

# Letsemeng Local Municipality



## **MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2018-19**

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## **PART 1**

### **1.1. Mayor's budget speech – Honourable Councillor Reachable**

Honourable Councillors,  
Municipal Manager and Directors,  
Stakeholders and community at large, acknowledge my warm and heartfelt greetings to you all.

### **1. INTRODUCTION AND OPENING REMARKS**

Speaking at SALGA conference on April 25, 2007, our former Finance Minister, Mr. Trevor Manuel said" Gathered here today are men and women whose actions (or inactions) touch the lives of all South Africans. You do this through the policies you make. You touch people's lives through the decisions you take on how to spend the Budgets you pass every year. You affect lives through the by-laws and regulations that you pass from time to time. So you have power. Your action can change things for better or for worse. Through your actions you can protect the poor and by failing to act you can cause irreparable harm to the most vulnerable." As we consider this budget it is important that we remind ourselves of the mandate bestowed on us by the Constitution of our country.

Our constitution places an obligation on local government institutions to strive, within their financial and administrative capacity, to achieve the objects of local government and developmental objectives set in section 152 and 153 respectively.

Therefore, as we proceed to approve the 2018/19 budget and IDP we are called upon not to lose sight of the developmental agenda of local government and the responsibility we carry on our shoulders to make our contribution in an effort to bring about a better life for all our people.

Our Current President, Mr. Cyril Ramaphosa in his state of the nation address, quoted the lyrics from the late singer, Bra Hugh Masikela, the message in the song by Bra Hugh Masikela is Thuma Mina (send me), Bra Hugh Masikela Sang:

"I wanna be there when the people start to turn it around

When they triumph over poverty

I wanna be there when the people win the battle against AIDS

I wanna lend a hand

I wanna be there for the alcoholic

I wanna be there for the drug addict

I wanna be there for the victims of violence and abuse

I wanna lend a hand

Send me."

After the state of the Nation address, several thuma mina campaigns have been launched urging South African to work hand in hand with Government to improve the lives of all South African. I call upon business people to work hand in hand with the Municipality to improve the lives of our community members

Honourable Councils, the responsibility of this Council as a collective is to be realistic about the challenges the municipality is facing. As leaders, we also need to restore hope and tell our people about strategies and programmes to be implemented to mitigate these challenges.

## 2. OUR CHALLENGES

Councillors, we need to acknowledge the challenges we are facing as the municipality. In so doing, we will speedily realize the need to develop strategies that will respond to such challenges:

- Our immediate challenges in service delivery includes reducing water and electricity losses to the acceptable level.
- Sealing of potholes and rehabilitating road network;
- Sustainable waste collection on a regular basis;
- An aging service delivery fleet and lack of other service delivery equipment.

There are other service delivery backlogs which require our urgent attention. Our efforts and response in this regard are always measured by the watchful eye of our communities.

The above challenges have led to the municipality being unable to service some of its debt (especially the bulk service accounts) and unable to pay suppliers within 30 days.

### 3. BUDGET PROCESS FOR 2018/19

The reviewed IDP and Annual Budget I am tabling here today for approval, are the tools that will guide us in becoming responsive to the needs of the communities we serve as well as addressing the challenges we face as the municipality.

In compiling the 2018/19 annual budget

- we have followed the Municipal Finance Management Act, the Municipal Systems Act; Municipal Property Rates Act and other legislation that regulates this process;
- we have observed the requirements of the Municipal Budget and Reporting Regulations;
- we have taken followed National Treasury Budget Circulars;
- we have consulted with strategic institutions such as NERSA,
- we have taken cue from the State of the Nation Address (SONA) and State of the Provincial Address (SOPA);

- Most importantly, we have consulted the community of Letsemeng and all stakeholders that will be affected by this budget.

#### 4. ALIGNMENT BETWEEN NATIONAL AND PROVINCIAL PRIORITIES

The Municipality cannot change the lives of the people and pursue the developmental agenda in isolation from the other spheres of government. In this regard, our plans and strategies are in line with the State of the Nation Address by the President as well as the State of the Provincial Address by the Premier of the Free State.

In this regard, we are committed as the municipality to:

- improving access to sustainable basic services;
- fighting poverty amongst our communities;
- creating employment opportunities through government programmes;

The municipality has programmes that talks directly to these objectives.

#### 5. TARIFF INCREASES

As a requirement from National Treasury, our budget is based on the concept of balanced budget, Municipalities are not supposed to budget for a deficit, in order to mitigate against this issue, unpopular decisions had to be made, and one of those decisions was to increase our tariffs, however, it should be noted that our tariffs are in line with the guidelines as issued by National Treasury and NERSA.

##### Property rates

- Property rates tariffs for other properties will increase by 6%. Municipality will be implementing a new valuation roll in line with the provisions of Municipal Property rates act

##### Electricity

- Municipality has applied for 6.84% tariff increase in line with the guidelines as issued by NERSA

- In future, we will be introducing the Seasonal Tariff and Time-of-Use tariff in order for our tariffs to be in line with the tariffs as charged by NERSA.

We are humbly requesting the community to use electricity sparingly (especially during the winter months).

Those who have ideas on how the municipality can take advantage of the efficient power sources are welcomed to approach the municipality (that is Office of the Mayor), so that the municipality can explore and take advantage of such ideas and initiatives.

#### Service charges

- The tariffs for Water, Sanitation and Refuse will increase by an average of 6.30%.

## 6. OVERVIEW OF THE BUDGET

Our total budget for revenue is R 138 million.

The municipality will receive Operating Grants (Equitable share; Municipal Finance Management Grant and Expanded Public Works Program Grant) to the value R61 million.

Honorable Councillors, there will be no service delivery if communities, do not pay for their services. In this regard, we urge and call upon all communities to pay for their services. Letsemeng has an Operation Patala Program which was launched by the Mayor where citizen are encouraged to pay for their services and receive up to 50% discount. Community members are urged to take advantage of this discounts.

It should be noted however that it will not be business as usual for those community members who are not paying their services. We are collectively going to engage in a robust credit control measures to ensure that services are paid for. We will take punitive measures for community members who are found to have tempered with water and electricity supply.

As the municipality, we are not only urging communities to pay for services, but we are also saying for those who cannot afford to pay for services, they must register in the municipality as Indigent.

Councillors, let me talk about expenditure,

Our total expenditure budget is R180 million including non-cash items of R 56 million. The expenditure allocations are as follows:

- Employee related costs is budgeted at R51.7 million.
- A budget of R3.9 million goes towards Remuneration of Councillors. This is within the upper limits as provided for in the relevant legislation.
- Repairs and maintenance are budgeted at R5.2 million.
- As the municipality we are responsible for provision of water and electricity. Therefore, we have put aside R32 million for Bulk Purchases: water and electricity.

Our total Capital budget is R49.9 million, and the following are the identified projects:

- Project Management Unit R 1.4 million
- Koffiefontein: Upgrading of existing Waste Disposal Site (MIS:207907) R 5.4 million
- Koffiefontein/Sonwabile: Construction of new sports facility (Phase 1) R 810 000
- Koffiefontein: Upgrading of 2.2km paved road and storm water (MIS:239658) R 518 000
- Jacobsdal/Ratanang: Construction of waterbourne Sanitation for 202 stands (MIS:240317) R 415 000,
- Luckhoff: Upgrading of 0.9km access paved road and storm water (MIS:266873) R 8 million
- Luckhoff: Construction of a new solid waste landfill site Phase 2 – Implementation R 1.6 million

- Koffiefontein/Sonwabile: Upgrading of sports facility R 11.5 million
- Jacobsdal: Upgrading of waste water treatment works (Phase 2) R 51 000
- Jacobsdal: Upgrading of waste water treatment works (MIS:168615) R 30 000
- Water Projects in Oppermangronde – R 6 million
- Water project in Jacobsdal – R 14 million

We have noted that the high rate of unemployment remains our greatest challenge, but our response to the unemployment challenge needs to be better coordinated. In particular, efforts to increase employment of young people have to be intensified and also increase skills development. This is the centre of our war against poverty.

Honourable Councillors, we are considering the annual budget of 2018/19 during June, a month that has been declared a 'Youth Month'. As such, Honourable Councillors, this budget should strive to cater for the needs of our young people.

- In this regard, we have set aside a budget of R100 000 for bursaries to assist students with registration at tertiary institutions in the 2019 academic year.

As government, we need to robustly pursue the programme of human settlement. In this regard, we have embarked on a programme of site-allocations. Honourable Councillors, for a considerable time, our people have been residing at houses to which they do not have Title Deeds. They called those houses theirs, yet they did not have anything to prove ownership. This has changed as title deeds have been given to community members, and as Council we will continue giving out title deeds to our community members.

In the same breath, Honourable Councillors, we want to warn the community members who have a keen interest on invading land and open spaces around the municipal area. This practice is illegal and needs to be condemned and transgressors will face the full might of the law.

## 7. CONCLUSION

Honourable Councillors, my concluding remarks as follows:

- Time has come for us to take a collective responsibility to turn around the financial and service delivery challenges of Municipality.

Thuma Mina, Thuma Mina

Each budget that we have presented to this council has been different. The important shift this year is that the global economy has changed; and South African economy has deteriorated.

Honourable Councillors, to prepare a budget that will stand up to scrutiny requires an ability to take advises from many quarters to analyze and test them.

Amongst the sources of ideas, is the broader public consultation and engagement in the process and taking ownership of the budget. This year all stakeholders have shared their ideas with us, and I can assure you their inputs have been taken into consideration.

After having considered all the proposals, I am privileged to present this annual budget as a statement of collective responsibility for Letsemeng Local Municipality.

In this regard, Honourable Councillors, allow me to extend my sincere appreciation to the entire Council of Letsemeng for their undivided support. Let me also acknowledge the support provided by the Municipal Manager and all Directors. The support provided by the staff in the Office of Mayor (led by the Acting Manager in that office), officials from the Budget & Treasury Office (led by the CFO) who have been with me throughout the IDP & Budget Consultations, and the entire staff of Letsemeng Local Municipality, your efforts are highly appreciated.

Honourable Councillors, I hereby table the Reviewed 2018/19 IDP and Annual Budget of Letsemeng Local Municipality for the financial year ending 30 June 2019 for your consideration and approval.

I thank you!!

## 1.2. RESOLUTIONS

*To be included once the council has approved the budget.*

## 1.3. EXECUTIVE SUMMARY

This section provides an overview of the Letsemeng Local Municipality's 2018-19 to 2020-21 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.

The following budget principles and guidelines directly informed the compilation of the 2018/19 MTREF:

- (a) Budgeting for a funded and credible annual budget compared to a balanced budgeted;
- (b) The 2017-18 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 2018-19 annual budget;
- (c) Tariffs on services and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, also as per guideline of Circular 89 and 91 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 increased from R **130 004 000 to R138 585 000(R8 581 000)** for the 2018-19 financial year when compared to the 2017-18 Adjustment Budget the increase is due to the actual amount analysis that was made during this financial period. Operating revenue comprises of service charges, property rates and other revenue. We anticipate to collect 70% of the billed revenue due to the water and electricity meters that will be installed as well as the effective implementation of the credit control policy, this will increase our revenue collection in the next financial year.

Property rates increased from **R18 225 000** to **R19 797 000**, electricity is increased from **R21 940 000** to **R22 967 000**, water is increased from **R8 244 000** to **R8 865 000**, sanitation decreased from **R9 361 000** to **R8 486 000** and refuse increased from **R9 501 000** to **R10 108 000**. All of the service charges were increased with an inflation rate of 5.3%. Other revenue consist of administration costs, objection costs, photocopies costs and clearance certificate. Municipality is still awaiting NERSA tariff approval for electricity.

Total operating expenditure has increased from **R170 052 000** to **R180 147 000** (**R10 095 000**) for the 2018-19 financial year when compared to the 2017-18 Adjustment Budget. Total operating expenditure for the 2018-19 financial year has translates into a budgeted deficit of **R41 562 000**. The operating expenditure consist of employee related costs, remuneration of Councillors, bulk purchases, contracted services and other expenditure. Employee related costs increased from **R50 166 000** to **R51 715 000**. Remuneration of Councillors was increased to **R3 859 000** during the adjustment budget in January 2018 and for the next financial year it still remains the same as the upper limit will be gazetted in December 2018. Bulk purchases were increased from **R28 188 000** to **R32 000 000** including the arrangement amounts as agreed with Eskom. Contracted services increased from **R10 132 000** to **R16 392 000**, it's included under other expenditure and comprises of EPWP job creation, valuation roll, Mscoa, rental of photocopies machines, compilation of annual financial statements and road and storm water master plan. Other expenditure increased from **R17 763 000** to **R30 600 000**, this amount include R16 392 000 of contracted services. Other expenditure consist of human capital development, chemicals, accommodation, audit fees, printing and stationery, rental of equipment, legal expenses and provision for disaster management.

As per requirement from National treasury we are expected to budget for non-cash items i.e. Debt Impairment **R22 998 000** and Depreciation and Asset Impairment of **R33 739 000**

### **1.3. ANNUAL BUDGET TABLES**

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

- a) Table A1: Budgeted Summary
- b) Table A2: Budget Financial Performance (revenue & expenditure by standard  
1. 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

FS161 Letsemeng - Table A1 Budget Summary

Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	14,564	13,228	14,917	18,225	18,225	18,225	–	19,797	20,866	22,014
Service charges	31,316	41,196	48,932	50,755	49,046	49,046	–	50,426	53,447	56,921
Investment revenue	1,850	232	579	797	100	100	–	842	890	939
Transfers recognised - operational	50,185	53,514	50,227	52,089	52,089	52,089	–	61,052	68,726	75,820
Other own revenue	11,069	8,729	13,289	11,464	10,544	10,544	–	6,467	6,829	7,205
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>108,984</b>	<b>116,898</b>	<b>127,944</b>	<b>133,331</b>	<b>130,004</b>	<b>130,004</b>	<b>–</b>	<b>138,585</b>	<b>150,758</b>	<b>162,899</b>
Employee costs	38,845	40,898	46,643	49,220	50,166	50,166	–	51,715	54,496	57,494
Remuneration of councillors	3,143	3,395	3,348	3,500	3,859	3,859	–	3,859	3,907	4,122
Depreciation & asset impairment	28,729	27,589	32,866	31,920	37,785	37,785	–	33,739	35,629	37,588
Finance charges	992	1,552	3,010	50	400	400	–	53	56	59
Materials and bulk purchases	22,605	21,611	26,844	27,354	28,188	28,188	–	37,181	36,063	38,046
Transfers and grants	–	–	–	–	–	–	–	–	–	–
Other expenditure	47,744	41,149	72,765	52,347	49,653	49,653	–	53,599	58,286	58,683
<b>Total Expenditure</b>	<b>142,058</b>	<b>136,195</b>	<b>185,476</b>	<b>164,391</b>	<b>170,052</b>	<b>170,052</b>	<b>–</b>	<b>180,147</b>	<b>188,437</b>	<b>195,991</b>
<b>Surplus/(Deficit)</b>	<b>(33,075)</b>	<b>(19,296)</b>	<b>(57,532)</b>	<b>(31,061)</b>	<b>(40,048)</b>	<b>(40,048)</b>	<b>–</b>	<b>(41,562)</b>	<b>(37,679)</b>	<b>(33,093)</b>
Transfers and subsidies - capital (monetary allocation)	17,445	24,557	55,529	74,140	46,877	46,877	–	49,949	41,149	42,083
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(15,629)</b>	<b>5,261</b>	<b>(2,003)</b>	<b>43,079</b>	<b>6,829</b>	<b>6,829</b>	<b>–</b>	<b>8,387</b>	<b>3,470</b>	<b>8,990</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) for the year</b>	<b>(15,629)</b>	<b>5,261</b>	<b>(2,003)</b>	<b>43,079</b>	<b>6,829</b>	<b>6,829</b>	<b>–</b>	<b>8,387</b>	<b>3,470</b>	<b>8,990</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>19,552</b>	<b>30,079</b>	<b>59,226</b>	<b>46,877</b>	<b>43,047</b>	<b>43,047</b>	<b>–</b>	<b>49,949</b>	<b>41,149</b>	<b>42,083</b>
Transfers recognised - capital	18,822	28,952	59,226	46,877	43,047	43,047	–	49,949	41,149	42,083
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	730	1,127	–	–	–	–	–	–	–	–
<b>Total sources of capital funds</b>	<b>19,552</b>	<b>30,079</b>	<b>59,226</b>	<b>46,877</b>	<b>43,047</b>	<b>43,047</b>	<b>–</b>	<b>49,949</b>	<b>41,149</b>	<b>42,083</b>
<b>Financial position</b>										
Total current assets	38,105	55,709	69,904	91,700	91,700	91,700	–	31,205	61,021	67,087
Total non current assets	576,645	569,476	594,936	642,902	642,902	642,902	–	694,873	733,786	774,144
Total current liabilities	23,749	17,431	55,705	12,546	12,546	12,546	–	13,316	14,097	14,872
Total non current liabilities	10,747	16,819	21,850	11,457	11,457	11,457	–	12,167	12,885	13,594
Community wealth/Equity	580,253	590,935	587,285	710,599	710,599	710,599	–	700,595	767,825	812,766
<b>Cash flows</b>										
Net cash from (used) operating	(1,316)	8,765	55,500	45,363	45,363	45,363	–	52,649	45,828	52,529
Net cash from (used) investing	(10,824)	(11,140)	(55,425)	(46,877)	(46,877)	(46,877)	–	(49,949)	(44,349)	(47,011)
Net cash from (used) financing	302	(92)	(293)	–	–	–	–	–	–	–
<b>Cash/cash equivalents at the year end</b>	<b>3,195</b>	<b>727</b>	<b>512</b>	<b>(1,002)</b>	<b>(1,250)</b>	<b>(1,141)</b>	<b>–</b>	<b>2,982</b>	<b>4,461</b>	<b>9,979</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	3,195	730	513	43,873	43,873	43,873	–	892	29,683	31,316
Application of cash and investments	5,552	(19,482)	6,626	(5,466)	(6,015)	(6,015)	–	(6,351)	(5,857)	(7,814)
<b>Balance - surplus (shortfall)</b>	<b>(2,358)</b>	<b>20,212</b>	<b>(6,113)</b>	<b>49,339</b>	<b>49,888</b>	<b>49,888</b>	<b>–</b>	<b>7,243</b>	<b>35,540</b>	<b>39,130</b>
<b>Asset management</b>										
Asset register summary (WDV)	565,774	569,239	594,815	642,902	644,265	644,265	–	694,873	733,786	774,144
Depreciation	28,729	27,589	32,866	31,920	37,785	37,785	–	33,739	35,629	37,588
Renewal of Existing Assets	–	–	–	–	–	–	–	3,834	10,887	4,089
Repairs and Maintenance	3,711	1,576	3,010	4,169	3,469	1,245	–	5,181	5,471	5,772
<b>Free services</b>										
Cost of Free Basic Services provided	20,436	6,389	6,452	7,157	7,157	7,157	12,480	12,480	12,856	13,029
Revenue cost of free services provided	19,617	21,369	25,382	25,382	25,382	–	32,277	32,277	33,722	35,043
<b>Households below minimum service level</b>										
Water:	1	1	1	1	1	1	–	–	–	–
Sanitation/sew erage:	2	2	2	2	2	2	2	2	2	2
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	1	1	1	1	1	1	1	1	1	1

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

Functional Classification Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		76,653	85,368	73,530	108,201	79,659	79,659	168,074	173,338	185,391
Executive and council		–	–	–	–	–	–	–	–	–
Finance and administration		76,653	85,368	73,530	108,201	79,659	79,659	168,074	173,338	185,391
Internal audit		–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		4,366	349	510	600	300	300	–	–	–
Community and social services		366	–	510	600	300	300	–	–	–
Sport and recreation		4,000	31	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–
Housing		–	318	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		6,604	89	6,123	1,038	1,000	1,000	–	–	–
Planning and development		1,010	–	–	1,000	1,000	1,000	–	–	–
Road transport		5,594	89	6,123	38	–	–	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		38,806	55,649	103,310	97,632	95,923	95,923	20,459	18,569	19,591
Energy sources		14,375	15,107	18,827	21,496	21,940	21,940	–	–	–
Water management		7,211	22,208	63,089	55,742	55,121	55,121	11,860	9,488	10,010
Waste water management		11,057	9,837	10,532	10,286	9,360	9,360	560	592	624
Waste management		6,162	8,497	10,862	10,108	9,502	9,502	8,039	8,489	8,956
<i>Other</i>	4	–	–	–	–	–	–	–	–	–
<b>Total Revenue - Functional</b>	2	126,429	141,455	183,473	207,471	176,881	176,881	188,534	191,907	204,982
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		115,742	115,340	158,484	133,637	138,464	138,464	109,385	111,084	114,384
Executive and council		3,143	3,395	21,830	4,500	4,859	4,859	14,508	15,089	15,919
Finance and administration		112,599	111,945	136,654	129,137	133,605	133,605	93,607	94,654	97,051
Internal audit		–	–	–	–	–	–	1,270	1,341	1,415
<i>Community and public safety</i>		–	–	–	–	–	–	4,761	5,027	5,304
Community and social services		–	–	–	–	–	–	1,612	1,702	1,796
Sport and recreation		–	–	–	–	–	–	74	78	82
Public safety		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	3,022	3,191	3,367
Health		–	–	–	–	–	–	53	56	59
<i>Economic and environmental services</i>		–	–	–	3,400	3,400	3,400	10,743	10,991	11,596
Planning and development		–	–	–	1,400	1,400	1,400	4,312	4,200	4,431
Road transport		–	–	–	2,000	2,000	2,000	6,431	6,791	7,165
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		26,316	20,854	26,991	27,354	28,188	28,188	58,092	61,334	64,707
Energy sources		22,562	16,321	22,402	22,471	22,471	22,471	29,277	30,916	32,617
Water management		3,754	4,533	4,589	4,883	5,717	5,717	15,701	16,580	17,492
Waste water management		–	–	–	–	–	–	5,928	6,260	6,604
Waste management		–	–	–	–	–	–	7,186	7,578	7,995
<i>Other</i>	4	–	–	–	–	–	–	–	–	–
<b>Total Expenditure - Functional</b>	3	142,058	136,195	185,476	164,391	170,052	170,052	182,981	188,437	195,991
<b>Surplus/(Deficit) for the year</b>		(15,629)	5,261	(2,003)	43,079	6,829	6,829	5,553	3,470	8,990

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

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>										
<b>Revenue by Vote</b>	1									
Vote 1 - Finance and Administration		76,653	85,368	73,530	108,201	79,659	79,659	144,660	148,165	158,833
Vote 2 - Executive and Council		-	-	-	-	-	-	-	-	-
Vote 3 - Community and Social Services		366	-	510	600	300	300	-	-	-
Vote 4 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 5 - Water Management		7,211	22,208	63,089	55,742	55,121	55,121	10,239	9,488	10,010
Vote 6 - Waste Water Management		11,057	9,837	10,532	10,286	9,360	9,360	560	592	624
Vote 7 - Waste Management		6,162	8,497	10,862	10,108	9,502	9,502	10,108	8,489	8,956
Vote 8 - Energy Sources		14,375	15,107	18,827	21,496	21,940	21,940	22,967	25,173	26,558
Vote 9 - Planning and Development		1,010	-	-	1,000	1,000	1,000	-	-	-
Vote 10 - Sport and Recreation		4,000	31	-	-	-	-	-	-	-
Vote 11 - Road Transport		5,594	89	6,123	38	-	-	-	-	-
Vote 12 - Health		-	-	-	-	-	-	-	-	-
Vote 13 - Housing		-	318	-	-	-	-	-	-	-
Vote 14 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 15 - Finance and administration 2		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>126,429</b>	<b>141,455</b>	<b>183,473</b>	<b>207,471</b>	<b>176,881</b>	<b>176,881</b>	<b>188,534</b>	<b>191,907</b>	<b>204,982</b>
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - Finance and Administration		112,599	111,945	136,654	129,137	133,605	133,605	78,253	78,555	80,066
Vote 2 - Executive and Council		3,143	3,395	21,830	4,500	4,859	4,859	14,508	15,089	15,919
Vote 3 - Community and Social Services		-	-	-	-	-	-	1,612	1,702	1,796
Vote 4 - Internal Audit		-	-	-	-	-	-	1,270	1,341	1,415
Vote 5 - Water Management		3,754	4,533	4,589	4,883	5,717	5,717	15,701	16,580	17,492
Vote 6 - Waste Water Management		-	-	-	-	-	-	5,928	6,260	6,604
Vote 7 - Waste Management		-	-	-	-	-	-	7,186	7,578	7,995
Vote 8 - Energy Sources		22,562	16,321	22,402	22,471	22,471	22,471	29,277	30,916	32,617
Vote 9 - Planning and Development		-	-	-	1,400	1,400	1,400	4,312	4,200	4,431
Vote 10 - Sport and Recreation		-	-	-	-	-	-	74	78	82
Vote 11 - Road Transport		-	-	-	2,000	2,000	2,000	6,431	6,791	7,165
Vote 12 - Health		-	-	-	-	-	-	53	56	59
Vote 13 - Housing		-	-	-	-	-	-	3,022	3,191	3,367
Vote 14 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 15 - Finance and administration 2		-	-	-	-	-	-	15,355	16,099	16,985
<b>Total Expenditure by Vote</b>	2	<b>142,058</b>	<b>136,195</b>	<b>185,476</b>	<b>164,391</b>	<b>170,052</b>	<b>170,052</b>	<b>182,981</b>	<b>188,437</b>	<b>195,991</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>(15,629)</b>	<b>5,261</b>	<b>(2,003)</b>	<b>43,079</b>	<b>6,829</b>	<b>6,829</b>	<b>5,553</b>	<b>3,470</b>	<b>8,990</b>

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

Description		Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue By Source												
Property rates	2		14,564	13,228	14,917	18,225	18,225	18,225	–	19,797	20,866	22,014
Service charges - electricity revenue	2		14,162	15,012	18,299	21,496	21,940	21,940	–	22,967	24,292	25,719
Service charges - water revenue	2		5,159	8,087	12,989	8,865	8,244	8,244	–	8,865	9,539	10,233
Service charges - sanitation revenue	2		6,246	9,294	9,104	10,286	9,361	9,361	–	8,486	9,002	9,581
Service charges - refuse revenue	2		5,749	8,804	8,541	10,108	9,501	9,501	–	10,108	10,614	11,388
Service charges - other			–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment			245	505	2,209	600	300	300	–	571	603	636
Interest earned - external investments			1,850	232	579	797	100	100	–	842	890	939
Interest earned - outstanding debtors			4,743	7,463	10,526	7,950	7,950	7,950	–	3,869	4,085	4,310
Dividends received		5	7	7	1	32	5	5	–	34	36	38
Fines, penalties and forfeits		5	5	30	8	34	15	15	–	36	38	40
Licences and permits			–	–	–	4	4	4	–	4	5	5
Agency services			–	–	–	–	–	–	–	–	–	–
Transfers and subsidies			50,185	53,514	50,227	52,089	52,089	52,089	–	61,052	68,726	75,820
Other revenue	2		6,071	724	545	2,845	2,271	2,271	–	1,954	2,063	2,176
Gains on disposal of PPE			–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)			108,984	116,898	127,944	133,331	130,004	130,004	–	138,585	150,758	162,899
Expenditure By Type												
Employee related costs	2		38,845	40,898	46,643	49,220	50,166	50,166	–	51,715	54,496	57,494
Remuneration of councillors			3,143	3,395	3,348	3,500	3,859	3,859	–	3,859	3,907	4,122
Debt impairment	3		14,622	5,746	36,735	21,758	21,758	21,758	–	22,998	24,286	25,622
Depreciation & asset impairment	2		28,729	27,589	32,866	31,920	37,785	37,785	–	33,739	35,629	37,588
Finance charges			992	1,552	3,010	50	400	400	–	53	56	59
Bulk purchases	2		22,605	21,611	26,844	27,354	28,188	28,188	–	32,000	30,592	32,274
Other materials	8		–	–	–	–	–	–	–	5,181	5,471	5,772
Contracted services			–	–	–	–	–	–	–	–	–	–
Transfers and subsidies			–	–	–	–	–	–	–	–	–	–
Other expenditure	4, 5		33,122	35,403	36,030	30,589	27,895	27,895	–	30,600	34,000	33,061
Loss on disposal of PPE			–	–	–	–	–	–	–	–	–	–
Total Expenditure			142,058	136,195	185,476	164,391	170,052	170,052	–	180,147	188,437	195,991
Surplus/(Deficit)			(33,075)	(19,296)	(57,532)	(31,061)	(40,048)	(40,048)	–	(41,562)	(37,679)	(33,093)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			17,445	24,557	55,529	74,140	46,877	46,877	–	49,949	41,149	42,083
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher	6		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)			–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions			(15,629)	5,261	(2,003)	43,079	6,829	6,829	–	8,387	3,470	8,990
Taxation			–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation			(15,629)	5,261	(2,003)	43,079	6,829	6,829	–	8,387	3,470	8,990
Attributable to minorities			–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality			(15,629)	5,261	(2,003)	43,079	6,829	6,829	–	8,387	3,470	8,990
Share of surplus/ (deficit) of associate	7		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year			(15,629)	5,261	(2,003)	43,079	6,829	6,829	–	8,387	3,470	8,990

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

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>	<b>1</b>										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	<b>2</b>										
Vote 1 - Finance and Administration		297	744	54,674	-	-	-	-	-	-	-
Vote 2 - Executive and Council		433	-	3,822	-	-	-	-	-	-	-
Vote 3 - Community and Social Services		3,046	383	729	-	-	-	-	-	-	-
Vote 4 - Internal Audit		-	-	-	-	-	-	-	-	-	-
Vote 5 - Water Management		982	-	-	25,000	25,000	25,000	-	20,000	24,000	24,201
Vote 6 - Waste Water Management		6,964	-	-	7,586	7,586	7,586	-	7,089	8,000	7,970
Vote 7 - Waste Management		2,003	-	-	4,335	4,335	4,335	-	-	-	-
Vote 8 - Energy Sources		-	-	-	4,630	800	800	-	-	-	-
Vote 9 - Planning and Development		-	-	-	-	-	-	-	-	-	-
Vote 10 - Sport and Recreation		-	-	-	775	775	775	-	13,769	149	314
Vote 11 - Road Transport		5,826	28,952	-	3,682	3,682	3,682	-	8,594	9,000	9,599
Vote 12 - Health		-	-	-	-	-	-	-	-	-	-
Vote 13 - Housing		-	-	-	-	-	-	-	-	-	-
Vote 14 - Public Safety		-	-	-	-	-	-	-	-	-	-
Vote 15 - Finance and administration 2		-	-	-	869	869	869	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	<b>7</b>	<b>19,552</b>	<b>30,079</b>	<b>59,226</b>	<b>46,877</b>	<b>43,047</b>	<b>43,047</b>	<b>-</b>	<b>49,451</b>	<b>41,149</b>	<b>42,083</b>
<b>Single-year expenditure to be appropriated</b>	<b>2</b>										
Vote 1 - Finance and Administration		-	-	-	-	-	-	-	-	-	-
Vote 2 - Executive and Council		-	-	-	-	-	-	-	-	-	-
Vote 3 - Community and Social Services		-	-	-	-	-	-	-	-	-	-
Vote 4 - Internal Audit		-	-	-	-	-	-	-	-	-	-
Vote 5 - Water Management		-	-	-	-	-	-	-	498	-	-
Vote 6 - Waste Water Management		-	-	-	-	-	-	-	-	-	-
Vote 7 - Waste Management		-	-	-	-	-	-	-	-	-	-
Vote 8 - Energy Sources		-	-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		-	-	-	-	-	-	-	-	-	-
Vote 10 - Sport and Recreation		-	-	-	-	-	-	-	-	-	-
Vote 11 - Road Transport		-	-	-	-	-	-	-	-	-	-
Vote 12 - Health		-	-	-	-	-	-	-	-	-	-
Vote 13 - Housing		-	-	-	-	-	-	-	-	-	-
Vote 14 - Public Safety		-	-	-	-	-	-	-	-	-	-
Vote 15 - Finance and administration 2		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>498</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Vote</b>		<b>19,552</b>	<b>30,079</b>	<b>59,226</b>	<b>46,877</b>	<b>43,047</b>	<b>43,047</b>	<b>-</b>	<b>49,949</b>	<b>41,149</b>	<b>42,083</b>
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		<b>730</b>	<b>744</b>	<b>58,497</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Executive and council		433	-	3,822	-	-	-	-	-	-	-
Finance and administration		297	744	54,674	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		<b>3,046</b>	<b>383</b>	<b>729</b>	<b>775</b>	<b>775</b>	<b>775</b>	<b>-</b>	<b>13,769</b>	<b>149</b>	<b>314</b>
Community and social services		3,046	383	729	-	-	-	-	-	-	-
Sport and recreation		-	-	-	775	775	775	-	13,769	149	314
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>5,826</b>	<b>28,952</b>	<b>-</b>	<b>3,682</b>	<b>3,682</b>	<b>3,682</b>	<b>-</b>	<b>8,594</b>	<b>9,000</b>	<b>9,599</b>
Planning and development		-	-	-	-	-	-	-	-	-	-
Road transport		5,826	28,952	-	3,682	3,682	3,682	-	8,594	9,000	9,599
Environmental protection		-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>9,950</b>	<b>-</b>	<b>-</b>	<b>41,551</b>	<b>37,721</b>	<b>37,721</b>	<b>-</b>	<b>27,586</b>	<b>32,000</b>	<b>32,171</b>
Energy sources		-	-	-	4,630	800	800	-	-	-	-
Water management		982	-	-	25,000	25,000	25,000	-	20,000	24,000	24,201
Waste water management		6,964	-	-	7,586	7,586	7,586	-	498	-	-
Waste management		2,003	-	-	4,335	4,335	4,335	-	7,089	8,000	7,970
<b>Other</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>869</b>	<b>869</b>	<b>869</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Functional</b>	<b>3</b>	<b>19,552</b>	<b>30,079</b>	<b>59,226</b>	<b>46,877</b>	<b>43,047</b>	<b>43,047</b>	<b>-</b>	<b>49,949</b>	<b>41,149</b>	<b>42,083</b>
<b>Funded by:</b>											
National Government		18,822	28,952	59,226	46,877	43,047	43,047	-	49,949	41,149	42,083
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>4</b>	<b>18,822</b>	<b>28,952</b>	<b>59,226</b>	<b>46,877</b>	<b>43,047</b>	<b>43,047</b>	<b>-</b>	<b>49,949</b>	<b>41,149</b>	<b>42,083</b>
<b>Public contributions &amp; donations</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Borrowing</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Internally generated funds</b>		<b>730</b>	<b>1,127</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Funding</b>	<b>7</b>	<b>19,552</b>	<b>30,079</b>	<b>59,226</b>	<b>46,877</b>	<b>43,047</b>	<b>43,047</b>	<b>-</b>	<b>49,949</b>	<b>41,149</b>	<b>42,083</b>

FS161 Letsemeng - Table A6 Budgeted Financial Position

Description		Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
ASSETS												
Current assets												
Cash			3,195	730	513	2,873	2,873	2,873	–	892	29,683	31,316
Call investment deposits	1		–	–	0	26,000	26,000	26,000	–	–	–	–
Consumer debtors	1		18,383	38,461	46,118	23,077	23,077	23,077	–	25,322	26,067	30,211
Other debtors			7,880	12,354	20,481	2,951	2,951	2,951	–	–	–	–
Current portion of long-term receivables			1,528	–	–	32,077	32,077	32,077	–	–	–	–
Inventory	2		7,119	4,164	2,793	4,722	4,722	4,722	–	4,991	5,271	5,561
Total current assets			38,105	55,709	69,904	91,700	91,700	91,700	–	31,205	61,021	67,087
Non current assets												
Long-term receivables			–	–	–	–	–	–	–	–	–	–
Investments			–	–	–	15,000	15,000	15,000	–	–	–	–
Investment property			–	–	–	20,802	20,802	20,802	–	21,988	23,219	24,496
Investment in Associate			10,306	237	121	–	–	–	–	–	–	–
Property, plant and equipment	3		565,774	568,868	593,525	606,480	606,480	606,480	–	672,769	710,444	749,519
Agricultural			–	–	–	–	–	–	–	–	–	–
Biological			258	–	–	170	–	–	–	–	–	–
Intangible			306	160	1,079	450	450	450	–	116	123	130
Other non-current assets			–	211	211	–	170	170	–	–	–	–
Total non current assets			576,645	569,476	594,936	642,902	642,902	642,902	–	694,873	733,786	774,144
TOTAL ASSETS			614,749	625,185	664,840	734,602	734,602	734,602	–	726,078	794,807	841,231
LIABILITIES												
Current liabilities												
Bank overdraft	1		–	–	–	–	–	–	–	–	–	–
Borrowing	4		–	172	667	–	–	–	–	–	–	–
Consumer deposits			722	752	799	842	842	842	–	–	–	–
Trade and other payables	4		22,374	9,177	26,689	10,949	10,949	10,949	–	12,518	13,254	13,983
Provisions			653	7,331	27,551	755	755	755	–	798	843	889
Total current liabilities			23,749	17,431	55,705	12,546	12,546	12,546	–	13,316	14,097	14,872
Non current liabilities												
Borrowing			–	79	3,114	–	–	–	–	–	–	–
Provisions			10,747	16,739	18,736	11,457	11,457	11,457	–	12,167	12,885	13,594
Total non current liabilities			10,747	16,819	21,850	11,457	11,457	11,457	–	12,167	12,885	13,594
TOTAL LIABILITIES			34,496	34,250	77,555	24,003	24,003	24,003	–	25,483	26,981	28,465
NET ASSETS	5		580,253	590,935	587,285	710,599	710,599	710,599	–	700,595	767,825	812,766
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)			580,253	590,935	587,285	710,599	710,599	710,599	–	700,595	767,825	812,766
Reserves	4		–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5		580,253	590,935	587,285	710,599	710,599	710,599	–	700,595	767,825	812,766

FS161 Letsemeng - Table A7 Budgeted Cash Flows

Description		Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
			–	5,112	3,917	12,758	12,758	12,758	–	14,254	15,024	15,850
			32,133	29,996	19,320	35,529	35,529	35,529	–	40,303	41,732	43,414
			4,340	505	–	2,428	2,428	2,428	–	2,565	2,708	2,857
	1		50,185	53,514	70,226	52,089	52,089	52,089	–	61,052	68,726	75,820
	1		21,189	18,444	55,529	46,877	46,877	46,877	–	49,949	41,149	42,083
			1,850	232	579	6,362	6,362	6,362	–	4,711	4,975	5,248
			5	7	1	32	32	32	–	34	36	38
Payments												
			(110,025)	(97,493)	(92,682)	(110,662)	(110,662)	(110,662)	–	(120,166)	(128,466)	(132,722)
			(992)	(1,552)	(1,391)	(50)	(50)	(50)	–	(53)	(56)	(59)
	1		–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES			(1,316)	8,765	55,500	45,363	45,363	45,363	–	52,649	45,828	52,529
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
			–	–	–	–	–	–	–	–	–	–
			–	–	–	–	–	–	–	–	–	–
			–	–	–	–	–	–	–	–	–	–
			(10,824)	12,020	115	–	–	–	–	–	–	–
Payments												
			–	(23,160)	(55,540)	(46,877)	(46,877)	(46,877)	–	(49,949)	(44,349)	(47,011)
NET CASH FROM/(USED) INVESTING ACTIVITIES			(10,824)	(11,140)	(55,425)	(46,877)	(46,877)	(46,877)	–	(49,949)	(44,349)	(47,011)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
			–	–	–	–	–	–	–	–	–	–
			302	–	–	–	–	–	–	–	–	–
			–	–	–	–	–	–	–	–	–	–
Payments												
			–	(92)	(293)	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES			302	(92)	(293)	–	–	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD			(11,838)	(2,467)	(218)	(1,514)	(1,514)	(1,514)	–	2,700	1,479	5,518
	2		15,033	3,195	730	512	264	373	–	282	2,982	4,461
	2		3,195	727	512	(1,002)	(1,250)	(1,141)	–	2,982	4,461	9,979

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

G101 Letsameing - Table A0 Cash backed reserves/accumulated surplus reconciliation												
Description		Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Cash and investments available</b>												
Cash/cash equivalents at the year end		1	3,195	727	512	(1,002)	(1,250)	(1,141)	–	2,982	4,461	9,979
Other current investments > 90 days			0	3	1	29,875	30,123	30,014	–	(2,090)	25,222	21,337
Non current assets - Investments		1	–	–	–	15,000	15,000	15,000	–	–	–	–
<b>Cash and investments available:</b>			<b>3,195</b>	<b>730</b>	<b>513</b>	<b>43,873</b>	<b>43,873</b>	<b>43,873</b>	<b>–</b>	<b>892</b>	<b>29,683</b>	<b>31,316</b>
<b>Application of cash and investments</b>												
Unspent conditional transfers			–	–	–	–	–	–	–	–	–	–
Unspent borrowing			–	–	–	–	–	–	–	–	–	–
Statutory requirements		2										
Other working capital requirements		3	5,552	(19,482)	6,626	(5,466)	(6,015)	(6,015)	–	(6,351)	(5,857)	(7,814)
Other provisions												
Long term investments committed		4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments		5										
<b>Total Application of cash and investments:</b>			<b>5,552</b>	<b>(19,482)</b>	<b>6,626</b>	<b>(5,466)</b>	<b>(6,015)</b>	<b>(6,015)</b>	<b>–</b>	<b>(6,351)</b>	<b>(5,857)</b>	<b>(7,814)</b>
<b>Surplus(shortfall)</b>			<b>(2,358)</b>	<b>20,212</b>	<b>(6,113)</b>	<b>49,339</b>	<b>49,888</b>	<b>49,888</b>	<b>–</b>	<b>7,243</b>	<b>35,540</b>	<b>39,130</b>

FS 161 Letsemeng - Table A9 Asset Management

R thousand	Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>CAPITAL EXPENDITURE</b>											
	<b>Total New Assets</b>		<b>19,592</b>	<b>30,079</b>	<b>59,226</b>	<b>46,877</b>	<b>43,047</b>	<b>43,047</b>	<b>1,597</b>	<b>80</b>	<b>7,599</b>
	<i>Roads Infrastructure</i>		5,826	—	54,197	3,682	3,682	3,682	—	—	—
	<i>Storm water Infrastructure</i>		—	—	—	—	—	—	—	—	—
	<i>Electrical Infrastructure</i>		—	—	—	4,630	800	800	—	—	—
	<i>Water Supply Infrastructure</i>		982	—	—	25,000	25,000	25,000	—	—	7,599
	<i>Sanitation Infrastructure</i>		6,964	—	—	7,586	7,586	7,586	—	—	—
	<i>Solid Waste Infrastructure</i>		2,003	—	—	5,204	5,204	5,204	—	—	—
	<i>Rail Infrastructure</i>		—	—	—	—	—	—	—	—	—
	<i>Coastal Infrastructure</i>		—	—	—	—	—	—	—	—	—
	<i>Information and Communication Infrastructure</i>		—	—	—	—	—	—	—	—	—
	<b>Infrastructure</b>		<b>15,776</b>	<b>28,952</b>	<b>54,197</b>	<b>46,102</b>	<b>42,272</b>	<b>42,272</b>	—	—	<b>7,599</b>
	<i>Community Facilities</i>		3,046	—	—	775	775	775	1,597	80	—
	<i>Sport and Recreation Facilities</i>		—	—	—	—	—	—	—	—	—
	<b>Community Assets</b>		<b>3,046</b>	—	—	<b>775</b>	<b>775</b>	<b>775</b>	<b>1,597</b>	<b>80</b>	—
	<b>Heritage Assets</b>		—	—	—	—	—	—	—	—	—
	<i>Revenue Generating</i>		—	—	—	—	—	—	—	—	—
	<i>Non-revenue Generating</i>		—	—	—	—	—	—	—	—	—
	<b>Investment properties</b>		—	—	—	—	—	—	—	—	—
	<i>Operational Buildings</i>		482	744	5,029	—	—	—	—	—	—
	<i>Housing</i>		—	383	—	—	—	—	—	—	—
	<b>Other Assets</b>		<b>482</b>	<b>1,127</b>	<b>5,029</b>	—	—	—	—	—	—
	<b>Biological or Cultivated Assets</b>		—	—	—	—	—	—	—	—	—
	<i>Services</i>		—	—	—	—	—	—	—	—	—
	<i>Licences and Rights</i>		248	—	—	—	—	—	—	—	—
	<b>Intangible Assets</b>		<b>248</b>	—	—	—	—	—	—	—	—
	<b>Computer Equipment</b>		—	—	—	—	—	—	—	—	—
	<b>Furniture and Office Equipment</b>		—	—	—	—	—	—	—	—	—
	<b>Machinery and Equipment</b>		—	—	—	—	—	—	—	—	—
	<b>Transport Assets</b>		—	—	—	—	—	—	—	—	—
	<b>Libraries</b>		—	—	—	—	—	—	—	—	—
	<b>Zoo's, Marine and Non-biological Animals</b>		—	—	—	—	—	—	—	—	—
	<b>Total Renewal of Existing Assets</b>		—	—	—	—	—	—	<b>3,834</b>	<b>10,887</b>	<b>4,089</b>
	<i>Roads Infrastructure</i>		—	—	—	—	—	—	—	—	—
	<i>Storm water Infrastructure</i>		—	—	—	—	—	—	—	—	—
	<i>Electrical Infrastructure</i>		—	—	—	—	—	—	—	—	—
	<i>Water Supply Infrastructure</i>		—	—	—	—	—	—	—	—	—
	<i>Sanitation Infrastructure</i>		—	—	—	—	—	—	3,834	415	—
	<i>Solid Waste Infrastructure</i>		—	—	—	—	—	—	—	10,472	4,089
	<i>Rail Infrastructure</i>		—	—	—	—	—	—	—	—	—
	<i>Coastal Infrastructure</i>		—	—	—	—	—	—	—	—	—
	<i>Information and Communication Infrastructure</i>		—	—	—	—	—	—	—	—	—
	<b>Infrastructure</b>		—	—	—	—	—	—	<b>3,834</b>	<b>10,887</b>	<b>4,089</b>
	<i>Community Facilities</i>		—	—	—	—	—	—	—	—	—
	<i>Sport and Recreation Facilities</i>		—	—	—	—	—	—	—	—	—
	<b>Community Assets</b>		—	—	—	—	—	—	—	—	—
	<b>Heritage Assets</b>		—	—	—	—	—	—	—	—	—
	<i>Revenue Generating</i>		—	—	—	—	—	—	—	—	—
	<i>Non-revenue Generating</i>		—	—	—	—	—	—	—	—	—
	<b>Investment properties</b>		—	—	—	—	—	—	—	—	—
	<i>Operational Buildings</i>		—	—	—	—	—	—	—	—	—
	<i>Housing</i>		—	—	—	—	—	—	—	—	—
	<b>Other Assets</b>		—	—	—	—	—	—	—	—	—
	<b>Biological or Cultivated Assets</b>		—	—	—	—	—	—	—	—	—
	<i>Services</i>		—	—	—	—	—	—	—	—	—
	<i>Licences and Rights</i>		—	—	—	—	—	—	—	—	—
	<b>Intangible Assets</b>		—	—	—	—	—	—	—	—	—
	<b>Computer Equipment</b>		—	—	—	—	—	—	—	—	—
	<b>Furniture and Office Equipment</b>		—	—	—	—	—	—	—	—	—
	<b>Machinery and Equipment</b>		—	—	—	—	—	—	—	—	—
	<b>Transport Assets</b>		—	—	—	—	—	—	—	—	—
	<b>Libraries</b>		—	—	—	—	—	—	—	—	—
	<b>Zoo's, Marine and Non-biological Animals</b>		—	—	—	—	—	—	—	—	—
	<b>Total Upgrading of Existing Assets</b>		—	—	—	—	0	0	<b>44,517</b>	<b>30,182</b>	<b>30,395</b>
	<i>Roads Infrastructure</i>		—	—	—	—	—	—	9,507	603	—
	<i>Storm water Infrastructure</i>		—	—	—	—	—	—	—	—	—
	<i>Electrical Infrastructure</i>		—	—	—	—	—	—	—	—	—
	<i>Water Supply Infrastructure</i>		—	—	—	—	—	—	20,000	24,000	24,201
	<i>Sanitation Infrastructure</i>		—	—	—	—	—	—	983	52	4,257
	<i>Solid Waste Infrastructure</i>		—	—	—	—	—	—	962	3,969	243
	<i>Rail Infrastructure</i>		—	—	—	—	—	—	—	—	—
	<i>Coastal Infrastructure</i>		—	—	—	—	—	—	—	—	—
	<i>Information and Communication Infrastructure</i>		—	—	—	—	—	—	—	—	—
	<b>Infrastructure</b>		—	—	—	—	—	—	<b>37,482</b>	<b>28,624</b>	<b>28,701</b>
	<i>Community Facilities</i>		—	—	—	—	—	—	—	—	—
	<i>Sport and Recreation Facilities</i>		—	—	—	—	—	—	13,065	1,557	1,694
	<b>Community Assets</b>		—	—	—	—	—	—	<b>13,065</b>	<b>1,557</b>	<b>1,694</b>
	<b>Heritage Assets</b>		—	—	—	—	—	—	—	—	—
	<i>Revenue Generating</i>		—	—	—	—	—	—	—	—	—
	<i>Non-revenue Generating</i>		—	—	—	—	—	—	—	—	—
	<b>Investment properties</b>		—	—	—	—	0	0	—	—	—
	<i>Operational Buildings</i>		—	—	—	—	0	0	—	—	—
	<i>Housing</i>		—	—	—	—	—	—	—	—	—
	<b>Other Assets</b>		—	—	—	—	—	—	—	—	—
	<b>Biological or Cultivated Assets</b>		—	—	—	—	—	—	—	—	—
	<i>Services</i>		—	—	—	—	—	—	—	—	—
	<i>Licences and Rights</i>		—	—	—	—	—	—	—	—	—
	<b>Intangible Assets</b>		—	—	—	—	—	—	—	—	—
	<b>Computer Equipment</b>		—	—	—	—	—	—	—	—	—
	<b>Furniture and Office Equipment</b>		—	—	—	—	—	—	—	—	—
	<b>Machinery and Equipment</b>		—	—	—	—	—	—	—	—	—
	<b>Transport Assets</b>		—	—	—	—	—	—	—	—	—
	<b>Libraries</b>		—	—	—	—	—	—	—	—	—
	<b>Zoo's, Marine and Non-biological Animals</b>		—	—	—	—	—	—	—	—	—
	<b>Total Capital Expenditure</b>		<b>19,592</b>	<b>30,079</b>	<b>59,226</b>	<b>46,877</b>	<b>43,047</b>	<b>43,047</b>	<b>49,949</b>	<b>41,149</b>	<b>42,083</b>
	<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>		<b>64,521</b>	<b>413,896</b>	<b>54,197</b>	<b>92,319</b>	<b>354,827</b>	<b>354,827</b>	<b>97,581</b>	<b>102,850</b>	<b>108,301</b>
	<i>Roads Infrastructure</i>		—	—	—	—	—	—	—	—	—
	<i>Storm water Infrastructure</i>		—	—	—	—	—	—	—	—	—
	<i>Electrical Infrastructure</i>		—	—	—	—	—	—	—	—	—
	<i>Water Supply Infrastructure</i>		90,541	—	—	69,160	69,160	69,160	73,102	77,050	81,133
	<i>Sanitation Infrastructure</i>		63,905	—	—	93,610	93,610	93,610	98,945	104,288	109,815
	<i>Solid Waste Infrastructure</i>		82,532	—	—	88,583	88,583	88,583	93,950	99,023	104,272
	<i>Rail Infrastructure</i>		34,981	28,952	413,274	262,508	—	—	277,471	292,454	307,955
	<i>Coastal Infrastructure</i>		—	—	—	—	—	—	—	—	—
	<i>Information and Communication Infrastructure</i>		—	—	—	—	—	—	—	—	—
	<b>Infrastructure</b>		<b>15,776</b>	<b>28,952</b>	<b>54,197</b>	<b>46,102</b>	<b>42,272</b>	<b>42,272</b>	<b>35,287</b>	<b>39,572</b>	<b>40,389</b>
	<i>Community Facilities</i>		3,046	—	—	775	775	775	14,662	1,637	1,694
	<i>Sport and Recreation Facilities</i>		—	—	—	—	—	—	—	—	—
	<b>Community Assets</b>		<b>3,046</b>	—	—	<b>775</b>	<b>775</b>	<b>775</b>	<b>14,662</b>	<b>1,637</b>	<b>1,694</b>
	<b>Heritage Assets</b>		—	—	—	—	—	—	—	—	—
	<i>Revenue Generating</i>		—	—	—	—	—	—	—	—	—
	<i>Non-revenue Generating</i>		—	—	—	—	—	—	—	—	—
	<b>Investment properties</b>		—	—	—	—	0	0	—	—	—
	<i>Operational Buildings</i>		482	744	5,029	—	—	—	—	—	—
	<i>Housing</i>		—	383	—	—	—	—	—	—	—
	<b>Other Assets</b>		<b>482</b>	<b>1,127</b>	<b>5,029</b>	—	—	—	—	—	—
	<b>Biological or Cultivated Assets</b>		—	—	—	—	—	—	—	—	—
	<i>Services</i>		—	—	—	—	—	—	—	—	—
	<i>Licences and Rights</i>		248	—	—	—	—	—	—	—	—
	<b>Intangible Assets</b>		<b>248</b>	—	—	—	—	—	—	—	—
	<b>Computer Equipment</b>		—	—	—	—	—	—	—	—	—
	<b>Furniture and Office Equipment</b>		—	—	—	—	—	—	—	—	—
	<b>Machinery and Equipment</b>		—	—	—	—	—	—	—	—	—
	<b>Transport Assets</b>		—	—	—	—	—	—	—	—	—
	<b>Libraries</b>		—	—	—	—	—	—	—	—	—
	<b>Zoo's, Marine and Non-biological Animals</b>		—	—	—	—	—	—	—	—	—
	<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>		<b>19,592</b>	<b>30,079</b>	<b>59,226</b>	<b>46,877</b>	<b>43,047</b>	<b>43,047</b>	<b>49,949</b>	<b>41,149</b>	<b>42,083</b>
	<b>EXPENDITURE OTHER ITEMS</b>		<b>28,729</b>	<b>27,589</b>	<b>32,866</b>	<b>31,920</b>	<b>37,785</b>	<b>37,785</b>	<b>33,739</b>	<b>35,629</b>	<b>37,588</b>
	<b>Depreciation</b>		<b>3,711</b>	<b>1,576</b>	<b>3,010</b>	<b>4,169</b>	<b>3,469</b>	<b>1,245</b>	<b>5,181</b>	<b>5,471</b>	<b>5,772</b>
	<b>Repairs and Maintenance by Asset Class</b>		—	—	—	—	—	—	—	—	—
	<i>Roads Infrastructure</i>		—	—	—	—	—	—	—	—	—
	<i>Storm water Infrastructure</i>		—	—	—	—	—	—	—	—	—
	<i>Electrical Infrastructure</i>		—	—	—	—	—	—	—	—	—
	<i>Water Supply Infrastructure</i>		—	—	—	—</					

FS161 Letsemeng - Table A10 Basic service delivery measurement

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		5,604	5,604	5,604	5,604	5,604	5,604	5,604	5,604	5,604
Piped water inside yard (but not in dwelling)		4,604	4,604	4,604	4,604	4,604	4,604	5,294	5,294	5,294
Using public tap (at least min.service level)		341	341	341	341	341	341	341	341	341
Other water supply (at least min.service level)		—	—	—	—	—	—	—	—	—
<i>Minimum Service Level and Above sub-total</i>		10,549	10,549	10,549	10,549	10,549	10,549	11,239	11,239	11,239
Using public tap (< min.service level)		447	447	447	447	447	447	—	—	—
Other water supply (< min.service level)		—	—	—	—	—	—	—	—	—
No water supply		243	243	243	243	243	243	—	—	—
<i>Below Minimum Service Level sub-total</i>		690	690	690	690	690	690	—	—	—
<b>Total number of households</b>	5	11,239	11,239	11,239	11,239	11,239	11,239	11,239	11,239	11,239
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		8,188	8,188	8,188	8,188	8,188	8,188	8,188	8,188	8,188
Flush toilet (with septic tank)		304	304	304	304	304	304	304	304	304
Chemical toilet		51	51	51	51	51	51	51	51	51
Pit toilet (ventilated)		1,185	1,185	1,185	1,185	1,185	1,185	1,185	1,185	1,185
Other toilet provisions (> min.service level)		—	—	—	—	—	—	—	—	—
<i>Minimum Service Level and Above sub-total</i>		9,728	9,728	9,728	9,728	9,728	9,728	9,728	9,728	9,728
Bucket toilet		256	256	256	256	256	256	256	256	256
Other toilet provisions (< min.service level)		691	691	691	691	691	691	691	691	691
No toilet provisions		567	567	567	567	567	567	567	567	567
<i>Below Minimum Service Level sub-total</i>		1,514	1,514	1,514	1,514	1,514	1,514	1,514	1,514	1,514
<b>Total number of households</b>	5	11,242	11,242	11,242	11,242	11,242	11,242	11,242	11,242	11,242
<b>Energy:</b>										
Electricity (at least min.service level)		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Electricity - prepaid (min.service level)		9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
<i>Minimum Service Level and Above sub-total</i>		10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Electricity (< min.service level)		—	—	—	—	—	—	—	—	—
Electricity - prepaid (< min. service level)		—	—	—	—	—	—	—	—	—
Other energy sources		—	—	—	—	—	—	—	—	—
<i>Below Minimum Service Level sub-total</i>		—	—	—	—	—	—	—	—	—
<b>Total number of households</b>	5	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
<b>Refuse:</b>										
Removed at least once a week		7,646	7,646	7,646	7,646	7,646	7,646	7,646	7,646	7,646
<i>Minimum Service Level and Above sub-total</i>		7,646	7,646	7,646	7,646	7,646	7,646	7,646	7,646	7,646
Removed less frequently than once a week		102	102	102	102	102	102	102	102	102
Using communal refuse dump		483	483	483	483	483	483	483	483	483
Using own refuse dump		—	—	—	—	—	—	—	—	—
Other rubbish disposal		78	78	78	78	78	78	78	78	78
No rubbish disposal		156	156	156	156	156	156	156	156	156
<i>Below Minimum Service Level sub-total</i>		819	819	819	819	819	819	819	819	819
<b>Total number of households</b>	5	8,465	8,465	8,465	8,465	8,465	8,465	8,465	8,465	8,465
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		—	—	—	—	—	—	8,000	8,000	8,000
Sanitation (free minimum level service)		—	—	—	—	—	—	8,000	8,000	8,000
Electricity/other energy (50kwh per household per month)		11,000	11,000	11,000	11,000	11,000	11,000	8,000	8,000	8,000
Refuse (removed at least once a week)		—	—	—	—	—	—	8,000	8,000	8,000
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>	8									
Water (6 kilolitres per indigent household per month)		3,920	3,726	3,789	1,065	1,065	1,065	3,980	4,000	4,050
Sanitation (free sanitation service to indigent households)		7,090	—	—	1,832	1,832	1,832	2,000	2,050	2,079
Electricity/other energy (50kwh per indigent household per month)		2,663	2,663	2,663	2,490	2,490	2,490	2,500	2,550	2,600
Refuse (removed once a week for indigent households)		6,763	—	—	1,769	1,769	1,769	4,000	4,256	4,300
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>		—	—	—	—	—	—	—	—	—
<b>Total cost of FBS provided</b>		20,436	6,389	6,452	7,157	7,157	7,157	12,480	12,856	13,029
<b>Highest level of free service provided per household</b>										
Property rates (R value threshold)		6	6	6	6	6	6	6	6	6
Water (kilolitres per household per month)		—	—	—	—	—	—	—	—	—
Sanitation (kilolitres per household per month)		—	—	—	—	—	—	109	115	121
Sanitation (Rand per household per month)		—	—	—	—	—	—	50	50	50
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		—	—	—	—	—	—	—	—	—
<b>Revenue cost of subsidised services provided (R'000)</b>	9									
Property rates (tariff adjustment) ( impermissible values per section 17 of MPRA)		—	—	—	—	—	—	—	—	—
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		13,228	14,917	18,225	18,225	18,225	—	19,797	20,866	22,014
Water (in excess of 6 kilolitres per indigent household per month)		3,726	3,789	1,065	1,065	1,065	—	3,980	4,000	4,050
Sanitation (in excess of free sanitation service to indigent households)		—	—	1,832	1,832	1,832	—	2,000	2,050	2,079
Electricity/other energy (in excess of 50 kwh per indigent household per month)		2,663	2,663	2,490	2,490	2,490	—	2,500	2,550	2,600
Refuse (in excess of one removal a week for indigent households)		—	—	1,769	1,769	1,769	—	4,000	4,256	4,300
Municipal Housing - rental rebates		—	—	—	—	—	—	—	—	—
Housing - top structure subsidies		—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—
<b>Total revenue cost of subsidised services provided</b>	6	19,617	21,369	25,382	25,382	25,382	—	32,277	33,722	35,043

## 1. Explanatory notes to budget

Table A1 is a summary of the budget of Letsemeng Local Municipality that gives an overview of the of the budget, it includes, the following key aspects

**Financial Performance:** This is a summary of income statement of the Municipality

**Capital Expenditure and funding sources:** This gives a brief overview of the capital expenditure and its funding sources

**Financial Position:** This is the balance sheet of Letsemeng Local Municipality

**Cash Flow:** This gives a brief overview of the Cash flow of the Municipality

**Asset Management:** This is the overview of the total assets of the Municipality

**Free Services:** This section gives the total amount of free basic services as provided by the municipality.

This is the most important as it gives users of the budget a “snapshot” of what is going to follow in the next nine (9) main table

### Explanatory Notes to Table A2

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per functional classification.
2. Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4 as Table A4 exclude capital transfers

### Explanatory Note to Table A3

1. Table A3 is an overview of the budgeted financial performance in relation to the revenue and expenditure per municipal vote.
2. From the above it can be seen that all trading services are making surpluses, and this is attributable to the following
  - a. Council proposes a 6.84% on electricity tariffs
  - b. An increase of 5.5% on refuse, 5.5% on sewerage and 5.5% on water tariffs
  - c. 5.5% Increase for Property rates

d. Cut on non-priority spending

3. Profits made on this services are used to subsidise non-trading services

#### **Explanatory note on table A4**

1. Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the budgeted revenue of Letsemeng Local Municipality
2. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government.
3. Major component of expenditure relates to employee costs

#### **Explanatory note on Table A5**

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.

#### **Explanatory Notes to Table A6**

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councillors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.

The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.

## **Explanation to Table A7**

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

## **Explanatory note to table A8**

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. Considering the requirements of section 18 of the MFMA, it can be concluded that the Final budget for 2018/19 MTREF is funded because Municipality anticipates making a profit over the MTREF.

## **Explanatory Note for Table A9**

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

## **Explanatory notes to Table A10**

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.

## **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 2017 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 community and other stakeholders were consulted during the finalization of Integrated Development Plan which informed the final annual budget. Consultations took place immediately after the draft annual budget and revised Integrated Development Plan were tabled to Council.

## **2.2. Alignment of the Annual Budget with the Integrated Development Plan**

The annual review of the Integrated Development Plan is a legislative requirement in terms of section 34 of the Municipal Systems Act. It stipulates that a Municipal Council must review its integrated plan annually in accordance with an assessment of its performance measurements in terms of section 41; and to the extent that changing circumstances so demand; and may amend its integrated development plan in accordance with a prescribed process.

The Annual Budget and the IDP are linked to one another, something that has been formalised through the promulgation of the Municipal Finance Management Act in 2004.

In compliance with the Municipal Structures Act and Municipal Finance Management Act the municipality's budget must be informed by and aligned to the IDP objectives. The budgetary allocations for both capital and operating expenditure need to be undertaken in a manner that will not only ensure that the IDP outcomes are achieved but also leads to the municipality's vision being realized. This ensures that the IDP directs the development and implementation of projects.

Over the years, Auditor General has been raising exceptions that the Integrated Development Plan and Annual Budget are not aligned to each other. Furthermore, the Key Performance Indicators were not measurable and with no target dates. The performance management system is also not effective at the municipality as there is no dedicated unit or official entrusted with performance management. This in essence affected the audit opinion of the Auditor General on the predetermined objectives (although this was not necessarily expressed / reported in the audit report).

For the 2018/19 financial year, quite substantial effort has been devoted towards ensuring that the Integrated Development Plan and Annual Budget are aligned as required by the MFMA. The process of reconciling financial plan to its Integrated Development Plan created a whole new method of budgeting at the municipality. Council will in the future ensure that priorities within the budget are focused towards its strategies and objectives

## **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 Council for approval.

## **2.4. Overview of the Budget-Related Policies**

The Municipal Budget and Reporting Regulations promulgated under the Municipal Finance Management Act 56 of 2003, prescribe the budget-related policies that must be approved together with the budget related policies below:

### **2.4.1 Credit Control and Debt Collection Policy**

The number of indigent registered for the financial year 2017-18 is very low. 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.

Council is encouraging community to annually update their indigent status.

### **2.4.2 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.

### **2.4.3 Supply Chain Management Policy**

The review of this policy was made in line with Supply chain model. Establishment of Sec 32 Committee is vital for effective reporting on the expenditure incurred under Sec 32 of MFMA.

### **2.4.4 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.

### **2.4.5 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. NERSA has not yet approved the electricity tariffs for 18/19 financial year but an increase of 6.84% was made based on the proposal by NERSA as stipulated on circular 91, Please refer to the Annexure of Tariff List.

#### **2.4.6 Indigent Support Policy**

The recommendation is that the threshold be increased to a current value of R1700 \* 2 i.e. R3 400 pensioners combined or the rand value.

#### **2.4.7 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.

#### **2.4.8 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 of 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.

#### **2.4.9 Subsistence & Travel Allowance Policy**

The policy is annually reviewed and it is aligned to the benefits that will assist an employee on tax purposes.

### **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 2018-19 Annual Budget, the following key 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 70% from the 2017-18 financial year;
- (c) Cash flow projections will be strictly maintained to ensure the municipality's ability to meet its financial obligations;
- (d) 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;
- (e) Filling of vacant posts was prioritised taking into account the cash flow projections of the municipality.

## **2.6 Expenditure on allocations and grant programmes**

It is the intention of the municipality to spend all of its grant allocations within the current year according to the conditions of such allocations / grants. Performance review will be done during the mid-year budget assessment and where under spending is foreseeable; the necessary procedure will be followed to ensure that spending is done 100%.

### **DORA GRANTS ALLOCATIONS FOR LETSEMENG MUNICIPALITY FOR 18/19 MTREF**

<b>DORA GRANT</b>	<b>ALLOCATED AMOUNT</b>
Equitable Share	R 58 082 000
Municipal Water Infrastructure Grant	R 20 000 000
Municipal Infrastructure Grant	R 29 949 000
Expanded Public Works Programme	R 1 000 000
Financial Management Grant	R 1 970 000

All the grants allocated are conditional i.e. have to meet an obligation except Equitable Share grant which is unconditional.

## **2.7. Councillor and board members allowances and employee benefits**

The Municipal System Act, section 66(1) requires the Municipal Manager to approve a staff establishment for the municipality within a policy framework determined by the municipal council and subject to any applicable legislation. The act further requires the Municipal Manager to provide a job description for each post on the staff establishment and to attach to those posts the remuneration and other conditions of service as may be determined in accordance with any applicable labour legislation.

The Senior Managers, in consultation and with concurrence of the Municipal Manager have reviewed the structure of their respective departments.

- (a) Employee costs will increase from **R 50 166 000** (2017-18 adjustment budget) to **R51 715 000**.
- (b) The Council Remuneration of **R3 859 000** for 2018/19 is the **actual costs as approved in accordance with the government gazette on upper limits**

## **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.

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.

## **2.9. Annual budgets and service delivery budget and 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. Contracts having 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 or Adjudication committees must obtain formal financial comments from the Budget and Treasury Office.

## **2.11. Capital expenditure details**

The total capital expenditure budget of the municipality is **R 49 949 000**

Municipal Water Infrastructure Grant is allocated at **R 20 000 000** although the allocation is for Letsemeng the administration process is held by Department of Water Affairs & Sanitation and Sedibeng Water is an implementing agent with regards to projects relating to the funding.

The other balance on the Municipal Infrastructure Grant amounting to **R 29 949 000** will be funding the Project Management Unit related costs. Below are planned projects for the coming financial year:

- Project Management Unit **R 1 497 450**

- Koffiefontein: Upgrading of existing Waste Disposal Site (MIS:207907) **R 5 471 556**
- Koffiefontein/Sonwabile: Construction of new sports facility (Phase 1) **R 810 000**
- Koffiefontein: Upgrading of 2.2km paved road and storm water (MIS:239658) **R 518 698**
- Jacobsdal/Ratanang: Construction of waterbourne Sanitation for 202 stands (MIS:240317) **R 415 357,**
- Luckhoff: Upgrading of 0.9km access paved road and storm water (MIS:266873) **R 8 074 913**
- Luckhoff: Construction of a new solid waste landfill site Phase 2 – Implementation **R 1 617 031**
- Koffiefontein/Sonwabile: Upgrading of sports facility **R 11 461 750**
- Jacobsdal: Upgrading of waste water treatment works (Phase 2) **R 51 735**
- Jacobsdal: Upgrading of waste water treatment works (MIS:168615) **R 30 510**

## **2.12. Legislation compliance**

There has been substantial improvement in terms of compliance. Reporting to National Treasury in electronic format was fully complied with on a monthly basis where there have been challenges of compliance; such challenges were reported to Provincial Treasury.

### **2.12.1. In year reporting**

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.

### **2.12.2. Internship programme**

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

The municipality is expected to received **R1 970 000** of Financial Management Grant.

### **2.12.3. Budget and Treasury Office**

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

#### **2.12.4. Audit & Risk Committee**

Municipality make use of the in-house Audit and Risk Committee which was established in the financial year 2017-18.

#### **2.12.5 Service Delivery Budget and Implementation Plan**

The detailed SDBIP document will be finalised after approval of the 2018-19 Annual Budget in June 2018.

#### **2.13. Other supporting documents**

The documents mentioned below are attached as annexures to the annual budget:  
(a) Tariff list

#### **2.14. 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

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## OFFICE OF THE MUNICIPAL MANAGER

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To whom it may concern

Re: Quality Certificate for 2018-19 Final Annual Budget

I, Tshemedi Lucas Mkhwane , the Municipal Manager of Letsemeng Local Municipality (FS161), hereby certify that the final annual budget for the 2018-19 financial years has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the draft annual budget and supporting documents are consistent with the Integrated Development Plan of the Municipality.

Name: Mr. T.L. Mkhwane

---

Municipality: Letsemeng Local Municipality


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Signature:

---

Date:

---

<b>LETSEMENG LOCAL MUNICIPALITY</b>						
<b>TARIFFS 2018/2019</b>						
						
<b>Description</b>	<b>2017/2018</b>		<b>% Inc</b>	<b>2018/2019</b>		
	<b>R</b>			<b>R</b>		
<b>Property Tax</b>						
<b>Category</b>	<b>2017/2018</b>	<b>Rebate</b>		<b>2018/2019</b>		
Residential	0.0141245	0	6.00%	0.0149720		
Business, Industrial	0.0154200	0	6.00%	0.0163452		
Government	0.0172000	0	6.00%	0.0182320		
Vacant Stands	0.0152611	0	6.00%	0.0161768		
Churches						
NGO, Creche, PBO						

Structured and Registered				
Municipality				
Small Holdings	0.0077914		6.00%	0.0082589
Farms	0.0017406		6.00%	0.0018450

**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.**

**The first R 70 000 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.**

<b>Administration</b>					
<b>Photocopies</b>					
Tax Certificates					
Per Certificate	107.45		5.30%	113.14	
Valuation Certificate					
Per Certificate	55.50		5.30%	58.44	

Per Application	225.76		5.30%	237.73		
Posters in municipal open spaces or against posts						
Deposit: per poster for consumers or political parties	15.80		5.30%	16.64		
<b>If the political party doesn't remove the posters after 7 days has lapsed since the gathering or meeting had taken place, the above deposit is forfeited.</b>						
<b>Town Planning Scheme</b>						
<b>Single Residential(including semi-detached and row housing)</b>						
Number of Erven						
1-500	28.00		5.30%	29.48		
500-1000	21.00			22.11		
1001+	15.00			15.80		
<b>Group/Town Housing &amp; general residential(Flats)</b>						
Number of Erven						
1-500	15.00		5.30%	15.80		
500-1000	19.00			20.00		
1001+	15.00			15.80		
<b>Business &amp; Other</b>						
Number of Erven						
1-500	33.00		5.30%	34.75		
500-1000	28.00			29.48		

1001+	19.00			20.00	
<b>Industrial</b>					
Number of Erven					
1-500	28.00			29.48	
500-1000	24.00		5.30%	25.27	
1001+	15.00			15.80	
Removal, amendment or suspension of respective title conditions + rezoning	2 000.00		5.30%	2 106	
Subdivision	1 000.00			1 053	
Per additional portion after 5th	100.00		5.30%	105.30	
Consolidation	1 000.00			1 053	
Per additional portion after 5th	100.00		5.30%	105.30	
<b>General</b>					
Appeal on decision	6 000.00		5.30%	6 318	
Zoning certificate	110.00		5.30%	115.83	
E-lodgement fee	0.00				
<b>Cemeteries, Parks &amp; Sport Grounds</b>					
Cemetery Fees					
Site Fee (Digging of grave included)	703.97		5.30%	741.30	
Site Fee (Digging of grave excluded)	84.84		5.30%	89.35	
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 an 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	2052.16		5.30%	2 160.90	
Children	1321.73		5.30%	1 391.80	
Funeral will be allowed to take place over week ends and also where the applicants will cover the grave themselves.					
If a funeral is to take place on a Monday then arrangements must be made with the office on the previous Friday					
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					
The usage of water, sewerage and refuse removal on condition that they maintain the club and grounds					
R 593.00 per month which amount includes the maintenance of the facilities and free municipal services					
Yachting Club					
Free municipal services					
Sport Committees					
A subsidy of R 1 500.00 per month for the maintenance of sport facilities as per contract					

Caravan Park Fees						
Camping Fees per day	270.52		5.30%	284.85		
Properties						
Pound Master: Works Foreman in each Town						
Tariffs within the municipal area						
Driving of livestock within the municipal area						
In the case of livestock (excluding tame ostriches) whether one or more to be driven to the pound: per kilometre	5.55		5.30%	5.85		
with the understanding that if,						
A herd consists of more than 50 small livestock or 20 large livestock: per kilometre	5.55		5.30%	5.85		
Small livestock, donkeys, horses and mules: the total	5.55		5.30%	5.85		

amount payable will not exceeds the amount calculated per kilometre							
Tamed ostriches: Per ostrich per kilometre	5.55			5.30%	5.85		
Pigs: per pig per kilometre	5.52			5.30%	5.80		
Pound Fees							
Pound fees per animal that is impounded within the municipal area per day.							
Large Livestock	134.71			5.30%	141.85		
Small Livestock	80.84			5.30%	85.15		
Horses, Mules and Donkeys	134.71			5.30%	141.85		
Pigs	80.84			5.30%	85.15		
Trespassing Fees							
Large Livestock (each)	10.76			5.30%	11.35		

Small Livestock (each)	5.38		5.30%	5.65	
Grazing Fees / Caring Fees					
Large Livestock (each per month)	32.36		5.30%	34.10	
Small Livestock (each per month)	18.55		5.30%	19.55	
Definitions					
Large livestock is horses, donkeys, mules, cattle, pigs and ostriches					
Small livestock is sheep and goats					
Advertisements: Pounds					
<b>Advertising cost is cost occurred for the advertisement of the selling of stock impounded and which is collected before it is sold.</b>					
<b>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</b>					
Commonage fees per Ha, per year	52.14		5.30%	54.90	
<b>Licenses</b>					
Dog Licenses					

Wolfhonde & Windhonde					
For the first dog (Sterilised or not)	36.87		0%	38.85	
For each additional dog	49.12		0%	51.70	
Other dogs					
Sterilised	24.51		0%	25.80	
Not Sterilised (Male)	35.1		0%	37.00	
Not Sterilised (Female)	36.87		0%	38.80	
For each additional dog	49.13		0%	51.75	
<b>Fines</b>					
On each full month since license fee became due: 2.5%					
Business Licenses					
Application Fee	85.40		5.30%	89.90	
Businesses: Food	184.32		5.30%	194.10	
Hawkers per day at the approved sites (Works Foreman will	25.49		0%	26.85	

collect the fees)					
Hawkers from other municipal areas per day	112.68		0%	118.65	
Flats for the aged	525.00		0%	525.00	
Public Works					
Sundry Tariffs					
Services Rendered					
Post level 5: Artisan - calculated from the time he/she left his/her works place until such time he/she returns to his/her works place. (per hour)	304.59		5.30%	320.75	
An additional allowance per day is payable if he/she must work outside the municipal area	70.95		5.30%	74.70	
Post Level 11 16: Labourers - per day per employee	489.22		5.30%	515.15	
An additional allowance per day is payable if he/she must work outside the	23.65		5.30%	24.90	

municipal area					
Compressor: Per actual hours worked as per hour meter (including labour & petrol)	249.11		5.30%	262.30	
Vacuum Tank and Tractor					
Per hour and	186.19		5.30%	196.05	
Per kilometre	7.50		5.30%	7.90	
Labour supplied by municipality and is inclusive					
Vacuum Tanker					
Per hour and	169.27		5.30%	178.25	
Per kilometre	56.25		5.30%	59.25	
Light Vehicles: per kilometre	4.66		5.30%	4.90	
Graders					
Per actual hour worked (diesel included)	528.89		5.30%	556.90	
Petra Diamonds Mine: Petrol and labour					
Excavator					
Per actual hour worked (diesel included)	470.87		5.30%	495.80	
After Hour Calls: per call if less than 30 minutes	73.45		5.30%	77.35	
Bulldozer					

Per actual hour worked (diesel included)	783.00		5.30%	824.50	
Tipper Trucks					
Per hour and	156.46		5.30%	164.75	
Per kilometre	15.66		5.30%	16.50	
Flat Base Trucks per kilometre	20.39		5.30%	21.50	
Tractors per hour	93.93		5.30%	98.90	
Deposit on tractor	703.40		5.30%	740.70	
Traveling cost of equipment to be paid by user.					
TLB (Back Hoe)					
Per actual hour worked (diesel included)	597.32		5.30%	629.00	
Small trailer per day	250.88		5.30%	263.25	
Rental of Bo-Mac per day or part thereof	829.39		5.30%	873.35	
Road closures per day or part thereof	62.19		5.30%	65.50	
<b>Refuse Removal</b>					

Refuse Removal Fees					
Per Month					
Households	98.58		5.30%	103.80	
Flats/Town Houses	98.58		5.30%	103.80	
Businesses / Offices	212.53		5.30%	223.80	
Abattoir	897.10		5.30%	944.65	
Wine Cellar	320.42		5.30%	337.40	
Schools and Boarding Schools	217.85		5.30%	229.40	
Spoornet	288.37		5.30%	303.65	
Crèches	109.33		5.30%	115.10	
Churches	64.06		5.30%	67.45	
Households - Combined with Business	131.95		5.30%	138.95	
Other	192.22		5.30%	202.40	
Empty Erven – Availability	64.06		5.30%	67.45	
Refuse bags	4.94		5.30%	5.20	
Bulk refuse and/or building rubble will be removed per load. (Load - 4m3)	230.30		5.30%	242.50	
Refuse Removals will be done as per					

newsletter					
Cleaning of empty sites					
Sites smaller than 600m2	719.71		5.30%	757.85	
Sites larger than 600m2 but smaller than 1 500m2	1122.74		5.30%	1 182.25	
<b>Sewerage Tariffs</b>					
Per Month					
Households(DOMESTIC)	102.09		5.30%	107.50	
Flats/Town Houses	102.09		5.30%	107.50	
Businesses / Offices	192.22		5.30%	202.40	
Abattoir	7753.58		5.30%	8 164.50	
Spoornet	288.37		5.30%	303.65	
Crèches	108.06		5.30%	113.80	
Churches	64.05		5.30%	67.45	
Households - Combined with Business	113.10		5.30%	119.10	
Old Age Flats	98.81		5.30%	104.05	
Garages	240.30		5.30%	253.05	
Others	192.22		5.30%	202.40	

Empty Erven – Availability	64.06		5.30%	67.45	
Buckets	-			-	
Note: Sewer blockages at abattoirs-each	1439.36		5.30%	1 515.65	
Residential sewer blockages					
Per household sharing manhole	75.40	-	5.30%	79.40	
Per household not sharing manhole	301.60	-	5.30%	317.60	
Rental of suction pump per hour (including petrol)	188.50		5.30%	198.50	
Sewerage connection	1130.97		5.30%	1 190.90	
Schools and Boarding schools				431.04	
Petra Diamonds Security Area				4 382.87	
Town Halls and Offices					
Town Halls: Jacobsdal, Koffiefontein, Luckhoff & Petrusburg - rent and deposits					

<b>Weddings and Entertainment</b>						
MPCC HALL						
Residents: rent	1330.00		5.30%	1 400.50		
Residents: deposit	1532.16		5.30%	1 613.35		
Non- Residents: rent	2264.19		5.30%	2 384.20		
Non- Residents: deposit	2470.61		5.30%	2 601.55		
Residents: rent	601.63		5.30%	633.50		
Residents: deposit	1504.06		5.30%	1 583.75		
Non- Residents: rent	1203.27		5.30%	1 267.05		
Non- Residents: deposit	2105.69		5.30%	2 217.30		
Charity, Funerals, Pre-Schools and Churches						
MPCC HALL						
Residents: rent	1077.30		5.30%	1 134.40		
Residents: deposit	1287.44		5.30%	1 355.70		
Non- Residents: rent	1287.44		5.30%	1 355.70		
Non- Residents: deposit	1391.71		5.30%	1 465.50		
Residents: rent	180.45		5.30%	190.00		
Non- Residents: rent	451.21		5.30%	475.10		
Deposit	601.63		5.30%	633.50		

Departments Entertainments and Meetings							
MPCC HALL							
Rent	1500.00			5.30%	1 579.50		
Deposit	1950.00			5.30%	2 053.35		
Daniel Moopela	500.00			5.30%	526.50		
Deposit	650.00			5.30%	684.45		
Rental of Sportsgrounds							
Residents: rent	500.00			5.30%	526.50		
Residents: deposit	650.00			5.30%	684.45		
Non- Residents: rent	700.00			5.30%	737.10		
Non- Residents: deposit	910.00			5.30%	958.25		
Political Meetings							
Residents: rent	81.51			5.30%	85.85		
Non- Residents: rent	81.51			5.30%	85.85		
Tables and chairs are free of charge on condition that it can only be used within municipal properties	-						
Rental charge is based on daily basis.							

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					
<b>Electricity</b>					
Electricity Service					
Tariff 1					
Households, Flats and Houses (Conventional Meters)					
A fixed service levy per consumption month or part thereof plus	194.12		6.84%	207.40	
Consumption per kW.h 0 - 50 kWh	0.83		6.84%	0.88	
51 - 350 kWh	1.05		6.84%	1.12	

351 - 600 kWh	1.47		6.84%	1.57	
> 600 kWh	1.77		6.84%	1.89	
Pre-paid User Tariff: Residential per kW.h					
Consumption per kW.h 0 - 50 kWh	0.85		6.84%	0.90	
51 - 350 kWh	1.07		6.84%	1.15	
351 - 600 kWh	1.48		6.84%	1.58	
> 600 kWh	1.77		6.84%	1.89	
Tariff 2					
Commercial Conventional Low					
A fixed service levy per consumption month or part thereof plus	359.05		6.84%	377.36	
Consumption per kW.h	1.64		6.84%	1.72	
Pre-paid User Tariff: per kW.h	1.88		6.84%	2.04	
Tariff 3					

This tariff is applicable on all users whose maximum demand is over 50 KVA in any 30 minute period in a consumption month.					
Commercial Tariff High					
A fixed service levy per consumption month or part thereof plus.	4,158.62		0.00%	4370.71	
kW.h consumption per consumption month or part thereof.	131.5		0.00%	138.21	
Tariff 5: Industrial medium					
Average consumption 59039.55					
Basic Charge	6042.42		6.84%	6 455.72	
Consumption per kwh: Energy Charge	74.41		6.84%	79.50	
Demand Charge	212.67		6.84%	227.43	
Municipal					
Energy charge	152.22		6.84%	162.63	
Tariff 6					
Empty erven and erven where the electricity supply	58.48		5.30%	61.60	

where taken out.					
An amount of R45.42 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					
Residential Connections per connection	5908.09  8637.57  7877.53		5.30%	6 221.20  9 095.35  8 295.05	
Other connections per connection	8,118.02		5.30%	8 548.30	
The installation of a 3 phase meter (pre-paid or conventional). Additional cost per connection	7,403.69		5.30%	7 796.10	
The change to or installation of a single phase pre-paid meter per connection (additional cost)	1772.50		5.30%	1 866.45	
The connection fees of indigents and poor households are subsidised out of the Equitable Share at 100% and 50%					

respectively				
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				
Reconnections and special meter readings				
Per application and in cases of late payments	103.65		5.30%	109.15
Installation Tests				
First Test	86.42		5.30%	91.00
Per test thereafter	103.65		5.30%	109.15

Telephonic Reminders per call	17.32		5.30%	18.25
Call outs:				
The costs will be added to the monthly consumer account if it cannot be paid during the call out				
During Working Hours:				
Per Call	98.57		5.30%	103.80
Labour per hour	190.05		5.30%	200.15
Material for the cost of the consumer				
After Hours:				
Per Call	148.70		5.30%	156.60
Labour per hour	330.99		5.30%	348.55
Material for the cost of the consumer				
Sundays and Public Holidays				
Per Call	160.45		5.30%	168.95
Labour per hour	441.28		5.30%	464.65
Material for the cost of the consumer				
Call outs after hours are only applicable if				

there is no electricity				
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				
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				
Fine for tampering of electricity meter	1 100.00		5.30%	1 158.30
<b>Water</b>				
Residential				
0 - 6KL	-			-

7-30 KL	7.29		5.30%	7.65
31-50 KL	10.03		5.30%	10.55
>50 KL	11.53		5.30%	12.15
Fixed Levy	60.50		5.30%	63.70
Industries (In Industrial Area)				
Fixed Levy	188.45		5.30%	198.45
Per Kiloliter	10.19		5.30%	10.75
Business				
Fixed Levy: per month	60.50			198.45
Per Kiloliter	10.19		5.30%	10.75
Petra Diamonds Mine: Purified Water				
Fixed Levy: per month	756.56		5.30%	796.65
Per Kiloliter	37.68		5.30%	39.70
Schools, Chreches and Boarding Schools				
Fixed Levy: per month	171.59		5.30%	180.70
Per Kiloliter	9.66		5.30%	10.20
Municipal Usages				
Per Kiloliter	7.86		5.30%	8.30
Empty Erven				

(excluding Government Land)				
Fixed Levy: per month	52.38		5.30%	55.15
Canal Water (Jacobsdal)				
Levy per hour	304.45		5.30%	320.60
Pre-paid System				
Non-residential	7.75		5.30%	8.15
Pre-paid System				
Residential (0-6Kl Free)	10.70		5.30%	11.25
Water connection	1205.74		5.30%	1 269.65
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				
Fine for tampering with water meter	1 100.00		5.30%	1 158.30
All the above tariffs excludes VAT				

