

# Letsemeng Local Municipality



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

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## **PART 1**

### **Mayor's Report**

Honourable Councillors  
The Municipal Manager  
Directors  
Municipal employees  
Ward Committee members  
Member of the Public  
All protocol observed.

Good morning ladies and gentlemen,  
Fellow Honourable Councillors, the budget presented today is based on the Integrated Development Plan also referred to as the IDP.

Our five-year IDP supports our vision of “ ***We sparkle in pursuit of service excellence***”

We will achieve our vision by addressing the following Back to Basic pillars

Our Back to Basics strategy focuses on five pillars, namely:

- Putting people and their concerns first;
  - Creating conditions for decent living;
  - Demonstrating good governance;
  - Ensuring sound financial management; and
  - Building and maintaining sound institutional and administrative capabilities;
- This budget comes amid a time of great change as we face a new normal in the wake of COVID-19.

It also comes in a time as our communities comes together to fight the injustice of racial inequality,”

In accordance with the Municipal Financial Management Act..., I hereby present the Fiscal Year 2021/2022 Budget for approval by the Council and the residents of Letsemeng Local Municipality.

This budget comes amid the most difficult moment in the global economy, with our countries experiencing financial hardships where all our fiscal should be directed to the Corona-virus pandemic that has taken dozens of lives and impoverished hundreds of thousands of communities.

Let me extend my sincere condolences to the families who lost some of their loved-ones to the corona-virus

We are all in this together.

- All of us are experiencing hardship due to COVID-19 restrictions.

- Our way of life has been impacted and we have been required to adapt to a new normal.
- However, the necessary sacrifices we are making today will ensure that we have a collective future as a nation and a people tomorrow.
- We dare not let up now or we risk losing all the gains we have made.
- The fate of our nation rests on our actions and our adherence to the rules.

We need all hands on deck in this fight. It is not an exaggeration to say that COVID-19 is the most serious crisis in generations.

Our actions from the very beginning have been to save lives and preserve our way of life. South Africa acted swiftly and comprehensively across all facets of society. Our stringent measures have saved lives, helped to flatten the curve, and have bought us valuable time to fight the virus.

Our collective resilience and commitment to help each other will carry us through this very difficult period.

### **Gender- based Violence**

Regrettably; the Covid-19 crisis and physical distancing measures have caused deep concerns about their impact on women in abusive relationships. Numerous articles in the South African media have pointed to the increased risk women in these relationships face under lockdown conditions. The fear is that they are trapped inside with their abusers, unable to leave, escape or reach out for help.

The current crisis also makes it more difficult for victims to seek help. As medical facilities around the world scramble to respond to the coronavirus, health systems are becoming overloaded, making it more difficult for victims to get access to medical care or therapists. The high rates of gender-based violence (GBV) in South Africa, has given rise to significant public support to end GBV. Government has made some efforts towards ending GBV, but these have been marred by inefficient coordination and almost no budget provisions made towards prevention and services.

### **Anti-Racism Campaign # Black lives matter**

In line with the desire to have a just world where everyone will be treated with dignity despite their race, the ANC and its alliance partners saw it fit to pledge its solidarity to the family of George Floyd and African Americans who are subjected to racism and police brutality.

In light of these the National Alliance leadership lead by President Ramaphosa on the 5th of June launched National Anti-Racism and Police brutality campaign.

The Free State province has acceded to this noble call and launch the 21 days campaign.

Therefore it is equally important for municipalities to emulate the same and launch their Municipal campaigns.

The objectives of the campaign among other things intends to:

- Educate community about the effects and implication of racism
- Promote social cohesion and nation building
- Elevate cases of police brutality and condemn them (lucky we are not aware of such reported cases in the Province) However we condemn such acts from wherever they are happening.

### **Budget summary**

I am grateful for the diligent and excellent work done by the Municipal Manager and team, particularly in the CFO Budget Office, in preparing another balanced budget for Council approval.

### **CAPITAL BUDGET**

Capital Budget is funded from the following sources

- MIG – Municipal Infrastructure Grant = R17,061,000.00

<b>Project</b>	<b>Amount</b>
Koffiefontein/Sonwabile: Upgrading of sports facility (Phase 2)	800,000.00
Luckhoff: Closure of existing solid waste site and construction of a new solid waste facility	1,625,349.71
Petrusburg/Bolokanang: Construction of new pipeline from Boreholes 14 & 15 to reservoir	4,817,914.29
Petrusburg: Refurbishment of waste water treatment works (MIS:325185)	8,111,686.00
Procurement of specialized commercial vehicle Tractor and trailer for Letsemeng	853,000.00
	<b>16,207,950.00</b>
<u>PMU</u>	<u>853,050.00</u>
<u>Total grant</u>	<u>17,061,000.00</u>

- WSIG – Water Services Infrastructure Grant = R24 210 00

<b>Details</b>	<b>Amount</b>
Construction of a 4.2MI Water Treatment Plant in Jacobsdal	10,410,000.00

Refurbish and Equipping of Boreholes and Connect into the Existing Water Plant in Petrusburg	13,800,000.00
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- ☐ INEP – Integrated National Electrification program = R12 846 680.00

<b>Project</b>	<b>Amount</b>
Ratanang Electrification	9,146,000.00
Diamandhoogte	1,700,000.00
Ratanang Bulk point	2,000,680.00
<b>Total</b>	<b>12,846,680.00</b>

- ☐ Capital expenditure from Internally generated funds = R3,745,000.00

Total Capital Budget for 2020/2021 totals R 57 652 680.00

### **OPERATING GRANTS TO BE RECEIVED**

Equitable Shares – R68 million

Financial Management Grant – R2.8 million

Expanded Public Works program – R1 million

Unfortunately unpopular decision had to be made in order for our budget to be funded, and therefore Council has decided that it is going to increase tariffs as follows:

- Water 4.5%
- Sewerage 4.5%
- Refuse 4.5%
- Property rates 4.5%
- Electricity 6.22%

Operating budget of the Municipality is funded 45% from grants, this is evident that the Municipality depends on grants for operation, and this is limiting us in trying to improve service delivery.

Community members are urged to register for Indigent, Honourable Councillors, those households whose monthly income is less than R 3 800.00 must register as indigents in order to qualify for free electricity and free water.

Honourable Councillors, it is worth noting that the total budget of the Municipal including capital project is just over R200 million.

My Fellow Councillors; as we think about our budgetary priorities, however, we should have no delusions about the duration of our suffering ahead. COVID-19 is, and will still be with us unless we all adhere to respective lockdown regulations.

We must be mindful, our efforts to save lives has also resulted in painfully elevated unemployment rates and severe inevitable budget-slashing for several years to come.

“We will naturally revise our fiscal framework to take into account the effect of COVID-19

Therefore spending decisions we make today should not lock us into ongoing spending commitments that we cannot satisfy in the near future.

The grant received from National Treasury to all Municipalities has provided a lifeline to an extent, but it is incumbent upon all of us to start trimming our sails to manage difficult winds.

Honourable Councillors, with these remarks, I herewith present to you the Letsemeng 2020/2021 Budget.

I respectfully submit the budget item to Council for approval.

I thank you.

Mayor –Letsemeng Local Municipality

Sello Bahumi

## **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 R204 457 000** 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 **51,979,000 , 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 decreased from **R33 000 000** to **R28 000 000** including the arrangement amounts as agreed with Eskom, Kalkfontein and Oranje-riet water users association. Contracted services decreased from **R11 843 000** to **R8 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 decreased from **R13 500 000** to **R4 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	-	54,618	57,326	60,158
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	-	33,940	35,985	36,106
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	66,747	42,573	5,514	56,771	48,342	48,342	-	63,846	66,093	71,787
<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>204,457</b>	<b>213,657</b>	<b>224,800</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>(51,979)</b>	<b>(53,320)</b>	<b>(55,812)</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>2,130</b>	<b>5,413</b>	<b>965</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>2,130</b>	<b>5,413</b>	<b>965</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	-	88,795	92,807	97,229
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	30,801	35,838
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	-	902,969	939,538	979,289
<b>Cash flows</b>										
Net cash from (used) operating	63,588	28,508	49,000	56,763	44,908	44,908	-	53,083	58,703	56,972
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>935</b>	<b>905</b>	<b>1,100</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	513	2,647	3,704	8,283	1,108	1,108	-	935	905	1,100
Application of cash and investments	47,182	54,190	23,049	(8,090)	(104,037)	(104,037)	-	(32,110)	(28,635)	(26,274)
<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>33,045</b>	<b>29,540</b>	<b>27,374</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/sewage:	-	-	-	-	-	-	-	-	-	-
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>Revenue - Functional</b>	1									
<i><b>Governance and administration</b></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><b>Community and public safety</b></i>		-	376	370	-	-	-	-	-	-
Community and social services		-	-	25	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	376	344	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i><b>Economic and environmental services</b></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><b>Trading services</b></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><b>Other</b></i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	183,008	161,669	92,187	194,695	195,876	195,876	206,587	219,070	225,766
<b>Expenditure - Functional</b>										
<i><b>Governance and administration</b></i>		134,348	132,309	33,405	122,273	115,529	115,529	147,114	64,726	134,536
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	137,621	54,821	124,203
Internal audit		1,184	1,353	1,098	1,511	1,433	1,433	1,638	1,651	1,792
<i><b>Community and public safety</b></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><b>Economic and environmental services</b></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><b>Trading services</b></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><b>Other</b></i>	4	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	3	188,945	168,183	53,965	182,328	184,381	184,381	204,457	213,656	224,800
<b>Surplus/(Deficit) for the year</b>		(5,937)	(6,515)	38,222	12,367	11,495	11,495	2,130	5,414	966

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>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	-	-	-	(9,043)	88,331	41,577
<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>204,457</b>	<b>213,657</b>	<b>224,800</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>2,130</b>	<b>5,413</b>	<b>965</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		
		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>Revenue By Source</b>											
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	-	-	-	-	-	-	-	-
<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>
<b>Expenditure By Type</b>											
Employee related costs	2	46,772	49,073	35,896	53,561	53,561	53,561	-	54,618	57,326	60,158
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	-	28,000	29,748	31,576
Other materials	8	-	-		-	-	-	-	5,940	6,237	4,530
Contracted services		6,521	12,201	5,514	18,160	11,843	11,843	-	8,924	8,146	10,307
Transfers and subsidies		-	-		-	-	-	-	-	-	-
Other expenditure	4, 5	25,301	18,101	-	15,612	13,500	13,500	-	4,922	5,648	6,775
Losses		601	-		-	-	-	-	-	-	-
<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>204,457</b>	<b>213,657</b>	<b>224,800</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>(51,979)</b>	<b>(53,320)</b>	<b>(55,812)</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)	6	-	-	-	-	-	-	-	-	-	-
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>2,130</b>	<b>5,413</b>	<b>965</b>
Taxation											
<b>Surplus/(Deficit) after taxation</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>2,130</b>	<b>5,413</b>	<b>965</b>
Attributable to minorities											
<b>Surplus/(Deficit) attributable to municipality</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>2,130</b>	<b>5,413</b>	<b>965</b>
Share of surplus/ (deficit) of associate	7										
<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>2,130</b>	<b>5,413</b>	<b>965</b>

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
<b>R thousand</b>	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	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
<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>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			
		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 thousand</b>											
<b>ASSETS</b>											
<b>Current assets</b>											
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
<b>Total current assets</b>		<b>69,183</b>	<b>109,079</b>	<b>87,780</b>	<b>38,809</b>	<b>31,635</b>	<b>31,635</b>	<b>-</b>	<b>88,795</b>	<b>92,807</b>	<b>97,229</b>
<b>Non current assets</b>											
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	-	-	-	-	-	-	-	-
<b>Total non current assets</b>		<b>986,368</b>	<b>976,066</b>	<b>802,814</b>	<b>993,720</b>	<b>1,097,748</b>	<b>1,097,748</b>	<b>-</b>	<b>838,940</b>	<b>877,532</b>	<b>917,898</b>
<b>TOTAL ASSETS</b>		<b>1,055,551</b>	<b>1,085,145</b>	<b>890,594</b>	<b>1,032,529</b>	<b>1,129,383</b>	<b>1,129,383</b>	<b>-</b>	<b>927,735</b>	<b>970,339</b>	<b>1,015,127</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
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		-	-	-	-	-	-	-	-	-	-
<b>Total current liabilities</b>		<b>66,794</b>	<b>95,591</b>	<b>120,397</b>	<b>12,717</b>	<b>57</b>	<b>57</b>	<b>-</b>	<b>24,766</b>	<b>30,801</b>	<b>35,838</b>
<b>Non current liabilities</b>											
Borrowing		16,402	12,805	-	-	-	-	-	-	-	-
Provisions		-	-	7,946	-	980	980	-	-	-	-
<b>Total non current liabilities</b>		<b>16,402</b>	<b>12,805</b>	<b>7,946</b>	<b>-</b>	<b>980</b>	<b>980</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>83,196</b>	<b>108,396</b>	<b>128,343</b>	<b>12,717</b>	<b>1,037</b>	<b>1,037</b>	<b>-</b>	<b>24,766</b>	<b>30,801</b>	<b>35,838</b>
<b>NET ASSETS</b>	5	<b>972,355</b>	<b>976,749</b>	<b>762,251</b>	<b>1,019,812</b>	<b>1,128,345</b>	<b>1,128,345</b>	<b>-</b>	<b>902,969</b>	<b>939,538</b>	<b>979,289</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		972,355	976,749	762,251	1,019,812	1,128,345	1,128,345	-	902,969	939,538	979,289
Reserves	4	-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>972,355</b>	<b>976,749</b>	<b>762,251</b>	<b>1,019,812</b>	<b>1,128,345</b>	<b>1,128,345</b>	<b>-</b>	<b>902,969</b>	<b>939,538</b>	<b>979,289</b>



**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
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
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
<b>Payments</b>											
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	-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>63,588</b>	<b>28,508</b>	<b>49,000</b>	<b>56,763</b>	<b>44,908</b>	<b>44,908</b>	<b>-</b>	<b>53,083</b>	<b>58,703</b>	<b>56,972</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		115	1	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	(418)	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Capital assets		-	-	-	(48,532)	(47,504)	(47,504)	-	(53,256)	(58,733)	(56,777)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>115</b>	<b>(416)</b>	<b>-</b>	<b>(48,532)</b>	<b>(47,504)</b>	<b>(47,504)</b>	<b>-</b>	<b>(53,256)</b>	<b>(58,733)</b>	<b>(56,777)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	1,201	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>1,201</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>63,704</b>	<b>29,292</b>	<b>49,000</b>	<b>8,231</b>	<b>(2,596)</b>	<b>(2,596)</b>	<b>-</b>	<b>(173)</b>	<b>(30)</b>	<b>195</b>
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
<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

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

<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>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		60,898	91,111	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		<b>60,898</b>	<b>91,111</b>	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		(1,000)	-	32	140	140	140	400	418	438
<b>Intangible Assets</b>		<b>(1,000)</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
<b>Transport Assets</b>		-	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>Heritage Assets</b>		(268)	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</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
<b>Transport Assets</b>		-	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>		332	703	40	44,512	1,507	1,507	2,000	40,741	40,838
<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>		-	-	-	-	-	-	-	-	-
Community Facilities		-	343	29	250	907	907	1,000	1,046	1,094
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</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>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		-	359	-	500	600	600	1,000	1,046	1,094
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		-	<b>359</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>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
<b>Transport Assets</b>		-	-	-	-	-	-	-	-	-
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>										
<b>Water:</b>										
Piped water inside dwelling	1	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	<b>21,098</b>	<b>21,098</b>	<b>21,098</b>	<b>21,788</b>	<b>21,788</b>	<b>21,788</b>	<b>22,478</b>	<b>22,478</b>	<b>22,478</b>
<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	<b>19,456</b>	<b>19,456</b>	<b>19,456</b>	<b>19,456</b>	<b>19,456</b>	<b>19,456</b>	<b>19,456</b>	<b>19,456</b>	<b>19,456</b>
<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	<b>11,000</b>	<b>11,000</b>	<b>11,000</b>	<b>11,000</b>	<b>11,000</b>	<b>11,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>
<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	<b>11,000</b>	<b>11,000</b>	<b>11,000</b>	<b>11,000</b>	<b>11,000</b>	<b>11,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>
<b>Households receiving Free Basic Service</b>										
Water (6 kilolitres per household per month)	7	-	-	-	-	-	-	-	-	-
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>										
Water (6 kilolitres per indigent household per month)	8	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>		<b>20,436</b>	<b>6,389</b>	<b>6,452</b>	<b>7,157</b>	<b>7,157</b>	<b>7,157</b>	<b>12,480</b>	<b>12,856</b>	<b>13,029</b>
<b>Highest level of free service provided per household</b>										
Property rates (R v alue threshold)		-	-	-	-	-	-	-	-	-
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		-	-	-	-	-	-	-	-	-
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		-	-	-	-	-	-	-	-	-

## 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 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
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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 **R54 618 000**.

(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

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To whom it may concern

Re: Quality Certificate for 2020-21 FINAL Annual Budget

I, Tshemedi Lucas Mkhwane, the Municipal Manager of Letsemeng Local Municipality (FS161), hereby certify that the final 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 Final annual budget and supporting documents are consistent with the Integrated Development Plan of the Municipality.

Name: Mr. T.L. Mkhwane

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Municipality: Letsemeng Local Municipality

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Date: 26 June 2020

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