LETSEMENG LOCAL MUNICIPALITY

ADJUSTMENT BUDGET

2025-26

Contents

1. Glossary

Adjustment Budget – Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

Allocations – Money received from Provincial or National Government or other municipalities.

Budget – The financial plan of the Municipality.

Budget Related Policy – Policy of a municipality affecting or affected by the budget, such as the tariffs policy and rates policy

Capital Expenditure – Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.

Cash Flow Statement – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it scores as expenditure in the month it is received, even though it may not be paid in the same period.

DORA – Division of Revenue Act. Annual piece of legislation that shows the amount of allocations from national to local government.

Equitable Share – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

Fruitless and wasteful expenditure – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

GRAP – Generally Recognised Accounting Practice. The new standard for municipal accounting.

IDP – Integrated Development Plan. The main strategic planning document of the Municipality.

KPI's – Key Performance Indicators. Measures of service output and/or outcome.

MFMA – The Municipal Finance Management Act – no 53 of 2003. The principle piece of legislation relating to municipal financial management.

MTREF – Medium Term Revenue and Expenditure Framework. A medium-term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations.

Also includes details of the previous and current years.

Operating Expenditure – Spending on the day-to-day expenses of the Municipality such as salaries and wages.

Rates – Local Government taxation based on an assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Strategic Objectives – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

Vote – One of the main segments into which a budget is divided, usually at directorate/ department level.

2. In Year Report

2.1. Resolution

To be Attached once Approved by Council

2.2. Executive Summary

Purpose of the report

To seek approval from the Council on the adjustments proposed to the 2025/2026 Original Operational and Capital Budget.

To set out the options available to the Letsemeng Local Municipality (hereinafter referred to as LLM) to fund the adjusted capital budget and to improve the municipality's cash flow position.

Legislative background

Section 28 (1) of the Municipal Finance Management Act 56 of 2003 (MFMA) allows the municipality to revise its approved annual budget through an adjustments budget.

Section 28 (2) of the MFMA further stipulate that an adjustments budget –

a) Must adjust the revenue and expenditure estimates downwards if there is a material under-collection of revenue during the current year;

b) May appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;

c) May, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;

d) May authorise the utilisation of projected savings in one vote towards spending under another vote;

e) May authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs where the annual budget for the current year was approved by the council;

f) May correct any errors in the annual budget, and

g) May provide for any other expenditure within a prescribed framework.

Tabling of the budget adjustment at municipal council

According to section of 28 (4) of the MFMA “only the Mayor may table an adjustments budget in the municipal council” subject to certain limitation.

Section 28 (5) of the MFMA further dictates that the following information must be attached when adjustments budget is so tabled:

a) An explanation of how the adjustments budget affects the annual budget.
b) A motivation of any material changes to the annual budget;
c) An explanation of the impact of any increased spending on the annual budget and the annual budgets for the next two financial years;
d) Any other supporting documentation that may be prescribed.

3. Budget adjustment report

During the first half of the period under consideration the municipality was able to attain average payment level of 45%. This against the target of 60% assumed during the 2025/2026 budget period. The inability to attain 60% was as a result of consumers living in a poorer conditions on the community in Letsemeng Municipality and who do not pay due to financial constraints hence some of those people are part of indigents registered and approved by the municipality. However, LLM intends to encourage these people to pay.

Consumer Price Index (CPI) is expected to stay within the targeted range of 6% during the remaining budget period; it is expected that the inflation rate will be on the upswing towards the end of the budget year (although within the targeted range).

The following key components were used in terms of budgeted revenue and expenditure of the municipality:

- National Treasury MFMA Budget Circular 131
- Electricity Tariff increases as applied to National Electricity Regulator of South Africa

- Latest Valuation roll in terms of Municipal Property Rates Act, Act 6 of 2004
- Municipality's indigent policy
- Tariff Policy of the Municipality
- Tariff Increases for Water, Refuse and Sewerage
- Balance budget constraints – the municipality must not budget for a deficit
- Funding of the budget as based on section 18 and section 19 of Municipal Finance Management act, act 54 of 2003
- South African Local Government Bargaining Council collective agreement on salaries

4. Proposed adjustment budget

The total approved revenue budget for Letsemeng Municipality for period 2025/2026 amounts to R249 million and Adjusted Revenue budget for 2025/2026 amounts to R255 million.

The breakdown is as follows in R'000:

	Original Budget	**Adjustment**	**Adjusted Budget 2025/2026**
Total Revenue (Including Operational and Capital Grants)	R 298 437	R 3 298	R 301 735
Total Operating Expenditure (Including Non-Cash Items)	R 240 412	R 1 855	R 242 268
Total Capital Budget	R 40 044	R 977	R 41 021

5. Revenue management

Outlined below is the narration of the above-mentioned operating revenue adjustment as per revenue by source:

Description	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands	1	A	A1	B	C	D	E	F	G	H		
Revenue By Source												
Exchange Revenue												
Service charges - Electricity	2	49,041	–	–	–	–	–	6,174	6,174	55,215	57,700	59,142
Service charges - Water	2	18,430	–	–	–	–	–	(2,212)	(2,212)	16,219	16,949	17,372
Service charges - Waste Water Management	2	15,222	–	–	–	–	–	–	–	15,222	15,907	16,419
Service charges - Waste Management	2	14,711	–	–	–	–	–	–	–	14,711	15,373	15,780
Sale of Goods and Rendering of Services		490	–					63	63	553	578	592
Agency services		–	–					–	–	–	–	–
Interest		–	–					–	–	–	–	–
Interest earned from Receivables		15,969	–					–	–	15,969	16,688	17,105
Interest earned from Current and Non Current Assets		359	–					–	–	359	375	385
Dividends		17	–					–	–	17	18	18
Rent on Land		–	–					–	–	–	–	–
Rental from Fixed Assets		752	–					53	53	804	841	862
Licence and permits		3	–					–	–	3	3	3
Special rating levies		–	–					–	–	–	–	–
Operational Revenue		115	–					–	–	115	120	123
Non-Exchange Revenue												
Property rates	2	32,460	–	–	–	–	–	–	–	32,460	33,921	34,769
Surcharges and Taxes		–	–					–	–	–	–	–
Fines, penalties and forfeits		798	–					(779)	(779)	19	20	20
Licences or permits		–	–					–	–	–	–	–
Transfer and subsidies - Operational		96,781	–					–	–	96,781	100,204	104,688
Interest		7,095	–					–	–	7,095	7,414	7,599
Fuel Levy		–	–					–	–	–	–	–
Operational Revenue		–	–					–	–	–	–	–
Gains on disposal of Assets		–	–					–	–	–	–	–
Other Gains		–	–					–	–	–	–	–
Discontinued Operations		–	–					–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		**252,245**	**–**	**–**	**–**	**–**	**–**	**3,298**	**3,298**	**255,543**	**266,111**	**274,879**

Property rate

Property rates is a statutory tax charged on all property owners within the jurisdiction of the Municipality, it is imposed in accordance with section 229 of the Constitution of South Africa and Municipal Property rates act, act 6 of 2004 (MPRA). In terms of MPRA the municipality must prepare a valuation roll after every 5 financial year, Letsemeng Local Municipality implemented the valuation roll in accordance with MPRA prescripts on the 1 July 2023, and annually a supplementary valuation is prepared in accordance with MPRA section 78. Revenue from property rate remain unchanged with amount of **R32 million**.

Sales of Electricity

Letsemeng Local Municipality target indigent households as per the approved indigent register for free basic electricity, all indigent households receive 50Kwh monthly. We sell both conventional and pre-paid electricity. Electricity revenue changed from an amount **R49 million to R55 million**, the increase in revenue is because of the meter audit that was conducted and the replacement of 74 large power users' meters to smart meters.

Sales of Water

There is inclining block tariff structure implemented for water services, indigent households receive the free 6kl per month of water. Water revenue has changed to an amount **of R18 million from R16 million.**

Waste Management

Waste removal charges are charged at a flat rate, irrespective of litres of waste removed, Waste removal is provided for free to all the households who are indigent. All residents solid waste is removed once a week. There is no adjustment on the Waste management amount of **R14 million**.

Waste Water Management

Sanitation charges are charged at a flat rate, irrespective of the quantity of water used / consumed Free Sanitation is only provided to indigent households as per the council approved Indigent policy, there is no inclining tariff structure for sanitation consumption. There is no adjustment on the Wastewater management amount of **R15 million**.
Operational Revenue represents all revenue generated, which is specified on the prescribed in terms of the MFMA requirements such as the following:

- Interest on Investments
- Interest on Arrear Accounts
- Fines
- Rental Fees
- Sundry Income
- Licence and Permits

External interest

Interest earned on investment is unchanged with an amount of **R359 000**.

Rental revenue

Other revenue comprises of municipal activities on letting of properties which has changed based on the demand of municipal properties from community members.

a) Review of credit control and debt collection policies

The Collection Policy is under review and will be submitted in March with draft Budget 2026/2027. A review of certain components of the policy was considered necessary to achieve a higher collection rate and assist the current debt write off process.

The 2025/2026 MTREF had been prepared on the basis of achieving an average revenue collection rate of 60% on current billings. In addition, the collection of debt in excess of 90 days has been prioritised as a specific strategy, in order to improve the Municipality's cash position. Municipality has identified top 100 debtors which will be targeted for debt collections, these top 100 debtors collectively owe R 38 million to the Municipality.

6. Expenditure management

The total approved expenditure budget for Letsemeng Municipality under 2025/2026 amounts to R240 million, excluding capital expenditure and Adjusted Expenditure budget 2025/2026 amounts to R243 million.

The breakdown is as follows in R'000:

Expenditure Name	Original Budget Amount in R'000	Adjustment Amount in R'000	Adjusted Expenditure Amount in R'000
Employee Related Costs	R 84 594	-	R 84 594
Remuneration of Councillors	R 5 234	R 50	R 5 284
Debt Management	R 26 038	-	R 26 038
Depreciation for Assets	R 31 347	-	R 31 347
Interest	R 14 616	R 1 384	R 16 000
Bulk Purchases-electricity	R 44 924	-	R 44 924

Inventory Consumed	R 3 529	(R 429)	R 3 100
Contacted Services	R 16 423	R 715	R 17 138
Operational costs	R 13 708	R 935	R 14 643
Total Expenditure	**R 240 412**	**R 2 605**	**R 243 018**

Outlined below is the narration of the above-mentioned operating expenditure adjustment as per expenditure by source:

Employee costs

Employee related costs amount of R84 million is not adjusted.

Remuneration of Councillors

Remuneration of Councillors is adjusted from R5.2 million to R5.3 million based on the gazetted upper limits

Interest

Interest is adjusted from R14 million to R16 million due to non-payment of creditors due to financial constraints

Inventory Consumed

Inventory consumed is adjusted from R3.5 million to R3.1 million.

Contracted services

Contracted services are adjusted from R16.4 million to R16.3 million

Operational costs

Operational costs are adjusted from R13.7 million to R14.6 million and they include the following items,
Advertising costs, hiring of equipment, consulting fees, general spares at stores for electrical department and plumbing division, rental of copiers, insurance, petrol and diesel, printing and

stationery, telephone, and maintenance of vehicle, tyres and engines on municipal fleet, legal fees, external audit fees, security services.

7. Analysis of Capital Budget

There is no adjustment on the transfer of capital grants, there is an adjustment on the internally generated funds from **R 663 000** to **R 1 639 000**, this is for the purchasing of yellow fleet.

Description	Original Budget	Adjustment	Total Adjusted Budget
Capital expenditure	R 40 044 000	R 977 000	R 41 021 000

8. Adjustment budget tables

Explanatory Notes to Table B1

Table B1 is a summary of the budget of Letsemeng Local Municipality that gives an overview of the of the budget, it includes, the following key aspects

Financial Performance: This is a summary of income statement of the Municipality
Capital Expenditure and funding sources: This gives a brief overview of the capital expenditure and its funding sources
Financial Position: This is the balance sheet of Letsemeng Local Municipality
Cash Flow: This gives a brief overview of the Cash flow of the Municipality
Asset Management: This is the overview of the total assets of the Municipality
Free Services: This section gives the total amount of free basic services as provided by the municipality.

This is the most important table as it gives users of the budget a “snapshot” of what is going to follow in the next nine (09) main table

Explanatory Notes to Table B2

Table B2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification.

Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table B4 as Table B4 exclude capital transfers

Explanatory Note to Table B3

Table B3 is an overview of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. Profits made on these services are used to subsidise non-trading services

Explanatory note on table B4

Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the budgeted revenue of Letsemeng Local Municipality

Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government.

Major component of expenditure relates to employee costs, which accounts for 49% of the total expenditure

Explanatory note on Table B5

Table B5 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 note to table B8

The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.

The adjustment budget tables are attached as annexures to this document.

9. Part 2 – Supporting documentation

9.1. Adjustment budget assumptions

Municipal Financial Management Act (MFMA) mentions six (6) steps (i.e. Planning, Strategizing, Preparing, Tabling, Consulting and Finalising/ Adopting) that the municipality must follow in order to prepare the annual budget that is credible. The planning and strategizing processes started with the preparation of budget timelines as required by MFMA and IDP review process plan. 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 annual 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.

The adjustment budget was prepared based on realistically anticipated revenue and cost containment measures. Below are some of the key assumptions of the budget.

- Economic climate and indigent levels within the Municipality will remain the same / constant for major part of the financial year given the limited economic activities within the Municipality
- Cash flow projections will strictly be maintained to ensure that the municipality will meet its financial obligations
- Operating 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

9.2. Adjustment to budget funding

MFMA section 18 states that the expenditure of the budget may only be funded from:

- Realistically anticipated revenue to be collected
- Cash-backed accumulated funds from Previous years' surpluses not committed for other purpose
- Borrowed funds, but only for capital budget referred to in section 17(2)

  Letsemeng Local Municipality adjusted operating budget is funded from:
- Grants
- Service Charges
- Other Revenue

The capital budget excluding internally generated funds of the Municipality is R 39 382 000 and is funded from

- Municipal Infrastructure Grant
- Water Services Infrastructure Grant
- Integrated National Electrification Programme

9.3. Adjustment to Expenditure on Allocations and Grant Programme

The Municipality budgeted for the following operating grants:

- Financial Management Grant
- Equitable Shares

9.4. Adjustment to Allocations made by the Municipality

Letsemeng Local Municipality uses equitable shares to subsidies indigent households,

All indigent households receive 6 kl of water and 50 kw/h of electricity, rebate on sanitation and refuse removal.

9.5. Adjustment to Councillors Allowances and Employees benefits

Municipal Systems Act requires the Municipal Manager to develop a Staff establishment for the Municipality within a policy framework determined by the municipal council and subject to any applicable legislation. The Municipal Manager Must Submit the staff establishment to council for consideration and approval. The Municipal Systems 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. There is an adjustment made on Employee benefits and Councillors remuneration.

9.6. Adjustments to service delivery and budget implementation plan

The adjustment to the service delivery and budget implementation plan will be tabled to Council after the approval of the adjustment budget.

9.7. Adjustment to Capital Expenditure

There is an adjustment to the capital budget on the internally generated funds from **R 663 000** to **R 1 639 000**.

10. Municipal Manager's quality certificate

OFFICE OF THE MUNICIPAL MANAGER

To whom it may concern

Quality Certificate for 2025-26 Adjustment Budget

I, Sindiswa Maneli, the Acting Municipal Manager of Letsemeng Local Municipality (FS161), hereby certify that the adjustment budget has been prepared in accordance with section 28 of the Municipal Finance Management Act.

Name : ST Maneli

Municipality : Letsemeng Local Municipality

Date : 27/02/2026

11. Annexure - Adjustment Budget Tables

FS161 Letsemeng - Table B1 Adjustments Budget Summary -

Description	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
R thousands	Original Budget A	Prior Adjusted 1 A1	Accum. Funds 2 B	Multi-year capital 3 C	Unfore. Unavoid. 4 D	Nat. or Prov. Govt 5 E	Other Adjusts. 6 F	Total Adjusts. 7 G	Adjusted Budget 8 H	Adjusted Budget	Adjusted Budget
Financial Performance											
Property rates	32,460	–	–	–	–	–	–	–	32,460	33,921	34,769
Service charges	97,405	–	–	–	–	–	3,962	3,962	101,367	105,929	108,714
Investment revenue	359	–	–	–	–	–	–	–	359	375	385
Transfers recognised - operational	96,781	–	–	–	–	–	–	–	96,781	100,204	104,688
Other own revenue	25,239	–	–	–	–	–	(663)	(663)	24,576	25,682	26,324
Total Revenue (excluding capital transfers and contributions)	**252,245**	**–**	**–**	**–**	**–**	**–**	**3,298**	**3,298**	**255,543**	**266,111**	**274,879**
Employee costs	84,594	–	–	–	–	–	–	–	84,594	88,401	90,611
Remuneration of councillors	5,234	–	–	–	–	–	50	50	5,284	5,522	5,660
Depreciation & asset impairment	57,385	–	–	–	–	–	–	–	57,385	59,967	61,466
Finance charges	14,616	–	–	–	–	–	1,384	1,384	16,000	16,090	16,785
Inventory consumed and bulk purchases	48,453	–	–	–	–	–	(429)	(429)	48,024	50,186	51,440
Transfers and subsidies	–	–	–	–	–	–	–	–	–	–	–
Other expenditure	30,131	–	–	–	–	–	850	850	30,981	31,297	32,159
Total Expenditure	**240,412**	**–**	**–**	**–**	**–**	**–**	**1,855**	**1,855**	**242,268**	**251,462**	**258,122**
Surplus/(Deficit)	11,833	–	–	–	–	–	1,443	1,443	13,276	14,648	16,757
Transfers and subsidies - capital (monetary allocations)	46,192	–	–	–	–	–	–	–	46,192	49,465	50,749
Transfers and subsidies - capital (in-kind - all)	5,009	–	–	–	–	–	–	–	5,009	5,234	5,365
Surplus/(Deficit) after capital transfers & contributions	**63,034**	**–**	**–**	**–**	**–**	**–**	**1,443**	**1,443**	**64,477**	**69,348**	**72,872**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	**63,034**	**–**	**–**	**–**	**–**	**–**	**1,443**	**1,443**	**64,477**	**69,348**	**72,872**
Capital expenditure & funds sources											
Capital expenditure	40,044	–	–	–	–	–	977	977	41,021	41,661	42,507
Transfers recognised - capital	39,382	–	–	–	–	–	–	–	39,382	39,940	40,744
Borrowing	–	–	–	–	–	–	–	–	–	–	–
Internally generated funds	663	–	–	–	–	–	977	977	1,639	1,721	1,764
Total sources of capital funds	**40,044**	**–**	**–**	**–**	**–**	**–**	**977**	**977**	**41,021**	**41,661**	**42,507**
Financial position											
Total current assets	554,686	–	–	–	–	–	59	59	554,745	632,053	648,447
Total non current assets	728,134	–	–	–	–	–	977	977	729,111	760,715	779,538
Total current liabilities	299,372	–	–	–	–	–	(407)	(407)	298,965	311,759	319,553
Total non current liabilities	36,443	–	–	–	–	–	–	–	36,443	38,082	39,035
Community wealth/Equity	**949,145**	**–**	**–**	**–**	**–**	**–**	**1,443**	**1,443**	**950,588**	**1,039,640**	**1,061,040**
Cash flows											
Net cash from (used) operating	50,348	–	–	–	–	–	(3,354)	(3,354)	46,994	108,397	113,962
Net cash from (used) investing	(46,051)	–	–	–	–	–	(1,141)	(1,141)	(47,192)	(47,928)	(48,903)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	**4,495**	**–**	**–**	**–**	**–**	**–**	**(4,495)**	**(4,495)**	**0**	**60,676**	**65,272**
Cash backing/surplus reconciliation											
Cash and investments available	4,495	–	–	–	–	–	(4,495)	(4,495)	0	12,748	16,369
Application of cash and investments	(133,205)	–	–	–	–	–	(3,054)	(3,054)	(136,259)	(208,903)	(212,622)
Balance - surplus (shortfall)	**137,700**	**–**	**–**	**–**	**–**	**–**	**(1,441)**	**(1,441)**	**136,259**	**221,651**	**228,991**
Asset Management											
Asset register summary (WDV)	728,134	–	–	–	–	–	977	977	729,111	760,715	779,538
Depreciation	31,347	–	–	–	–	–	–	–	31,347	32,757	33,576
Renewal and Upgrading of Existing Assets	26,917	–	–	–	–	–	–	–	26,917	26,915	27,393
Repairs and Maintenance	1,442	–	–	–	–	–	(642)	(642)	800	836	857

FS161 Letsemeng - Table B2 Adjustments Budget Financial Performance (functional classification) -

Standard Description	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted 5	Accum. Funds 6	Multi-year capital 7	Unfore. Unavoid. 8	Nat. or Prov. Govt 9	Other Adjusts. 10	Total Adjusts. 11	Adjusted Budget 12	Adjusted Budget	Adjusted Budget
R thousands	1, 4	A	A1	B	C	D	E	F	G	H		
Revenue - Functional												
Governance and administration		82,352	–	–	–	–	–	(663)	(663)	81,689	84,486	87,449
Executive and council		4,994	–	–	–	–	–	–	–	4,994	5,213	5,448
Finance and administration		75,888	–	–	–	–	–	(663)	(663)	75,224	77,738	80,397
Internal audit		1,471	–	–	–	–	–	–	–	1,471	1,535	1,604
Community and public safety		6,248	–	–	–	–	–	–	–	6,248	6,523	6,817
Community and social services		3,571	–	–	–	–	–	–	–	3,571	3,728	3,896
Sport and recreation		2,677	–	–	–	–	–	–	–	2,677	2,795	2,921
Public safety		–	–	–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		18,062	–	–	–	–	–	–	–	18,062	21,465	22,273
Planning and development		–	–	–	–	–	–	–	–	–	–	–
Road transport		18,062	–	–	–	–	–	–	–	18,062	21,465	22,273
Environmental protection		–	–	–	–	–	–	–	–	–	–	–
Trading services		194,344	–	–	–	–	–	3,962	3,962	198,306	205,786	211,841
Energy sources		77,444	–	–	–	–	–	6,174	6,174	83,617	87,295	90,036
Water management		65,914	–	–	–	–	–	(2,212)	(2,212)	63,703	65,223	66,809
Waste water management		21,500	–	–	–	–	–	–	–	21,500	22,466	23,178
Waste management		29,485	–	–	–	–	–	–	–	29,485	30,801	31,818
Other		–	–	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	301,006	–	–	–	–	–	3,298	3,298	304,305	318,261	328,380
Expenditure - Functional												
Governance and administration		129,962	–	–	–	–	–	3,313	3,313	133,275	137,565	141,377
Executive and council		15,026	–	–	–	–	–	341	341	15,367	15,962	16,361
Finance and administration		112,372	–	–	–	–	–	2,981	2,981	115,353	118,933	122,280
Internal audit		2,564	–	–	–	–	–	(9)	(9)	2,555	2,670	2,737
Community and public safety		3,938	–	–	–	–	–	(848)	(848)	3,090	3,229	3,310
Community and social services		3,525	–	–	–	–	–	(655)	(655)	2,870	2,999	3,074
Sport and recreation		157	–	–	–	–	–	(107)	(107)	50	52	54
Public safety		–	–	–	–	–	–	–	–	–	–	–
Housing		157	–	–	–	–	–	(57)	(57)	100	105	107
Health		100	–	–	–	–	–	(30)	(30)	70	73	75
Economic and environmental services		12,626	–	–	–	–	–	(289)	(289)	12,337	12,892	13,214
Planning and development		6,737	–	–	–	–	–	(289)	(289)	6,448	6,738	6,906
Road transport		5,889	–	–	–	–	–	–	–	5,889	6,154	6,308
Environmental protection		–	–	–	–	–	–	–	–	–	–	–
Trading services		93,886	–	–	–	–	–	(320)	(320)	93,565	97,776	100,220
Energy sources		53,520	–	–	–	–	–	(205)	(205)	53,315	55,715	57,107
Water management		7,468	–	–	–	–	–	100	100	7,568	7,909	8,106
Waste water management		23,225	–	–	–	–	–	13	13	23,238	24,284	24,891
Waste management		9,672	–	–	–	–	–	(228)	(228)	9,444	9,869	10,116
Other		–	–	–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	240,412	–	–	–	–	–	1,855	1,855	242,268	251,462	258,122
Surplus/ (Deficit) for the year		60,594	–	–	–	–	–	1,443	1,443	62,037	66,798	70,258

FS161 Letsemeng - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) -

Vote Description	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
[Insert departmental structure etc]			3	4	5	6	7	8	9	10		
R thousands		A	A1	B	C	D	E	F	G	H		
Revenue by Vote	1											
Vote 1 - Executive & Council		4,994	–	–	–	–	–	–	–	4,994	5,213	5,448
Vote 2 - Finance & Administration		75,888	–	–	–	–	–	(663)	(663)	75,224	77,738	80,397
Vote 3 - Energy sources		77,444	–	–	–	–	–	6,174	6,174	83,617	87,295	90,036
Vote 4 - Environmental Protection		1,471	–	–	–	–	–	–	–	1,471	1,535	1,604
Vote 5 - Water Management		65,914	–	–	–	–	–	(2,212)	(2,212)	63,703	65,223	66,809
Vote 6 - Waste water management		21,500	–	–	–	–	–	–	–	21,500	22,466	23,178
Vote 7 - Road Transport		18,062	–	–	–	–	–	–	–	18,062	21,465	22,273
Vote 8 - Waste Management		29,485	–	–	–	–	–	–	–	29,485	30,801	31,818
Vote 9 - Fleet Management		–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Community & Social Services		6,248	–	–	–	–	–	–	–	6,248	6,523	6,817
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	**301,006**	**–**	**–**	**–**	**–**	**–**	**3,298**	**3,298**	**304,305**	**318,261**	**328,380**
Expenditure by Vote	1											
Vote 1 - Executive & Council		15,026	–	–	–	–	–	341	341	15,367	15,962	16,361
Vote 2 - Finance & Administration		108,651	–	–	–	–	–	2,881	2,881	111,532	114,941	118,187
Vote 3 - Energy sources		53,520	–	–	–	–	–	(205)	(205)	53,315	55,715	57,107
Vote 4 - Environmental Protection		2,925	–	–	–	–	–	(150)	(150)	2,775	2,900	2,972
Vote 5 - Water Management		7,468	–	–	–	–	–	100	100	7,568	7,909	8,106
Vote 6 - Waste water management		23,225	–	–	–	–	–	13	13	23,238	24,284	24,891
Vote 7 - Road Transport		5,889	–	–	–	–	–	–	–	5,889	6,154	6,308
Vote 8 - Waste Management		9,672	–	–	–	–	–	(228)	(228)	9,444	9,869	10,116
Vote 9 - Fleet Management		1,179	–	–	–	–	–	100	100	1,279	1,337	1,370
Vote 10 - Community & Social Services		12,856	–	–	–	–	–	(996)	(996)	11,859	12,393	12,703
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	**240,412**	**–**	**–**	**–**	**–**	**–**	**1,855**	**1,855**	**242,268**	**251,462**	**258,122**
Surplus/ (Deficit) for the year	2	**60,594**	**–**	**–**	**–**	**–**	**–**	**1,443**	**1,443**	**62,037**	**66,798**	**70,258**

FS161 Letsemeng - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -

Description	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands	1	A	A1	B	C	D	E	F	G	H		
Revenue By Source												
Exchange Revenue												
Service charges - Electricity	2	49,041	–	–	–	–	–	6,174	6,174	55,215	57,700	59,142
Service charges - Water	2	18,430	–	–	–	–	–	(2,212)	(2,212)	16,219	16,949	17,372
Service charges - Waste Water Management	2	15,222	–	–	–	–	–	–	–	15,222	15,907	16,419
Service charges - Waste Management	2	14,711	–	–	–	–	–	–	–	14,711	15,373	15,780
Sale of Goods and Rendering of Services		490	–					63	63	553	578	592
Agency services		–	–					–	–	–	–	–
Interest		–	–					–	–	–	–	–
Interest earned from Receivables		15,969	–					–	–	15,969	16,688	17,105
Interest earned from Current and Non Current Assets		359	–					–	–	359	375	385
Dividends		17	–					–	–	17	18	18
Rent on Land		–	–					–	–	–	–	–
Rental from Fixed Assets		752	–					53	53	804	841	862
Licence and permits		3	–					–	–	3	3	3
Special rating levies		–	–					–	–	–	–	–
Operational Revenue		115	–					–	–	115	120	123
Non-Exchange Revenue												
Property rates	2	32,460	–	–	–	–	–	–	–	32,460	33,921	34,769
Surcharges and Taxes		–	–					–	–	–	–	–
Fines, penalties and forfeits		798	–					(779)	(779)	19	20	20
Licences or permits		–	–					–	–	–	–	–
Transfer and subsidies - Operational		96,781	–					–	–	96,781	100,204	104,688
Interest		7,095	–					–	–	7,095	7,414	7,599
Fuel Levy		–	–					–	–	–	–	–
Operational Revenue		–	–					–	–	–	–	–
Gains on disposal of Assets		–	–					–	–	–	–	–
Other Gains		–	–					–	–	–	–	–
Discontinued Operations		–	–					–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		**252,245**	**–**	**–**	**–**	**–**	**–**	**3,298**	**3,298**	**255,543**	**266,111**	**274,879**
Expenditure By Type												
Employee related costs		84,594	–	–	–	–	–	–	–	84,594	88,401	90,611
Remuneration of councillors		5,234	–					50	50	5,284	5,522	5,660
Bulk purchases - electricity		44,924	–	–	–	–	–	–	–	44,924	46,946	48,120
Inventory consumed		3,529	–	–	–	–	–	(429)	(429)	3,100	3,240	3,320
Debt impairment		26,038	–					–	–	26,038	27,210	27,890
Depreciation and amortisation		31,347	–					–	–	31,347	32,757	33,576
Interest		14,616	–					1,384	1,384	16,000	16,090	16,785
Contracted services		16,423	–	–	–	–	–	(85)	(85)	16,338	17,062	17,478
Transfers and subsidies		–	–					–	–	–	–	–
Irrecoverable debts written off		–	–					–	–	–	–	–
Operational costs		13,708	–					935	935	14,643	14,235	14,682
Losses on disposal of Assets		–	–					–	–	–	–	–
Other Losses		–	–					–	–	–	–	–
Total Expenditure		**240,412**	**–**	**–**	**–**	**–**	**–**	**1,855**	**1,855**	**242,268**	**251,462**	**258,122**
Surplus/(Deficit)		**11,833**	**–**	**–**	**–**	**–**	**–**	**1,443**	**1,443**	**13,276**	**14,648**	**16,757**
Transfers and subsidies - capital (monetary allocations)		46,192	–					–	–	46,192	49,465	50,749
Transfers and subsidies - capital (in-kind - all)		5,009	–					–	–	5,009	5,234	5,365
Surplus/(Deficit) before taxation		**63,034**	**–**	**–**	**–**	**–**	**–**	**1,443**	1,443	64,477	**69,348**	**72,872**
Income Tax		–	–					–	–	–	–	–
Surplus/(Deficit) after taxation		**63,034**	**–**	**–**	**–**	**–**	**–**	**1,443**	**1,443**	**64,477**	**69,348**	**72,872**
Share of Surplus/Deficit attributable to Joint Venture												
Share of Surplus/Deficit attributable to Minorities		–	–					–	–	–	–	–
Surplus/(Deficit) attributable to municipality		**63,034**	**–**	**–**	**–**	**–**	**–**	**1,443**	1,443	64,477	**69,348**	**72,872**
Share of Surplus/Deficit attributable to Associate												
Intercompany/Parent subsidiary transactions		–	–					–	–	–	–	–
Surplus/ (Deficit) for the year	1	**63,034**	**–**	**–**	**–**	**–**	**–**	**1,443**	**1,443**	**64,477**	**69,348**	**72,872**

FS161 Letsemeng - Table B5 Adjustments Capital Expenditure Budget by vote and funding -

Description	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted 5	Accum. Funds 6	Multi-year capital 7	Unfore. Unavoid. 8	Nat. or Prov. Govt 9	Other Adjusts. 10	Total Adjusts. 11	Adjusted Budget 12	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
Single-year expenditure ***to be adjusted***	2											
Vote 1 - Executive & Council		435	–	–	–	–	–	(435)	(435)	–	–	–
Vote 2 - Finance & Administration		228	–	–	–	–	–	(119)	(119)	109	114	117
Vote 3 - Energy sources		4,213	–	–	–	–	–	–	–	4,213	4,348	4,544
Vote 4 - Environmental Protection		–	–	–	–	–	–	–	–	–	–	–
Vote 5 - Water Management		20,248	–	–	–	–	–	–	–	20,248	20,000	20,217
Vote 6 - Waste water management		9,856	–	–	–	–	–	–	–	9,856	10,299	10,557
Vote 7 - Road Transport		1,468	–	–	–	–	–	–	–	1,468	1,534	1,573
Vote 8 - Waste Management		–	–	–	–	–	–	–	–	–	–	–
Vote 9 - Fleet Management		–	–	–	–	–	–	1,530	1,530	1,530	1,607	1,647
Vote 10 - Community & Social Services		3,597	–	–	–	–	–	–	–	3,597	3,759	3,853
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		**40,044**	**–**	**–**	**–**	**–**	**–**	**977**	**977**	**41,021**	**41,661**	**42,507**
Total Capital Expenditure - Vote		**40,044**	**–**	**–**	**–**	**–**	**–**	**977**	**977**	**41,021**	**41,661**	**42,507**
Capital Expenditure - Functional												
Governance and administration		**663**	**–**	**–**	**–**	**–**	**–**	**977**	**977**	**1,639**	**1,721**	**1,764**
Executive and council		435	–					(435)	(435)	–	–	–
Finance and administration		228	–					1,411	1,411	1,639	1,721	1,764
Internal audit		–	–					–	–	–	–	–
Community and public safety		**3,597**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**3,597**	**3,759**	**3,853**
Community and social services		–	–					–	–	–	–	–
Sport and recreation		3,597	–					–	–	3,597	3,759	3,853
Public safety		–	–					–	–	–	–	–
Housing		–	–					–	–	–	–	–
Health		–	–					–	–	–	–	–
Economic and environmental services		**1,468**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1,468**	**1,534**	**1,573**
Planning and development		–	–					–	–	–	–	–
Road transport		1,468	–					–	–	1,468	1,534	1,573
Environmental protection		–	–					–	–	–	–	–
Trading services		**34,317**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**34,317**	**34,647**	**35,319**
Energy sources		4,213	–					–	–	4,213	4,348	4,544
Water management		20,248	–					–	–	20,248	20,000	20,217
Waste water management		9,856	–					–	–	9,856	10,299	10,557
Waste management		–	–					–	–	–	–	–
Other		–	–					–	–	–	–	–
Total Capital Expenditure - Functional	3	**40,044**	**–**	**–**	**–**	**–**	**–**	**977**	**977**	**41,021**	**41,661**	**42,507**
Funded by:												
National Government		39,382	–					–	–	39,382	39,940	40,744
Provincial Government		–	–					–	–	–	–	–
District Municipality		–	–					–	–	–	–	–
Transfers and subsidies - capital (in-kind)		–	–					–	–	–	–	–
Transfers recognised - capital	4	**39,382**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**39,382**	**39,940**	**40,744**
Borrowing		–	–					–	–	–	–	–
Internally generated funds		663	–					977	977	1,639	1,721	1,764
Total Capital Funding		**40,044**	**–**	**–**	**–**	**–**	**–**	**977**	**977**	**41,021**	**41,661**	**42,507**

FS161 Letsemeng - Table B6 Adjustments Budget Financial Position -

Description	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
ASSETS												
Current assets												
Cash and cash equivalents		4,495	–					(4,495)	(4,495)	0	12,748	16,369
Trade and other receivables from exchange transactions	1	450,331	–	–	–	–	–	3,629	3,629	453,960	517,031	522,388
Receivables from non-exchange transactions	1	71,699	–	–	–	–	–	–	–	71,699	67,534	69,222
Current portion of non-current receivables	2	–	–					–	–	–	–	–
Inventory		9,979	–	–	–	–	–	429	429	10,408	15,558	20,832
VAT		17,982	–					497	497	18,479	18,974	19,422
Other current assets		200	–					–	–	200	209	214
Total current assets		**554,686**	**–**	**–**	**–**	**–**	**–**	**59**	**59**	**554,745**	**632,053**	**648,447**
Non current assets												
Investments		–	–					–	–	–	–	–
Investment property		59,159	–					–	–	59,159	61,821	63,367
Property, plant and equipment	3	668,884	–	–	–	–	–	991	991	669,875	698,813	716,089
Biological assets		–	–					–	–	–	–	–
Living and non-living resources		–	–					–	–	–	–	–
Heritage assets		–	–					–	–	–	–	–
Intangible assets		91	–					(14)	(14)	77	80	82
Trade and other receivables from exchange transactions		–	–					–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–					–	–	–	–	–
Other non-current assets		–	–					–	–	–	–	–
Total non current assets		**728,134**	**–**	**–**	**–**	**–**	**–**	**977**	**977**	**729,111**	**760,715**	**779,538**
TOTAL ASSETS		**1,282,821**	**–**	**–**	**–**	**–**	**–**	**1,036**	**1,036**	**1,283,856**	**1,392,768**	**1,427,985**
LIABILITIES												
Current liabilities												
Bank overdraft		–	–					–	–	–	–	–
Financial liabilities		318	–	–	–	–	–	–	–	318	(332)	(341)
Consumer deposits		1,131	–					–	–	1,131	1,182	1,212
Trade and other payables from exchange transactions		302,932	–	–	–	–	–	–	–	302,932	316,569	324,484
Trade and other payables from non-exchange transactions		(5,009)	–	–	–	–	–	–	–	(5,009)	(5,234)	(5,365)
Provisions		–	–					–	–	–	–	–
VAT		–	–					(407)	(407)	(407)	(425)	(436)
Other current liabilities		–	–					–	–	–	–	–
Total current liabilities		**299,372**	**–**	**–**	**–**	**–**	**–**	**(407)**	**(407)**	**298,965**	**311,759**	**319,553**
Non current liabilities												
Borrowing	1	–	–	–	–	–	–	–	–	–	–	–
Provisions	1	27,103	–	–	–	–	–	–	–	27,103	28,322	29,030
Long term portion of trade payables		–	–					–	–	–	–	–
Other non-current liabilities		9,340	–					–	–	9,340	9,760	10,004
Total non current liabilities		**36,443**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**36,443**	**38,082**	**39,035**
TOTAL LIABILITIES		**335,815**	**–**	**–**	**–**	**–**	**–**	**(407)**	**(407)**	**335,408**	**349,841**	**358,588**
NET ASSETS	2	**947,006**	**–**	**–**	**–**	**–**	**–**	**1,443**	**1,443**	**948,449**	**1,042,927**	**1,069,397**
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		949,145	–	–	–	–	–	1,443	1,443	950,588	1,039,640	1,061,040
Funds and Reserves		–	–	–	–	–	–	–	–	–	–	–
Other		–	–					–			–	–
TOTAL COMMUNITY WEALTH/EQUITY		**949,145**	**–**	**–**	**–**	**–**	**–**	**1,443**	**1,443**	**950,588**	**1,039,640**	**1,061,040**

FS161 Letsemeng - Table B7 Adjustments Budget Cash Flows -

Description	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates		24,166	–					–	–	24,166	32,646	33,462
Service charges		79,876	–					3,047	3,047	82,923	88,493	92,128
Other revenue		2,158	–					(663)	(663)	1,495	1,562	1,601
Transfers and Subsidies - Operational	1	96,781	–					(3,121)	(3,121)	93,660	96,942	101,345
Transfers and Subsidies - Capital	1	46,192	–					–	–	46,192	49,465	50,749
Interest		359	–					–	–	359	375	385
Dividends		17	–					–	–	17	18	18
Payments												
Suppliers and employees		(184,585)	–					(1,233)	(1,233)	(185,818)	(145,014)	(148,940)
Finance charges		(14,616)	–					(1,384)	(1,384)	(16,000)	(16,090)	(16,785)
Transfers and Subsidies	1	–	–					–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**50,348**	**–**	**–**	**–**	**–**	**–**	**(3,354)**	**(3,354)**	**46,994**	**108,397**	**113,962**
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE		–	–					–	–	–	–	–
Decrease (increase) in non-current receivables		–	–					–	–	–	–	–
Decrease (increase) in non-current investments		–	–					–	–	–	–	–
Payments												
Capital assets		(46,051)	–					(1,141)	(1,141)	(47,192)	(47,928)	(48,903)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(46,051)**	**–**	**–**	**–**	**–**	**–**	**(1,141)**	**(1,141)**	**(47,192)**	**(47,928)**	**(48,903)**
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans		–	–					–	–	–	–	–
Borrowing long term/refinancing		–	–					–	–	–	–	–
Increase (decrease) in consumer deposits		–	–					–	–	–	–	–
Payments												
Repayment of borrowing		–	–					–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD		**4,297**	**–**	**–**	**–**	**–**	**–**	**(4,495)**	**(4,495)**	**(198)**	**60,469**	**65,060**
Cash/cash equivalents at the year begin:	2	198	–					–	–	198	207	212
Cash/cash equivalents at the year end:	2	4,495	–	–	–	–	–	(4,495)	(4,495)	0	60,676	65,272

FS161 Letsemeng - Table B8 Cash backed reserves/accumulated surplus reconciliation -

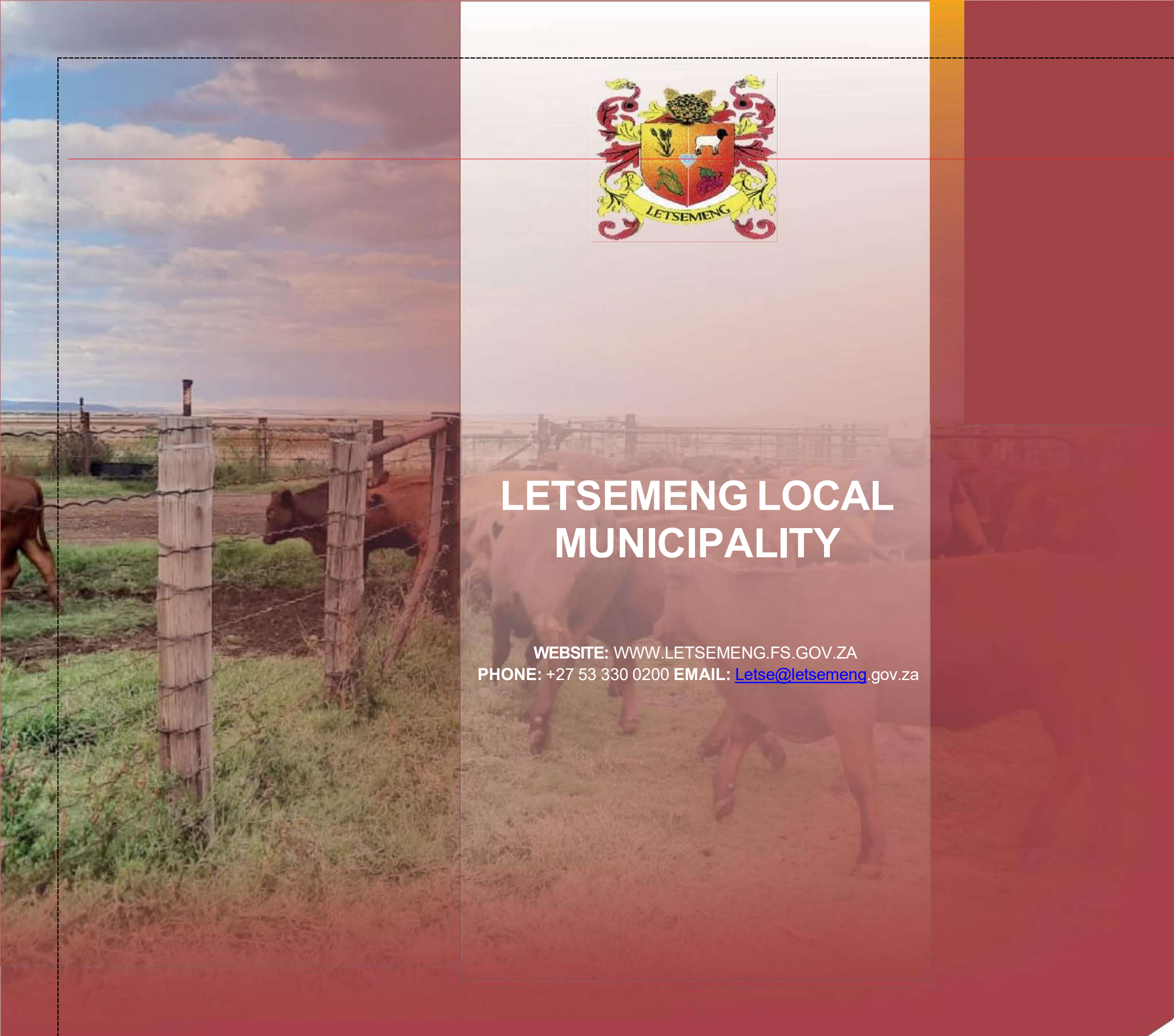
Description	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
Cash and investments available												
Cash/cash equivalents at the year end	1	4,495	–	–	–	–	–	(4,495)	(4,495)	0	60,676	65,272
Other current investments > 90 days		0	–	–	–	–	–	–	–	0	(47,928)	(48,903)
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		**4,495**	**–**	**–**	**–**	**–**	**–**	**(4,495)**	**(4,495)**	**0**	**12,748**	**16,369**
Applications of cash and investments												
Unspent conditional transfers		(5,009)	–	–	–	–	–	–	–	(5,009)	(5,234)	(5,365)
Unspent borrowing									–	–		
Statutory requirements		(8,800)	–					(904)	(904)	(9,704)	(9,804)	(9,804)
Other working capital requirements	2	(119,396)	–					(2,150)	(2,150)	(121,546)	(193,865)	(197,453)
Other provisions		–	–					–	–	–	–	–
Long term investments committed		–	–					–	–	–	–	–
Reserves to be backed by cash/investments		–	–					–	–	–	–	–
Total Application of cash and investments:		**(133,205)**	**–**	**–**	**–**	**–**	**–**	**(3,054)**	**(3,054)**	**(136,259)**	**(208,903)**	**(212,622)**
Surplus(shortfall)		**137,700**	**–**	**–**	**–**	**–**	**–**	**(1,441)**	**(1,441)**	**136,259**	**221,651**	**228,991**

FS161 Letsemeng - Table B9 Asset Management -

Description	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted 7	Accum. Funds 8	Multi-year capital 9	Unfore. Unavoid. 10	Nat. or Prov. Govt 11	Other Adjusts. 12	Total Adjusts. 13	Adjusted Budget 14	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
CAPITAL EXPENDITURE												
Total New Assets *to be adjusted*	1	**13,127**	**–**	**–**	**–**	**–**	**–**	**977**	**977**	**14,104**	**14,746**	**15,115**
Roads Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		8,275	–	–	–	–	–	–	–	8,275	8,647	8,863
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Infrastructure		8,275	–	–	–	–	–	–	–	8,275	8,647	8,863
Community Facilities		–	–	–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		2,609	–	–	–	–	–	–	–	2,609	2,726	2,794
Community Assets		2,609	–	–	–	–	–	–	–	2,609	2,726	2,794
Licences and Rights		32	–	–	–	–	–	(14)	(14)	18	19	19
Intangible Assets		32	–	–	–	–	–	(14)	(14)	18	19	19
Computer Equipment		196	–	–	–	–	–	(104)	(104)	91	95	98
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–	–	–
Machinery and Equipment		1,581	–	–	–	–	–	–	–	1,581	1,652	1,694
Transport Assets		435	–	–	–	–	–	1,095	1,095	1,530	1,607	1,647
Total Upgrading of Existing Assets *to be adjusted*	2a	**26,917**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**26,917**	**26,915**	**27,393**
Roads Infrastructure		1,468	–	–	–	–	–	–	–	1,468	1,534	1,573
Storm water Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Electrical Infrastructure		4,213	–	–	–	–	–	–	–	4,213	4,348	4,544
Water Supply Infrastructure		20,248	–	–	–	–	–	–	–	20,248	20,000	20,217
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Infrastructure		25,929	–	–	–	–	–	–	–	25,929	25,882	26,334
Community Facilities		–	–	–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		988	–	–	–	–	–	–	–	988	1,033	1,058
Community Assets		988	–	–	–	–	–	–	–	988	1,033	1,058
Total Capital Expenditure *to be adjusted*	4	40,044	–	–	–	–	–	977	977	41,021	41,661	42,507
Roads Infrastructure		1,468	–	–	–	–	–	–	–	1,468	1,534	1,573
Storm water Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Electrical Infrastructure		4,213	–	–	–	–	–	–	–	4,213	4,348	4,544
Water Supply Infrastructure		20,248	–	–	–	–	–	–	–	20,248	20,000	20,217
Sanitation Infrastructure		8,275	–	–	–	–	–	–	–	8,275	8,647	8,863
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Infrastructure		34,204	–	–	–	–	–	–	–	34,204	34,529	35,198
Community Facilities		–	–	–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		3,597	–	–	–	–	–	–	–	3,597	3,759	3,853
Community Assets		3,597	–	–	–	–	–	–	–	3,597	3,759	3,853
Licences and Rights		32	–	–	–	–	–	(14)	(14)	18	19	19
Intangible Assets		32	–	–	–	–	–	(14)	(14)	18	19	19
Computer Equipment		196	–	–	–	–	–	(104)	(104)	91	95	98
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–	–	–
Machinery and Equipment		1,581	–	–	–	–	–	–	–	1,581	1,652	1,694
Transport Assets		435	–	–	–	–	–	1,095	1,095	1,530	1,607	1,647
Land		–	–	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–	–	–
Mature		–	–	–	–	–	–	–	–	–	–	–
Immature		–	–	–	–	–	–	–	–	–	–	–
Living Resources		–	–	–	–	–	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE *to be adjusted*	4	**40,044**	**–**	**–**	**–**	**–**	**–**	**977**	**977**	**41,021**	**41,661**	**42,507**

Adjustment budget 2025/2026

ASSET REGISTER SUMMARY - PPE (WDV)	5	728,134	–	–	–	–	–	977	977	729,111	760,715	779,538
Roads Infrastructure		53,043	–					–	–	53,043	55,430	56,816
Storm water Infrastructure		26,188	–					–	–	26,188	27,366	28,050
Electrical Infrastructure		195,682	–					–	–	195,682	204,432	209,631
Water Supply Infrastructure		182,874	–					–	–	182,874	189,945	194,411
Sanitation Infrastructure		61,793	–					–	–	61,793	64,574	66,188
Solid Waste Infrastructure		25,029	–					–	–	25,029	26,156	26,810
Rail Infrastructure		–	–					–	–	–	–	–
Coastal Infrastructure		(3,580)	–					–	–	(3,580)	(3,741)	(3,835)
Information and Communication Infrastructure		52,714	–					(104)	(104)	52,609	54,977	56,351
Infrastructure		593,742	–	–	–	–	–	(104)	(104)	593,638	619,138	634,422
Community Assets		55,212	–					–	–	55,212	57,696	59,139
Heritage Assets		–	–					–	–	–	–	–
Investment properties		59,159	–					–	–	59,159	61,821	63,367
Other Assets		(3,387)	–					–	–	(3,387)	(3,539)	(3,628)
Biological or Cultivated Assets		–	–					–	–	–	–	–
Intangible Assets		91	–					(14)	(14)	77	80	82
Computer Equipment		8,512	–					–	–	8,512	8,895	9,118
Furniture and Office Equipment		182	–					–	–	182	190	195
Machinery and Equipment		(1,597)	–					–	–	(1,597)	(1,669)	(1,711)
Transport Assets		(278)	–					1,095	1,095	817	861	883
Land		16,498	–					–	–	16,498	17,241	17,672
Zoo's, Marine and Non-biological Animals		–	–					–	–	–	–	–
Living Resources		–	–					–			–	–
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	**728,134**	**–**	**–**	**–**	**–**	**–**	**977**	**977**	**729,111**	**760,715**	**779,538**
EXPENDITURE OTHER ITEMS		32,789	–	–	–	–	–	(642)	(642)	32,147	33,593	34,433
Depreciation & asset impairment		31,347	–	–	–	–	–	–	–	31,347	32,757	33,576
Repairs and Maintenance by asset class	3	**1,442**	**–**	**–**	**–**	**–**	**–**	**(642)**	**(642)**	**800**	**836**	**857**
Roads Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Electrical Infrastructure		320	–	–	–	–	–	(120)	(120)	200	209	214
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		600	–	–	–	–	–	(200)	(200)	400	418	428
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Infrastructure		920	–	–	–	–	–	(320)	(320)	600	627	643
Community Facilities		365	–	–	–	–	–	(215)	(215)	150	157	161
Sport and Recreation Facilities		157	–	–	–	–	–	(107)	(107)	50	52	54
Community Assets		522	–	–	–	–	–	(322)	(322)	200	209	214
TOTAL EXPENDITURE OTHER ITEMS to be adjusted		**32,789**	**–**	**–**	**–**	**–**	**–**	**(642)**	**(642)**	**32,147**	**33,593**	**34,433**
Renewal and upgrading of Existing Assets as % of total cape		*67.2%*	*0.0%*							*65.6%*	*64.6%*	*64.4%*
Renewal and upgrading of Existing Assets as % of deprecn"		*85.9%*	*0.0%*							*85.9%*	*82.2%*	*81.6%*
R&M as a % of PPE		*0.2%*	*0.0%*							*0.1%*	*0.1%*	*0.1%*
Renewal and upgrading and R&M as a % of PPE		*3.9%*	*0.0%*							*3.8%*	*3.6%*	*3.6%*



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