



BUDGET

2008/09

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1. EXECUTIVE MAYOR'S BUDGET SPEECH: 2008/09



**Executive Mayor
Ms B J Modisakeng**

The presentation of this year's annual budget gives us an opportunity to do two things, firstly is to interrogate how government is spending its money, by examining where the money goes and we must also be able to see how our political commitments and programmes are translated into the allocation of resources. Secondly, the budget gives us an opportunity to debate the economic policies that we pursue in the course of realizing the governments' objectives.

We should have nothing to fear from being robust in our pursuit of oversight and accountability. It is as much in our interest as government as anyone else to find constructive ways to engage with the community and all other stakeholders to find a solution to ensure that we are responding to the precise needs and priorities of the most vulnerable members of our society. Planning properly is extremely important whilst bearing in mind the limited resources at hand but having to make the best choices in order to achieve set goals and objectives.

Having this in mind it is clear that more grants have to be obtained from Provincial and National government in order to fund much needed projects of the community. Looking at the current billing versus payments received one would realize that not all rate payers are playing their part in ensuring that service delivery is improved at all times. We also note the number of indigents that we have to look at, keeps increasing.

EXECUTIVE MAYOR'S BUDGET SPEECH: 2008/09

In order for us not to compromise the provision of quality and affordable services and continuously providing maintenance of existing assets, we had no choice but to increase our tariffs by 7% on refuse removal, sewerage and water, 10% on assessment rates as well as 12% on electricity vs. Eskom's proposed increase of 14.2%. Answering the challenge of unemployment and poverty means that we must accelerate economic growth. Our most effective weapon in the campaign against poverty is the creation of decent work and we shall make sure that our capital projects are labour intensive.

Our local economy will get a boost from Transnet projects which they are bringing in to the Lesedi Municipality. This project is a petrol pipe that runs from Durban to Jameson Park where they will also put a pump station thereafter this pipe will go in other areas in Gauteng, this project will create jobs for ±500 people around Lesedi. We are looking forward to this development. We hope and trust that the energy crisis that we currently are faced with where the demand is more than the supply is not going to hamper this project.

The Devon/ Impumelelo Extension 2 housing project is one of our achievements in dealing with the housing backlog, having Alra Park taken back to Ekurhuleni in terms of the new Demarcation Board boundaries, that move reduces the number. The envisaged Obed Nkosi housing project will further reduce the backlog by 6000. These are positive signs from us and the province in providing shelter for our people.

I am hopeful and confident that this budget will respond to the needs of the people of Lesedi, no matter how small it is but in a long term, people will see change in their lives.

Thank you

**EXECUTIVE MAYOR
CLLR BJ MODISAKENG**

3. MESSAGE OF THE MUNICIPAL MANAGER: 2008/09



**Municipal Manager
Mr P J van Den Heever**

The reviewing of the IDP and budget process started in August 2007 and the process will be completed before 31 March 2008. The needs were established through public and ward committee meetings and contributions of other stakeholders such as business and political parties.

Council will maintain all assets to make sure that the standard of services does not go down. The needs identified by the community are too costly and many to be addressed in one financial year. Therefore the projects were prioritized and can only be addressed according to priority.

The growth in expenditure is much higher than the growth in the revenue base of the Council. Council together with management have to cut on expenditure to keep the tariffs affordable to the community. The cutting of certain expenditure has at times negative results over a period and in some areas more money is needed but due to budget constraints the necessary funding is not available, therefore projects such as the development of parks are postponed to the next financial year.

Free basic services, which Council makes available to household consumers will amount to R7 million this year and the contribution to indigents is a further amount of R1.2 million.

3. MESSAGE OF THE MUNICIPAL MANAGER: 2008/09

Most of revenue will be spent on services and one of the biggest issues such as poverty, did not receive the attention that the Council would like due to budget constraints.

Although there is significant growth potential experienced in Lesedi Local Municipality, this growth will only materialize over a period of time.

**P. J. VAN DEN HEEVER
MUNICIPAL MANAGER**

4. INTRODUCTION

4.1. Vision

Lesedi will be the people's centered performance driven municipality.

4.2. Mission

Lesedi strives to:

Provide access to quality affordable sustainable services;

Professionally fulfil and sensitively address the needs of the whole community;

Recognize the diversity of the community;

Create a safe and healthy environment for all;

Empower the human resource component and monitor and improve productivity;

Facilitate sustainable growth and integrated development;

Embrace sound management practices and a culture of accountability;

Promote the Batho Pele "People First" principle;

Optimally utilize and protect natural resources at our disposal; and

Encourage a commitment to excellence and innovation.

4.3. Integrating the IDP

The Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), requires adoption of a single, inclusive and strategic plan for the development of the municipality, as well as conducting an annual review. The MFMA requires any proposed amendments, as a consequence of the annual review, to be included within the medium term budget.

The IDP and the budgets are annually discussed with the community and the community leaders are invited to fully participate right through the process. IDP is reviewed on an annual basis and is tabled on the Council's meetings annually.

4. INTRODUCTION

The key elements of the IDP review include the further elaboration of the followings:

Lesedi's key priorities are: -

- Poverty Alleviation and unemployment
- Infrastructure and transport service
- Health, social and environmental services
- Safety, security and emergency services
- Housing backlog
- Land aspiration
- Municipal income and lack of funds for development
- Institutional capacitating
- Development facilitation and control measures
- Lack of urban amenities

The Lesedi IDP was prepared in terms of the provisions of chapter 4 of the Municipal Systems Act, (Act NO. 32 of 2000) and Municipal Financial Management Act (MFMA, 2003).

During the formulation of the said IDP, the formulation process was prescribed in the Department of Provincial and Local Government's 'IDP Guide Pack' and was followed and an extensive public participation process was followed.

All Councillors and most of the officials were involved in the formulation process. This IDP is linked to the remaining year's tenure of the current Councillors. Thus the performance of Councillors will be measured against the achievements made through the IDP.

The Department of Development and Planning recommends that the Lesedi Local Municipality, Draft Integrated Development Plan for 2008/09 be approved.

Due to the voluminous nature of the aforementioned annexure, the said annexure is not distributed; copies will be made available in public places for comments. Once the comments will be received the copy will be made available to all Councillors and departments.

5. BUDGET RELATED RESOLUTIONS

Community consultation process has taken place on the 12 March and 07 May 2008.

- 5.1. Council resolves that the annual budget of the municipality for the financial year 2008/09; and indicative for the three projected outer years be approved as set out in the following schedules:
 - 5.1.1. Operating revenue by source reflected in **schedule 1**.
 - 5.1.2. Operating expenditure by vote reflected in **schedule 2**.
 - 5.1.3. Council resolves that the multi-year capital appropriations by vote and associated funding reflected in **schedules 3**.
- 5.2. Council resolves that the assessment (property) rates reflected in **Annexure C** is for the budget year: 2008/09.
- 5.3. Council resolves that tariffs and charges reflected as approved for the budget year: 2008/09.
- 5.4. Council resolves that the measurable performance objectives for revenue from each source reflected in Table 37 are approved for the budget year: 2008/09.
- 5.5. Council resolves that the measurable performance objectives, for each vote reflected in Table 37 are approved for the budget year: 2008/09.
- 5.6. Council resolves to approve the changes to the Integrated Development Plan reflected in **Annexure A**.
- 5.7. Council confirms the policies for credit control, debt collection, tariffs, rates and indigents as approved for the budget year: 2008/09.
- 5.8. Council confirms the customer care policy as approved for the budget year: 2008/09.
- 5.9. Council confirms the other amended budget related policies as approved for the budget year: 2008/09.

ANNEXURE refer to documents to be attached to the Mayor's budget report for approval.

6. EXECUTIVE SUMMARY (CFO'S REPORT): 2008/09

6.1 FOREWORD



**Chief Financial Officer
Ms A R Ngwenya**

The three year budget has been compiled in terms of Generally Accepted Municipal Accounting Practices (*GAMAP*), *MFMA No.56 of 2003* and the revised organogram as approved by Council September 2007. The budget has been compiled on a three year basis, which is a requirement of National Treasury. The budget process for the compilation of the three-year budget commenced in August 2007. For total linkage with IDP, a five year budget document has been prepared inclusive of the current financial year: 2007/08 to 2011/12.

The municipality was faced with various challenges during the compilation of the budget and reviewing the IDP's such as the formulation of measurable objectives for the different functions, the financial implications of the organisational structure, capital costs, rising input costs to deliver services and the increasing maintenance costs. According to National Treasury MFMA Circular No. 28 of 2005:-

EXECUTIVE SUMMARY (CFO'S REPORT): 2008/09

The draft budget documentation must be tabled before Council not later than 31 March (90 days before the start of the budget year). Immediately after tabling, the following must be submitted to the National and Provincial Treasury:

- Three hard copies of the draft budget documentation
- The corresponding electronic budget returns (Appendix A and B).

Council and the Department of Finance approved the following maximum expenditure for the 2007/08 financial year.

Capital Budget: 2007/08	=	R 108, 930, 000
Operating Budget: 2007/08	=	R 203, 202, 708

The Capital budget was approved on condition that the projects financed from CMIP, MIG, Provincial and DME funds were evaluated on an ad-hoc basis with the provision that if the other financing sources are utilised, then a further request for the consideration of the relevant projects must be submitted.

Council budgeted for a surplus of R60, 973

6.2 CAPITAL BUDGET

A five years capital budget has been prepared and built on the IDP document approved by the Council. The draft capital budget is attached as **Annexure "B"**

The Capital amount required for 2008/09 is R61,230,107 which is inclusive of R2.8 million roll-over from 2007/08 budget of a fire engine of which R58, 429, 000 for the 2008/09 projects and assets. The decrease in the Capital budget is due to the limited funding confirmations from National and Provincial government of grants.

On the Capital budget, the Council need to use ±R24.6 million from its own funds, inclusive of R2.8 million roll-over of the Fire engine due to delayed delivery of this imported specialised vehicle. Council will use the remaining balance of the external loan sourced during 2007/08 to the amount of R7.7 million to fund the upgrading of the electricity sub-stations within Lesedi. In 2007/08 financial year, Council budgeted R30.9 million from its own funds for capital projects.

The amount to be received from grants is R28.9 million. Many of the capital projects required by the Executive Managers were reduced due to lack of funds and the increasing maintenance costs. The Department of Finance will be requested to approve ad-hoc projects (grants) amounting to **R28 979 000** namely: -

EXECUTIVE SUMMARY (CFO'S REPORT): 2008/09

LESEDI 3 YEAR CAPITAL BUDGET 2008-2012 AD-HOC CAPITAL EXPENDITURE FOR 2008/2009

Project	% Vat Rec	Budget 2008/09
INFRASTRUCTURE		
<u>Water</u>		
Bulk Water Supply: Obed Nkosi	100	R 8,000,000
Total Water		R 8,000,000
<u>Roads and Storm Water</u>		
Roads - Lesedi		R 3,847,000
Total Roads and Storm Water		R 3,847,000
TOTAL INFRASTRUCTURE AD-HOC (GRANTS)		R 11,847,000
COMMUNITY		
<u>Clinics – Primary Health</u>		
Computer & Printer : Ext23 Clinic		R 650,000
Early Child Hood Development Centre		R 8,700,000
AIDS Frail Care Centre		R 5,500,000
Total Clinics – Primary Health		R 14,850,000
<u>Sports, Recreation, Culture, Heritage and Libraries</u>		
Electronic Library Software		R 1,532,000
Construct Sports Field: Vischkuil	100	R 250,000
Total Sports, Recreation, Culture, Heritage and Libraries		R 1,782,000
TOTAL COMMUNITY AD-HOC (GRANTS)		R 16,632,000
OTHER		
<u>Management Accounting</u>		
Installation of Computer System		R 500,000
Total Management Accounting		R 500,000
FIRE ENGINE (ROLL-OVER)		R 2,801,107
TOTAL AD-HOC (OTHER)		R 500,000
TOTAL CRR		R 11,325,000
TOTAL CR		R 10,431,000
TOTAL EFF		R 7,694,000
TOTAL CAPITAL BUDGET		R 61,230,107

EXECUTIVE SUMMARY (CFO'S REPORT: 2008/09)

6.3 THE OPERATING BUDGET: 2008-2012

The operating budget/ a five year plan is attached as **Annexure "H"** and includes a three- year term, which will be reviewed yearly.

Expenditure

The Operating expenditure budget for 2008/09 is an amount of R235, 341, 096 as compared to the original budget of R203, 141,735 in the 2007/08 financial year. This represents an increase of 15.85 %.

To keep the budget within the revenue of Council, many requests of the Executive Managers could not be budgeted for, because Council cannot allow tariffs increases to be higher than the inflation rate. The increase of 15.85% on the expenditure is due to costs increases, but also assets that were built in the past need to be maintained. Council cannot allow a decline in the standard of services rendered to the community.

The main sections of the expenditure in the operating budget are as follows:

Salaries

This section increased from R62, 885, 129 for the 2007/08 financial year's original budget to an amount of R74, 419, 867 for the 2008/09 financial year, which includes a general salary increase of 8.5 % to all staff members, the overall increase over salaries is 18.34% and a notch increase. A provision for a 16.66% increase for 2008/09 has been made for Senior Managers.

No provision has been made available for new staff members due to budget constraints.

The total remuneration of Councillors amounting to R4, 970, 965. Salaries' excluding Councillors' allowances represent 31.62 % of Council's total expenditure.

General Expenses

This section increased from R134, 161, 755 to an amount of R154, 684, 672. This represents an increase of 15.29 % and includes expenditure with regard to: -

DESCRIPTION	FROM	TO
Bulk purchases Electricity	R 37, 100, 000	R 41, 099, 200
Bulk purchases Water	R 15, 500 000	R 16, 461, 000
Bulk purchases Water – Ekurhuleni	R 500, 000	R 531, 000
Sewerage Charges – ERWAT	R 3, 420, 000	R 3, 659, 400
TOTAL	R 56, 520, 000	R61, 750, 600

EXECUTIVE SUMMARY (CFO'S REPORT): 2008/09

Council has no control over the abovementioned tariffs levied and the increase is R5, 230, 600. These four (4) services represent 39.92 % of the General Expenses.

Other costs included in the General Expenditure that put pressure on the tariffs are the following: -

DESCRIPTION	FROM	TO
Protective Clothing	R 427, 070	R 455, 114
Printing and Stationery	R 895, 750	R 968, 898
Transfer Station	R 1, 200, 000	Per annum
Security Services	R 3, 306, 271	Per annum
Transport Costs	R12, 319, 234	Per annum

The growth in the expenditure is high and tariffs cannot be increased with the same percentage, but Council's new assets have an influence on other expenditure (*for example: Security and Insurance costs*). Although there are costs increase over a wide spectrum the telephone cost was increased from R860, 000 per annum to R913, 338 per annum, due to expected increase in charges.

Repairs and Maintenance

The expenditure has increased from an amount of R10, 936 668 to R11, 024, 639 in the 2008/09 in financial year. It increased by 0.80 %.

Although it increased by 0.80%, it is only 4.7% of the total expenditure. The growth in expenditure is due to new assets which includes electricity networks, water, sewerage network, municipal buildings and motor museum, which needs to be maintained.

Capital Charges

The Capital charges (*depreciation and interest on borrowings has increased from R18.5 million to R20.5 million*). The increase is the effect of new external loan incurred in the 2007/08 financial year. It is therefore very important that the Capital budget be planned and only unavoidable or high priority projects be approved on the Capital budget.

EXECUTIVE SUMMARY (CFO'S REPORT): 2008/09

Contribution to Capital Expenditure

This contribution has been increased from an amount of R1, 477, 463 in 2007/08 to R1, 763, 672 for the 2008/09 financial year. The increase of the contribution is 19.37%.

The amount of R1.7 million is requested for tools, computers and other equipment by the departments. The requests from the Executive Managers were much higher but had to be reduced after consultation, due to the budget constrains.

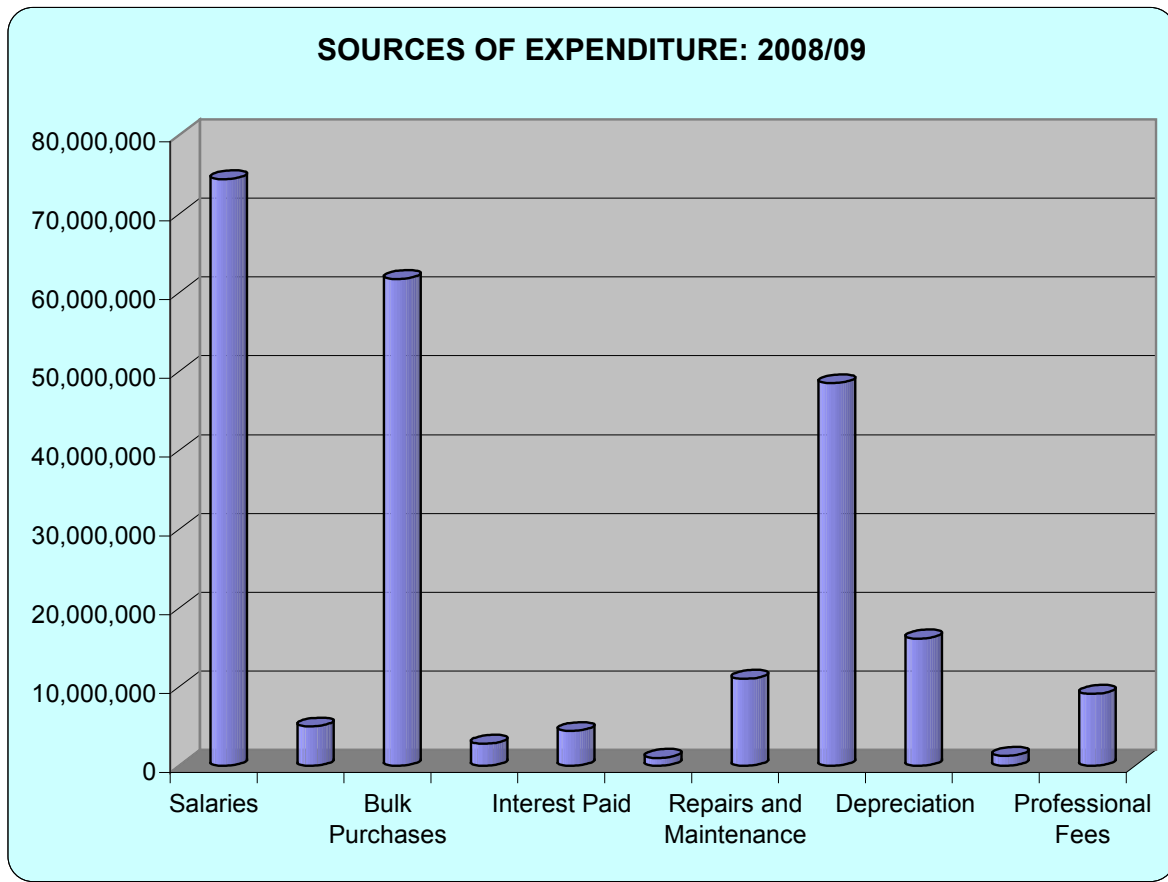
Contribution to Provisions & Reserves

This contribution has been decreased from R4.2 million to R4, 024, 398. Council is left with no choice but to increase the provision for bad debts due to an increase in outstanding debtors. The outstanding debtors are at R103 million and the provision for bad debts is R75.2 million. Council is also responsible for making the necessary provision for accumulated leave. An amount of R1, 219, 656 has been budgeted for the contribution to the provision for leave in the 2008/09 financial year.

6.4 MAIN TYPES OF EXPENDITURE – 2008/09

Salaries	R 74, 419, 867
Remuneration of Councillors	R 4, 970, 965
Bulk Purchases	R 61, 750, 600
Bad Debt	R 2, 758, 805
Interest Paid	R 4, 396, 304
Contracted Services	R 973, 332
Repairs and Maintenance	R 11, 024, 639
General Expenses	R 48, 526, 538
Depreciation	R 16, 135, 104
Provisions	R 1, 265, 592
Professional Fees	R 9, 119, 350
TOTAL	R 235, 341, 096

EXECUTIVE SUMMARY (CFO'S REPORT): 2008/09



The following section put pressure on the tariffs due to the fact that there is no revenue or the revenue is very low namely: -

6.5 REVENUE VS EXPENDITURE

	Revenue Budget	Expenditure Budget
Arts & Culture	R 3,088,282	R 4,934,816
Sports & Recreation	R 31,800	R 2,553,628
Night Soil	R 212	R 774,481
Social Development	0	R 1,326,817
Cemeteries	R 273,480	R 1,338,722
Parks	0	R 7,247,139
Public Works	R 21,549	R 1,865,812
Roads and Storm water	R 1,500,000	R12,511,234
Workshop	0	R 2,466,055
Internal Audit	0	R 1,007,000
Fire	R 212,392	R 6,899,306
Human Resources	R 112,000	R 3,060,159
Housing	R 735,172	R 2,701,139
IDP	R 621,300	R 3,985,605
Local Economic Development	R 15,900	R 2,771,339
Total	R 6,612,087	R55,443,252

EXECUTIVE SUMMARY (CFO'S REPORT): 2008/09

REVENUE

The operating revenue for 2008/09 is estimated at R235, 342, 548 thus leaving a Surplus on the operating account of R1, 452. Provision has been made to supply all consumers with 50kw units of electricity and 6Kl of water free of charge. The Income Budget has been compiled and based on a 100% income principle, although provision for bad debts has been provided for in the Operating Expenditure Budget for 2008/09.

To cover the expenditure of the operating budget all the tariffs of Council were investigated and where necessary increases have been discussed and recommended accordingly. The increase in revenue from R203, 202, 709 budgeted for the 2007/08 period to R235, 342, 548 budgeted for the 2008/09 financial year is 15.8%.

Total revenue for operating and capital budget equals to R264 321 548.

REFUSE REMOVAL

Tariffs increased by 7% which is in line with inflation rate. Expenditure of this section grows yearly much higher than the inflation rate. The increase is due to the tariff increases at Platkop Dumping site, cost increase of the transfer station, transport costs (fuel price) and the informal settlements, which receive their services free of charge. None of the inhabitants in the informal settlement's pay for their services.

To prevent running the service at a loss, the proposed tariffs were increased by 7% for 2008/09.

Description of Tariffs (REFUSE REMOVAL)	Present Tariffs	Proposed Tariffs	% Increase
Domestic	R 58.70	R 62.81	7.00%
Business / Industrial / hospital	R110.05	R117.75	7.00%
Flats	R 55.03	R 58.88	7.00%
Departmental	R 54.97	R 58.82	7.00%
Builders / Contractors	R 61.83	R 66.16	7.00%
Informal Sector	R 17.23	R 18.44	7.00%
Mass Disposal at Transfer Station, per ton	R156.28	R167.22	7.00%
Mass Containers during Week days	R 78.41	R 83.90	7.00%
Mass Containers Weekends	R156.28	R167.22	7.00%
Mass Disposal at Platkop per ton	R180.31	R192.93	7.00%

EXECUTIVE SUMMARY (CFO'S REPORT): 2008/09

Sewerage

Tariffs increased by 7% due to the annual general price increases. The sewer line needs maintenance and capital costs must be funded. It is recommended that the sewer tariffs be increased for the 2008/09 financial year as follows:

Description of Tariffs (SEWERAGE)	Present Tariffs	Proposed Tariffs	% Increase
Domestic Basic	R17.28	R18.49	7.00%
1 Sewer point	R17.12	R18.32	7.00%
2 or more sewer points	R39.74	R42.52	7.00%
Flats and second unit on Domestic Stand	R17.12	R18.32	7.00%
Hospital Basic	R17.28	R18.49	7.00%
Hospital per sewer point	R43.04	R46.05	7.00%
All Others Basic	R17.28	R18.49	7.00%
Business / Industrial / schools Each Point	R48.22	R51.60	7.00%
Departmental	R40.18	R42.99	7.00%
Builders / Contractors	R28.46	R30.45	7.00%
Informal Sector	R12.37	R13.23	7.00%

The maintenance of the sewer network and the cost of the sewer effluence to Erwat increase yearly and therefore the abovementioned tariff increases are unavoidable

Water

Tariffs increased by 7% due to Rand Water tariff increase with effect from the 1 July 2008. Provision was made in the 2008/09 budget for the first 6KL water free of charge. The department limited the tariff increases within the inflation rate, but the costs of the Water department are increasing yearly.

It was costing Council R5.19 per KL water during 2007/08 financial year to supply the water to a household in Lesedi Local Municipality.

EXECUTIVE SUMMARY (CFO'S REPORT): 2008/09

The following tariff increases are proposed:

Description of Tariff (WATER)	Present Tariffs	Proposed Tariffs	% Increase
Domestic Basic (without improvements)	R 8.64	R 9.24	7.00%
0 – 6 KL	NIL	NIL	NIL
6,1 – 10 KL	R 4.81	R 5.15	7.00%
10,1 – 30 KL	R 6.26	R 6.70	7.00%
30,1 – 50 KL	R 7.81	R 8.36	7.00%
50,1 – 70 KL	R 11.77	R 12.59	7.00%
70 >	R 12.74	R 13.63	7.00%
Informal Settlement	R 6.70	R 7.17	7.00%
Flats	R 6.70	R 7.17	7.00%
Hospital	R 6.70	R 7.17	7.00%
Business	R 6.70	R 7.17	7.00%
Industrial	R 6.70	R 7.17	7.00%
All other users per KL	R 6.70	R 7.17	7.00%
Schools, Churches, Sports Clubs & Museum	R 6.70	R 7.17	7.00%
Basic Levy for more than one Consumer on any piece of land	R 10.80	R 11.56	7.00%
Basic Vacant Domestic Stands	R 54.00	R 57.78	7.00%
Basic Business Stands	R 21.82	R 23.35	7.00%
Basic Industrial Stands	R 51.73	R 55.35	7.00%
Departmental	R 4.71	R 5.04	7.00%
Water Leakages (Confirm by Eng. Dept)	R 6.70	R 7.17	7.00%
Temporary Connections Basic	R 35.21	R 37.67	7.00%

Electricity

Tariffs increased by 12% due to Eskom increase by 14.2% as approved by Nersa with effect from 1 July 2008. The National Electrical Regulator of South Africa (*NERSA*) insisted that for the 2008/09 budget, the increase on electricity must not be higher than 12%. It is therefore recommended that all the tariffs be increased in the 2008 /09 budget to comply with NER's request. The increase is above the inflation rate.

EXECUTIVE SUMMARY (CFO'S REPORT): 2008/09

Description of Tariff (ELECTRICITY)	Present Tariffs	Proposed Tariffs	% Increase
Domestic			
Basic Charge (<i>with improvements</i>)	R 22.18	R 24.81	12.00%
Basic Charge (<i>without improvements</i>)	R 52.80	R 59.13	12.00%
Usage : 0 – 50 Units	NIL	NIL	NIL
50,1 >	0.3560	0.3987	12.00%
Business			12.00%
Basic Charge	R 158.29	R177.28	12.00%
Usage per Kwh	0.3791	0.4246	12.00%
High / Low Volt Consumers			
< 100 Kwh	0.3833	0.4293	12.00%
Basic Charge	R 306.72	R343.53	12.00%
101 – 4000 KVA per Kwh	0.2091	0.2342	12.00%
Per KVA	R 50.16	R 56.18	12.00%
Basic Charge	R 306.72	R343.53	12.00%
> 4000 KVA per Kwh	0.1591	0.1782	12.00%
Per KVA	R 50.16	R 56.18	12.00%
Basic Charge	R 575.78	R644.87	12.00%
Churches, Sport Clubs, Museums per			
Usage per KWH	0.3560	0.3987	12.00%
Basic Charge (<i>per month</i>)	R 42.80	R 47.13	12.00%
Industrial Stands Basic Charge without improvements	R 369.60	R413.95	12.00%
Schools / Hostels			
Per Kwh	0.3563	0.3990	12.00%
Basic Charge	R 122.60	R137.31	12.00%
Farm Lines			
0 – 1000 Kwh	0.4054	0.4540	12.00%
> 1000 Kwh	0.3308	0.3705	12.00%
Fixed Charge < 50 Kva	R 167.06	R187.11	12.00%
Fixed Charge > 51 Kva	R 213.52	R239.14	12.00%
Hospitals			
101 – 4000 KVA per Kwh	0.2091	0.2342	12.00%
Per KVA	R 50.16	R 56.18	12.00%
Basic charge	R 306.72	R343.53	12.00%
Casual Consumers			
Per Kwh	0.4240	0.4749	12.00%
Fixed Charge (<i>per month</i>)	R 103.80	R116.26	12.00%
Departmental Charges per Kwh	0.2947	0.3301	12.00%

Assessment Rates

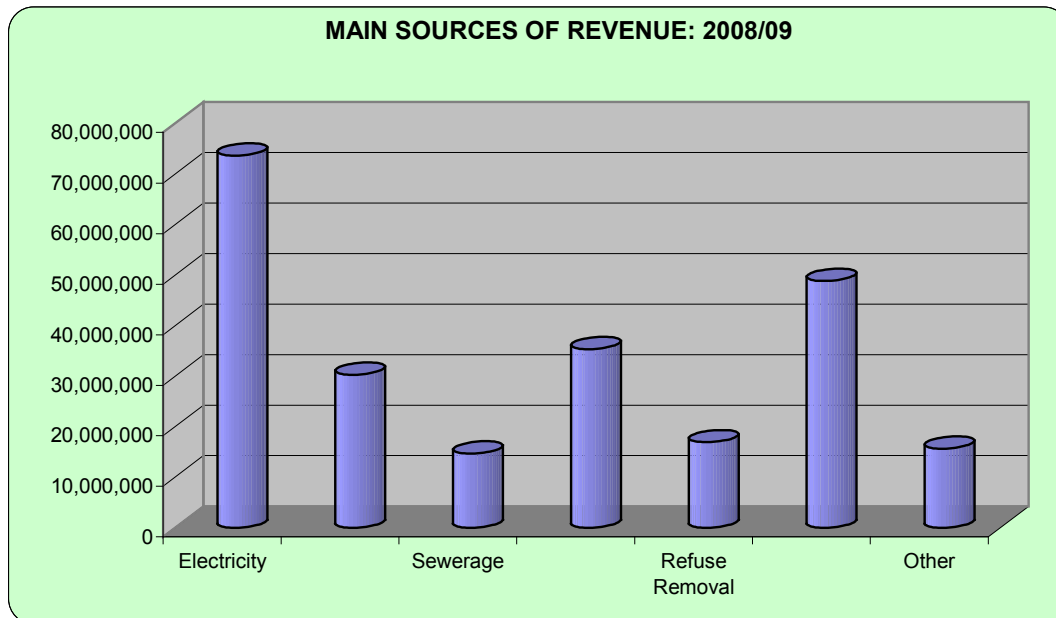
- The revenue on Property Rates has been calculated on the market value of the property according to the Property rates Act (Act of 2004) as well as the Property Rates Policy. Different rebates are applicable on different categories of owners of property. To calculate the revenue accurately with all uncertainties is not easy but the deviation if any will be less than 1%. Council is hereby requested to approve a tariff of R0, 012 in the Rand which will generate revenue of R35.3 million.

EXECUTIVE SUMMARY (CFO'S REPORT): 2008/09

The chart below reflects the main sources of revenue for the 2008/09 financial year.

6.6 MAIN SOURCES OF REVENUE: 2008/09

Electricity	R 73, 657, 654
Water	R 30, 283, 827
Sewerage	R 14, 669, 052
Assessment Rates	R 35, 336, 000
Refuse Removal	R 16, 904, 855
Government Grants	R 48, 852, 164
Other	R 15, 638, 996
TOTAL	R235, 342, 548



The following documents are **attached** hereto, namely: -

- Guideline on Electricity price increases from the NERSA.
- Approval of Electricity tariff 2008/09 from the NERSA.
- Example of a typical household consumers account for different areas.
- National Treasury MFMA Circular No.28 Of 2005
- Approval of water tariff 2008/09 from Rand Water.

EXECUTIVE SUMMARY (CFO'S REPORT): 2008/09

CAPITAL	Budget 2008/09	EFF	CR	CRR	Grants & Subsidies
INFRASTRUCTURE	R	R	R	R	AD – HOC
Electricity	9, 894, 000	7, 694, 000	1,300,000	900, 000	0
Water	9, 350, 000	0	800,000	550, 000	8, 000, 000
Sewerage	1, 000, 000	0	300 ,000	700, 000	0
Roads & Storm water	7, 447, 000	0	1,600,000	2, 000, 000	3, 847, 000
TOTAL	27, 691, 000	7, 694, 000	4,000,000	4, 150, 000	11,847,000
COMMUNITY					
Night Soil	1, 050, 000	0	1,050 000	0	0
Municipal Buildings	140 , 000	0	50, 000	90, 000	0
Clinics	14,850,000	0		0	14,850,000
Arts & Culture	1,532,000	0	0	0	1,532,000
Sports & Recreation	1, 905, 000	0	500, 000	1,155,000	250, 000
LED	1, 300, 000	0	1,300,000	0	0
Electricity	50,000	0	50, 000	0	0
Sewerage	40, 000	0	40, 000	0	0
TOTAL	20, 867, 000	0	2,990 000	1,245,000	16 632 000
OTHER ASSETS					
Workshop	100,000	0	0	100,000	0
Cleansing	260, 000	0	0	260, 000	0
Local Economic Development	200, 000	0	200,000	0	0
Traffic	150, 000	0	150,000	0	0
Roads and Storm Water	1, 090, 000	0	250,000	840,000	0
Cemeteries	850,000	0	600,000	250,000	0
Parks	1, 256, 000	0	1,056,000	200, 000	0
Fire	1, 105, 000	0	1,105,000	0	0
Waste Management	3, 160 ,000	0	0	3,160,000	0
Information Management	250,000	0	80, 000	170,000	0
Management Accounting	500, 000	0	0	0	500, 000
Electricity	750, 000	0	0	750, 000	0
Water	200, 000	0		200, 000	0
Total other assets	9,871,000	0	3,441,000	5,930,000	500, 0000
TOTAL BUDGET	58,429,000	7, 694, 000	10,431,000	11,325,000	28,979,000
Roll over – Fire engine	2,801,107	0	0	0	0
GRAND TOTAL	61,230,107	7, 694, 000	10,431,000	11,325,000	28,979,000

7. BUDGET SCHEDULES (OPERATING & CAPITAL)

The budget schedules to be approved by resolution of Council:

Schedule 1 - Revenue by Source

FIVE YEAR TERM BUDGET												
REVENUE BY SOURCE												
2008 - 2012												
SCHEDULE 1	AUDITED	Current Year					Medium Term Revenue and Expenditure Framework					
		APPROVED		2007/08		FULL - YEAR FORECAST	BUDGET		BUDGET		BUDGET	
		BUDGET	R	BUDGET	R		YEAR	YEAR	YEAR	YEAR	YEAR	YEAR
REVENUE BY SOURCE	2006/2007	B	C	D	E	F	G	G	R	R	R	G
Property rates	21,860,422	29,827,000	29,827,000	29,827,000	35,336,000	37,809,520	40,456,186	43,288,119				
Service charges - electricity revenue from tariff billings	46,729,758	56,202,000	56,202,000	56,202,000	62,946,240	70,499,789	78,959,763	88,434,935				
Service charges - water revenue from tariff billings	25,695,984	28,197,600	28,197,600	28,197,600	30,171,432	31,861,032	33,645,250	35,529,384				
Service charges - sanitation revenue from tariff billings	6,072,871	8,840,000	8,840,000	8,840,000	9,458,800	10,120,916	10,829,380	11,587,437				
Service charges - refuse removal from tariff billings	12,537,300	13,774,500	13,774,500	13,774,500	14,738,715	15,770,425	16,874,355	18,055,560				
Service charges - other	14,416,663	9,684,111	9,483,111	9,684,111	9,782,779	11,903,596	12,704,044	13,558,554				
Rental of facilities and equipment	1,143,066	1,508,091	2,058,091	2,058,091	2,266,544	2,425,203	2,594,967	2,776,614				
Interest earned - external investments	6,285,059	1,200,000	5,700,000	5,700,000	6,169,405	6,464,940	6,917,486	7,401,710				
Interest earned - outstanding debtors	5,932,490	7,065,959	7,065,959	7,065,959	7,107,511	8,014,210	8,575,205	9,175,469				
Fines	4,667,781	4,406,200	4,406,200	4,406,200	4,670,572	4,997,512	5,347,338	5,721,652				
Other income	1,492,816	11,720,115	5,992,855	5,992,855	3,842,386	4,111,340	4,399,121	4,707,045				
Government grants & subsidies: Operating	28,676,852	30,777,133	34,635,133	34,635,133	48,852,164	52,771,934	62,676,410	66,893,014				
Government grants & subsidies: Capital	23,795,856	48,070,000	21,093,250	21,093,250	28,979,000	32,497,000	21,438,000	13,772,000				
Total Revenue By Source	199,306,918	251,272,709	227,275,699	227,476,699	264,321,548	289,247,417	305,417,505	320,901,493				

BUDGET SCHEDULES (OPERATING & CAPITAL)

Schedule 2 - Operating Expenditure by Vote

FIVE YEAR TERM BUDGET												
OPERATING EXPENDITURE BY VOTES												
2008 - 2012												
SCHEDULE 2	AUDITED	Current Year					Medium Term Revenue and Expenditure Framework					
		2007/08	2008/09		2009/10		2010/11		2011/12			
OPERATING EXPENDITURE BY VOTES	ACTUAL 2006/07	APPROVED BUDGET	ADJUSTED BUDGET	FULL - YEAR FORECAST	BUDGET YEAR	BUDGET YEAR	BUDGET YEAR	BUDGET YEAR	BUDGET YEAR	BUDGET YEAR	BUDGET YEAR	BUDGET YEAR
	A	B	C	D	E	F	G	G	G	G	G	G
	R	R	R	R	R	R	R	R	R	R	R	R
Electricity	62,738,966	62,817,686	63,492,955	63,492,955	68,913,578	84,239,894	99,384,045	109,491,510				
Water	56,687,322	26,678,485	22,321,394	22,321,394	25,102,472	26,627,336	29,781,824	33,345,545				
Waste Water Management	6,880,909	11,039,875	8,412,603	8,412,603	9,221,757	9,817,332	10,451,601	11,127,092				
Community & Social Services	34,833,435	36,083,423	36,713,489	36,713,489	42,246,037	44,790,530	47,488,375	50,348,820				
Finance & Admin	18,395,536	11,765,321	25,157,237	25,157,237	30,610,666	30,323,064	32,181,957	34,155,147				
Waste Management	11,511,430	12,715,015	10,337,949	10,337,949	11,044,836	11,817,715	12,535,799	13,297,599				
Executive & Council	8,857,398	10,280,324	11,256,288	11,256,288	15,533,346	15,605,139	16,602,109	17,663,142				
Planning & Development	2,918,925	6,994,891	5,671,042	5,671,042	6,756,944	7,169,460	7,607,225	8,071,787				
Health	4,008,472	6,058,133	7,612,906	7,612,906	8,953,002	8,432,018	8,937,939	9,474,216				
Housing	1,861,336	3,569,069	2,415,104	2,415,104	2,701,139	2,863,308	3,035,214	3,217,443				
Environmental Protection	8,217,226	12,086,631	10,688,203	10,688,203	11,799,691	12,509,999	13,263,089	14,061,538				
Sport and Recreation	992,504	3,052,882	2,100,333	2,100,333	2,457,628	2,504,326	2,655,655	2,816,140				
OPERATING EXPENDITURE BY VOTES	217,903,459	203,141,735	206,179,503	206,179,503	235,341,096	256,700,121	283,924,832	307,069,979				

BUDGET SCHEDULES (OPERATING & CAPITAL)

Schedule 3 - Capital Expenditure by Vote

FIVE YEAR TERM BUDGET												
CAPITAL EXPENDITURE BY VOTE												
2008 - 2012												
SCHEDULE 3	AUDITED	Current Year					Medium Term Revenue and Expenditure Framework					
		2007/08	2008/09		2009/10		2010/11		2011/12			
CAPITAL EXPENDITURE BY VOTE	ACTUAL 2006/2007	APPROVED BUDGET	REVISED BUDGET	FULL - YEAR FORECAST	BUDGET YEAR	BUDGET YEAR	BUDGET YEAR	BUDGET YEAR	BUDGET YEAR	BUDGET YEAR	BUDGET YEAR	BUDGET YEAR
	A	B	C	D	E	F	G	G	G	G	G	G
	R	R	R	R	R	R	R	R	R	R	R	R
Electricity	7,082,304	38,520,000	37,553,416	37,553,416	10,694,000	72,295,000	50,125,000	41,425,000				
Water	3,746,851	16,950,000	1,408,900	1,408,900	9,550,000	44,900,000	31,550,000	29,050,000				
Waste Water Management	10,826,869	8,300,000	8,758,838	8,758,838	1,040,000	65,280,000	45,280,000	46,230,000				
Community & Social Services	15,035,814	33,163,000	15,121,378	15,121,378	12,415,000	95,852,600	108,720,000	69,960,000				
Finance & Admin	599,280	320,000	3,920,000	3,920,000	750,000	120,000	90,000	90,000				
Waste Management	7,707,526	2,547,000	1,210,381	1,210,381	4,470,000	10,815,000	5,820,000	2,560,000				
Executive & Council	0	1,200,000	1,200,000	1,200,000	0	0	0	0				
Planning & Development	703,247	750,000	808,242	808,242	1,500,000	750,000	500,000	0				
Health	103,608	3,500,000	4,300,000	4,300,000	14,850,000	1,300,000	155,000	0				
Housing	139,950	0	0	0	0	0	0	0				
Environmental Protection	0	2,500,000	2,611,709	2,611,709	4,056,107	320,000	880,000	0				
Sport and Recreation	1,521,978	1,180,000	0	0	1,905,000	9,910,000	5,950,000	3,150,000				
Transport Facilities	0	0	0	0	0	2,600,000	3,000,000	0				
CAPITAL EXPENDITURE BY VOTE	47,467,426	108,930,000	76,892,864	76,892,864	61,230,107	304,142,600	252,070,000	192,465,000				

It must be noted that with the IDP review for the 2008/09 financial year, the Council should consider the affordability on proposed capital projects for 2009/10 and 2010/11.

BUDGET SCHEDULES (OPERATING & CAPITAL)

Schedule 4 – Capital Funding by Source

LESEDI LOCAL MUNICIPALITY										
	Preceding Year 2006/07		Current Year 2007/08		Medium Term Budget Year 2008/09		Medium Term Budget Year +1 2009/10		Medium Term Budget Year +2 2010/11	
	Audited Actual R'000	Approved Budget R'000	Adjusted Budget R'000	Full Year Forecast R'000	Budget R'000	Budget R'000	Budget R'000	Budget R'000	Budget R'000	Budget R'000
	A	B	C	D	E	F	G			
National Government										
Amounts allocated / gazetted for that year	23,603	23,393	23,393	23,393	17,697	16,640	13,617			
Amounts carried over from previous years	2,243	0	0	0	0	0	0			
Total Grants & Subsidies - National Government	25,846	23,393	23,393	23,393	17,697	16,640	13,617			
Provincial Government										
Amounts allocated / gazetted for that year	0	24,677	0	0	16,693	20,533	13,049			
Amounts carried over from previous years	0	0	0	0	0	0	0			
Total Grants & Subsidies - Provincial Government	0	24,677	0	0	16,693	20,533	13,049			
District Municipality										
Amounts allocated for that year	0	0	0	0	500	0	0			
Amounts carried over from previous years	0	0	0	0	0	0	0			
Total Grants & Subsidies - District Municipalities	0	0	0	0	500	0	0			
Less Professional fees in Opex	2,051	0	2,300	2,300	5,911	4,676	5,228			
Total Government Grants & Subsidies	23,795	48,070	21,093	21,093	28,979	32,497	21,438			
Additional National Government Funding to meet Goals										
Public Contributions & Donations	0	0	0	0	0	0	0			
Accumulated Surplus (Own Funds)	24,130	30,860	27,902	27,902	21,756	60,829	50,414			
External Loans	0	30,000	27,898	27,898	7,694	0	0			
TOTAL FUNDING OF CAPITAL EXPENDITURE	47,925	108,930	76,893	76,893	58,429	304,141	252,070			

BUDGET SCHEDULES (OPERATING & CAPITAL)

INVESTMENTS

SUPPORTING TABLE 4a		Period of Investment	Type of Investment	Maturity of Investment	Monetary Value R'000	Interest Rate
INVESTMENT PARTICULARS BY MATURITY						
<u>Name of Institution / Investment ID</u>						
First National Bank						
	First National Bank Fol 1	3 Months	Short-Term	26/05/2008	5,000,000	10.20
	First National Bank Fol 2	3 Months	Short-Term	25/05/2008	5,000,000	10.25
ABSA						
	ABSA Fol 2 - 2061426801	3 Months	Short-Term	09/05/2008	6,000,000	10.55
	ABSA Fol 3 - 2061539105	3 Months	Short-Term	30/05/2008	3,000,000	11.10
	ABSA Fol 4 - 2063310917	3 Months	Short-Term	08/04/2008	5,000,000	11.10
	ABSA Fol 5 - 2062660006	3 Months	Short-Term	08/04/2008	5,000,000	11.10
	ABSA Fol 7 - 2064078285	3 Months	Short-Term	14/05/2008	5,000,000	10.96
	ABSA Fol 8 - 2064078277	3 Months	Short-Term	06/05/2008	5,000,000	10.95
	ABSA Fol 9 - 2067369295	3 Months	Short-Term	28/05/2008	3,000,000	10.95
INVESTEC						
	INVESTEC Fol 1	3 Months	Short-Term	11/04/2008	4,000,000	11.20
	INVESTEC Fol 2	3 Months	Short-Term	18/04/2008	5,022,282	11.25
	INVESTEC Fol 3	3 Months	Short-Term	18/05/2008	5,000,000	10.80
	INVESTEC Fol 4	3 Months	Short-Term	18/04/2008	2,000,000	11.25
	INVESTEC Fol 4	3 Months	Short-Term	28/05/2008	3,000,000	11.00
	INVESTEC Fol 4	3 Months	Short-Term	29/05/2008	3,000,000	11.20
	INVESTEC Fol 4	4 Months	Short-Term	29/06/2008	3,000,000	11.20

BUDGET SCHEDULES (OPERATING & CAPITAL)

INVESTMENTS

SUPPORTING TABLE 4	Preceding Year	Current Year			Medium Term Revenue and Expenditure Framework				
		2006/07	2007/08		Budget Year	Budget Year +1	Budget Year +2	Budget Year +3	
INVESTMENT PARTICULARS BY TYPE		A	B	C	D	E	F	G	G
<u>Investment Type</u>									
Securities - National Government									
Listed Corporate Bonds									
Deposits - Banks	50,000,000		67,000,000	70,000,000	70,000,000	75,000,000	70,000,000	72,000,000	75,000,000
Deposits - Public Investment Commissioners									
Deposits - Corporation for Public Deposits									
Bankers Acceptance Certificates									
Negotiable Certificate of Deposit - Banks									
Guaranteed Endowment Policies (sinking funds)									
Repurchase Agreements - Banks									
Municipal Bonds									
TOTAL INVESTMENTS	50,000,000		67,000,000	70,000,000	70,000,000	75,000,000	70,000,000	72,000,000	75,000,000

BUDGET SCHEDULES (OPERATING & CAPITAL)

SALARIES: 2008 / 09

SUPPORTING TABLE 8		Salary	Social Contributions ⁴	Allowances	Performance Bonuses	Total Package
		R	R	R	R	R
DISCLOSURE OF SALARIES, ALLOWANCES & BENEFITS						
<u>Councillors</u>						
Political Office Bearers						
Executive Mayor		314,360	65,904	158,042	0	538,306
Speaker		248,227	55,983	117,027	0	421,237
Member of Executive / Mayoral Committee		926,780	214,012	442,760	0	1,583,552
Councillors (Section 20 of Act 117 of 98)		1,243,440	467,760	716,670		2,427,870
<u>Officials of the Municipality</u>						
Municipal Manager (MM)		531,650	147,981	120,369	0	800,000
Chief Finance Officer		417,725	106,400	175,875	0	700,000
Senior Managers Reporting to Municipal Manager:						
Executive Manager: Community Services		412,300	121,724	165,976	0	700,000
Executive Manager: Development & Planning		390,600	116,950	192,450	0	700,000
Executive Manager: Support Services		531,650	0	168,350	0	700,000
Executive Manager: Engineering Services		412,300	121,724	165,976	0	700,000
TOTAL COST OF REMUNERATION		5,429,032	1,418,438	2,423,495	0	9,270,965

BUDGET SCHEDULES (OPERATING & CAPITAL)

NUMBER OF PERSONNEL

	Preceding Year	Current Year			Medium Term Revenue and Expenditure Framework			
	2006/07	2007/08		2008/09	2009/10	2010/11	Budget Year	Budget Year
SUPPORTING TABLE 8b	Audited Actual	Approved Budget	Adjusted Budget	Full Year Forecast	Budget	Budget	Budget	Budget
(Full Time Equivalent)	No.	No.	No.	No.	No.	No.	No.	No.
	A	B	C	D	E	F	G	G
Municipality								
Councillors (Political Office Bearers plus Other)	21	21	21	21	21	21	21	21
Senior Managers including Municipal Manager (6	6	6	6	6	6	6	6
Other Managers	13	13	13	13	13	13	13	13
Technical / Professional Staff	17	17	17	17	18	18	18	18
Other Staff (clerical, labourers etc)	545	532	544	544	566	569	574	574
TOTAL PERSONNEL NUMBERS	602	589	601	601	624	627	632	632

BUDGET SCHEDULES (OPERATING & CAPITAL)

CASHFLOW PROJECTIONS

FIVE YEAR TERM BUDGET
CASHFLOW BUDGET STATEMENT
2007 - 2011

SUPPORTING TABLE 9 MONTHLY CASH FLOWS	July 2007/08		Aug 2007/08		Sept 2007/08		Oct 2007/08		Nov 2007/08		Dec 2007/08		Jan 2007/08		Feb 2007/08		Mar 2007/08		Apr 2007/08		May 2007/08		June 2007/08		Budget 2007/08		Budget 2008/09		Budget 2009/10		Budget 2010/11			
	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R			
Opening Balance	379 286		1 832 571	926 416	296 823	1 691 598	72 375	662 835	947 694	682 554	471 126	226 341	779 105	379 286	243 414	339 389	549 081																	
Cash Operating Receipts by Source																																		
Property rates	2 485 583		2 485 583	2 485 583	2 485 583	2 485 583	2 485 583	2 485 583	2 485 583	2 485 583	2 485 583	2 485 583	2 485 583	2 485 583	2 485 583	2 485 583	2 485 583	2 485 583	2 485 583	2 485 583	2 485 583	2 485 583	2 485 583	2 485 583	2 485 583	2 485 583	2 485 583	2 485 583	2 485 583	2 485 583	2 485 583	2 485 583		
Service charges - electricity	5 492 755		5 492 755	5 492 755	5 492 755	5 492 755	5 492 755	5 492 755	5 492 755	5 492 755	5 492 755	5 492 755	5 492 755	5 492 755	5 492 755	5 492 755	5 492 755	5 492 755	5 492 755	5 492 755	5 492 755	5 492 755	5 492 755	5 492 755	5 492 755	5 492 755	5 492 755	5 492 755	5 492 755	5 492 755	5 492 755	5 492 755		
Service charges - water	2 112 122		2 112 122	2 112 122	2 112 122	2 112 122	2 112 122	2 112 122	2 112 122	2 112 122	2 112 122	2 112 122	2 112 122	2 112 122	2 112 122	2 112 122	2 112 122	2 112 122	2 112 122	2 112 122	2 112 122	2 112 122	2 112 122	2 112 122	2 112 122	2 112 122	2 112 122	2 112 122	2 112 122	2 112 122	2 112 122	2 112 122		
Service charges - sanitation	1 005 545		1 005 545	1 005 545	1 005 545	1 005 545	1 005 545	1 005 545	1 005 545	1 005 545	1 005 545	1 005 545	1 005 545	1 005 545	1 005 545	1 005 545	1 005 545	1 005 545	1 005 545	1 005 545	1 005 545	1 005 545	1 005 545	1 005 545	1 005 545	1 005 545	1 005 545	1 005 545	1 005 545	1 005 545	1 005 545	1 005 545		
Service charges - refuse	1 160 602		1 160 602	1 160 602	1 160 602	1 160 602	1 160 602	1 160 602	1 160 602	1 160 602	1 160 602	1 160 602	1 160 602	1 160 602	1 160 602	1 160 602	1 160 602	1 160 602	1 160 602	1 160 602	1 160 602	1 160 602	1 160 602	1 160 602	1 160 602	1 160 602	1 160 602	1 160 602	1 160 602	1 160 602	1 160 602	1 160 602		
Service charges - other	1 200 000		1 200 000	1 200 000	1 200 000	1 200 000	1 200 000	1 200 000	1 200 000	1 200 000	1 200 000	1 200 000	1 200 000	1 200 000	1 200 000	1 200 000	1 200 000	1 200 000	1 200 000	1 200 000	1 200 000	1 200 000	1 200 000	1 200 000	1 200 000	1 200 000	1 200 000	1 200 000	1 200 000	1 200 000	1 200 000	1 200 000		
Rental of facilities and equipment	127 508		127 508	127 508	127 508	127 508	127 508	127 508	127 508	127 508	127 508	127 508	127 508	127 508	127 508	127 508	127 508	127 508	127 508	127 508	127 508	127 508	127 508	127 508	127 508	127 508	127 508	127 508	127 508	127 508	127 508	127 508		
Interest earned - external investments	100 000		100 000	100 000	100 000	100 000	100 000	100 000	100 000	100 000	100 000	100 000	100 000	100 000	100 000	100 000	100 000	100 000	100 000	100 000	100 000	100 000	100 000	100 000	100 000	100 000	100 000	100 000	100 000	100 000	100 000	100 000		
Interest earned - outstanding debtors	588 830		588 830	588 830	588 830	588 830	588 830	588 830	588 830	588 830	588 830	588 830	588 830	588 830	588 830	588 830	588 830	588 830	588 830	588 830	588 830	588 830	588 830	588 830	588 830	588 830	588 830	588 830	588 830	588 830	588 830	588 830		
Fines	367 183		367 183	367 183	367 183	367 183	367 183	367 183	367 183	367 183	367 183	367 183	367 183	367 183	367 183	367 183	367 183	367 183	367 183	367 183	367 183	367 183	367 183	367 183	367 183	367 183	367 183	367 183	367 183	367 183	367 183	367 183		
Grants - operating (incl. grants from other municipal)	2 564 761		2 564 761	2 564 761	2 564 761	2 564 761	2 564 761	2 564 761	2 564 761	2 564 761	2 564 761	2 564 761	2 564 761	2 564 761	2 564 761	2 564 761	2 564 761	2 564 761	2 564 761	2 564 761	2 564 761	2 564 761	2 564 761	2 564 761	2 564 761	2 564 761	2 564 761	2 564 761	2 564 761	2 564 761	2 564 761	2 564 761		
Grants - capital (incl. grants from other municipal)	4 005 833		4 005 833	4 005 833	4 005 833	4 005 833	4 005 833	4 005 833	4 005 833	4 005 833	4 005 833	4 005 833	4 005 833	4 005 833	4 005 833	4 005 833	4 005 833	4 005 833	4 005 833	4 005 833	4 005 833	4 005 833	4 005 833	4 005 833	4 005 833	4 005 833	4 005 833	4 005 833	4 005 833	4 005 833	4 005 833			
Cash Operating Receipts by Source	21 210 722		21 210 722	21 210 722	21 210 722	21 210 722	21 210 722	21 210 722	21 210 722	21 210 722	21 210 722	21 210 722	21 210 722	21 210 722	21 210 722	21 210 722	21 210 722	21 210 722	21 210 722	21 210 722	21 210 722	21 210 722	21 210 722	21 210 722	21 210 722	21 210 722	21 210 722	21 210 722	21 210 722	21 210 722	21 210 722	21 210 722		
Other Receipts																																		
Investments Redeemed																																		
External Loan Received																																		
Statutory Receipts	957 094		957 094	957 094	957 094	957 094	957 094	957 094	957 094	957 094	957 094	957 094	957 094	957 094	957 094	957 094	957 094	957 094	957 094	957 094	957 094	957 094	957 094	957 094	957 094	957 094	957 094	957 094	957 094	957 094	957 094	957 094	957 094	
Consumer Deposits	1 000		1 650	4 500	3 500	3 750	1 850	2 400	3 000	1 600	4 500	3 600	1 250	32 463	34 410	36 475	38 663																	
Total Other Receipts	958 094		958 744	3 961 594	15 960 594	5 960 844	2 958 944	10 959 494	2 960 094	7 958 694	2 961 594	960 694	958 344	51 922 463	125 277 810	80 654 479	57 053 747																	
Cash Operating Payments by Type																																		
Employee related costs	5 174 048		5 174 048	5 174 048	5 174 048	5 174 048	5 174 048	5 174 048	5 174 048	5 174 048	5 174 048	5 174 048	5 174 048	5 174 048	5 174 048	5 174 048	5 174 048	5 174 048	5 174 048	5 174 048	5 174 048	5 174 048	5 174 048	5 174 048	5 174 048	5 174 048	5 174 048	5 174 048	5 174 048	5 174 048	5 174 048	5 174 048		
Remuneration of Councillors	380 024		380 024	380 024	380 024	380 024	380 024	380 024	380 024	380 024	380 024	380 024	380 024	380 024	380 024	380 024	380 024	380 024	380 024	380 024	380 024	380 024	380 024	380 024	380 024	380 024	380 024	380 024	380 024	380 024	380 024	380 024		
Repairs and maintenance	922 741		911 389	911 389	911 389	911 389	911 389	911 389	911 389	911 389	911 389	911 389	911 389	911 389	911 389	911 389	911 389	911 389	911 389	911 389	911 389	911 389	911 389	911 389	911 389	911 389	911 389	911 389	911 389	911 389	911 389	911 389		
Interest paid																																		
Bulk purchases - Electricity	3 091 667		3 091 667	3 091 667	3 091 667	3 091 667	3 091 667	3 091 667	3 091 667	3 091 667	3 091 667	3 091 667	3 091 667	3 091 667	3 091 667	3 091 667	3 091 667	3 091 667	3 091 667	3 091 667	3 091 667	3 091 667	3 091 667	3 091 667	3 091 667	3 091 667	3 091 667	3 091 667	3 091 667	3 091 667	3 091 667	3 091 667		
Bulk purchases - Water	1 333 333		1 333 333	1 333 333	1 333 333	1 333 333	1 333 333	1 333 333	1 333 333	1 333 333	1 333 333	1 333 333	1 333 333	1 333 333	1 333 333	1 333 333	1 333 333	1 333 333	1 333 333	1 333 333	1 333 333	1 333 333	1 333 333	1 333 333	1 333 333	1 333 333	1 333 333	1 333 333	1 333 333	1 333 333	1 333 333	1 333 333		
Statutory Payments	1 568 385		1 568 385	1 568 385	1 568 385	1 568 385	1 568 385	1 568 385	1 568 385	1 568 385	1 568 385	1 568 385	1 568 385	1 568 385	1 568 385	1 568 385	1 568 385	1 568 385	1 568 385	1 568 385	1 568 385	1 568 385	1 568 385	1 568 385	1 568 385	1 568 385	1 568 385	1 568 385	1 568 385	1 568 385	1 568 385	1 568 385		
Cash & Creditor Payments	1 700 000		1 700 000	1 700 000	1 700 000																													

BUDGET SCHEDULES (OPERATING & CAPITAL)

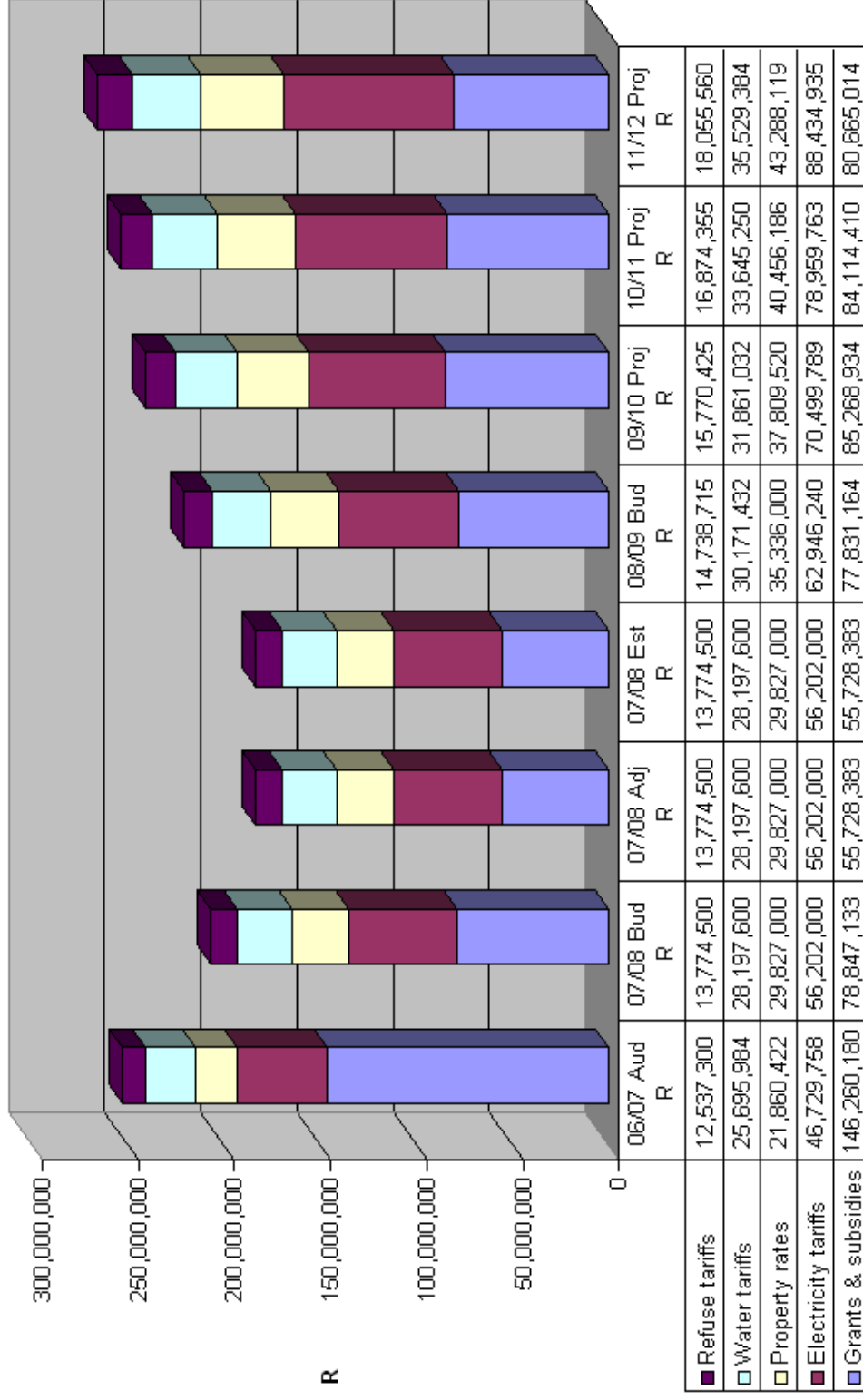
PERFORMANCE BY VOTE: 2008/09

SUPPORTING TABLE 10

ANNUAL MEASURABLE PERFORMANCE OBJECTIVES	Unit of Measurement	Annual Target 2008/09
Department - Municipal Managers Office Vote: Executive and Council		
Budget consultation meetings held	No. of meetings	12
Produce municipal booklet	Booklet produced in Sept	1
Performance agreements and contracts signed	No. of contracts signed on time	6
General ward meetings per ward	No. of meetings	4
etc		
Department - Corporate Services Vote: Finance & Administration		
Employee reward system developed	Completed in November	1
Job descriptions developed for all staff	Completed in September	1
etc		
Department - Planning and Development Vote: Planning & Development		
City plan reviewed and published	Completed in October	1
Building inspections conducted	No. of building inspections	500
etc		
Department - Community Services Vote: Community & Social Services		
New libraries built	No. of new libraries built	1
etc		
Department - Technical Services Vote: Electricity		
New Electricity connections	No. of new electricity connections	4000
Percentage of HH that meet agreed service levels	HH achieving agreed levels / total	95%
Percentage of HH that meet agreed service standards	HH achieving agreed stds / total	100%
Percentage of electricity losses	KW billed / KW used by muni	15
Employment through job creation schemes	No. temporary jobs created	200
Employment through job creation schemes	No. permanent jobs created	50
Vote: Water		
New Water connections	No. of new water connections	2000
Percentage of water losses	KL Billed / KL used by muni	20
Percentage of HH that meet agreed service levels	HH achieving agreed levels / total	95%
Percentage of HH that meet agreed service standards	HH achieving agreed stds / total	100%
Vote: Road Transport		
km of new road for prev unserviced areas	No. of kilometres	400
etc		
Vote: Waster Management		
Percentage of HH with no rubbish disposal	No. of HH without / total HH	15%
Vote: Waste Water management		
Percentage of HH with no toilet provision	No. of HH without / total HH	12%
Department - Chief Finance Officer Vote: Finance & Administration		
Percentage of property valuations disputed	No. disputed / total No.	10%
Percentage of creditors payments on time	No. Paid on Time / total No.	100%

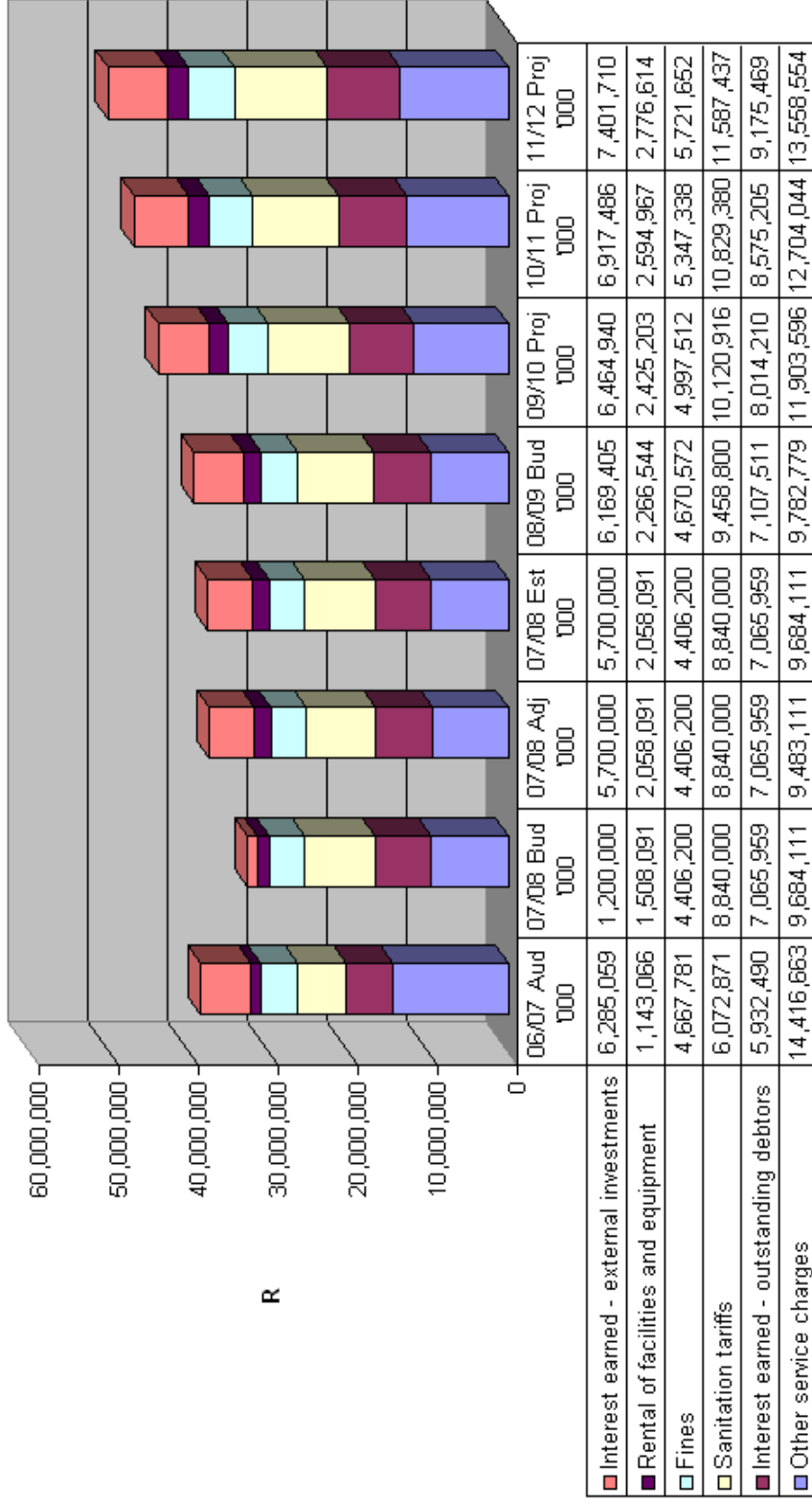
8. BUDGET RELATED CHARTS

Revenue by Major Source
2008 - 2012



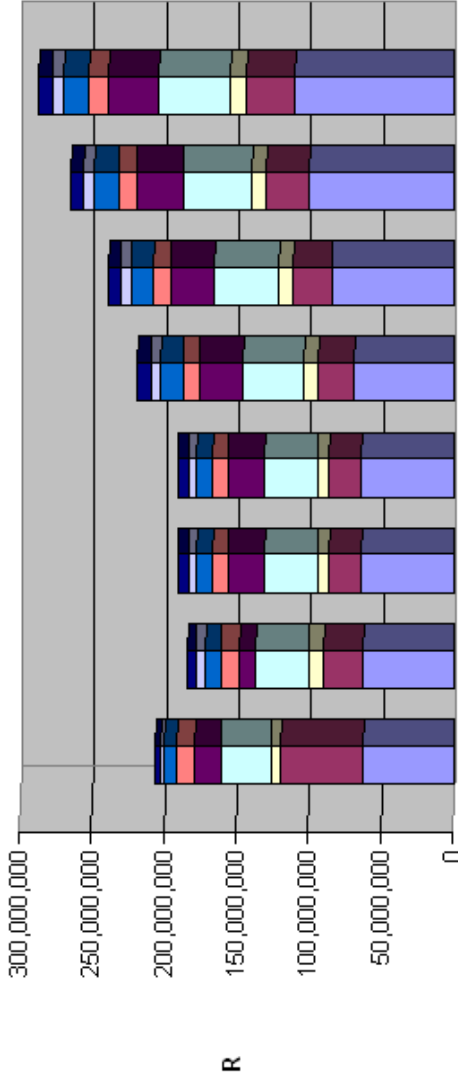
BUDGET RELATED CHARTS

Revenue By Minor Source
2008 - 2012



BUDGET RELATED CHARTS

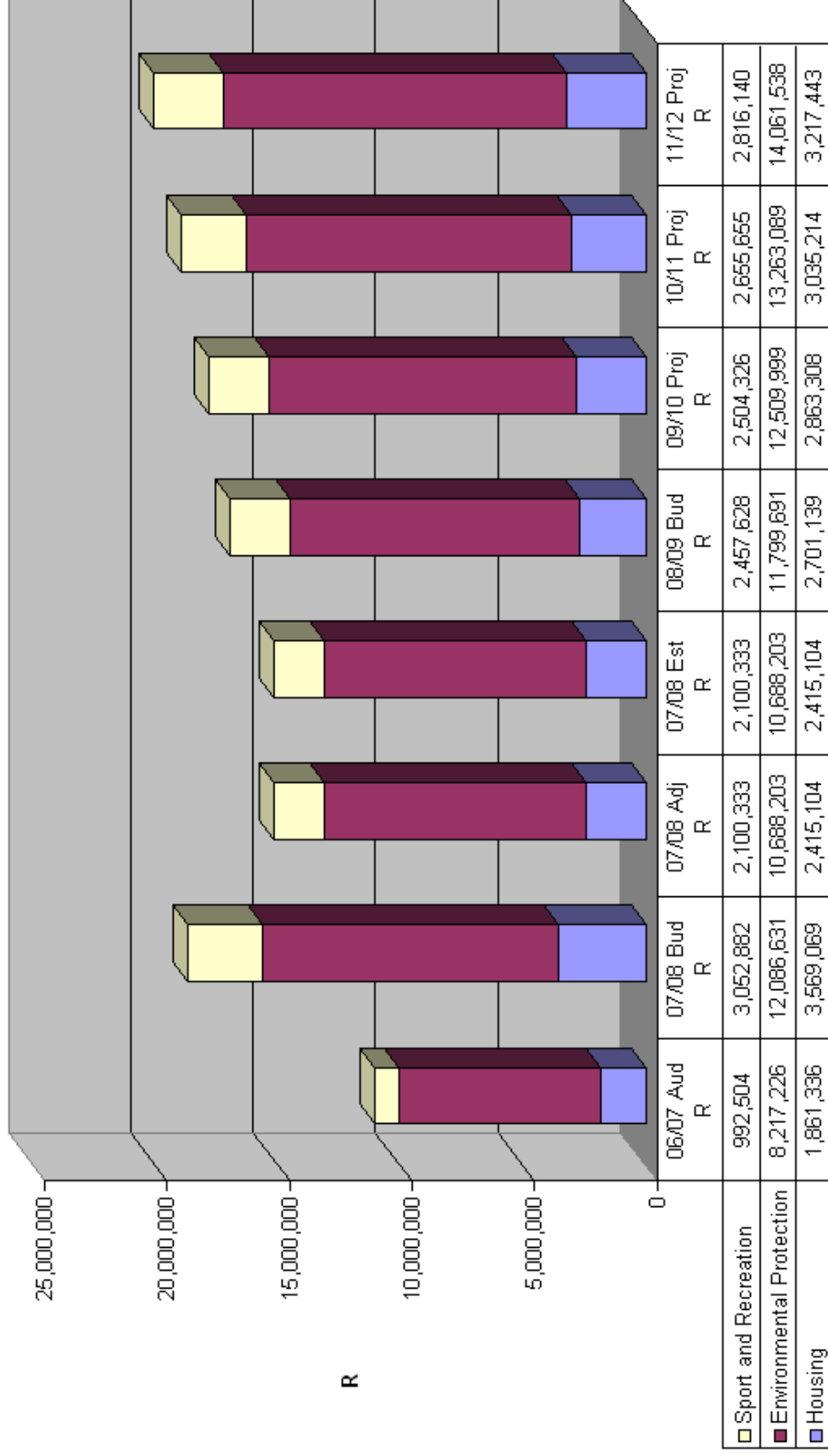
Operating Expenditure by Major Vote
2008 - 2012



	06/07 Aud R	07/08 Bud R	07/08 Adj R	07/08 Est R	08/09 Bud R	09/10 Proj R	10/11 Proj R	11/12 Proj R
Primary Health & Clinics	4,008,472	6,058,133	7,612,906	7,612,906	8,953,002	8,432,018	8,937,939	9,474,216
Planning & Development	2,918,925	6,994,891	5,671,042	5,671,042	6,756,944	7,169,460	7,607,225	8,071,787
Executive & Council	8,857,398	10,280,324	11,256,288	11,256,288	15,533,346	15,605,139	16,602,109	17,663,142
Waste Management	11,511,430	12,715,015	10,337,949	10,337,949	11,044,836	11,817,715	12,535,799	13,297,599
Finance & Admin	18,395,536	11,765,321	25,157,237	25,157,237	30,610,666	30,323,064	32,181,957	34,155,147
Community & Social Services	34,833,435	36,063,423	36,713,489	36,713,489	42,246,037	44,790,530	47,488,375	50,348,820
Waste Water Management	6,880,909	11,039,875	8,412,603	8,412,603	9,221,757	9,817,332	10,451,601	11,127,092
Water	56,667,322	26,678,485	22,321,394	22,321,394	25,102,472	26,627,336	29,781,824	33,345,545
Electricity	62,738,966	62,817,686	63,492,955	63,492,955	68,913,578	84,239,894	99,384,045	109,491,510

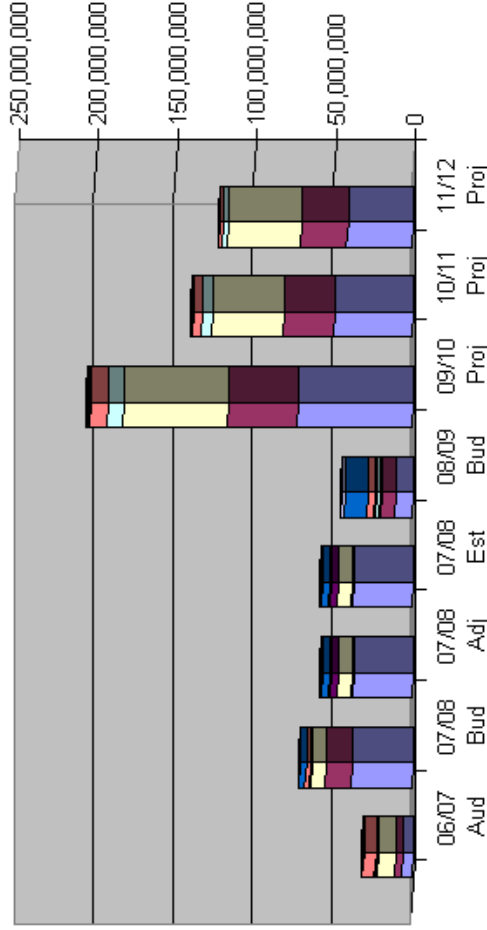
BUDGET RELATED CHARTS

Operating Expenditure by Minor Vote
2008 - 2012



BUDGET RELATED CHARTS

**Capital Expenditure by Major Vote
2008 - 2012**

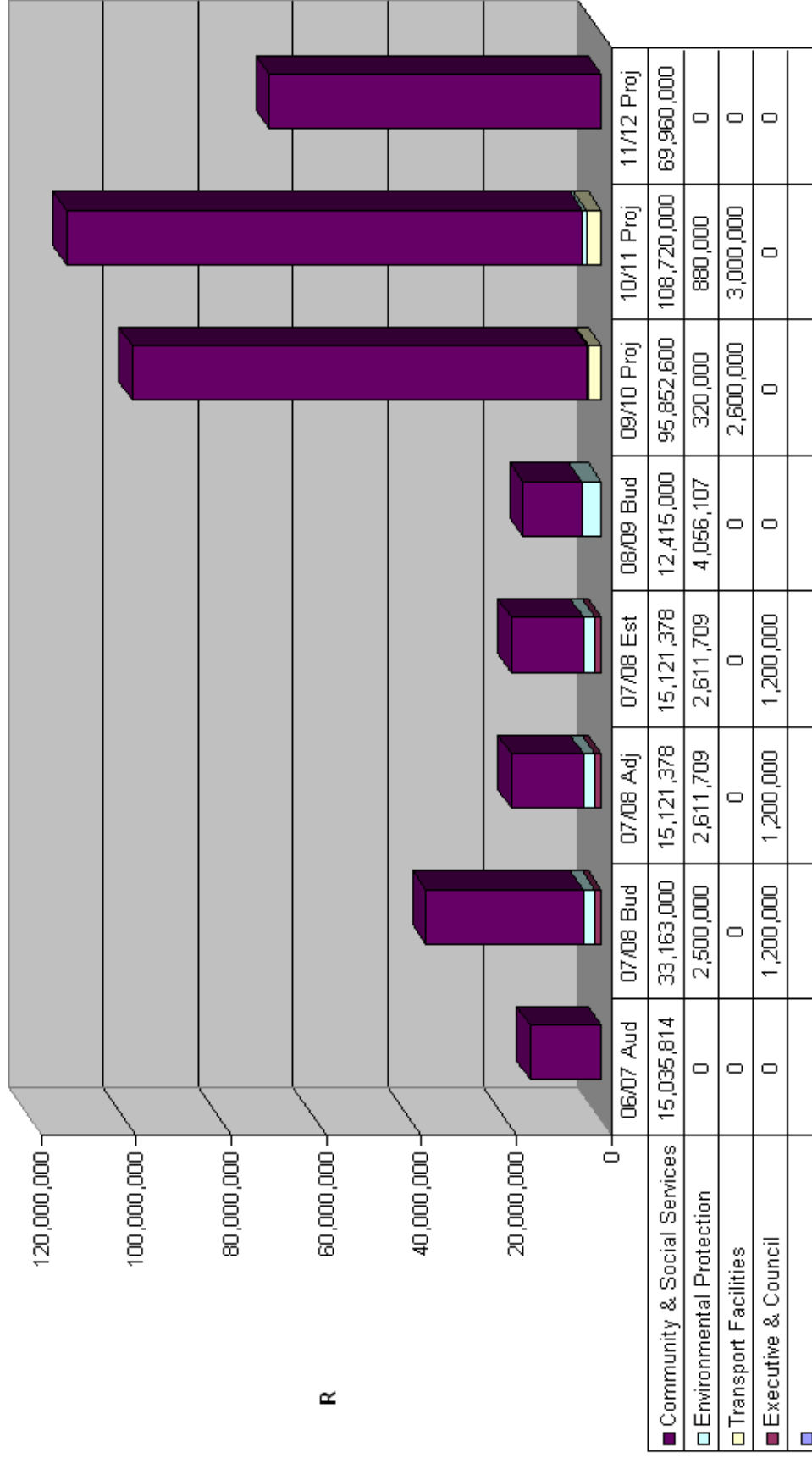


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	06/07 Aud	07/08 Bud	07/08 Adj	07/08 Est	08/09 Bud	09/10 Proj	10/11 Proj	11/12 Proj
Housing	139,950	0	0	0	0	0	0	0
Planning & Development	703,247	750,000	808,242	808,242	1,500,000	750,000	500,000	0
Health	103,608	3,500,000	4,300,000	4,300,000	14,850,000	1,300,000	155,000	0
Waste Management	7,707,526	2,547,000	1,210,381	1,210,381	4,470,000	10,815,000	5,820,000	2,560,000
Finance & Admin	599,280	320,000	3,920,000	3,920,000	750,000	120,000	90,000	90,000
Sport and Recreation	1,521,978	1,180,000	0	0	1,905,000	9,910,000	5,950,000	3,150,000
Waste Water Management	10,826,869	8,300,000	8,758,838	8,758,838	1,040,000	65,280,000	45,280,000	46,230,000
Water	3,746,851	16,950,000	1,408,900	1,408,900	9,550,000	44,900,000	31,550,000	29,050,000
Electricity	7,082,304	38,520,000	37,553,416	37,553,416	10,694,000	72,295,000	50,125,000	41,425,000

BUDGET RELATED CHARTS

**Capital Expenditure by Minor Vote
2008 - 2012**



9. BUDGET RELATED CHARTS

STATEMENT OF FINANCIAL PERFORMANCE: 2008/09

LESEDI LOCAL MUNICIPALITY												
BUDGETED STATEMENT OF FINANCIAL PERFORMANCE												
Note	AUDITED 2006/2007 R	Current Year 2007/08			Medium Term Revenue and Expenditure BUDGET			Framework BUDGET				
		APPROVED BUDGET R	REVISED BUDGET R	FULL - YEAR FORECAST R	2008/09 R	2009/10 R	2010/11 R	2011/12 R				
REVENUE												
Property rates	21,860,422	29,827,000	29,827,000	29,827,000	35,336,000	37,809,520	40,456,186	43,288,119				
Service charges	105,452,576	116,698,211	116,497,211	116,497,211	127,097,966	138,889,842	151,658,262	166,674,000				
Rental of facilities and equipment	1,143,086	1,508,091	2,058,091	2,058,091	2,266,544	2,425,203	2,594,967	2,776,614				
Interest earned - external investments	6,285,059	1,200,000	5,700,000	5,700,000	6,169,405	6,988,070	7,643,042	8,178,054				
Interest earned - outstanding debtors	5,932,490	7,065,959	7,065,959	7,065,959	7,107,511	7,669,316	8,040,362	8,603,187				
Fines	4,667,781	4,406,200	4,406,200	4,406,200	4,670,572	4,997,512	5,347,338	5,721,652				
Government grants and subsidies	47,117,121	24,741,200	28,599,200	28,599,200	41,139,140	49,309,808	59,049,874	57,994,487				
Income from agency services(Health subsidies)	5,355,688	6,035,933	6,035,933	6,035,933	7,713,024	8,175,805	8,666,354	9,186,335				
Other income	1,492,816	11,720,115	5,992,855	5,992,855	3,842,386	4,111,340	4,399,121	4,707,045				
Total Revenue	199,307,019	203,202,709	206,182,449	206,182,449	235,342,548	260,376,417	287,855,506	307,129,494				
EXPENDITURE												
Employee related costs	51,713,109	62,885,129	65,711,619	65,711,619	74,419,867	79,423,168	84,197,753	89,259,456				
Remuneration of Councilors	4,264,491	4,560,292	4,581,496	4,581,496	4,970,965	5,318,933	5,691,258	6,089,646				
Contribution to provision	42,475,266	5,765,027	3,392,776	3,392,776	4,024,398	7,966,523	8,504,851	7,032,845				
Departmental Charges	-	-25,370,962	0	0	-	-	-	-				
Depreciation	16,882,748	8,556,594	15,836,594	15,836,594	16,135,104	21,271,904	27,179,543	29,239,738				
Repairs and maintenance	7,397,333	10,936,668	9,444,320	9,444,320	11,024,639	11,783,723	12,589,525	13,277,139				
Interest paid	3,152,383	0	2,712,383	2,712,383	4,396,304	4,704,045	5,033,328	5,385,661				
Loss on disposal of property, plant and equipment	0	0	0	0	0	0	0	0				
Bulk purchases	57,496,081	56,520,000	56,520,000	56,520,000	61,750,600	70,217,476	81,615,530	90,762,453				
General expenses	34,522,044	61,619,267	47,980,315	47,980,315	58,619,220	59,690,225	63,043,197	66,081,815				
Internal Recoveries	0	17,669,722	0	0	0	0	0	0				
Total Expenditure	217,903,455	203,141,737	206,179,503	206,179,503	235,341,096	260,375,998	287,854,985	307,128,754				
SURPLUS/(DEFICIT) FOR THE YEAR	-18,596,436	60,972	2,946	2,946	1,452	420	520	741				

