

# Letsemeng Local Municipality



## **MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2020-21**

# **TABLE OF CONTENTS**

## **PART 1**

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

## **PART 2**

- 2.1. Budget process
- 2.2. Alignment of the annual budget with the integrated development plan
- 2.3. Measurable performance objectives
- 2.4. Overview of the budget-related policies
- 2.5. Overview of the budget assumptions
- 2.6. Overview of budget funding
- 2.7. Expenditure on allocations and grant programmes
- 2.8. Councillor and board members allowances and employee benefits
- 2.9. Monthly targets of revenue, expenditure and cash flow
- 2.10. Annual budgets and service delivery and budget implementation plan: internal departments
- 2.11. Capital expenditure details
- 2.12. Legislation compliance

2.13. Other supporting documents

2.14. Municipal Manager's quality certificate

### **Annexures**

- Tariff list
- Indigent Policy
- Cost Containment Policy
- Tariff Policy

## **PART 1**

### **Mayor's Report**

**Honourable Councillors**

**Chairpersons of elect Committees**

**To all the Council members present**

**Municipality Manager**

**Directors**

---

Honourable Councillors

The advent of the COVID-19 pandemic has plunged us into uncharted waters which has resulted in a steep learning curve across the globe.

Since the lockdown came into effect, the National Command Council have regularly conducted assessments on measures and consulted with numerous stakeholders on the impact of the coronavirus.

As South Africa moves to Level 3 of the Lockdown. Government has published new regulations, whereby, these newly gazetted regulations will respond to the needs of the people, but inadvertently increase the movement of people and will make us susceptible to contracting the virus.

As these regulations will allow for greater flexibility and more ease of movement, still it's upon all of us to ensure that we minimise the spread of the virus.

Health protocols and distance must be strictly adhered to. The Health of South Africans must come first, because, an out of control pandemic would hit the economy extremely hard

**This crisis will need to be dealt with in three phases:**

- 1) Containment and stabilization.
- 2) The recovery phase with swift action on our policies and
- 3) Faster economic growth.

There is still High levels of uncertainty in terms of duration and intensity due to the pandemic itself, its macroeconomic fallout, and the associated stresses in financial and commodity markets.

The poor may find it more difficult to recover from the outbreak due to lower accumulated savings, most painful, the loss of breadwinner income.

Fellow honourable Councillors, every time you violate the regulations, you are putting yourself and others at risk, and helping the virus to spread.

By observing the regulations, staying at home, observing good hygiene practices and by working together, we have a real chance of containing the spread of the virus.

### **Together we can flatten the curve.**

South Africans have responded to government's call in great numbers. The majority have been playing their part to limit the spread of the virus.

We are, however, concerned about those who have not yet appreciated the seriousness of this disease.

As we have seen the daily updates, Xhariep has been highlighted as a possible hotspot. The infections rate is increasing at an alarming or rapid pace.

The President, said that areas in the country where there is a high number of infections, named coronavirus hotspots, may see more stringent movement restrictions compared to other parts of the country.

Compatriots; the disease is very real and it poses a great danger to every one of us and to our society.

It infects the rich and the poor, the young and the old, black and white, those who live in the cities and those in the villages.

It's upon all of us, to do something about it. It's upon this council, to do everything in its powers to save the lives of our communities.

### **2020/2021 Budget and IDP**

The budget and IDP preparation process comes at a difficult economic times, however, as Council we need to be steadfast in ensuring that our people get the services as outlined in the Constitution of the Republic.

The preparation of the budget started in August 2019 when the budget timelines were approved by Council. The draft budget and IDP should have been tabled by latest 31 March 2020, however, because of the Lockdown as announced by the President, all the process where put on hold until further notice.

The President of the country announced on the 23rd April 2020 that the Country will move to Level 4 of Lockdown period, this meant that some of the regulation will be relaxed to allow for economic activity to take place.

Based on this announcement by the President, the Department of Cooperative Governance and Traditional Affairs issued regulation no 43291, the purpose of this regulations were to amend regulations which were issued earlier to allow for some economic activity and for municipality to deal with important matters that affect their legislative mandate. Paragraph 6.7 of these regulations relating to Municipal operations and governance states the following:

6.7.4. Furthermore, municipalities and municipal entities are directed to:

Convene meeting to consider

- Any Council related business including the adoption of IDP
- Ensure that the communities are consulted using media platforms and alternative methods of consultation, instead of contact meetings to provide comments on the draft IDP and Budget
- Based on the above Municipalities are allowed to table both the IDP and Budget and call for public comments.

We are tabling here today the budget and IDP of the Municipality to be implemented from 01 July 2020.

Below is the summary of the budget of the Municipality:

- Total Revenue is budgeted for at R 152 million, below are assumptions made to reach this total budgeted revenue:
  - Tariffs to be increased by 4.5% which is the average CPI for period 1 March 2019 to February 2020
  - Tariffs for Electricity to be increased by 8.1% percentage, however, NERSA issued out guidelines informing Municipalities to apply for tariff increase of 6.21%, Municipality will review its Electricity tariff increase to be in line with NERSA guidelines
  - Equitable shares to be received of R 68 Million
  - Municipal Finance Management Grant of R 2 800 000, This grant will be used to appoint interns in line with the guidelines as approved by National Treasury

- Total Budgeted expenditure is R 238 million including non-cash items of R 97 Million
  - Salaries are budgeted for at 6.25%
  - Bulk Water and Electricity purchases budgeted at R 38 million
  - LED Projects budgeted at R 3.6 million; this includes the following:
    - Commonage Support of R 1 million funded by Department of Agriculture
    - Recycling project of R 250 000
    - Informal Sector Support of R 180 000
    - Support of small scale Farmers of R 100 000
- Total Capital budget is 59 million:
  - R 12 million for Electricity projects
  - R 24 million for water services projects
  - R 17 million for MIG projects

The Municipality has also adopted R 6.4 million from internally generated funds, included in this amount is R 2 million for refurbishment of Koffiefontein waste water treatment works, We have submitted business plans for Jacobsdal waste water treatment works.

There has been no indication of the amount that the Municipality will get of the R 20 billion of the disaster management grant as announced by the president.

Honourable Councillors, this budget will have to undergo public participation process, in line with MFMA.

In conclusion:

I hereby, kindly extend a clarion call to all Councillors of Letsemeng council, to draw up awareness and information campaigns programs on the spread, control and prevention methods in order to curb the spread of the virus.

Customise your ward Operational plans, Use social media and other means to link with our constituencies, support groups from the education sector, religious sectors will be needed more than ever before, especially with the easing of the lockdown regulations, opening the markets.

Individual Councillors, but ward councillors in particular, should play a pivotal role in supporting their communities through these difficult times.

More than ever before, our role as civic and community leaders requires us to offer visible, responsible leadership that links community-led support with council structures to help build and sustain our overall resilience.

I hereby table before Council 2020/2021 budget and IDP

**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 2020-21 to 2022-23 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 2020/21 MTREF:

- (a) Budgeting for a funded and credible annual budget compared to a balanced budget;
- (b) The 2019-20 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 2020-21 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 98 and 99 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 **149 526 000 to R152 477 900 (R2 951 000)** for the 2020-21 financial year when compared to the 2019-20 Adjustment Budget. Operating revenue comprises of service charges, property rates and other revenue. We anticipate to collect 100% on prepaid electricity, 50% on property rates, water services, and refuse and sanitation services. We anticipate to collect more than the above mentioned percentages, the water and electricity meters will be installed, there will be meter audit as well as the effective implementation of the credit control policy, and this will increase our revenue collection in the next financial year.

Property rates increased from **R22 492 000 to R23 504 140**, electricity is increased from **R21 009 000 to R21 954 962**, water increased from **R8 207 000 to R8 576 170**, sanitation increased from **R9 902 000 to R10 347 725** and refuse increased from **R10 174 000 to R10 632 084**. All of the service charges were increased with an average inflation rate of 4.5%. Other revenue consist of administration costs, objection costs, photocopies costs and clearance certificate. Municipality is still awaiting NERSA tariff approval for electricity, we have however budgeted for an increase of 8.1% on electricity tariffs in line with the guideline of MFMA circular 99

Total operating expenditure has increased from **R184 380 000 to R238 757 000** for the 2020-21 financial year when compared to the 2019-20 Adjustment Budget. Total operating expenditure for the 2020-21 financial year translates into a budgeted deficit of (R **86,279,100 , excluding capital grants**) which includes the non-cash items amounting to **R97 139 649, when non-cash items are removed, the budget of the municipality is on a surplus**. The operating expenditure consist of employee related costs, remuneration of Councillors, bulk purchases, contracted services and other expenditure. Employee related costs increased from **R53 561 000 to R58 918 000**. Remuneration of Councillors was increased to **R4 127 000 to R4 313 163** during the prior financial year, no adjustments were made in January 2020 as no circular on upper limits was received from SALGA. The increase is based on the CPIX of 4.5%. Bulk purchases were increased from **R33 000 000 to R38 000 000** including the arrangement amounts as agreed with Eskom, Kalkfontein and Oranje-riet water users association. Contracted services increased from **R11 843 000 to R18 924 000**, it comprises of EPWP job creation, supplementary valuation roll, Insurance for municipal assets, employee wellness, rental of photocopies machines, telephones and network, maintenance of financial system(Mscoa compliant) and compilation of annual financial statements. Other expenditure increased from **R13 500 000 to R14 922 000**. Other expenditure consist of human capital development, waste water and water chemicals, accommodation, audit fees, printing and stationery, legal expenses provision for disaster management, office furnitures and etc.

As per requirement from National treasury we are expected to budget for non-cash items i.e. Debt Impairment **R50 000 000** and Depreciation and Asset Impairment of **R47 139 649**

### **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	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	14,917	14,678	16,960	20,826	22,492	22,492	–	23,504	24,585	25,716
Service charges	55,321	52,573	28,827	53,305	49,292	49,292	–	51,511	53,880	56,359
Investment revenue	579	513	–	443	390	390	–	407	426	446
Transfers recognised - operational	49,347	51,089	–	67,103	72,103	72,103	–	71,888	76,040	80,814
Other own revenue	13,288	20,831	2,336	5,667	5,248	5,248	–	5,167	5,405	5,654
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>133,453</b>	<b>139,683</b>	<b>48,123</b>	<b>147,345</b>	<b>149,526</b>	<b>149,526</b>	<b>–</b>	<b>152,478</b>	<b>160,337</b>	<b>168,989</b>
Employee costs	46,772	49,073	35,896	53,561	53,561	53,561	–	58,918	61,626	64,458
Remuneration of councillors	3,348	3,746	–	4,127	4,127	4,127	–	4,313	4,317	4,516
Depreciation & asset impairment	42,692	44,090	43,762	38,649	38,649	38,649	–	47,140	49,308	51,576
Finance charges	2,115	2,232	–	600	2,000	2,000	–	600	628	656
Materials and bulk purchases	27,270	26,469	35,161	21,000	33,000	33,000	–	43,940	45,985	46,106
Transfers and grants	–	–	–	–	–	–	–	–	–	–
Other expenditure	66,747	42,573	5,514	56,771	48,342	48,342	–	83,846	86,093	91,787
<b>Total Expenditure</b>	<b>188,945</b>	<b>168,183</b>	<b>120,333</b>	<b>174,709</b>	<b>179,680</b>	<b>179,680</b>	<b>–</b>	<b>238,757</b>	<b>247,957</b>	<b>259,100</b>
<b>Surplus/(Deficit)</b>	<b>(55,493)</b>	<b>(28,501)</b>	<b>(72,210)</b>	<b>(27,364)</b>	<b>(30,154)</b>	<b>(30,154)</b>	<b>–</b>	<b>(86,279)</b>	<b>(87,620)</b>	<b>(90,112)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	56,320	28,406	–	46,349	46,349	46,349	–	54,109	58,733	56,777
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>827</b>	<b>(94)</b>	<b>(72,210)</b>	<b>18,985</b>	<b>16,195</b>	<b>16,195</b>	<b>–</b>	<b>(32,170)</b>	<b>(28,887)</b>	<b>(33,335)</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) for the year</b>	<b>827</b>	<b>(94)</b>	<b>(72,210)</b>	<b>18,985</b>	<b>16,195</b>	<b>16,195</b>	<b>–</b>	<b>(32,170)</b>	<b>(28,887)</b>	<b>(33,335)</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>77,341</b>	<b>27,028</b>	<b>–</b>	<b>49,389</b>	<b>46,349</b>	<b>46,349</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Transfers recognised - capital	77,341	27,028	–	46,349	46,349	46,349	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	–	–	–	3,040	3,040	3,040	–	–	–	–
<b>Total sources of capital funds</b>	<b>77,341</b>	<b>27,028</b>	<b>–</b>	<b>49,389</b>	<b>49,389</b>	<b>49,389</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Financial position</b>										
Total current assets	69,183	109,079	87,780	38,809	31,635	31,635	–	91,564	95,776	100,181
Total non current assets	986,368	976,066	802,814	993,720	1,097,748	1,097,748	–	838,940	877,532	917,898
Total current liabilities	66,794	95,591	120,397	12,717	57	57	–	24,766	801	838
Total non current liabilities	16,402	12,805	7,946	–	980	980	–	–	–	–
Community wealth/Equity	972,355	976,749	762,251	1,019,812	1,128,345	1,128,345	–	906	973	1,017
<b>Cash flows</b>										
Net cash from (used) operating	63,588	28,508	49,000	56,763	44,908	44,908	–	5,389	35,459	33,924
Net cash from (used) investing	115	(416)	–	(48,532)	(47,504)	(47,504)	–	53,256	58,733	56,777
Net cash from (used) financing	–	1,201	–	–	–	–	–	–	–	–
<b>Cash/cash equivalents at the year end</b>	<b>64,433</b>	<b>29,805</b>	<b>52,704</b>	<b>8,513</b>	<b>1,108</b>	<b>1,108</b>	<b>–</b>	<b>62,349</b>	<b>156,541</b>	<b>247,241</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	513	2,647	3,704	8,283	1,108	1,108	–	3,704	3,874	4,052
Application of cash and investments	47,182	54,190	23,049	(8,090)	(104,037)	(104,037)	–	(18,797)	(44,722)	(46,735)
<b>Balance - surplus (shortfall)</b>	<b>(46,669)</b>	<b>(51,543)</b>	<b>(19,346)</b>	<b>16,373</b>	<b>105,145</b>	<b>105,145</b>	<b>–</b>	<b>22,501</b>	<b>48,596</b>	<b>50,787</b>
<b>Asset management</b>										
Asset register summary (WDV)	74,922	(78,549)	4,594	6,303	8,753	8,753	8,753	18,889	19,750	19,515
Depreciation	332	–	43,762	43,762	–	–	–	47,140	38,649	38,649
Renewal and Upgrading of Existing Assets	–	–	–	–	–	–	–	–	–	–
Repairs and Maintenance	–	703	29	750	1,507	1,507	1,507	2,000	2,092	2,188
<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	–	–	–	–	–	–	–	–	–	–
<b>Households below minimum service level</b>										
Water:	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–

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

Functional Classification Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousand</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		106,158	119,957	49,554	95,475	94,246	94,246	128,774	133,880	139,520
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		106,158	119,957	49,554	95,475	94,246	94,246	128,774	133,880	139,520
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	376	370	-	-	-	-	-	-
Community and social services		-	-	25	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	376	344	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		1,329	1,000	1,000	1,000	1,000	1,000	1,000	-	-
Planning and development		1,329	1,000	1,000	1,000	1,000	1,000	1,000	-	-
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		75,522	40,336	41,263	98,220	100,630	100,630	76,813	85,190	86,246
Energy sources		1,639	2,906	1,882	29,740	33,363	33,363	35,054	39,243	33,349
Water management		16,694	12,623	9,024	44,254	42,503	42,503	19,026	20,158	25,921
Waste water management		48,194	14,844	23,375	12,234	13,657	13,657	11,999	13,556	14,180
Waste management		8,995	9,963	6,983	11,992	11,107	11,107	10,734	12,233	12,796
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>2</b>	<b>183,008</b>	<b>161,669</b>	<b>92,187</b>	<b>194,695</b>	<b>195,876</b>	<b>195,876</b>	<b>206,587</b>	<b>219,070</b>	<b>225,766</b>
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		134,348	132,309	33,405	122,273	115,529	115,529	181,414	99,026	168,836
Executive and council		16,256	12,578	9,254	17,547	15,010	15,010	7,856	8,254	8,541
Finance and administration		116,908	118,379	23,053	103,214	99,085	99,085	171,921	89,121	158,503
Internal audit		1,184	1,353	1,098	1,511	1,433	1,433	1,638	1,651	1,792
<i>Community and public safety</i>		811	3,192	2,211	3,638	2,997	2,997	3,600	3,661	3,939
Community and social services		490	2,666	2,086	750	1,007	1,007	2,300	2,301	2,516
Sport and recreation		7	1	51	250	52	52	1,000	1,046	1,094
Public safety		-	-	-	-	-	-	-	-	-
Housing		284	508	-	2,438	1,838	1,838	300	314	328
Health		30	18	74	200	100	100	-	-	-
<i>Economic and environmental services</i>		6,771	3,220	5,732	8,106	7,250	7,250	5,916	6,216	6,473
Planning and development		1,571	1,343	636	3,511	3,025	3,025	5,916	6,216	6,473
Road transport		5,200	1,877	5,096	4,596	4,226	4,226	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		47,016	29,462	12,617	48,311	58,605	58,605	47,827	139,053	79,853
Energy sources		30,280	15,097	8,543	23,773	34,476	34,476	33,394	34,236	36,357
Water management		6,004	3,865	2,551	15,721	15,471	15,471	6,450	7,339	7,112
Waste water management		10,729	10,493	1,518	5,740	5,694	5,694	4,900	94,255	33,010
Waste management		2	7	4	3,077	2,964	2,964	3,083	3,225	3,373
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>188,945</b>	<b>168,183</b>	<b>53,965</b>	<b>182,328</b>	<b>184,381</b>	<b>184,381</b>	<b>238,757</b>	<b>247,956</b>	<b>259,100</b>
<b>Surplus/(Deficit) for the year</b>		<b>(5,937)</b>	<b>(6,515)</b>	<b>38,222</b>	<b>12,367</b>	<b>11,495</b>	<b>11,495</b>	<b>(32,170)</b>	<b>(28,886)</b>	<b>(33,334)</b>

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

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousand</b>										
<b>Revenue by Vote</b>	1									
Vote 1 - Finance and Administration		106,158	119,957	5,740	94,475	94,246	94,246	40,095	11,074	16,194
Vote 2 - Executive and Council		-	-	-	-	-	-	-	-	-
Vote 3 - Community and Social Services		-	-	25	-	-	-	-	-	-
Vote 4 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 5 - Water Management		16,694	12,623	9,024	44,254	42,503	42,503	19,026	46,439	48,626
Vote 6 - Waste Water Management		48,194	14,844	23,375	12,234	13,657	13,657	11,999	13,556	14,180
Vote 7 - Waste Management		-	-	-	11,992	11,107	11,107	10,734	12,233	12,796
Vote 8 - Energy Sources		1,639	2,906	1,882	29,740	33,363	33,363	35,054	39,243	33,349
Vote 9 - Planning and Development		1,329	1,000	1,000	1,000	1,000	1,000	-	-	-
Vote 10 - Sport and Recreation		-	-	-	-	-	-	-	-	-
Vote 11 - Road Transport		-	-	-	-	-	-	-	-	-
Vote 12 - Health		-	-	-	-	-	-	-	-	-
Vote 13 - Housing		-	-	227	-	-	-	-	-	-
Vote 14 - Public Safety		-	-	6,983	-	-	-	-	-	-
Vote 15 - Finance and administration 2		-	-	43,813	-	-	-	89,679	96,524	100,620
<b>Total Revenue by Vote</b>	2	<b>174,014</b>	<b>151,330</b>	<b>92,070</b>	<b>193,695</b>	<b>195,876</b>	<b>195,876</b>	<b>206,587</b>	<b>219,070</b>	<b>225,766</b>
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - Finance and Administration		72,879	117,755	7,947	103,164	98,626	98,626	146,663	52,569	112,656
Vote 2 - Executive and Council		16,256	12,578	9,254	17,547	15,010	15,010	7,856	8,254	8,541
Vote 3 - Community and Social Services		490	2,666	2,086	1,000	1,157	1,157	1,300	1,255	1,422
Vote 4 - Internal Audit		1,184	1,353	1,098	1,511	1,433	1,433	1,638	1,651	1,792
Vote 5 - Water Management		6,004	3,865	2,551	15,721	15,471	15,471	6,450	7,339	7,112
Vote 6 - Waste Water Management		10,729	10,493	(1,409)	5,740	5,694	5,694	4,900	8,176	2,981
Vote 7 - Waste Management		2	7	4	3,077	2,973	2,973	3,083	3,225	3,373
Vote 8 - Energy Sources		30,280	15,097	8,543	23,773	34,976	34,976	33,394	34,236	36,357
Vote 9 - Planning and Development		1,571	1,343	636	3,511	3,025	3,025	5,916	6,216	6,473
Vote 10 - Sport and Recreation		7	1	51	250	52	52	1,000	1,046	1,094
Vote 11 - Road Transport		5,200	1,877	5,096	4,596	4,226	4,226	-	-	-
Vote 12 - Health		30	18	74	-	-	-	-	-	-
Vote 13 - Housing		284	508	-	2,438	1,838	1,838	300	314	328
Vote 14 - Public Safety		-	-	-	-	-	-	1,000	1,046	1,094
Vote 15 - Finance and administration 2		44,029	623	15,106	-	-	-	25,257	122,631	75,877
<b>Total Expenditure by Vote</b>	2	<b>188,945</b>	<b>168,183</b>	<b>51,038</b>	<b>182,328</b>	<b>184,481</b>	<b>184,481</b>	<b>238,757</b>	<b>247,957</b>	<b>259,100</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>(14,932)</b>	<b>(16,853)</b>	<b>41,032</b>	<b>11,366</b>	<b>11,394</b>	<b>11,394</b>	<b>(32,170)</b>	<b>(28,887)</b>	<b>(33,335)</b>

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

Description		Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 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 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source												
Property rates	2		14,917	14,678	16,960	20,826	22,492	22,492	–	23,504	24,585	25,716
Service charges - electricity revenue	2		20,961	16,539	11,749	22,386	21,009	21,009	–	21,955	22,965	24,021
Service charges - water revenue	2		16,715	19,737	4,938	9,326	8,207	8,207	–	8,576	8,971	9,383
Service charges - sanitation revenue	2		9,104	8,312	6,048	10,534	9,902	9,902	–	10,348	10,824	11,322
Service charges - refuse revenue	2		8,541	7,985	6,092	11,059	10,174	10,174	–	10,632	11,121	11,633
Rental of facilities and equipment			2,209	585		473	284	284	–	297	310	325
Interest earned - external investments			579	513		443	390	390	–	407	426	446
Interest earned - outstanding debtors			10,526	19,356		4,070	4,070	4,070	–	4,253	4,449	4,653
Dividends received		1		4		41	10	10	–	10	11	11
Fines, penalties and forfeits		8		2		19	32	32	–	33	35	36
Licences and permits			–	–		5	5	5	–	5	5	5
Agency services			–	–		–	–	–	–	–	–	–
Transfers and subsidies			49,347	51,089		67,103	72,103	72,103	–	71,888	76,040	80,814
Other revenue	2		545	434	2,336	1,059	847	847	–	569	595	623
Gains			–	452	–				–	–	–	–
Total Revenue (excluding capital transfers and contributions)			133,453	139,683	48,123	147,345	149,526	149,526	–	152,478	160,337	168,989
Expenditure By Type												
Employee related costs	2		46,772	49,073	35,896	53,561	53,561	53,561	–	58,918	61,626	64,458
Remuneration of councillors			3,348	3,746		4,127	4,127	4,127	–	4,313	4,317	4,516
Debt impairment	3		34,324	12,271		22,998	22,998	22,998	–	50,000	52,300	54,706
Depreciation & asset impairment	2		42,692	44,090	43,762	38,649	38,649	38,649	–	47,140	49,308	51,576
Finance charges			2,115	2,232		600	2,000	2,000	–	600	628	656
Bulk purchases	2		27,270	26,469	35,161	21,000	33,000	33,000	–	38,000	39,748	41,576
Other materials	8		–	–		–	–	–	–	5,940	6,237	4,530
Contracted services			6,521	12,201	5,514	18,160	11,843	11,843	–	18,924	18,146	20,307
Transfers and subsidies			–	–	–	–	–	–	–	–	–	–
Other expenditure	4, 5		25,301	18,101	–	15,612	13,500	13,500	–	14,922	15,648	16,775
Losses			601	–	–				–	–	–	–
Total Expenditure			188,945	168,183	120,333	174,709	179,680	179,680	–	238,757	247,957	259,100
Surplus/(Deficit)			(55,493)	(28,501)	(72,210)	(27,364)	(30,154)	(30,154)	–	(86,279)	(87,620)	(90,112)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			56,320	28,406		46,349	46,349	46,349	–	54,109	58,733	56,777
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)			–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions			827	(94)	(72,210)	18,985	16,195	16,195	–	(32,170)	(28,887)	(33,335)
Taxation												
Surplus/(Deficit) after taxation			827	(94)	(72,210)	18,985	16,195	16,195	–	(32,170)	(28,887)	(33,335)
Attributable to minorities												
Surplus/(Deficit) attributable to municipality			827	(94)	(72,210)	18,985	16,195	16,195	–	(32,170)	(28,887)	(33,335)
Share of surplus/ (deficit) of associate	7											
Surplus/(Deficit) for the year			827	(94)	(72,210)	18,985	16,195	16,195	–	(32,170)	(28,887)	(33,335)

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	2										
Vote 1 - Finance & Admin		-	-	-	-	-	-	-	-	-	-
Vote 2 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 3 - Community and Social Services		-	-	-	-	-	-	-	-	-	-
Vote 4 - Internal Audit		-	-	-	-	-	-	-	-	-	-
Vote 5 - Water Management		-	-	-	-	-	-	-	-	-	-
Vote 6 - Waste Water Management		-	-	-	-	-	-	-	-	-	-
Vote 7 - Waste Management		-	-	-	-	-	-	-	-	-	-
Vote 8 - Energy Sources		-	-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		-	-	-	-	-	-	-	-	-	-
Vote 10 - Sports & Recreation		-	-	-	-	-	-	-	-	-	-
Vote 11 - Road Transport		-	-	-	-	-	-	-	-	-	-
Vote 12 - Health		-	-	-	-	-	-	-	-	-	-
Vote 13 - Housing.		-	-	-	-	-	-	-	-	-	-
Vote 14 - Public Safety		-	-	-	-	-	-	-	-	-	-
Vote 15 - Finance & Admin 2		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure to be appropriated</b>	2										
Vote 1 - Finance & Admin		684	(5,628)	4,016	1,225	245	245	245	2,190	2,291	2,396
Vote 2 - Executive & Council		-	82	376	818	758	758	758	70	73	77
Vote 3 - Community and Social Services		(196)	8,785	3,300	3,325	4,114	4,114	4,114	800	885	1,073
Vote 4 - Internal Audit		-	-	9	85	50	50	50	15	-	16
Vote 5 - Water Management		16,054	11,451	10,036	27,502	32,277	32,277	32,277	26,451	27,886	29,220
Vote 6 - Waste Water Management		9,608	(6,309)	1,841	498	2,263	2,263	2,263	9,680	-	-
Vote 7 - Waste Management		430	1,081	-	7,693	-	-	-	-	-	-
Vote 8 - Energy Sources		235	426	444	5,200	5,200	5,200	5,200	18,827	19,745	14,056
Vote 9 - Planning and Development		728	5,714	143	507	210	210	210	-	-	-
Vote 10 - Sports & Recreation		(83)	-	-	976	1,698	1,698	1,698	800	885	1,073
Vote 11 - Road Transport		1,555	7,336	30	300	100	100	100	100	105	109
Vote 12 - Health		-	-	-	-	-	-	-	-	-	-
Vote 13 - Housing.		-	-	-	-	-	-	-	-	-	-
Vote 14 - Public Safety		-	-	-	-	-	-	-	-	-	-
Vote 15 - Finance & Admin 2		220,291	(3,683)	52	403	588	588	588	765	800	837
<b>Capital single-year expenditure sub-total</b>		<b>249,307</b>	<b>19,256</b>	<b>20,247</b>	<b>48,532</b>	<b>47,503</b>	<b>47,503</b>	<b>47,503</b>	<b>59,698</b>	<b>52,670</b>	<b>48,857</b>
<b>Total Capital Expenditure - Vote</b>		<b>249,307</b>	<b>19,256</b>	<b>20,247</b>	<b>48,532</b>	<b>47,503</b>	<b>47,503</b>	<b>47,503</b>	<b>59,698</b>	<b>52,670</b>	<b>48,857</b>
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		<b>220,975</b>	<b>(9,229)</b>	<b>4,453</b>	<b>2,530</b>	<b>1,641</b>	<b>1,641</b>	<b>1,641</b>	<b>3,040</b>	<b>3,164</b>	<b>3,326</b>
Executive and council		-	82	376	818	758	758	758	70	73	77
Finance and administration		220,975	(9,311)	4,068	1,627	833	833	833	2,955	3,091	3,233
Internal audit		-	-	9	85	50	50	50	15	-	16
<b>Community and public safety</b>		<b>(279)</b>	<b>8,785</b>	<b>3,300</b>	<b>4,302</b>	<b>5,812</b>	<b>5,812</b>	<b>5,812</b>	<b>1,600</b>	<b>1,770</b>	<b>2,146</b>
Community and social services		(196)	8,785	3,300	3,325	4,114	4,114	4,114	800	885	1,073
Sport and recreation		(83)	-	-	976	1,698	1,698	1,698	800	885	1,073
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>2,283</b>	<b>13,050</b>	<b>173</b>	<b>807</b>	<b>310</b>	<b>310</b>	<b>310</b>	<b>100</b>	<b>105</b>	<b>109</b>
Planning and development		728	5,714	143	507	210	210	210	-	-	-
Road transport		1,555	7,336	30	300	100	100	100	100	105	109
Environmental protection		-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>26,328</b>	<b>6,649</b>	<b>12,320</b>	<b>40,893</b>	<b>39,740</b>	<b>39,740</b>	<b>39,740</b>	<b>54,958</b>	<b>47,631</b>	<b>43,276</b>
Energy sources		235	426	444	5,200	5,200	5,200	5,200	18,827	19,745	14,056
Water management		16,054	11,451	10,036	27,502	32,277	32,277	32,277	26,451	27,886	29,220
Waste water management		9,608	(6,309)	1,841	498	2,263	2,263	2,263	9,680	-	-
Waste management		430	1,081	-	7,693	-	-	-	-	-	-
<b>Other</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Functional</b>	3	<b>249,307</b>	<b>19,256</b>	<b>20,247</b>	<b>48,532</b>	<b>47,503</b>	<b>47,503</b>	<b>47,503</b>	<b>59,698</b>	<b>52,670</b>	<b>48,857</b>
<b>Funded by:</b>											
National Government		28,245	28,485	15,653	45,552	45,552	45,552	45,552	53,256	45,939	42,960
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	<b>28,245</b>	<b>28,485</b>	<b>15,653</b>	<b>45,552</b>	<b>45,552</b>	<b>45,552</b>	<b>45,552</b>	<b>53,256</b>	<b>45,939</b>	<b>42,960</b>
<b>Borrowing</b>	6	<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>221,063</b>	<b>(9,229)</b>	<b>4,593</b>	<b>2,980</b>	<b>1,952</b>	<b>1,952</b>	<b>1,952</b>	<b>6,442</b>	<b>6,731</b>	<b>5,897</b>
<b>Total Capital Funding</b>	7	<b>249,307</b>	<b>19,256</b>	<b>20,247</b>	<b>48,532</b>	<b>47,503</b>	<b>47,503</b>	<b>47,503</b>	<b>59,698</b>	<b>52,670</b>	<b>48,857</b>



**FS161 Letsemeng - Table A6 Budgeted Financial Position**

Description		Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 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 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
ASSETS												
Current assets												
Cash			513	2,647	3,704	8,283	1,108	1,108	–	935	905	1,100
Call investment deposits	1		–	–	–	–	–	–	–	–	–	–
Consumer debtors	1		33,016	88,629	80,872	27,849	27,849	27,849	–	84,512	88,399	92,466
Other debtors			32,861	15,126	523	–	–	–	–	546	572	598
Current portion of long-term receivables			–	–	–	–	–	–	–	–	–	–
Inventory	2		2,793	2,677	2,681	2,677	2,677	2,677	–	2,802	2,931	3,065
Total current assets			69,183	109,079	87,780	38,809	31,635	31,635	–	88,795	92,807	97,229
Non current assets												
Long-term receivables			–	–	–	–	108,000	108,000	–	–	–	–
Investments			–	–	–	–	–	–	–	–	–	–
Investment property			227,482	237,278	77,694	237,278	237,278	237,278	–	81,191	84,925	88,832
Investment in Associate			–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	3		757,768	737,872	724,539	756,303	752,331	752,331	–	757,144	791,972	828,403
Biological			15	15	–	–	–	–	–	–	–	–
Intangible			983	781	580	140	140	140	–	606	634	663
Other non-current assets			121	120	–	–	–	–	–	–	–	–
Total non current assets			986,368	976,066	802,814	993,720	1,097,748	1,097,748	–	838,940	877,532	917,898
TOTAL ASSETS			1,055,551	1,085,145	890,594	1,032,529	1,129,383	1,129,383	–	927,735	970,339	1,015,127
LIABILITIES												
Current liabilities												
Bank overdraft	1		–	–	–	–	–	–	–	–	–	–
Borrowing	4		486	492	–	–	–	–	–	–	–	–
Consumer deposits			799	782	733	57	57	57	–	766	801	838
Trade and other payables	4		65,509	94,317	119,664	12,660	–	–	–	24,000	30,000	35,000
Provisions			–	–	–	–	–	–	–	–	–	–
Total current liabilities			66,794	95,591	120,397	12,717	57	57	–	24,766	30,801	35,838
Non current liabilities												
Borrowing			16,402	12,805	–	–	–	–	–	–	–	–
Provisions			–	–	7,946	–	980	980	–	–	–	–
Total non current liabilities			16,402	12,805	7,946	–	980	980	–	–	–	–
TOTAL LIABILITIES			83,196	108,396	128,343	12,717	1,037	1,037	–	24,766	30,801	35,838
NET ASSETS	5		972,355	976,749	762,251	1,019,812	1,128,345	1,128,345	–	902,969	939,538	979,289
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)			972,355	976,749	762,251	1,019,812	1,128,345	1,128,345	–	902,969	939,538	979,289
Reserv es	4		–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5		972,355	976,749	762,251	1,019,812	1,128,345	1,128,345	–	902,969	939,538	979,289

FS161 Letsemeng - Table A7 Budgeted Cash Flows

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		3,917	6,216	14,254	17,994	17,994	17,994	–	17,628	18,421	19,250
Service charges		19,320	27,673	40,303	39,434	39,434	39,434	–	34,355	35,901	37,516
Other revenue		–	–	2,565	1,999	1,558	1,558	–	904	945	987
Transfers and Subsidies - Operational	1	125,755	93,649	61,052	67,103	50,103	50,103	–	47,888	76,040	80,814
Transfers and Subsidies - Capital	1	–	–	49,949	46,349	46,349	46,349	–	54,109	58,733	56,777
Interest		579	513	4,711	4,513	4,513	4,513	–	4,660	4,870	5,089
Dividends		1	4	34	41	41	41	–	10	11	11
Payments											
Suppliers and employees		(84,694)	(99,546)	(123,814)	(120,070)	(113,084)	(113,084)	–	(105,872)	(135,590)	(142,817)
Finance charges		(1,291)	–	(53)	(600)	(2,000)	(2,000)	–	(600)	(628)	(656)
Transfers and Grants	1	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		63,588	28,508	49,000	56,763	44,908	44,908	–	53,083	58,703	56,972
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		115	1	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables		–	(418)	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets					(48,532)	(47,504)	(47,504)	–	(53,256)	(58,733)	(56,777)
NET CASH FROM/(USED) INVESTING ACTIVITIES		115	(416)	–	(48,532)	(47,504)	(47,504)	–	(53,256)	(58,733)	(56,777)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	1,201	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–	–
Payments											
Repayment of borrowing		–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	1,201	–	–	–	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD		63,704	29,292	49,000	8,231	(2,596)	(2,596)	–	(173)	(30)	195
Cash/cash equivalents at the year begin:	2	730	513	3,704	282	3,704	3,704	–	1,108	935	905
Cash/cash equivalents at the year end:	2	64,433	29,805	52,704	8,513	1,108	1,108	–	935	905	1,100

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

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand											
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	64,433	29,805	52,704	8,513	1,108	1,108	–	935	905	1,100
Other current investments > 90 days		(63,921)	(27,158)	(49,000)	(231)	–	–	–	0	0	0
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
<b>Cash and investments available:</b>		<b>513</b>	<b>2,647</b>	<b>3,704</b>	<b>8,283</b>	<b>1,108</b>	<b>1,108</b>	<b>–</b>	<b>935</b>	<b>905</b>	<b>1,100</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		–	–	–	–	–	–	–	–	–	–
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2										
Other working capital requirements	3	47,182	54,190	23,049	(8,090)	(104,037)	(104,037)	–	(32,110)	(28,635)	(26,274)
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
<b>Total Application of cash and investments:</b>		<b>47,182</b>	<b>54,190</b>	<b>23,049</b>	<b>(8,090)</b>	<b>(104,037)</b>	<b>(104,037)</b>	<b>–</b>	<b>(32,110)</b>	<b>(28,635)</b>	<b>(26,274)</b>
<b>Surplus(shortfall)</b>		<b>(46,669)</b>	<b>(51,543)</b>	<b>(19,346)</b>	<b>16,373</b>	<b>105,145</b>	<b>105,145</b>	<b>–</b>	<b>33,045</b>	<b>29,540</b>	<b>27,374</b>

FS161 Letsemeng - Table A9 Asset Management

PS 101 Letsemeng - Table A9 Asset management		Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
Description			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand											
CAPITAL EXPENDITURE											
<b>Total New Assets</b>		1	(54,090)	(46,251)	6,425	10,777	14,068	14,068	19,289	20,169	19,953
Roads Infrastructure			-	-	-	-	-	-	-	-	-
Storm water Infrastructure			-	-	-	-	-	-	-	-	-
Electrical Infrastructure			(27)	426	-	-	-	-	12,847	13,438	14,056
Water Supply Infrastructure			77	-	-	-	1,297	1,297	-	-	-
Sanitation Infrastructure			6,019	1,974	1,798	415	2,181	2,181	-	-	-
Solid Waste Infrastructure			430	-	-	2,943	-	-	-	-	-
Rail Infrastructure			-	-	-	-	-	-	-	-	-
Coastal Infrastructure			-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure			-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>			<b>6,499</b>	<b>2,400</b>	<b>1,798</b>	<b>3,358</b>	<b>3,477</b>	<b>3,477</b>	<b>12,847</b>	<b>13,438</b>	<b>14,056</b>
Community Facilities			-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities			(83)	-	-	976	1,698	1,698	-	-	-
<b>Community Assets</b>			<b>(83)</b>	<b>-</b>	<b>-</b>	<b>976</b>	<b>1,698</b>	<b>1,698</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Heritage Assets</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue Generating			-	-	-	-	-	-	-	-	-
Non-revenue Generating			-	-	-	-	-	-	-	-	-
<b>Investment properties</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings			-	-	-	-	-	-	-	-	-
Housing			-	-	-	-	-	-	-	-	-
<b>Other Assets</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Biological or Cultivated Assets</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Servitudes			-	-	-	-	-	-	-	-	-
Licences and Rights			-	-	32	140	140	140	400	418	438
<b>Intangible Assets</b>			<b>-</b>	<b>-</b>	<b>32</b>	<b>140</b>	<b>140</b>	<b>140</b>	<b>400</b>	<b>418</b>	<b>438</b>
Computer Equipment			68	(5,648)	3,984	975	345	345	400	418	438
Furniture and Office Equipment			207	(8,122)	230	418	369	369	140	131	153
Machinery and Equipment			789	-	30	4,060	7,539	7,539	4,002	4,195	3,228
Transport Assets			-	82	350	850	500	500	1,500	1,569	1,641
Land			(61,571)	(34,963)	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals			-	-	-	-	-	-	-	-	-
<b>Total Renewal of Existing Assets</b>		2	<b>217,048</b>	<b>(51,576)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Roads Infrastructure			224,446	(54,568)	-	-	-	-	-	-	-
Storm water Infrastructure			-	-	-	-	-	-	-	-	-
Electrical Infrastructure			-	-	-	-	-	-	-	-	-
Water Supply Infrastructure			283	-	-	-	-	-	-	-	-
Sanitation Infrastructure			-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure			-	-	-	-	-	-	-	-	-
Rail Infrastructure			-	-	-	-	-	-	-	-	-
Coastal Infrastructure			-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure			-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>			<b>224,729</b>	<b>(54,568)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Community Facilities			(196)	-	-	-	-	-	-	-	-
Sport and Recreation Facilities			-	-	-	-	-	-	-	-	-
<b>Community Assets</b>			<b>(196)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Heritage Assets</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue Generating			-	-	-	-	-	-	-	-	-
Non-revenue Generating			-	-	-	-	-	-	-	-	-
<b>Investment properties</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings			(3,547)	113	-	-	-	-	-	-	-
Housing			-	-	-	-	-	-	-	-	-
<b>Other Assets</b>			<b>(3,547)</b>	<b>113</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Biological or Cultivated Assets</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Servitudes			-	-	-	-	-	-	-	-	-
Licences and Rights			(1,000)	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>			<b>(1,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Computer Equipment			-	-	-	-	-	-	-	-	-
Furniture and Office Equipment			-	-	-	-	-	-	-	-	-
Machinery and Equipment			(2,938)	2,879	-	-	-	-	-	-	-
Transport Assets			-	-	-	-	-	-	-	-	-
Land			-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals			-	-	-	-	-	-	-	-	-
<b>Total Upgrading of Existing Assets</b>		6	<b>86,350</b>	<b>117,083</b>	<b>13,822</b>	<b>37,755</b>	<b>33,435</b>	<b>33,435</b>	<b>28,215</b>	<b>39,529</b>	<b>32,717</b>
Roads Infrastructure			2,283	13,050	-	397	39	39	-	-	-
Storm water Infrastructure			-	-	-	-	-	-	-	-	-
Electrical Infrastructure			262	-	444	5,200	5,200	5,200	4,928	5,199	-
Water Supply Infrastructure			19,360	12,719	10,079	24,082	24,082	24,082	12,006	27,886	29,220
Sanitation Infrastructure			-	(9,551)	-	-	-	-	9,680	-	-
Solid Waste Infrastructure			-	1,081	-	4,750	-	-	-	-	-
Rail Infrastructure			-	-	-	-	-	-	-	-	-
Coastal Infrastructure			-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure			-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>			<b>21,905</b>	<b>17,300</b>	<b>10,522</b>	<b>34,429</b>	<b>29,321</b>	<b>29,321</b>	<b>26,615</b>	<b>33,085</b>	<b>29,220</b>
Community Facilities			-	-	-	-	-	-	-	4,675	1,351
Sport and Recreation Facilities			-	8,785	3,300	3,325	4,114	4,114	1,600	1,770	2,146
<b>Community Assets</b>			<b>-</b>	<b>8,785</b>	<b>3,300</b>	<b>3,325</b>	<b>4,114</b>	<b>4,114</b>	<b>1,600</b>	<b>6,445</b>	<b>3,497</b>
<b>Heritage Assets</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue Generating			-	-	-	-	-	-	-	-	-
Non-revenue Generating			-	-	-	-	-	-	-	-	-
<b>Investment properties</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings			64,445	90,998	-	-	-	-	-	-	-
Housing			-	-	-	-	-	-	-	-	-
<b>Other Assets</b>			<b>64,445</b>	<b>90,998</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Biological or Cultivated Assets</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Servitudes			-	-	-	-	-	-	-	-	-
Licences and Rights			-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Computer Equipment			-	-	-	-	-	-	-	-	-
Furniture and Office Equipment			-	-	-	-	-	-	-	-	-
Machinery and Equipment			-	-	-	-	-	-	-	-	-
Transport Assets			-	-	-	-	-	-	-	-	-
Land			-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals			-	-	-	-	-	-	-	-	-

<b>Total Capital Expenditure</b>	4	249,307	19,256	20,247	48,532	47,503	47,503	47,503	59,698	52,670
Roads Infrastructure		226,728	(41,517)	-	397	39	39	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		235	426	444	5,200	5,200	5,200	17,775	18,637	14,056
Water Supply Infrastructure		19,720	12,719	10,079	24,082	25,379	25,379	12,006	27,886	29,220
Sanitation Infrastructure		6,019	(7,577)	1,798	415	2,181	2,181	9,680	-	-
Solid Waste Infrastructure		430	1,081	-	7,693	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>253,133</b>	<b>(34,868)</b>	<b>12,320</b>	<b>37,788</b>	<b>32,799</b>	<b>32,799</b>	<b>39,461</b>	<b>46,522</b>	<b>43,276</b>
Community Facilities		(196)	-	-	-	-	-	-	4,675	1,351
Sport and Recreation Facilities		(83)	8,785	3,300	4,302	5,812	5,812	1,600	1,770	2,146
<b>Community Assets</b>		<b>(279)</b>	<b>8,785</b>	<b>3,300</b>	<b>4,302</b>	<b>5,812</b>	<b>5,812</b>	<b>1,600</b>	<b>6,445</b>	<b>3,497</b>
<b>Heritage Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings		60,898	91,111	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		<b>60,898</b>	<b>91,111</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Biological or Cultivated Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		(1,000)	-	32	140	140	140	400	418	438
<b>Intangible Assets</b>		<b>(1,000)</b>	<b>-</b>	<b>32</b>	<b>140</b>	<b>140</b>	<b>140</b>	<b>400</b>	<b>418</b>	<b>438</b>
Computer Equipment		68	(5,648)	3,984	975	345	345	400	418	438
Furniture and Office Equipment		207	(8,122)	230	418	369	369	140	131	153
Machinery and Equipment		(2,149)	2,879	30	4,060	7,539	7,539	4,002	4,195	3,228
Transport Assets		-	82	350	850	500	500	1,500	1,569	1,641
Land		(61,571)	(34,963)	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>		<b>249,307</b>	<b>19,256</b>	<b>20,247</b>	<b>48,532</b>	<b>47,503</b>	<b>47,503</b>	<b>47,503</b>	<b>59,698</b>	<b>52,670</b>
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	74,922	(78,549)	4,594	6,303	8,753	8,753	18,889	19,750	19,515
Roads Infrastructure		170,071	(42,442)	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	12,847	13,438	14,056
Water Supply Infrastructure		(31,493)	9,686	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		20	92	3,919	650	25	25	130	136	142
<b>Infrastructure</b>		<b>138,597</b>	<b>(32,665)</b>	<b>3,919</b>	<b>650</b>	<b>25</b>	<b>25</b>	<b>12,977</b>	<b>13,574</b>	<b>14,198</b>
<b>Community Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Heritage Assets</b>		<b>(268)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Investment properties</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Biological or Cultivated Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Intangible Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		236	(13,882)	296	743	689	689	410	413	449
Machinery and Equipment		(2,073)	2,879	30	4,060	7,539	7,539	4,002	4,195	3,228
Transport Assets		-	82	350	850	500	500	1,500	1,569	1,641
Land		(61,571)	(34,963)	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	<b>74,922</b>	<b>(78,549)</b>	<b>4,594</b>	<b>6,303</b>	<b>8,753</b>	<b>8,753</b>	<b>18,889</b>	<b>19,750</b>	<b>19,515</b>
<b>EXPENDITURE OTHER ITEMS</b>		<b>332</b>	<b>703</b>	<b>40</b>	<b>44,512</b>	<b>1,507</b>	<b>1,507</b>	<b>2,000</b>	<b>40,741</b>	<b>40,838</b>
<b>Depreciation</b>	7	332	-	11	43,762	-	-	-	38,649	38,649
<b>Repairs and Maintenance by Asset Class</b>	3	-	703	29	750	1,507	1,507	2,000	2,092	2,188
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Community Facilities		-	343	29	250	907	907	1,000	1,046	1,094
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		<b>-</b>	<b>343</b>	<b>29</b>	<b>250</b>	<b>907</b>	<b>907</b>	<b>1,000</b>	<b>1,046</b>	<b>1,094</b>
<b>Heritage Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings		-	359	-	500	600	600	1,000	1,046	1,094
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		<b>-</b>	<b>359</b>	<b>-</b>	<b>500</b>	<b>600</b>	<b>600</b>	<b>1,000</b>	<b>1,046</b>	<b>1,094</b>
<b>Biological or Cultivated Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		<b>332</b>	<b>703</b>	<b>40</b>	<b>44,512</b>	<b>1,507</b>	<b>1,507</b>	<b>2,000</b>	<b>40,741</b>	<b>40,838</b>
<b>Renewal and upgrading of Existing Assets as % of total capex</b>		121.7%	340.2%	68.3%	77.8%	70.4%	70.4%	59.4%	66.2%	62.1%
<b>Renewal and upgrading of Existing Assets as % of deprecn</b>		91508.9%	0.0%	127358.9%	86.3%	0.0%	0.0%	0.0%	102.3%	84.6%
<b>R&amp;M as a % of PPE</b>		0.0%	-8.5%	0.1%	1.5%	3.2%	3.2%	6.0%	7.8%	10.1%
<b>Renewal and upgrading and R&amp;M as a % of PPE</b>		405.0%	-84.0%	301.0%	611.0%	399.0%	399.0%	160.0%	211.0%	179.0%

FS161 Letsemeng - Table A10 Basic service delivery measurement

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		11,208	11,208	11,208	11,208	11,208	11,208	11,208	11,208	11,208
Piped water inside yard (but not in dwelling)		9,208	9,208	9,208	9,898	9,898	9,898	10,588	10,588	10,588
Using public tap (at least min.service level)	2	682	682	682	682	682	682	682	682	682
Other water supply (at least min.service level)	4	—	—	—	—	—	—	—	—	—
<i>Minimum Service Level and Above sub-total</i>		21,098	21,098	21,098	21,788	21,788	21,788	22,478	22,478	22,478
Using public tap (< min.service level)	3	—	—	—	—	—	—	—	—	—
Other water supply (< min.service level)	4	—	—	—	—	—	—	—	—	—
No water supply		—	—	—	—	—	—	—	—	—
<i>Below Minimum Service Level sub-total</i>		—	—	—	—	—	—	—	—	—
<b>Total number of households</b>	5	21,098	21,098	21,098	21,788	21,788	21,788	22,478	22,478	22,478
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		16,376	16,376	16,376	16,376	16,376	16,376	16,376	16,376	16,376
Flush toilet (with septic tank)		608	608	608	608	608	608	608	608	608
Chemical toilet		102	102	102	102	102	102	102	102	102
Pit toilet (ventilated)		2,370	2,370	2,370	2,370	2,370	2,370	2,370	2,370	2,370
Other toilet provisions (> min.service level)		—	—	—	—	—	—	—	—	—
<i>Minimum Service Level and Above sub-total</i>		19,456	19,456	19,456	19,456	19,456	19,456	19,456	19,456	19,456
Bucket toilet		—	—	—	—	—	—	—	—	—
Other toilet provisions (< min.service level)		—	—	—	—	—	—	—	—	—
No toilet provisions		—	—	—	—	—	—	—	—	—
<i>Below Minimum Service Level sub-total</i>		—	—	—	—	—	—	—	—	—
<b>Total number of households</b>	5	19,456	19,456	19,456	19,456	19,456	19,456	19,456	19,456	19,456
<b>Energy:</b>										
Electricity (at least min.service level)		11,000	11,000	11,000	11,000	11,000	11,000	15,000	15,000	15,000
Electricity - prepaid (min.service level)		—	—	—	—	—	—	—	—	—
<i>Minimum Service Level and Above sub-total</i>		11,000	11,000	11,000	11,000	11,000	11,000	15,000	15,000	15,000
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	11,000	11,000	11,000	11,000	11,000	11,000	15,000	15,000	15,000
<b>Refuse:</b>										
Removed at least once a week		11,000	11,000	11,000	11,000	11,000	11,000	15,000	15,000	15,000
<i>Minimum Service Level and Above sub-total</i>		11,000	11,000	11,000	11,000	11,000	11,000	15,000	15,000	15,000
Removed less frequently than once a week		—	—	—	—	—	—	—	—	—
Using communal refuse dump		—	—	—	—	—	—	—	—	—
Using own refuse dump		—	—	—	—	—	—	—	—	—
Other rubbish disposal		—	—	—	—	—	—	—	—	—
No rubbish disposal		—	—	—	—	—	—	—	—	—
<i>Below Minimum Service Level sub-total</i>		—	—	—	—	—	—	—	—	—
<b>Total number of households</b>	5	11,000	11,000	11,000	11,000	11,000	11,000	15,000	15,000	15,000
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		—	—	—	—	—	—	—	—	—
Sanitation (free minimum level service)		—	—	—	—	—	—	—	—	—
Electricity/other energy (50kwh per household per month)		—	—	—	—	—	—	—	—	—
Refuse (removed at least once a week)		—	—	—	—	—	—	—	—	—
<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)		6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (Rand per household per month)		6	6	6	6	6	6	6	6	6
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		6	6	6	6	6	6	6	6	6

## 1. Explanatory notes to budget

Table A1 is a summary of the budget of Letsemeng Local Municipality that gives an overview 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 an increase of 8.1% on electricity tariffs
  - b. An increase of 4.5% on refuse, sewerage and water tariffs
  - c. 4.5% 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 understand ability 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 2020/21 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 2019 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 now effective at the municipality as there is a dedicated unit or official entrusted with performance management.

For the 2020/21 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 2019-20 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 Tariff Policy**

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 20/21 financial year but an increase of 8.1% was made based on the NERSA guideline, Please refer to the Annexure of Tariff List.

### **2.4.3 Indigent Support Policy**

The recommendation is that the threshold be increased to a current value of R1 860 \* 2 i.e. R3 720 pensioners combined or the rand value.

### **2.4.4 Cost Containment Policy**

As per the requirements of cost containment regulations, Municipalities were requested to prepare cost containment policy in line with MFMA circular 81 and Cost containment

regulations as promulgated, the policy has been prepared and will form part of budget related policies to be tabled with the Annual Budget.

## **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 2020-21 draft 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 2018-19 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 20/21 MTREF**

<b>DORA GRANT</b>	<b>ALLOCATED AMOUNT</b>
Equitable Share	R 68 088 000
Water Services Infrastructure Grant	R 24 201 000
Municipal Infrastructure Grant	R 17 061 000
Expanded Public Works Programme	R 1 000 000

Integrated National Electrification Grant	R 12 847 000
Financial Management Grant	R 2 800 000

All the grants allocated are conditional i.e. have to meet an obligation except Equitable Share grant which is unconditional. On the Equitable Share there is unspent amount of R24 million from previous financial year (2018-19) that is going to be deducted which gives a balance of R 47 888 000.

## **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 53 561 000** (2019-20 adjustment budget) to **R58 918 000**.
- (b) The Council Remuneration of **R4 313 163** for 2020/21 is the estimated amount.

## **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 59 698 000**

Municipal Water System Infrastructure Grant is allocated at **R 24 201 000** 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.

Integrated National Electrification Programme is allocated **R12 847 000**.

Internally generated funds amounts to **R6 442 000**

The other balance on the Municipal Infrastructure Grant amounting to **R 17 061 000** will be funding the Project Management Unit related costs. Below are planned projects for the coming financial year:

- Project Management Unit **R 853 050**
- Koffiefontein/Sonwabile: Upgrading of sports facility (Phase 2) (MIS:249754)**R 800 000**
- Luckhoff: Closure of existing solid waste site and construction of a new solid waste facility (MIS:285464) **R1 625 349.71**
- Petrusburg/Bolokanang: Construction of new pipeline from Boreholes 14 & 15 to reservoir (MIS:325184) **R4 817 914.29**
- Petrusburg: Refurbishment of waste water treatment works (MIS:325185) **R8,111,686.00**
- Procurement of specialized commercial vehicle Tractor and trailer for Letsemeng **R853 000**

The following are the budgeted projects for Integrated National Electrification Programme:

- Letsemeng Ratanang electrification **R9 146 000**
- Letsemeng Diamanthoogte electrification **R 1700 000**
- Letsemeng Ratanang bulk point/Jacobsdal **R2 000 680**

## **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 **R2 800 000** 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 2020-21 Annual Budget in June 2020.

### **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

Privaatsak / Private Bag X3  
KOFFIEFONTEIN  
9986



FOON / PHONE  
(053) 3300 200

## OFFICE OF THE MUNICIPAL MANAGER

---

To whom it may concern

Re: Quality Certificate for 2020-21 Draft Annual Budget

I, Tshemedi Lucas Mkhwane, the Municipal Manager of Letsemeng Local Municipality (FS161), hereby certify that the draft annual budget for the 2020-21 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

---

Signature:

---

Date:

---