

Letsemeng Local Municipality



MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2019-20

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PART 1

1.1. Mayor's budget speech – Honourable Councillor Bahumi

Honourable Councillors,

Municipal Manager and Directors,

Stakeholders and community at large, acknowledge my warm and heartfelt greetings to you all.

1. INTRODUCTION AND OPENING REMARKS

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

2. OUR CHALLENGES

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

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

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

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

3. BUDGET PROCESS FOR 2019/20

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

In compiling the 2019/20 draft annual budget

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

4. ALIGNMENT BETWEEN NATIONAL AND PROVINCIAL PRIORITIES

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

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

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

The municipality has programmes that talks directly to these objectives.

5. TARIFF INCREASES

As a requirement from National Treasury, our budget is based on the concept of balanced budget, Municipalities are not supposed to budget for a deficit, in order to mitigate against this issue, unpopular decisions had to be made, and one of those decisions was to increase our tariffs.

Property rates

- Property rates tariffs for other properties will increase by 5.2%. Municipality will be implementing a supplementary valuation roll in line with the provisions of Municipal Property rates act

Service charges

- The tariffs for Electricity, Water, Sanitation and Refuse will increase by an average of 5.2%.

6. OVERVIEW OF THE BUDGET

Our total budget for revenue is R 124 million.

The municipality will receive Operating Grants (Equitable share; Municipal Finance Management Grant and Expanded Public Works Program Grant) to the value R44 million.

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

It should be noted however that it will not be business as usual for those community members who are not paying their services. We are collectively going to engage in a

robust credit control measures to ensure that services are paid for. We will take punitive measures for community members who are found to have tampered with water and electricity supply.

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

Councillors, let me talk about expenditure,

Our total expenditure budget is R163 million including non-cash items of R 61 million. The expenditure allocations are as follows:

- Employee related costs is budgeted at R52.3 million.
- A budget of R4.1 million goes towards Remuneration of Councillors. This is within the upper limits as provided for in the relevant legislation.
- Repairs and maintenance are budgeted at R5.1 million.
- As the municipality we are responsible for provision of water and electricity. Therefore, we have put aside R18 million for Bulk Purchases: water and electricity.

Our total Capital budget is R50.5 million.

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

7. CONCLUSION

Honourable Councillors, my concluding remarks as follows:

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

In this regard, Honourable Councillors, allow me to extend my sincere appreciation to the entire Council of Letsemeng for their undivided support. Let me also acknowledge the support provided by the Municipal Manager, all Directors and the officials from the Budget & Treasury Office (led by the CFO) your efforts are highly appreciated.

Honourable Councillors, I hereby table the draft 2019/20 IDP and Annual Budget of Letsemeng Local Municipality for the financial year ending 30 June 2020 for your consideration and approval.

I thank you!!

1.2. RESOLUTIONS

To be included once the council has approved the budget.

1.3. EXECUTIVE SUMMARY

This section provides an overview of the Letsemeng Local Municipality's 2019-20 to 2021-22 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 2019/20 MTREF:

- (a) Budgeting for a funded and credible annual budget compared to a balanced budget;
- (b) The 2018-19 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 2019-20 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 93 and 94 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 decreased from R **129 264 000 to R124 501 000(R4 763 000)** for the 2019-20 financial year when compared to the 2018-19 Adjustment Budget the decrease is due to the unspent conditional grant(2017-18) that needs to be paid off against the equitable share in trenches. Operating revenue comprises of service charges, property rates and other revenue. We anticipate to collect 70% of the billed revenue due to the water and electricity meters that will be installed, the meter audit as well as the effective implementation of the credit control policy, this will increase our revenue collection in the next financial year.

Property rates increased from **R19 797 000** to **R20 827 000**, electricity is increased from **R21 280 000** to **R22 386 000**, water is increased from **R8 865 000** to **R9 326 000**, sanitation increased from **R10 013 000** to **R10 534 000** and refuse increased from **R10 512 000** to **R11 059 000**. All of the service charges were increased with an inflation rate of 5.2%. Other revenue consist of administration costs, objection costs, photocopies costs and clearance certificate. Municipality is still awaiting NERSA tariff approval for electricity.

Total operating expenditure has decreased from **R166 072 000** to **R163 099 000 (R2 973 000)** for the 2019-20 financial year when compared to the 2018-19 Adjustment Budget. Total operating expenditure for the 2019-20 financial year has translates into a budgeted deficit of **R38 598 000**. The operating expenditure consist of employee related costs, remuneration of Councillors, bulk purchases, contracted services and other expenditure. Employee related costs increased from **R49 934 000** to **R52 324 000**. Remuneration of Councillors was increased to **R4 127 000** during the adjustment budget in January 2019 and for the next financial year it still remains the same as the upper limit will be gazetted in December 2019. Bulk purchases were increased from **R16 000 000** to **R18 032 000** including the arrangement amounts as agreed with Eskom. Contracted services decreased from **R19 271 000** to **R10 896 000**, it comprises of EPWP job creation, supplementary valuation roll, Insurance, rental of photocopies machines and compilation of annual financial statements. Other expenditure decreased from **R15 412 000** to **R10 507 000**. Other expenditure consist of human capital development, chemicals, accommodation, audit fees, printing and stationery, rental of equipment, legal expenses and provision for disaster management.

As per requirement from National treasury we are expected to budget for non-cash items i.e. Debt Impairment **R22 998 000** and Depreciation and Asset Impairment of **R38 649 000**

1.3. ANNUAL BUDGET TABLES

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

- a) Table A1: Budgeted Summary
- b) Table A2: Budget Financial Performance (revenue & expenditure by standard
1. classification)
- c) Table A3: Budget Financial Performance (revenue & expenditure by municipal
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- 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	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousands										
Financial Performance										
Property rates	13,228	14,917	14,678	19,797	19,797	19,797	-	20,827	21,951	23,137
Service charges	41,196	48,933	46,121	50,425	50,670	50,670	-	53,306	56,140	59,171
Investment revenue	232	579	513	842	421	421	-	443	467	492
Transfers recognised - operational	53,514	50,227	51,089	61,052	53,052	53,052	-	44,326	46,720	49,242
Other own revenue	8,729	13,289	20,379	6,468	5,323	5,323	-	5,600	5,902	6,221
Total Revenue (excluding capital transfers and contributions)	116,898	127,944	132,780	138,585	129,263	129,263	-	124,502	131,180	138,263
Employee costs	40,898	46,643	49,073	51,715	49,934	49,934	-	52,324	55,150	55,302
Remuneration of councillors	3,395	3,348	3,746	3,859	4,127	4,127	-	4,127	4,350	4,585
Depreciation & asset impairment	27,589	32,866	44,090	33,739	33,739	33,739	-	38,649	40,736	42,936
Finance charges	1,552	3,010	2,232	53	400	400	-	421	444	467
Materials and bulk purchases	21,611	26,844	26,469	37,181	20,190	20,190	-	23,176	24,427	25,747
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	41,150	72,765	42,573	53,599	57,681	57,681	-	44,402	46,799	49,326
Total Expenditure	136,195	185,476	168,183	180,147	166,072	166,072	-	163,099	171,907	178,364
Surplus/(Deficit)	(19,297)	(57,532)	(35,404)	(41,562)	(36,808)	(36,808)	-	(38,597)	(40,726)	(40,101)
Transfers and subsidies - capital (monetary allocation)	24,557	55,529	28,406	49,949	49,949	49,949	-	50,539	53,268	56,145
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	5,260	(2,003)	(6,997)	8,387	13,141	13,141	-	11,942	12,542	16,044
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	5,260	(2,003)	(6,997)	8,387	13,141	13,141	-	11,942	12,542	16,044
Capital expenditure & funds sources										
Capital expenditure	30,080	59,226	46,877	49,949	53,332	53,332	-	50,539	53,268	56,145
Transfers recognised - capital	28,952	59,222	46,877	49,949	48,518	48,518	-	43,492	45,840	48,315
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	1,127	4	-	-	4,814	4,814	-	7,048	7,428	7,829
Total sources of capital funds	30,080	59,226	46,877	49,949	53,332	53,332	-	50,539	53,268	56,145
Financial position										
Total current assets	55,709	69,904	109,079	31,205	210,329	210,329	-	221,266	233,215	245,808
Total non current assets	569,476	594,936	976,066	694,873	748,205	748,205	-	763,980	805,235	848,718
Total current liabilities	17,431	55,705	95,591	13,316	13,316	13,316	-	14,008	14,765	15,562
Total non current liabilities	16,819	21,850	12,805	12,167	12,167	12,167	-	12,800	13,491	14,219
Community wealth/Equity	590,935	587,285	976,749	700,595	933,051	933,051	-	958,438	1,010,194	1,064,745
Cash flows										
Net cash from (used) operating	8,765	55,500	128,054	52,649	46,827	46,827	-	67,399	74,261	81,096
Net cash from (used) investing	(11,140)	(55,424)	(26,887)	(49,949)	(48,518)	(48,518)	-	(50,539)	(53,268)	(56,145)
Net cash from (used) financing	(92)	(293)	(99,546)	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	727	513	2,134	2,982	(799)	(799)	-	17,752	38,744	63,696
Cash backing/surplus reconciliation										
Cash and investments available	730	513	2,647	892	892	892	-	938	989	1,042
Application of cash and investments	(19,482)	6,626	56,666	(6,351)	(181,489)	(181,489)	-	(190,927)	(201,232)	(212,100)
Balance - surplus (shortfall)	20,212	(6,113)	(54,019)	7,243	182,381	182,381	-	191,866	202,221	213,142
Asset management										
Asset register summary (WDV)	569,239	594,815	642,902	656,555	748,205	748,205	748,205	763,858	805,106	848,582
Depreciation	27,589	32,866	44,090	33,739	33,739	33,739	33,739	38,649	40,736	42,936
Renewal and Upgrading of Existing Assets	30,080	59,226	46,877	94,467	53,332	53,332	53,332	50,539	53,269	56,144
Repairs and Maintenance	-	-	-	5,181	2,468	2,468	2,468	5,144	5,426	5,720
Free services										
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	-	-	-	-	-	-	-	-	-	-
Households below minimum service level										
Water:	1	1	1	1	1	1	-	-	-	-
Sanitation/sewerage:	2	2	2	2	2	2	2	2	2	2
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	1	1	1	1	1	1	1	1	1	1

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

Functional Classification Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue - Functional	1									
Governance and administration		74,323	78,004	108,201	168,074	92,638	92,638	121,735	128,308	135,237
Executive and council		-	-	-	-	-	-	1,000	1,000	1,000
Finance and administration		74,323	78,004	108,201	168,074	92,638	92,638	120,735	127,308	134,237
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		349	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		31	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		318	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		1,030	17,077	1,038	1,000	1,000	1,000	-	-	-
Planning and development		1,000	1,000	1,000	1,000	1,000	1,000	-	-	-
Road transport		30	16,077	38	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		65,753	88,391	97,632	20,459	85,575	85,575	53,305	56,139	59,171
Energy sources		15,012	18,299	21,496	-	32,192	32,192	22,386	23,551	24,822
Water management		31,444	52,448	55,742	11,860	30,387	30,387	9,326	9,830	10,360
Waste water management		10,494	9,104	10,286	560	11,595	11,595	10,534	11,103	11,703
Waste management		8,804	8,541	10,108	8,039	11,401	11,401	11,059	11,656	12,286
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	141,456	183,473	206,871	189,534	179,213	179,213	175,040	184,448	194,408
Expenditure - Functional										
Governance and administration		114,584	158,632	133,637	109,385	112,520	112,520	157,541	164,606	170,669
Executive and council		3,395	3,348	4,500	14,508	17,772	17,772	9,374	8,437	8,893
Finance and administration		111,189	155,284	129,137	93,607	93,526	93,526	148,167	156,169	161,776
Internal audit		-	-	-	1,270	1,223	1,223	-	-	-
Community and public safety		-	-	-	4,761	5,999	5,999	1,935	2,040	2,150
Community and social services		-	-	-	1,612	3,356	3,356	1,520	1,602	1,689
Sport and recreation		-	-	-	74	155	155	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	3,022	2,488	2,488	415	438	461
Health		-	-	-	53	-	-	-	-	-
Economic and environmental services		-	-	3,400	10,743	5,975	5,975	397	419	441
Planning and development		-	-	1,400	4,312	3,427	3,427	-	-	-
Road transport		-	-	2,000	6,431	2,548	2,548	397	419	441
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		21,611	26,844	27,354	58,092	41,578	41,578	3,225	4,842	5,104
Energy sources		17,078	23,713	22,471	29,277	21,112	21,112	665	2,144	2,260
Water management		4,533	3,131	4,883	15,701	12,190	12,190	-	-	-
Waste water management		-	-	-	5,928	5,738	5,738	-	-	-
Waste management		-	-	-	7,186	2,538	2,538	2,560	2,698	2,844
Other	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	136,195	185,476	164,391	182,981	166,072	166,072	163,099	171,907	178,364
Surplus/(Deficit) for the year		5,260	(2,003)	42,479	6,553	13,142	13,142	11,941	12,541	16,044

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

Vote Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue by Vote	1									
Vote 1 - Finance and Administration		74,323	78,004	108,201	144,660	92,639	92,639	120,735	127,308	134,237
Vote 2 - Executive and Council		-	-	-	-	1,000	1,000	1,000	1,000	1,000
Vote 3 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 4 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 5 - Water Management		31,444	52,448	55,742	10,239	30,388	30,388	9,326	9,830	10,360
Vote 6 - Waste Water Management		10,494	9,104	10,286	560	11,595	11,595	10,534	11,103	11,703
Vote 7 - Waste Management		8,804	8,541	10,108	10,108	11,399	11,399	11,059	11,656	12,286
Vote 8 - Energy Sources		15,012	18,299	21,496	22,967	32,192	32,192	22,386	23,551	24,822
Vote 9 - Planning and Development		1,000	1,000	1,000	-	-	-	-	-	-
Vote 10 - Sport and Recreation		31	-	-	-	-	-	-	-	-
Vote 11 - Road Transport		30	16,077	38	-	-	-	-	-	-
Vote 12 - Health		-	-	-	-	-	-	-	-	-
Vote 13 - Housing		318	-	-	-	-	-	-	-	-
Vote 14 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 15 - Finance and administration 2		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	141,456	183,473	206,871	188,534	179,213	179,213	175,040	184,448	194,408
Expenditure by Vote to be appropriated	1									
Vote 1 - Finance and Administration		111,189	155,284	129,137	78,253	78,255	78,255	148,167	156,169	161,776
Vote 2 - Executive and Council		3,395	3,348	4,500	14,508	-	-	9,374	8,437	8,893
Vote 3 - Community and Social Services		-	-	-	1,612	3,356	3,356	1,520	1,602	1,689
Vote 4 - Internal Audit		-	-	-	1,270	1,223	1,223	-	-	-
Vote 5 - Water Management		4,533	3,131	4,883	15,701	12,190	12,190	-	-	-
Vote 6 - Waste Water Management		-	-	-	5,928	5,738	5,738	-	-	-
Vote 7 - Waste Management		-	-	-	7,186	2,538	2,538	2,560	2,698	2,844
Vote 8 - Energy Sources		17,078	23,713	22,471	29,277	21,112	21,112	665	2,144	2,260
Vote 9 - Planning and Development		-	-	1,400	4,312	3,427	3,427	-	-	-
Vote 10 - Sport and Recreation		-	-	-	74	155	155	-	-	-
Vote 11 - Road Transport		-	-	2,000	6,431	2,548	2,548	397	419	441
Vote 12 - Health		-	-	-	53	-	-	-	-	-
Vote 13 - Housing		-	-	-	3,022	2,488	2,488	415	438	461
Vote 14 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 15 - Finance and administration 2		-	-	-	15,355	15,322	15,322	-	-	-
Total Expenditure by Vote	2	136,195	185,476	164,391	182,981	148,351	148,351	163,099	171,907	178,364
Surplus/(Deficit) for the year	2	5,260	(2,003)	42,479	5,553	30,861	30,861	11,941	12,541	16,044

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

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue By Source											
Property rates	2	13,228	14,917	14,678	19,797	19,797	19,797	-	20,827	21,951	23,137
Service charges - electricity revenue	2	15,012	18,299	13,876	22,967	21,280	21,280	-	22,386	23,551	24,822
Service charges - water revenue	2	8,087	12,989	15,948	8,865	8,865	8,865	-	9,326	9,830	10,360
Service charges - sanitation revenue	2	9,293	9,104	8,312	8,486	10,013	10,013	-	10,534	11,103	11,703
Service charges - refuse revenue	2	8,804	8,541	7,985	10,108	10,512	10,512	-	11,059	11,656	12,286
Rental of facilities and equipment		505	2,209	585	571	450	450	-	473	499	526
Interest earned - external investments		232	579	513	842	421	421	-	443	467	492
Interest earned - outstanding debtors		7,463	10,526	19,356	3,869	3,869	3,869	-	4,070	4,290	4,521
Dividends received		7	1	4	34	5	5	-	5	6	6
Fines, penalties and forfeits		30	8	2	36	18	18	-	19	20	21
Licences and permits					4	4	4	-	5	5	5
Agency services								-			
Transfers and subsidies		53,514	50,227	51,089	61,052	53,052	53,052	-	44,326	46,720	49,242
Other revenue	2	724	545	434	1,954	977	977	-	1,028	1,083	1,142
Gains on disposal of PPE								-			
Total Revenue (excluding capital transfers and contributions)		116,898	127,944	132,780	138,585	129,263	129,263	-	124,502	131,180	138,263
Expenditure By Type											
Employee related costs	2	40,898	46,643	49,073	51,715	49,934	49,934	-	52,324	55,150	55,302
Remuneration of councillors		3,395	3,348	3,746	3,859	4,127	4,127	-	4,127	4,350	4,585
Debt impairment	3	5,746	36,735	12,271	22,998	22,998	22,998	-	22,998	24,240	25,549
Depreciation & asset impairment	2	27,589	32,866	44,090	33,739	33,739	33,739	-	38,649	40,736	42,936
Finance charges		1,552	3,010	2,232	53	400	400	-	421	444	467
Bulk purchases	2	21,611	26,844	26,469	32,000	16,000	16,000	-	18,032	19,006	20,032
Other materials	8				5,181	4,190	4,190	-	5,144	5,422	5,715
Contracted services		-	-	12,201	18,082	19,271	19,271	-	10,896	11,484	12,104
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	35,403	34,491	18,101	12,519	15,412	15,412	-	10,507	11,075	11,673
Loss on disposal of PPE			1,539					-			
Total Expenditure		136,195	185,476	168,183	180,147	166,072	166,072	-	163,099	171,907	178,364
Surplus/(Deficit)											
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		24,557	55,529	28,406	49,949	49,949	49,949	-	50,539	53,268	56,145
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Transfers and subsidies - capital (in-kind - all))	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		5,260	(2,003)	(6,997)	8,387	13,141	13,141	-	11,942	12,542	16,044
Taxation								-			
Surplus/(Deficit) after taxation		5,260	(2,003)	(6,997)	8,387	13,141	13,141	-	11,942	12,542	16,044
Attributable to minorities								-			
Surplus/(Deficit) attributable to municipality		5,260	(2,003)	(6,997)	8,387	13,141	13,141	-	11,942	12,542	16,044
Share of surplus/ (deficit) of associate	7							-			
Surplus/(Deficit) for the year		5,260	(2,003)	(6,997)	8,387	13,141	13,141	-	11,942	12,542	16,044

Vote Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Finance and Administration		-	-	-	-	-	-	-	-	-	-
Vote 2 - Executive and 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 - Sport and Recreation		-	-	-	-	-	-	-	-	-	-
Vote 11 - Road Transport		-	-	-	-	-	-	-	-	-	-
Vote 12 - Health		-	-	-	-	-	-	-	-	-	-
Vote 13 - Housing		-	-	-	-	-	-	-	-	-	-
Vote 14 - Public Safety		-	-	-	-	-	-	-	-	-	-
Vote 15 - Finance and administration 2		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - Finance and Administration		744	54,674	-	-	3,804	3,804	-	353	372	392
Vote 2 - Executive and Council		-	3,822	-	-	200	200	-	2,135	2,250	2,372
Vote 3 - Community and Social Services		383	729	-	-	12,510	12,510	-	2,000	2,108	2,222
Vote 4 - Internal Audit		-	-	-	-	-	-	-	-	-	-
Vote 5 - Water Management		-	-	25,000	498	20,400	20,400	-	31,964	33,690	35,509
Vote 6 - Waste Water Management		-	-	7,586	7,089	5,818	5,818	-	5,839	6,154	6,486
Vote 7 - Waste Management		-	-	4,335	-	932	932	-	2,560	2,698	2,844
Vote 8 - Energy Sources		-	-	4,630	20,000	30	30	-	3,200	3,373	3,555
Vote 9 - Planning and Development		-	-	-	-	7,413	7,413	-	-	-	-
Vote 10 - Sport and Recreation		-	-	775	13,769	1,315	1,315	-	1,676	1,767	1,862
Vote 11 - Road Transport		28,952	-	3,682	8,594	911	911	-	397	419	441
Vote 12 - Health		-	-	-	-	-	-	-	-	-	-
Vote 13 - Housing		-	-	-	-	-	-	-	415	438	461
Vote 14 - Public Safety		-	-	-	-	-	-	-	-	-	-
Vote 15 - Finance and administration 2		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		30,079	59,225	46,008	49,950	53,333	53,333	-	50,539	53,269	56,144
Total Capital Expenditure - Vote		30,079	59,225	46,008	49,950	53,333	53,333	-	50,539	53,269	56,144
Capital Expenditure - Functional											
Governance and administration		744	58,497	-	-	4,004	4,004	-	2,488	2,622	2,764
Executive and council		-	3,822	-	-	200	200	-	2,135	2,250	2,372
Finance and administration		744	54,674	-	-	3,804	3,804	-	353	372	392
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		383	729	775	13,769	13,825	13,825	-	4,092	4,313	4,546
Community and social services		383	729	-	-	12,510	12,510	-	2,000	2,108	2,222
Sport and recreation		-	-	775	13,769	1,315	1,315	-	1,676	1,767	1,862
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	415	438	461
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		28,952	-	3,682	8,594	8,324	8,324	-	397	419	441
Planning and development		-	-	-	-	7,413	7,413	-	-	-	-
Road transport		28,952	-	3,682	8,594	911	911	-	397	419	441
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		-	-	41,551	27,586	27,180	27,180	-	43,563	45,915	48,394
Energy sources		-	-	4,630	20,000	30	30	-	3,200	3,373	3,555
Water management		-	-	25,000	498	20,400	20,400	-	31,964	33,690	35,509
Waste water management		-	-	7,586	7,089	5,818	5,818	-	5,839	6,154	6,486
Waste management		-	-	4,335	-	932	932	-	2,560	2,698	2,844
Other		-	-	869	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	30,080	59,226	46,877	49,949	53,332	53,332	-	50,539	53,268	56,145
Funded by:											
National Government		28,952	59,222	46,877	49,949	48,518	48,518	-	43,492	45,840	48,315
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	28,952	59,222	46,877	49,949	48,518	48,518	-	43,492	45,840	48,315
Borrowing											
Internally generated funds	6	1,127	4	-	-	4,814	4,814	-	7,048	7,428	7,829
Total Capital Funding	7	30,080	59,226	46,877	49,949	53,332	53,332	-	50,539	53,268	56,145

FS161 Letsemeng - Table A6 Budgeted Financial Position

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
ASSETS											
Current assets											
Cash		730	513	2,647	892	892	892		938	989	1,042
Call investment deposits	1	-	-	-	-	-	-	-	-	-	-
Consumer debtors	1	38,461	46,118	88,629	25,322	204,446	204,446	-	215,077	226,691	238,933
Other debtors		12,354	20,481	377							
Current portion of long-term receivables				14,750							
Inventory	2	4,164	2,793	2,677	4,991	4,991	4,991		5,251	5,534	5,833
Total current assets		55,709	69,904	109,079	31,205	210,329	210,329	-	221,266	233,215	245,808
Non current assets											
Long-term receivables											
Investments											
Investment property				237,278	21,988	21,988	21,988				
Investment in Associate		237	121								
Property, plant and equipment	3	568,868	593,525	737,872	672,769	726,101	726,101	-	763,858	805,106	848,582
Biological				15							
Intangible		160	1,079	781	116	116	116		122	129	136
Other non-current assets		211	211	120							
Total non current assets		569,476	594,936	976,066	694,873	748,205	748,205	-	763,980	805,235	848,718
TOTAL ASSETS		625,185	664,840	1,085,145	726,078	958,534	958,534	-	985,246	1,038,450	1,094,526
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	172	667	-	-	-	-	-	-	-	-
Consumer deposits		752	799	782							
Trade and other payables	4	9,177	26,689	93,824	12,518	12,518	12,518	-	13,169	13,880	14,629
Provisions		7,331	27,551	985	798	798	798		840	885	933
Total current liabilities		17,431	55,705	95,591	13,316	13,316	13,316	-	14,008	14,765	15,562
Non current liabilities											
Borrowing		79	3,114	-	-	-	-	-	-	-	-
Provisions		16,739	18,736	12,805	12,167	12,167	12,167	-	12,800	13,491	14,219
Total non current liabilities		16,819	21,850	12,805	12,167	12,167	12,167	-	12,800	13,491	14,219
TOTAL LIABILITIES		34,250	77,555	108,396	25,483	25,483	25,483	-	26,808	28,255	29,781
NET ASSETS	5	590,935	587,285	976,749	700,595	933,051	933,051	-	958,438	1,010,194	1,064,745
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		590,935	587,285	976,749	700,595	933,051	933,051		958,438	1,010,194	1,064,745
Reserves	4	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	590,935	587,285	976,749	700,595	933,051	933,051	-	958,438	1,010,194	1,064,745

FS161 Letsemeng - Table A7 Budgeted Cash Flows

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		5,112	3,917	6,216	14,254	19,797	19,797		20,827	21,951	23,137
Service charges		29,996	19,320	27,673	40,303	50,670	50,670		53,306	56,139	59,171
Other revenue		505			2,565	1,449	1,449		1,525	1,607	1,694
Government - operating	1	53,514	70,226	93,649	61,052	53,052	53,052		44,326	46,720	49,242
Government - capital	1	18,444	55,529		49,949	49,949	49,949		44,349	50,011	52,712
Interest		232	579	513	4,711	4,290	4,290		4,513	4,757	5,013
Dividends		7	1	4	34	5	5		5	6	6
Payments											
Suppliers and employees		(97,493)	(92,682)		(120,166)	(131,984)	(131,984)		(101,031)	(106,487)	(109,411)
Finance charges		(1,552)	(1,391)		(53)	(400)	(400)		(421)	(444)	(467)
Transfers and Grants	1										
NET CASH FROM/(USED) OPERATING ACTIVITIES		8,765	55,500	128,054	52,649	46,827	46,827	-	67,399	74,261	81,096
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE				1					-	-	-
Decrease (increase) in non-current debtors									-	-	-
Decrease (increase) other non-current receivables				(418)					-	-	-
Decrease (increase) in non-current investments		12,020	115	(25,753)					-	-	-
Payments											
Capital assets		(23,160)	(55,540)	(717)	(49,949)	(48,518)	(48,518)		(50,539)	(53,268)	(56,145)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(11,140)	(55,424)	(26,887)	(49,949)	(48,518)	(48,518)	-	(50,539)	(53,268)	(56,145)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits									-	-	-
Payments											
Repayment of borrowing		(92)	(293)	(99,546)					-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(92)	(293)	(99,546)	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		(2,468)	(217)	1,621	2,700	(1,691)	(1,691)	-	16,860	20,992	24,952
Cash/cash equivalents at the year begin:	2	3,195	730	513	282	892	892		892	17,752	38,744
Cash/cash equivalents at the year end:	2	727	513	2,134	2,982	(799)	(799)		17,752	38,744	63,696

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

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Cash and investments available											
Cash/cash equivalents at the year end	1	727	513	2,134	2,982	(799)	(799)		17,752	38,744	63,696
Other current investments > 90 days		3	0	513	(2,090)	1,691	1,691		(16,813)	(37,755)	(62,653)
Non current assets - Investments	1	-	-	-	-	-	-		-	-	-
Cash and investments available:		730	513	2,647	892	892	892	-	938	989	1,042
Application of cash and investments											
Unspent conditional transfers		-	-	40,931	-	-	-		-	-	-
Unspent borrowing		-	-	-	-	-	-		-	-	-
Statutory requirements	2										
Other working capital requirements	3	(19,482)	6,626	15,735	(6,351)	(181,489)	(181,489)		(190,927)	(201,232)	(212,100)
Other provisions											
Long term investments committed	4	-	-	-	-	-	-		-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		(19,482)	6,626	56,666	(6,351)	(181,489)	(181,489)	-	(190,927)	(201,232)	(212,100)
Surplus(shortfall)		20,212	(6,113)	(54,019)	7,243	182,381	182,381	-	191,866	202,221	213,142

FS161 Letsemeng - Table A10 Basic service delivery measurement

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Household service targets										
Water:										
Piped water inside dwelling	1	5,604	5,604	5,604	5,604	5,604	5,604	5,604	5,604	5,604
Piped water inside yard (but not in dwelling)	2	4,604	4,604	4,604	4,604	4,604	4,604	5,294	5,294	5,294
Using public tap (at least min.service level)	4	341	341	341	341	341	341	341	341	341
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	3	10,549	10,549	10,549	10,549	10,549	10,549	11,239	11,239	11,239
Using public tap (< min.service level)	3	447	447	447	447	447	447	-	-	-
Other water supply (< min.service level)	4	243	243	243	243	243	243	-	-	-
No water supply	4	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	5	690	690	690	690	690	690	-	-	-
Total number of households	5	11,239	11,239	11,239	11,239	11,239	11,239	11,239	11,239	11,239
Sanitation/sewerage:										
Flush toilet (connected to sewerage)	1	8,188	8,188	8,188	8,188	8,188	8,188	8,188	8,188	8,188
Flush toilet (with septic tank)	2	304	304	304	304	304	304	304	304	304
Chemical toilet	4	51	51	51	51	51	51	51	51	51
Pit toilet (v.ventilated)	4	1,185	1,185	1,185	1,185	1,185	1,185	1,185	1,185	1,185
Other toilet provisions (> min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	3	9,728	9,728	9,728	9,728	9,728	9,728	9,728	9,728	9,728
Bucket toilet	4	256	256	256	256	256	256	256	256	256
Other toilet provisions (< min.service level)	4	691	691	691	691	691	691	691	691	691
No toilet provisions	4	567	567	567	567	567	567	567	567	567
<i>Below Minimum Service Level sub-total</i>	5	1,514	1,514	1,514	1,514	1,514	1,514	1,514	1,514	1,514
Total number of households	5	11,242	11,242	11,242	11,242	11,242	11,242	11,242	11,242	11,242
Energy:										
Electricity (at least min.service level)	1	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Electricity - prepaid (min.service level)	2	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
<i>Minimum Service Level and Above sub-total</i>	3	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Electricity (< min.service level)	4	-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)	4	-	-	-	-	-	-	-	-	-
Other energy sources	4	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	5	-	-	-	-	-	-	-	-	-
Total number of households	5	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Refuse:										
Removed at least once a week	1	7,646	7,646	7,646	7,646	7,646	7,646	7,646	7,646	7,646
<i>Minimum Service Level and Above sub-total</i>	2	7,646	7,646	7,646	7,646	7,646	7,646	7,646	7,646	7,646
Removed less frequently than once a week	4	102	102	102	102	102	102	102	102	102
Using communal refuse dump	4	483	483	483	483	483	483	483	483	483
Using own refuse dump	4	-	-	-	-	-	-	-	-	-
Other rubbish disposal	4	78	78	78	78	78	78	78	78	78
No rubbish disposal	4	156	156	156	156	156	156	156	156	156
<i>Below Minimum Service Level sub-total</i>	5	819	819	819	819	819	819	819	819	819
Total number of households	5	8,465	8,465	8,465	8,465	8,465	8,465	8,465	8,465	8,465
Households receiving Free Basic Service										
Water (6 kilolitres per household per month)	7	-	-	-	-	-	-	15,000	15,000	15,000
Sanitation (free minimum level service)	7	-	-	-	-	-	-	15,000	15,000	15,000
Electricity/other energy (50kwh per household per month)	7	11,000	11,000	11,000	11,000	11,000	11,000	15,000	15,000	15,000
Refuse (removed at least once a week)	7	-	-	-	-	-	-	15,000	15,000	15,000
Cost of Free Basic Services provided - Formal Settlements (R'000)										
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)	8	7,090	-	-	1,832	1,832	1,832	2,000	2,050	2,079
Electricity/other energy (50kwh per indigent household per month)	8	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)	8	6,763	-	-	1,769	1,769	1,769	4,000	4,256	4,300
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)	8	-	-	-	-	-	-	-	-	-
Total cost of FBS provided	8	20,436	6,389	6,452	7,157	7,157	7,157	12,480	12,856	13,029
Highest level of free service provided per household										
Property rates (R v alue threshold)	9	-	-	-	-	-	-	-	-	-
Water (kilolitres per household per month)	9	6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)	9	-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)	9	-	-	-	-	-	-	-	-	-
Electricity (kwh per household per month)	9	50	50	50	50	50	50	50	50	50
Refuse (average litres per week)	9	-	-	-	-	-	-	-	-	-
Revenue cost of subsidised services provided (R'000)										
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)	9	-	-	-	-	-	-	-	-	-
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA	9	-	-	-	-	-	-	-	-	-
Water (in excess of 6 kilolitres per indigent household per month)	9	-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)	9	-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)	9	-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)	9	-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates	6	-	-	-	-	-	-	-	-	-
Housing - top structure subsidies	6	-	-	-	-	-	-	-	-	-
Other	6	-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided	6	-	-	-	-	-	-	-	-	-

1. Explanatory notes to budget

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

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

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

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

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

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

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

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

Explanatory Notes to Table A2

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

Explanatory Note to Table A3

1. Table A3 is an overview of the budgeted financial performance in relation to the revenue and expenditure per municipal vote.
2. From the above it can be seen that all trading services are making surpluses, and this is attributable to the following
 - a. Council proposes a 5.2% on electricity tariffs
 - b. An increase of 5.2% on refuse, sewerage and water tariffs
 - c. 5.2% 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 draft budget for 2019/20 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 2018 a time schedule that sets out the process to revise the IDP and prepare the annual budget.

The Mayor tabled the required IDP process plan and budget time schedule in line with the applicable legislation. However, adherence to these plans was not achieved as the processes were not undertaken exactly at the dates that were indicated in the plans.

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

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

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

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

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

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

For the 2019/20 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 2018-19 is very low. A report is submitted, together with the quarterly report required in terms of the MFMA, where council is informed about the number of indigents that were registered at specific point in time.

Council is encouraging community to annually update their indigent status.

2.4.2 Virement Policy

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

2.4.3 Supply Chain Management Policy

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

2.4.4 Cash Management and Investment Policy

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

2.4.5 Tariff Policies

The municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. NERSA has not yet approved the electricity tariffs for 19/20 financial year but an increase of 5.2% was made based on the CPI as stipulated on circular 94, Please refer to the Annexure of Tariff List.

2.4.6 Indigent Support Policy

The recommendation is that the threshold be increased to a current value of R1780 * 2 i.e. R3 560 pensioners combined or the rand value.

2.4.7 Budget Policy

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

2.4.8 Funding and Reserves policy

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

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

2.4.9 Subsistence & Travel Allowance Policy

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

2.5. Overview of the budget assumptions

Budgets are prepared in an environment of uncertainty and assumptions need to be made about internal and external factors that could impact on the budget during the course of the financial year. In compiling the 2019-20 Draft Annual Budget, the following key issues and assumptions were taken into consideration and modelled into the budget planning process:

- (a) Economic climate and poverty levels within the municipality will remain the same / constant for major part of the financial year given the limited economic activities with the vicinity;
- (b) That the revenue collection will not increase / improve by more than 70% from the 2018-19 financial year;
- (c) Cash flow projections will be strictly maintained to ensure the municipality's ability to meet its financial obligations;
- (d) Operational costs will be maintained at current levels or reduced as cost containment measures and where there is material decrease in revenue collection rate, expenditure will have to be reduced at the same proportion;
- (e) Filling of vacant posts was prioritised taking into account the cash flow projections of the municipality.

2.6 Expenditure on allocations and grant programmes

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

DORA GRANTS ALLOCATIONS FOR LETSEMENG MUNICIPALITY FOR 19/20 MTREF

DORA GRANT	ALLOCATED AMOUNT
Equitable Share	R 63 091 000
Water Services Infrastructure Grant	R 24 000 000
Municipal Infrastructure Grant	R 17 149 000
Expanded Public Works Programme	R 1 000 000
Integrated National Electrification Grant	R 3 200 000
Financial Management Grant	R 2 435 000

All the grants allocated are conditional i.e. have to meet an obligation except Equitable Share grant which is unconditional. On the Equitable Share there is unspent amount of R22.2 million from previous financial year (2017-18) that is going to be deducted which gives a balance of R 40 891 000.

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 49 934 000** (2018-19 adjustment budget) to **R52 324 000**.
- (b) The Council Remuneration of **R4 127 000** for 2018/19 is the **actual costs as approved in accordance with the government gazette on upper limits**

2.8. Monthly targets of revenue, expenditure and cash flow

The municipality has over the years been in a position to bill all its budgeted revenue.

This meant that the municipality had to prioritise its spending as the spending is informed by availability of cash. Therefore, the spending on operational expenditure has been marginally less than anticipated due to cash flow constraints.

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

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

2.10. Contracts having future budgetary implications

In terms of the municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation or Adjudication committees must obtain formal financial comments from the Budget and Treasury Office.

2.11. Capital expenditure details

The total capital expenditure budget of the municipality is **R 50 539 000**

Municipal Water System Infrastructure Grant is allocated at **R 24 000 000** although the allocation is for Letsemeng the administration process is held by Department of Water Affairs & Sanitation and Sedibeng Water is an implementing agent with regards to projects relating to the funding.

Internally generated funds amounts to **R 7 047 600**

The other balance on the Municipal Infrastructure Grant amounting to **R 17 149 000** will be funding the Project Management Unit related costs. Below are planned projects for the coming financial year:

- Project Management Unit **R 857 450**
- Jacobsdal: Upgrading of waste water treatment works (MIS:168615) **R 30 510.26**
- Jacobsdal: Upgrading of waste water treatment works (Phase 2) **R 51 734.73**
- Koffiefontein/Sonwabile: Construction of new sports facility (Phase 1) **R 976 401.18**
- Jacobsdal/Ratanang: Construction of waterbourne Sanitation for 202 stands (MIS:272657) **R 415 356.74,**
- Koffiefontein/Sonwabile: Upgrading of sports facility (Phase 2) **R 144 737.5**
- Luckhoff: Upgrading of 0.9km access paved road and storm water (MIS:266873) **R 397 141.54**
- Koffiefontein/Dithlake: Upgrading and refurbishment of Sports facility (MIS:287082) **R 555 262.5**
- Letsemeng: Installation of Water meters In Koffifontein **R 2 189 152.33**
- Letsemeng: Installation of Water meters In Jacobsdal **R 1 694 603.06**
- Petrusburg:Equiping of 11 Bore Holes **R 4 750 000**
- Petrusburg: Upgrading of waste water treatment works **R 2 798 284.38**
- Letsemeng: Installation of Water meters In Luckhoff **R 1 343 154.74**
- Letsemeng: Installation of Water meters In Petrusburg **R 945 211.04**

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 435 000** 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 2019-20 Annual Budget in June 2019.

2.13. Other supporting documents

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

- (a) Tariff list

2.14. Municipal Manager's quality certificate

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

LETSEMENG LOCAL MUNICIPALITY

Privaatsak / Private Bag X3
KOFFIEFONTEIN
9986



FOON / PHONE
(053) 3300 200

OFFICE OF THE MUNICIPAL MANAGER

To whom it may concern

Re: Quality Certificate for 2019-20 Draft Annual Budget


I, Tshemedi Lucas Mkhwane, the Municipal Manager of Letsemeng Local Municipality (FS161), hereby certify that the draft annual budget for the 2019-20 financial years has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the draft annual budget and supporting documents are consistent with the Integrated Development Plan of the Municipality.

Name: Mr. T.L. Mkhwane

Municipality: Letsemeng Local Municipality

Signature: _____

Date: _____

LETSEMENG LOCAL MUNICIPALITY				
TARIFFS 2019/2020				
				
Description	2018/2019		% Inc	2019/2020
	R			R
Property Tax				
Category	2018/2019			2019/2020
Residential	"0.0149720		5.20%	0.0157505
Business, Industrial	0.0163452		5.20%	0.0171951
Government	"0.0182320		5.20%	"0.0191800
Vacant Stands	0.0161768		5.20%	0.0170179
Churches				
NGO, Creche, PBO Structured and Registered				
Municipality				
Small Holdings	0.0082589		5.20%	0.0086883
Farms	"0.0018450		5.20%	0.0019409
The above tariffs must be read in conjunction with the municipality's comprehensive Property Tax Policy				
Property Tax is calculated on the total improvement value (Land & Improvements)				
The first R 15 000 of the total improvement value of residential properties is exempted from property tax.				
The first R 70 000 of the total improvement, value of residential property of indigent owners is exempted from property tax.				
Property tax is payable monthly and if not paid interest at a rate as determined from time to time will be levied on all arrear amounts.				
Administration				
Photocopies				
Tax Certificates				
Per Certificate	113.14		5.20%	119.02
Valuation Certificate				
Per Certificate	58.44		5.20%	61.48
Per Application	237.73		5.20%	250.09
Posters in municipal open spaces or against posts				
Deposit: per poster for consumers or political parties	16.64		5.20%	17.5

If the political party doesn't remove the posters after 7 days has lapsed since the gathering or meeting had taken place, the above deposit is forfeited.

Town Planning Scheme				
Single Residential (including semi-detached and row housing)				
Number of Erven				
1-500	29.48		5.20%	31
500-1000	22.11		5.20%	23.26
1001+	15.8		5.20%	16.62
Group/Town Housing & general residential (Flats)				
Number of Erven				
1-500	15.8		5.20%	16.62
500-1000	20		5.20%	21.04
1001+	15.8		5.20%	16.62
Business & Other				
Number of Erven				
1-500	34.75		5.20%	36.56
500-1000	29.48			31
1001+	20			21.04
Industrial				
Number of Erven				
1-500	29.48			31
500-1000	25.27		5.20%	26.58
1001+	15.8			16.62
Removal, amendment or suspension of respective title conditions + rezoning				
	2106		5.20%	2215.51
Subdivision	10.53			110.78
Per additional portion after 5th	105.3		5.20%	110.78
Consolidation	10.53			11.08
Per additional portion after 5th	100		5.20%	105.2
General				
Appeal on decision	6318		5.20%	6645.55
Zoning certificate	115.83		5.20%	121.85
E-lodgement fee	0			
Cemeteries, Parks & Sport Grounds				
Cemetery Fees				
Site Fee (Digging of grave included)	741.3		5.20%	779.85
Site Fee (Digging of grave excluded)	89.35		5.20%	94
Pauper burials				
Must qualify as an indigent according to the indigent policy				
Must be an approved indigent				
Must already receive a financial subsidy				
Must be an permanent resident at the address as approved for indigent subsidy				
The deceased must be on the application form of the approved application form for indigent subsidy				
Pauper funerals will be subsidised as follows:				
Adults	2160.9		5.20%	2273.27
Children	1391.8		5.20%	1464.17
Funeral will be allowed to take place over week ends and also where the applicants will cover the grave themselves.				
If a funeral is to take place on a Monday then arrangements must be made with the office on the previous Friday				

Sport Grounds				
That all sport clubs received the following subsidies on the condition that the Municipal Manager can discuss any problems that he/she experiences regarding the usage of the subsidy by a sport club directly with the relevant sport club on behalf of the Council				
The usage of water, sewerage and refuse removal on condition that they maintain the club and grounds				
R 593.00 per month which amount includes the maintenance of the facilities and free municipal services				
Yachting Club				
Free municipal services				
Sport Committees				
A subsidy of R 1 500.00 per month for the maintenance of sport facilities as per contract				
Caravan Park Fees				
Camping Fees per day	284.85		5.20%	299.66
Properties				
Pound Master: Works Foreman in each Town				
Tariffs within the municipal area				
Driving of livestock within the municipal area				
In the case of livestock (excluding tame ostriches) whether one or more to be driven to the pound: per kilometre	5.85		5.20%	6.15
with the understanding that if,				
A herd consists of more than 50 small livestock or 20 large livestock: per kilometre	5.85		5.20%	6.15
Small livestock, donkeys, horses and mules: the total amount payable will not exceeds the amount calculated per kilometre	5.85		5.20%	6.15
Tamed ostriches: Per ostrich per kilometre	5.55		5.20%	5.85
Pigs: per pig per kilometre	5.8		5.20%	6.15

Pound Fees				
Pound fees per animal that is impounded within the municipal area per day.				
Large Livestock	141.85		5.20%	149.25
Small Livestock	85.15		5.20%	89.6
Horses, Mules and Donkeys	141.85		5.20%	149.25
Pigs	85.15		5.20%	89.6
Trespassing Fees				
Large Livestock (each)	11.35		5.20%	11.95
Small Livestock (each)	5.65		5.20%	59.45
Grazing Fees / Caring Fees				
Large Livestock (each per month)	34.1		5.20%	35.87
Small Livestock (each per month)	19.55		5.20%	20.60
Definitions				
Large livestock is horses, donkeys, mules, cattle, pigs and ostriches				
Small livestock is sheep and goats				
Advertisements: Pounds				
Advertising cost is cost occurred for the advertisement of the selling of stock impounded and which is collected before it is sold.				
The advertisement period for the selling of stock is 21 days for all stock except donkeys, pigs and mules which is as soon as possible				
Commonage fees per Ha, per year	54.9		5.20%	57.75
Business Licenses				
Application Fee	89.9		5.20%	94.57
Businesses: Food	194.1		5.20%	204.19
Hawkers per day at the approved sites (Works Foreman will collect the fees)	26.85		5.20%	28.25
Hawkers from other municipal areas per day	118.65		5%	124.82

Flats for the aged	525		5.20%	552.3
Flats for the Employees	525		100.00%	1050
Post level 5: Artisan - calculated from the time he/she left his/her works place until such time he/she returns to his/her works place. (per hour)	320.75		5.20%	337.45
An additional allowance per day is payable if he/she must work outside the municipal area	74.7		5.20%	78.58
Post Level 11 16: Labourers - per day per employee	515.15		5.20%	541.95
An additional allowance per day is payable if he/she must work outside the municipal area	24.9		5.20%	26.2
Compressor: Per actual hours worked as per hour meter (including labour & petrol)	262.3		5.20%	275.95
Vacuum Tank and Tractor				
Per hour and	196.05		5.20%	206.24
Per kilometre	7.9		5.20%	8.3
Labour supplied by municipality and is inclusive				
Vacuum Tanker				
Per hour and	178.25		5.20%	187.52
Per kilometre	59.25		5.20%	62.33
Light Vehicles: per kilometre	4.9		5.20%	5.15
Graders				
Per actual hour worked (diesel included)	556.9		5.20%	585.86
Petra Diamonds Mine: Petrol and labour				
Excavator				
Per actual hour worked (diesel included)	495.8		5.20%	521.58
After Hour Calls: per call if less than 30 minutes	77.35		5.20%	81.37
Bulldozer				
Per actual hour worked (diesel included)	824.5		5.20%	867.37
Tipper Trucks				
Per hour and	164.75		5.20%	173.3
Per kilometre	16.5		5.20%	17.36
Flat Base Trucks per kilometre	21.5		5.20%	22.62
Tractors per hour	98.9		5.20%	104.05
Deposit on tractor	740.7		5.20%	779.22
Traveling cost of equipment to be paid by user.				

TLB (Back Hoe)				
Per actual hour worked (diesel included)	629		5.20%	661.71
Small trailer per day	263.25		5.20%	276.95
Rental of Bo-Mac per day or part thereof	873.35		5.20%	918.76
Road closures per day or part thereof	65.5		5.20%	68.91
Refuse Removal				
Refuse Removal Fees				
Per Month				
Households	103.8		5.20%	109.2
Flats/Town Houses	103.8		5.20%	109.2
Businesses / Offices	223.8		5.20%	235.45
Abattoir	944.65		5.20%	993.77
Wine Cellar	337.4		5.20%	354.95
Schools and Boarding Schools	229.4		5.20%	240.35
Spoornet	303.65		5.20%	319.45
Crèches	115.1		5.20%	121.08
Churches	67.45		5.20%	70.96
Households - Combined with Business	138.95		5.20%	146.17
Other	202.4		5.20%	212.95
Empty Erven – Availability	67.45		5.20%	70.96
Refuse Bags	0		0.00%	0
Bulk refuse and/or building rubble will be removed per load. (Load - 4m3)	242.5		5.20%	255.11
Refuse Removals will be done as per newsletter				
Cleaning of empty sites				
Sites smaller than 600m2	757.85		5.20%	797.26
Sites larger than 600m2 but smaller than 1 500m2	1182.25		5.20%	1243.75

Sewerage Tariffs				
Per Month				
Households(DOMESTIC)	107.5		5.20%	113.09
Flats/Town Houses	107.5		5.20%	113.09
Businesses / Offices	202.4		5.20%	212.93
Abattoir	8164.5		5.20%	8589.05
Spoornet	303.65		5.20%	319.44
Crèches	113.8		5.20%	119.72
Churches	67.45		5.20%	70.96
Households - Combined with Business	119.1		5.20%	125.3
Old Age Flats	104.05		5.20%	109.46
Garages	253.05		5.20%	266.21
Others	202.4		5.20%	212.93
Empty Erven – Availability	67.45		5.20%	70.96
Buckets	-			-
Note: Sewer blockages at abattoirs-each	1515.65		5.20%	1594.46
Residential sewer blockages				
Per household sharing manhole	79.4	-	5.20%	83.53
Per household not sharing manhole	317.6	-	5.20%	334.12
Rental of suction pump per hour (including petrol)	198.5		5.20%	208.82
Sewerage connection	1190.9		5.20%	1252.83
Schools and Boarding schools	431.04		5.20%	453.45
Petra Diamonds Security Area	4382.87		5.20%	4610.8

Town Halls and Offices					
Town Halls: Jacobsdal, Koffiefontein, Luckhoff & Petrusburg - rent and deposits					
Weddings and Entertainment					
MPCC HALL					
Residents: rent	1400.5		5.20%		1473.33
Residents: deposit	1613.35		5.20%		1697.24
Non- Residents: rent	2384.2		5.20%		2508.18
Non- Residents: deposit	2601.55		5.20%		273.68
Residents: rent	633.5		5.20%		666.44
Residents: deposit	1583.75		5.20%		1666
Non- Residents: rent	1267.05		5.20%		1332.95
Non- Residents: deposit	2217.3		5.20%		2332.6
Charity, Funerals, Pre- Schools and Churches					
MPCC HALL					
Residents: rent	1134.4		5.20%		1193.4
Residents: deposit	1355.7		5.20%		1426.2
Non- Residents: rent	1355.7		5.20%		1426.2
Non- Residents: deposit	1465.5		5.20%		1541.7
Residents: rent	190		5.20%		199.88
Non- Residents: rent	475.1		5.20%		499.8
Deposit	633.5		5.20%		666.44
Departments Entertainments and Meetings					

MPCC HALL					
Rent	1579.5		5.20%	1661.65	
Deposit	2053.35		5.20%	2160.12	
Daniel Moopela Rent	526.5		5.20%	554	
Deposit	684.45		5.20%	720	
Rental of Sportsgrounds					
Residents: rent	526.5		5.20%	553.9	
Residents: deposit	684.45		5.20%	720.04	
Non- Residents: rent	737.1		5.20%	775.43	
Non- Residents: deposit	958.25		5.20%	1008	
Political Meetings					
Residents: rent	85.85		5.20%	90.31	
Non- Residents: rent	85.85		5.20%	90.31	
Tables and chairs are free of charge on condition that it can only be used within municipal properties	-				
Rental charge is based on daily basis.					
Application for parties, church services and other function not mentioned above will be submitted to an ad-hoc committee existing out of the Mayor or Chairperson of the Finance Committee, a Councillor and the Municipal Manager for consideration and if approved the applicable fee					
Electricity					
Electricity Service					
Tariff 1					
Households, Flats and Houses (Conventional Meters)					
A fixed service levy per consumption month or part thereof plus	207.4		5.20%	218.2	
Consumption per kW.h 0 - 50 kWh	0.88		5.20%	0.93	
51 - 350 kWh	1.12		5.20%	1.18	
351 - 600 kWh	1.57		5.20%	1.65	
> 600 kWh	1.89		5.20%	1.99	

Pre-paid User Tariff: Residential per kW.h				
Consumption per kW.h 0 - 50 kWh	0.9		5.20%	0.95
51 - 350 kWh	1.15		5.20%	1.21
351 - 600 kWh	1.58		5.20%	1.66
> 600 kWh	1.89		5.20%	1.99
Tariff 2				
Commercial Conventional Low				
A fixed service levy per consumption month	383.6		5.20%	403.55
Consumption per kW.h	1.75		5.20%	1.84
Pre-paid User Tariff: per kW.h	2		5.20%	2.1
Tariff 3				
This tariff is applicable on all users whose maximum demand is over 50 KVA in any 30 minute period in a consumption month.				
Commercial Tariff High				
A fixed service levy per consumption month	4,158.62		5.20%	4,374.87
kW.h consumption per consumption month or part thereof.	131.5		5.20%	138.34
Tariff 5: Industrial medium				
Average consumption 59039.55				
Basic Charge	6455.72		5.20%	6791.42
Consumption per kwh: Energy Charge	79.49		5.20%	83.62
Demand Charge	227.2		5.20%	239.01
Municipal				
Energy charge	162.63		5.20%	171.09
Tariff 6				
Empty erven and erven where the electricity supply where taken out.	61.6		5.20%	64.8

An amount of R47.78 per month is payable for each erf (except if the erf is part of land belonging to the Government) which is not connected to the electricity network of the municipality and is adjacent to a street or part of a street in which the electricity supply is available. This tariff is also applicable where the owner has requested that the electricity supply must be removed

	6221.2			6455.7
Residential Connections per connection	9095.35		5.20%	9568.31
	8295.05			8726.39
Other connections per connection	8,548.30		5.20%	8992.81
The installation of a 3 phase meter (pre-paid or conventional). Additional cost per connection	7,796.10		5.20%	8201.5
The change to or installation of a single phase pre-paid meter per connection (additional cost)	1866.45		5.20%	1963.51
The connection fees of indigents and poor households are subsidised out of the Equitable Share at 100% respectively				
Deposits				
Deposits for all residential and other users are payable according to the Council's Credit Control Policy				
Increases of deposits will be done within the electricity provision regulations and the credit control policy				
Indigents will not pay any deposits				
Poor households will only pay 50% of the relevant deposit				
Reconnections and special meter readings				
Per application and in cases of late payments	109.15		5.20%	114.83
Installation Tests				
First Test	91		5.20%	95.73
Per test thereafter	109.15		5.20%	114.83
Telephonic Reminders per call	18.25		5.20%	19.2
Call outs:				
The costs will be added to the monthly consumer account if it cannot be paid during the call out				
During Working Hours:				
Per Call	103.8		5.20%	109.2
Labour per hour	200.15		5.20%	210.56
Material for the cost of the consumer				
After Hours:				
Per Call	156.6		5.20%	164.74
Labour per hour	348.55		5.20%	366.67
Material for the cost of the consumer				
Sundays and Public Holidays				
Per Call	168.95		5.20%	177.74
Labour per hour	464.65		5.20%	488.81
Material for the cost of the consumer				
Call outs after hours are only applicable if there is no electricity				
Petra Diamonds Mine personnel or owners of houses				
Only requests from home owners will receive attention but personnel from Petra Diamonds Mine can through the mines security office request help in the case of an emergency				

Tampering of meters :				
Consumers will be charged if proven that there had been tampered with municipal property.				
Services will be discontinued until full payment has been made				
Fine for tampering of electricity meter	1158.3		5.20%	1218.53
Water				
Residential				
0 - 6KL	-			-
7-30 KL	7.65		5.20%	8.05
31-50 KL	10.55		5.20%	11.01
>50 KL	12.15		5.20%	12.78
Fixed Levy	63.7		5.20%	67.01
Industries (In Industrial Area)				
Fixed Levy	198.45		5.20%	208.77
Per Kiloliter	10.75		5.20%	11.31
Business				
Fixed Levy: per month	198.45			208.88
Per Kiloliter	10.75		5.20%	11.31
Petra Diamonds Mine: Purified Water				
Fixed Levy: per month	796.65		5.20%	838.08
Per Kiloliter	39.7		5.20%	41.76
Schools, Chreches and Boarding Schools				
Fixed Levy: per month	180.7		5.20%	190.1
Per Kiloliter	10.2		5.20%	10.73
Municipal Usages				
Per Kiloliter	8.3		5.20%	8.73
Empty Erven (excluding Government Land)				
Fixed Levy: per month	55.15		5.20%	58.02
Canal Water (Jacobsdal)				
Levy per hour	320.6		5.20%	337.27
Pre-paid System				
Non-residential	8.15		5.20%	8.57
Pre-paid System				
Residential (0-6KI Free)	11.25		5.20%	11.84
Water connection	1269.65		5.20%	1335.67
Tampering of meters :				
Consumers will be charged if proven that there had been tampered with municipal property.				
Services will be discontinued until full payment has been made				
Fine for tampering with water meter	1158.3		5.20%	1218.53
Water tanker Services per Load	0		0.00%	226.75
All the above tariffs excludes VAT				