00		10%	146.30
4.0	Properties				
	Pound Master: Works Foreman in each Town				
	Tariffs within the municipal area				
4.1	Driving of livestock within the municipal area				

LETSEMENG LOCAL MUNICIPALITY
2013-14 FINAL ANNUAL BUDGET

4.1.1	In the case of livestock (excluding tame ostriches) whether one or more to be driven to the pound: per kilometer	3.73		10%	4.10
	with the understanding that if,				
4.1.1.1	A herd consists of more than 50 small livestock or 20 large livestock: per kilometer	3.73		10%	4.10
4.1.1.2	Small livestock, donkeys, horses and mules: the total amount payable will not exceeds the amount calculated per kilometer	3.73		10%	4.10
4.1.1.3	Tamed ostriches: Per ostrich per kilometer	3.73		10%	4.10
4.1.1.4	Pigs: per pig per kilometer	3.73		10%	4.10
4.2	Pound Fees				
4.2.1	Pound fees per animal that is impounded within the municipal area per day.				
	Large Livestock	93.29		10%	102.62
	Small Livestock	56.00		10%	61.60
	Horses, Mules and Donkeys	93.29		10%	102.62
	Pigs	56.00		10%	61.60
4.3	Trespassing Fees				
	Large Livestock (each)	7.45		10%	8.20
	Small Livestock (each)	3.73		10%	4.10
4.4	Grazing Fees / Caring Fees				
	Large Livestock (each per month)	22.41		10%	24.65
	Small Livestock (each per month)	5.58		10%	6.14
4.5	Definitions				

LETSEMENG LOCAL MUNICIPALITY
2013-14 FINAL ANNUAL BUDGET

	Large livestock is horses, donkeys, mules, cattle, pigs and ostriches				
	Small livestock is sheep and goats				
4.6	Advertisements: Pounds				
	Advertising cost is cost occurred for the advertisement of the selling of stock impounded and which is collected before it is sold.				
	The advertisement period for the selling of stock is 21 days for all stock except donkeys, pigs and mules which is as soon as possible				
4.7	Commonage fees per Ha, per year	14.88		10%	16.37
5.0	Licenses				
5.1	Dog Licenses				
5.1.1	Wolfhonde & Windhonde				
5.1.1.1	For the first dog (Sterilised or not)	27.98		10%	30.78
5.1.1.2	For each additional dog	37.29		10%	41.02
5.1.2	Other dogs				
5.1.2.1	Sterilised	18.61		10%	20.47
	Not Sterilised (Male)	26.64		10%	29.30
5.1.2.2	Not Sterilised (Bitch)	27.98		10%	30.78
5.1.2.3	For each additional dog	37.29		10%	41.02
5.1.3	Fines				
	On each full month since license fee became due: 2.5%				
5.2	Business Licenses				
	Application Fee	46.70		10%	51.37

LETSEMENG LOCAL MUNICIPALITY
2013-14 FINAL ANNUAL BUDGET

	Businesses: Food	139.90		10%	153.89
	Hawkers per day at the approved sites (Works Foreman will collect the fees)	19.15		10%	21.07
	Hawkers from other municipal areas per day	84.59		10%	93.05
	Flats for the aged	165.00		9.09%	180.00
6.0	Public Works				
	Sundry Tariffs				
6.1	Services Rendered				
6.1.1	Post level 5: Artisan - calculated from the time he/she left his/her works place until such time he/she returns the his/her works place. (per hour)	176.26		10%	193.89
	An additional allowance per day is payable if he/she must work outside the municipal area	37.29		10%	41.02
6.1.2	Post Level 11 16: Laborers - per day per employee	257.13		10%	282.84
	An additional allowance per day is payable if he/she must work outside the municipal area	14.88		10%	16.37
6.1.3	Compressor: Per actual hours worked as per hour meter (including labour & petrol)	158.16		10%	173.98
6.1.4	Vacuum Tank and Tractor				
	Per hour and	98.78		10%	108.66
	Per kilometer	3.98		10%	4.38
	Labour supplied by municipality and is inclusive				
	Vacuum Tanker				
	Per hour and	98.78		10%	98.78
	Per kilometer	39.07		10%	39.07
6.1.5	Light Vehicles: per kilometer	2.95		10%	3.25
6.1.6	Graders				
	Per actual hour worked (diesel included)	355.93		10%	391.52
	Petra Diamonds Mine: Petrol and labour				

LETSEMENG LOCAL MUNICIPALITY
2013-14 FINAL ANNUAL BUDGET

6.1.7	Excavator				
	Per actual hour worked (diesel included)	316.88		10%	348.57
6.1.8	After Hour Calls: per call if less then 30 minutes	49.43		10%	54.37
6.1.9	Bulldozer				
	Per actual hour worked (diesel included)	494.30		10%	543.73
6.1.10	Tipper Trucks				
	Per hour and	108.66		10%	108.66
	Per kilometer	9.89		10%	10.88
6.1.11	Flat Base Trucks per kilometer	12.86		10%	14.15
6.1.12	Tractors per hour	59.30		10%	65.23
	Deposit on tractor	444.05		10%	488.46
6.1.13	Traveling cost of equipment to be paid by user.				
6.1.14	TLB (Back Hoe)				
	Per actual hour worked (diesel included)	316.88		10%	348.57
6.1.15	Small trailer per day	133.10		10%	146.40
6.1.16	Rental of Bo-Mac per day or part thereof	532.40		10%	585.65
6.2	Road closures per day or part thereof	39.93		10%	43.92
7.0	Refuse Removal				
7.1	Refuse Removal Fees				
	Per Month				
	Households	70.18		10%	77.20
	Flats/Town Houses	70.18		10%	77.20
	Businesses / Offices	136.43		10%	150.07
	Abattoir	575.87		10%	633.46
	Wine Cellar	205.68		10%	226.25
	Schools and Boarding Schools	139.85		10%	153.84
	Spoornet	185.11		10%	203.62
	Crèches	70.18		10%	77.20

LETSEMENG LOCAL MUNICIPALITY
2013-14 FINAL ANNUAL BUDGET

	Churches	41.13		10%	45.24
	Households - Combined with Business	93.17		10%	93.17
	Other	123.40		10%	135.74
	Empty Erven - Availability	41.13		10%	45.24
	Refuse bags	3.17		10%	3.49
7.1.1	An approved refuse drum is one which has two handles and the drums must be supplied by the consumer at own cost.				
7.1.2	If one drum is not sufficient the consumer must supply more drums.				
7.1.3	The Health Inspector of the municipality will determine whether a drum is according to the specifications				
7.1.4	The consumer has the choice to remove his/her garden refuse to an approved dumping site or he/she can place it with their normal refuse on a weekly basis. No additional fees are payable.				
7.1.5	Bulk refuse and/or building rubble will be removed per load. (Load - 4m3)	147.84		10%	162.62
7.1.6	Refuse Removals will be done as per newsletter				
7.2	Cleaning of empty sites				
	Sites smaller than 600m2	462.01		10%	508.21
	Sites larger than 600m2 but smaller than 1 500m2	720.72		10%	792.79
7.3	Sewerage Tariffs				
	Per Month				
	Households	70.18		10%	77.20
	Flats/Town Houses	70.18		10%	77.20

LETSEMENG LOCAL MUNICIPALITY
2013-14 FINAL ANNUAL BUDGET

	Businesses / Offices	123.40		10%	135.74
	Abattoir	4 977.25		10%	5 474.98
	Wine Cellar	1 017.64		10%	1 119.40
	Schools and Boarding Schools	485.45		10%	534.00
	Petra Diamonds Security Area	4 936.12		10%	5 429.73
	Spoornet	185.11		10%	203.62
	Department of Justice	925.53		10%	1 018.08
	Crèches	69.37		10%	76.31
	Churches	41.13		10%	45.24
	Households - Combined with Business	79.86		10%	79.86
	Sucking Points - each	123.40		10%	135.74
	Old Age Flats	63.43		10%	69.77
	Garages	154.26		10%	169.69
	Others	123.40		10%	135.74
	Empty Erven - Availability	41.13		10%	45.24
	Buckets	-		10%	-
	Note: Sewer blockages at abattoirs-each	923.96		10%	1 016.36
	Residential sewer blockages				
	Per household sharing manhole	53.24	-	10%	53.24
	Per household not sharing manhole	212.96	-	10%	212.96
	Rental of suction pump per hour (including petrol)	133.10		10%	133.10
	Sewerage connection	798.60		10%	798.60
7.5	Town Halls and Offices				
	Town Halls: Jacobsdal, Koffiefontein, Luckhoff & Petrusburg - rent and deposits				
7.5.1	Weddings, Receptions and Banquets (excluding dancing)				
	Residents	239.38		10%	263.32
	Non- Residents	398.97		10%	438.87
7.5.2	As above and include dancing				
	Residents: rent	319.18		10%	351.10

LETSEMENG LOCAL MUNICIPALITY
2013-14 FINAL ANNUAL BUDGET

	Residents: deposit	797.94		10%	877.73
	Non- Residents: rent	638.35		10%	702.19
	Non- Residents: deposit	1 117.11		10%	1 228.82
7.5.3	Dances	-			-
	Residents: rent	398.97		10%	438.87
	Residents: deposit	797.94		10%	877.73
	Non- Residents: rent	797.94		10%	877.73
	Non- Residents: deposit	1 117.11		10%	1 228.82
7.5.4	Bioscope: Rent-Residents	119.69		10%	131.66
	Non Residents	239.38		10%	263.32
7.5.5	Charity: Rent	-			-
7.5.6	Churches	-			-
	Residents: rent	95.74		10%	105.31
	Non- Residents: rent	239.38		10%	263.32
	Deposit	319.18		10%	351.10
7.6	Concerts and Theater				
7.6.1	Local Amateurs				
	Residents: rent	111.71		10%	122.88
	Residents: deposit	797.94		10%	877.73
	Non- Residents: rent	239.38		10%	263.32
	Non- Residents: deposit	1 117.11		10%	1 228.82
7.6.2	School Concert				
	Residents: rent	55.87		10%	61.46
	Non- Residents: rent	319.18		10%	351.10
	Deposit	797.94		10%	877.73
7.6.3	Traveling Theater				
	Non- Residents: rent	319.18		10%	351.10
	Non- Residents: deposit	1 117.11		10%	1 228.82
7.7	Meetings, Exhibitions and Tables				
7.7.1	Political Meetings				

LETSEMENG LOCAL MUNICIPALITY
2013-14 FINAL ANNUAL BUDGET

	Residents: rent	47.88		10%	52.67
	Non- Residents: rent	47.88		10%	52.67
7.7.2	Political Committee Meetings				
	Residents: rent	47.88		10%	52.67
	Non- Residents: rent	47.88		10%	52.67
7.7.3	Meetings/Gatherings				
	Residents: rent	95.74		10%	105.31
	Non- Residents: rent	239.38		10%	263.32
7.7.4	Educational. Schools, VLU and OVW				
	Residents: rent	-			-
	Non- Residents: rent	79.81		10%	87.79
7.7.5	Exhibitions between 20:00 and 09:00				
	Residents: rent	319.18		10%	351.10
	Non- Residents: rent	957.52		10%	1 053.27
7.7.6	Tables and chairs are free of charge on condition that it can only be used within municipal properties	-			-
7.7.7	Application for parties, church services and other function not mentioned above will be submitted to an ad-hoc committee existing out of the Mayor or Chairperson of the Finance Committee, a Councillor and the Municipal Manager for consideration and if approved the applicable fee				
8	Library Halls				
8.1	Deposit	159.59		10%	175.55
8.2	Rent per occasion				
8.2.1	Farewell parties, Song Competitions & Film Shows	79.81		10%	87.79
8.2.2	Theater Dance	79.81		10%	87.79

LETSEMENG LOCAL MUNICIPALITY
2013-14 FINAL ANNUAL BUDGET

8.2.3	Meetings	79.81		10%	87.79
8.2.4	Charity	-			-
8.2.5	School Functions (With supervision from school)	-			-
8.2.6	Any other purpose	111.71		10%	122.88
9.0	Electricity				
9.1	Electricity Service				NERSA APPROVED
	<u>Tariff 1</u>				
9.1.1	Households, Flats and Houses (Conventional Meters)				
9.1.1.1	A fixed service levy per consumption month or part thereof plus	137.30		8.00%	148.28
9.1.1.2	Consumption per kW.h 0 - 50 kWh	0.63		8%	0.68
	51 - 350 kWh	0.79		8%	0.85
	351 - 600 kWh	1.04		8%	1.12
	> 600 kWh	1.25		8%	1.35
9.1.2	Temporary User Tariff per kW.h	1.79		11.03%	
	Minimum Fee	5.77		11.03%	
9.1.3	Pre-paid User Tariff: Residential per kW.h				
	Consumption per kW.h 0 - 50 kWh	0.65		8%	0.70
	51 - 350 kWh	0.80		8%	0.86
	351 - 600 kWh			8%	1.13

LETSEMENG LOCAL MUNICIPALITY
2013-14 FINAL ANNUAL BUDGET

	kWh	1.05			
	kWh > 600	1.25		8%	1.35
	<u>Tariff 2</u>				
9.2	Spoornet				
9.2.1	A fixed service levy per consumption month or part thereof plus	275.52		8%	297.56
9.2.2	Consumption per kW.h	1.23		8%	1.33
	<u>Tariff 3</u>				
9.3.1	All other users not mentioned above, businesses and offices (conventional meters)				
9.3.1.1	A fixed service levy per consumption month or part thereof plus	275.52		8%	297.56
9.3.1.2	Consumption per kW.h	1.23		8%	1.33
9.3.1.3	Pre-paid User Tariff: per kW.h	1.33		8%	1.44
	<u>Tariff 4</u>				
9.4	Bulk Users				
	This tariff is applicable on all users whose maximum demand is over 35 KVA in any 30 minute period in a consumption month.				
9.4.1	A minimum of 35 KVA @ R57.25/KVA = R3 003.75 per month or part thereof plus,				
	Per KVA	144.37		8%	155.92
	Minimum	4 784.52		8%	5 167.28

LETSEMENG LOCAL MUNICIPALITY
2013-14 FINAL ANNUAL BUDGET

9.4.2	Per KVA above 35 KVA, plus	144.37		8%	155.92
9.4.3	kW.h consumption per consumption month or part thereof	0.51		8%	0.55
	<u>Tariff 5</u>				
9.5	Bulk Users – that use less than 10 000 kW.h per month,				
	This tariff is applicable on all consumers whose maximum demand is over 50KVA for any period of 30 minutes in a consumption month.				
9.5.1	A fixed service levy per month; plus	3 251.04		8.00%	3511.12
9.5.2	kW.h consumption per consumption month or part thereof	1.03		8.00%	1.11
	<u>Tariff 6</u>				
	Provision to areas outside the municipal area				
	The provision of electricity to user's whose premises are not within the municipal area, will be handled under the same conditions and tariffs as those of the same category user within the municipal area on the condition that a levy of maximum 25% be added to the monthly account.				
	<u>Tariff 7</u>				
	Municipal Consumption				
	Consumption per kW.h	1.16		8.00%	1.25
	<u>Tariff 8</u>				
	Increases by ESKOM				

LETSEMENG LOCAL MUNICIPALITY
2013-14 FINAL ANNUAL BUDGET

	If ESKOM increases the purchase price of electricity, the municipality can increase its tariffs after a council resolution has been obtained by the same percentage increase as that of ESKOM and shall not be more than 30% at any given time. The increase can also not be earlier than the implementation date of ESKOM.				
	<u>Tariff 9</u>				
	Empty erven and erven where the electricity supply where taken out.				
		41.29		10%	45.42
	An amount of R41.29 per month is payable for each erf (except if the erf is part of land belonging to the Government) which is not connected to the electricity network of the municipality and is adjacent to a street or part of a street in which the electricity supply is available. This tariff is also applicable where the owner has requested that the electricity supply must be removed				
	<u>Tariff 10</u>				
10.1	Electricity Connections				
10.1.1	Residential Connections per connection	3 326.84		10%	3 659.52
10.1.2	Other connections per connection	5 544.72		10%	6 099.19
10.1.3	The installation of a 3 phase meter (pre-paid or conventional). Additional cost per connection	4 435.77		10%	4 879.35
10.1.4	The change to or installation of a single phase pre-paid meter per connection (additional cost)	998.05		10%	1 097.86

LETSEMENG LOCAL MUNICIPALITY
2013-14 FINAL ANNUAL BUDGET

10.1.5	The connection fees of indigents and poor households are subsidised out of the Equitable Share at 100% and 50% respectively				
10.2	Deposits				
	Deposits for all residential and other users are payable according to the Council's Credit Control Policy				
	Increases of deposits will be done within the electricity provision regulations and the credit control policy				
	Indigents will not pay any deposits				
	Poor households will only pay 50% of the relevant deposit				
10.3	Reconnections and special meter readings				
	Per application and in cases of late payments	66.54	10%	73.19	
10.4	Installation Tests				
	First Test	55.48	10%	61.03	
	Per test thereafter	66.54	10%	73.19	
10.5	Telephonic Reminders per call	11.12	10%	12.23	
10.6	Call outs:				
	The costs will be added to the monthly consumer account if it can not be paid during the call out				
10.6.1	During Working Hours:				
	Per Call	55.48	10%	61.03	
	Labour per hour	122.00	10%	134.20	
	Material for the cost of the consumer				
10.6.2	After Hours:				
	Per Call	83.70	10%	92.07	
	Labour per hour	212.47	10%	233.72	
	Material for the cost of the consumer				

**LETSEMENG LOCAL MUNICIPALITY
2013-14 FINAL ANNUAL BUDGET**

10.6.3	Sundays and Public Holidays				
	Per Call	103.00		10%	113.30
	Labour per hour	283.27		10%	311.60
	Material for the cost of the consumer				
10.6.4	Call outs after hours are only applicable if there is no electricity				
10.6.5	Petra Diamonds Mine personnel or owners of houses	-			-
	Only requests from home owners will receive attention but personnel from Petra Diamonds Mine can through the mines security office request help in the case of an emergency				
10.7	Tampering of meters :				
	Consumers will be charged if proven that there had been tampered with municipal property.				
	Services will be discontinued until full payment has been made	3 070.18			
11.0	Water Tariffs				
11.1	Residential				
	0 - 6KL	-		10%	-
	7-30 KL	5.40		8%	5.83
	31-50 KL	7.65		5%	8.03
	>50 KL	8.41		5%	8.83
	Fixed Levy	41.51		10%	45.66
11.2	Flats for the Old Age				
	Fixed Levy: per month	41.51		10%	45.66

LETSEMENG LOCAL MUNICIPALITY
2013-14 FINAL ANNUAL BUDGET

11.3	Industries (In Industrial Area)				
	Fixed Levy	519.08		10%	570.99
	Per Kiloliter	6.34		15%	7.29
11.4	Users not Mentioned				
	Fixed Levy: per month	124.59		10%	137.05
	Per Kiloliter	6.44		15%	7.41
11.5	Petra Diamonds Mine: Purified Water				
	Fixed Levy: per month	519.08		10%	570.99
	Per Kiloliter	6.34		15%	7.29
11.6	Schools, Chreches and Boarding Schools				
	Fixed Levy: per month	117.73		10%	129.50
	Per Kiloliter	6.34		15%	7.29
11.7	Municipal Usages				
	Per Kiloliter	5.60		10%	6.16
11.8	Empty Erven (excluding Government Land)				
	Fixed Levy: per month	37.30		10%	41.03
11.9	Chanal Water (Jacobsdal)				
	Levy per hour	201.29		10%	221.42
11.10	Pre-paid System				
	Non-residential	5.13		10%	5.64
11.11	Pre-paid System				
	Residential (0-6KI Free)	7.63		10%	8.39
11.12	Water connection	798.60		10%	798.60
11.1	Tampering of meters :				

LETSEMENG LOCAL MUNICIPALITY
2013-14 FINAL ANNUAL BUDGET

	Consumers will be charged if proven that there had been tampered with municipal property.				
	Services will be discontinued until full payment has been made	1 315.80			
	All the above tariffs excludes VAT				