



**APPROVED & ADJUSTED
BUDGET:
2008/09**

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1. EXECUTIVE MA YOR'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's NERSA's approved increase of 14.2% for the poor and 32.6% increase for the rest of the consumers. 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 was completed by the 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.

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 as adjusted is R63,230,107 which is inclusive of R2.8 million roll-over from 2007/08 budget of a fire engine as well a the R2 million for software and hardware for the financial system funded by DBSA; 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 as well a the R2 million for software and hardware for the financial system funded by DBSA of which approval was delayed due to following SCM processes when using direct negotiations with the sole supplier of goods and services. 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 R30.9 million. The Department of Finance will be requested to approve ad-hoc projects (grants) amounting to **R30 979 000** namely: -

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

LESEDI 3 YEAR ADJUSTED CAPITAL BUDGET 2008-2011

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 AND (ROLL-OVER) HARDWARE AND SOFTWARE(ROLL-OVER)		R 2, 801, 107 R 2, 000, 000
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 ADJUSTED CAPITAL BUDGET		R 63, 230, 107

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

6.3 THE ADJUSTED OPERATING BUDGET: 2008-2011

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

Expenditure

The adjusted Operating expenditure budget for 2008/09 is an amount of R251, 860, 694 as compared to the approved budget of R235, 341,096 for 2008/09 financial year in May 2008 and the 2007/08 approved budget of R203, 141,735.

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 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 R74, 419, 867 for the 2008/09 financial year's original budget to an amount of R74, 919, 410 for the 2008/09 financial year's adjusted budget due to an adjustment by a conditional grant from the province to appoint 4 librarians in the 2008/09 financial year.

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

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 R154, 684, 672 to an amount of R164, 004, 372. This represents an increase of 6 % and includes expenditure, of which 22.68% increase for electricity due to a 1% difference from the approved budget: -

DESCRIPTION	FROM	TO
Bulk purchases Electricity	R 41, 099, 200	R50, 418, 900
Bulk purchases Water	R 16, 461, 000	R16, 461, 000
Bulk purchases Water – Ekurhuleni	R 531, 000	R 531, 000
Sewerage Charges – ERWAT	R 3, 659, 400	R 3, 659, 400
TOTAL	R61, 750, 600	R71, 070, 300

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

Council has no control over the abovementioned electricity tariffs levied and the increase is R9.3 million as approved by NERSA. These four services represent 43.33 % 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 457, 302
Printing and Stationery	R 895, 750	R 973, 109
Transfer Station	R 1, 200, 000	Per annum
Security Services	R 3, 306, 271	Per annum
Transport Costs	R13, 588, 530	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 R11, 024, 639 to R12, 974, 639 in the adjusted budget of 2008/09 financial year. An increase is mainly for distribution costs.

Capital Charges

The Capital charges (*depreciation and interest on borrowings has increased from R20.5 million to R22.2 million*). The increase is the effect of the new external loan incurred during 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 as well as to R1, 813,672 on the adjustment budget for 2008/09. An increase from the approved budget for 2007/08 to 2008/09 is 19.37%, and from the approved to the adjustment budget for 2008/09 of the contribution is 2.8%.

The amount of R1.8 million is requested for tools, computers and other equipment by the departments. The requests from the Executive Managers were much higher and had to be reduced after consultation, due to the budget constrains.

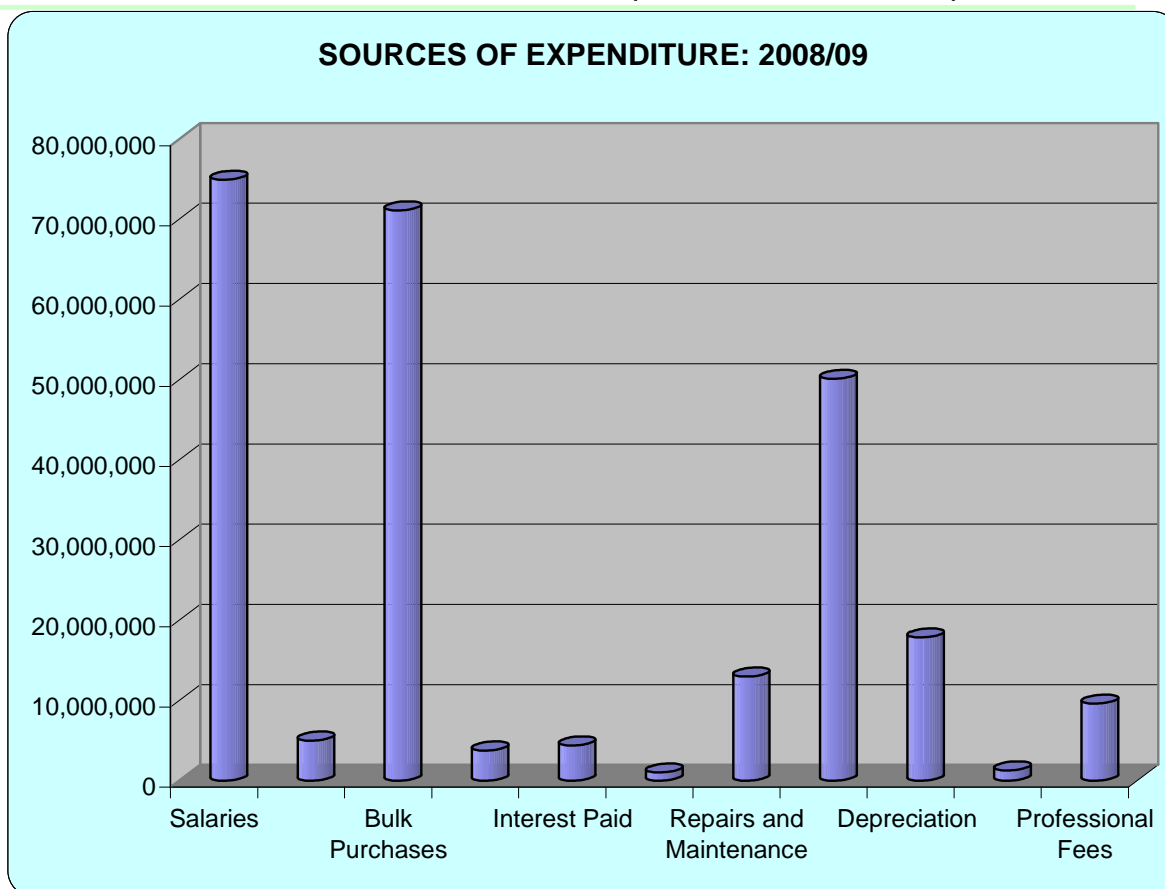
Contribution to Provisions & Reserves

This contribution has been decreased from R4.2 million to R5 million. 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, 919, 410
Remuneration of Councillors	R 4, 970, 965
Bulk Purchases	R 71, 070, 300
Bad Debts	R 3, 739, 186
Interest Paid	R 4, 396, 305
Contracted Services	R 1, 023, 332
Repairs and Maintenance	R 12, 974, 639
General Expenses	R 50, 068, 337
Depreciation	R 17, 843, 409
Provisions	R 1, 265, 592
Professional Fees	R 9, 589, 219
TOTAL	R 251, 860, 694

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, 557, 628
Night Soil	R 212	R 774, 481
Social Development	0	R 1, 326, 817
Cemeteries	R 273, 480	R 1, 438, 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, 069,259
Housing	R 735, 172	R 2, 741, 389
IDP	R 621, 300	R 4, 035, 605
Local Economic Development	R 15, 900	R 2, 746, 339
Total	R 6, 612, 087	R55, 621, 602

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

REVENUE

The approved budget's operating revenue for 2008/09 was estimated at R235, 342, 548 thus leaving a Surplus on the operating account of R1, 452; with the additional 20.6% increase on electricity tariffs as approved by NERSA, it has resulted in an increase in projected revenue on the adjusted budget for 2008/09 to R251, 862, 146. 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% as well as to R251, 862, 146 for the adjusted budget for 2008/09 equalling to 7.02% increase from the approved budget for 2008/09 financial year.

Total revenue for operating and capital budget equals to R282, 841, 146.

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 approved tariffs were increased by 7% for 2008/09.

Description of Tariffs (REFUSE REMOVAL)	2007/08 Tariffs	Approved 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. The sewer tariffs were approved to increase for the 2008/09 financial year as follows:

Description of Tariffs (SEWERAGE)	2007/08 Tariffs	Approved 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 tariffs increases were approved in May 2008:

Description of Tariffs (WATER)	2007/08 Tariffs	Approved Tariffs	% Increase
Domestic Basic <i>(without improvements)</i>	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	R8.36	7.00%
50,1 – 70 KL	R11.77	R12.59	7.00%
70 >	R12.74	R13.63	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 peace of land	R10.80	R11.56	7.00%
Basic Vacant Domestic Stands	R54.00	R57.78	7.00%
Basic Business Stands	R21.82	R23.35	7.00%
Basic Industrial Stands	R51.73	R55.35	7.00%
Departmental	R 4.71	R 5.04	7.00%
Water Leakages <i>(Confirm by Eng. Dept)</i>	R 6.70	R 7.17	7.00%
Temporary Connections Basic	R35.21	R37.67	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.

An additional 21.7% increase has been approved by NERSA on the 25 June 2008 for Eskom's electricity tariffs has led to a total increase on Eskom's tariffs to municipalities to 35.9% versus the additional approval of 20.6% increase of municipal tariffs to consumers totalling to 32.6% increase in municipal electricity tariffs. This late approval by NERSA of an additional increase on electricity tariffs therefore needed the municipal budget to be adjusted accordingly.

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

Description of Tariff (ELECTRICITY)	2007/08 Tariffs	2008/09 Proposed Tariffs	% Increase
Domestic			
Basic Charge (<i>with improvements</i>)	R42.08	R 55.80	32.6%
Basic Charge (<i>without improvements</i>)	R52.80	R 70.01	32.6%
Usage : 0 – 50 Units	NIL	NIL	NIL
50,1 - 100 >	0.3371	0.3775	14.2%
101 Units <	0.3371	0.4470	32.6%
Business			
Basic Charge	R158.29	R209.89	32.6%
Usage per Kwh	0.3590	0.4760	32.6%
High / Low Volt Consumers			
< 100 Kwh	0.3833	0.5082	32.6%
Basic Charge	R306.72	R406.71	32.6%
101 – 4000 KVA per Kwh	0.1980	0.2625	32.6%
Per KVA	R47.50	R 62.98	32.6%
Basic Charge	R306.72	R406.71	32.6%
> 4000 KVA per Kwh	0.1591	0.2110	32.6%
Per KVA	R50.16	R 66.51	32.6%
Basic Charge	R575.78	R763.48	32.6%
Churches, Sport Clubs, Museums per			
Usage per KWH	0.3560	0.4720	32.6%
Basic Charge (<i>per month</i>)	R42.08	R 55.80	32.6%
Industrial Stands Basic Charge without improvements	R369.60	R490.09	32.6%
Schools / Hostels			
Per Kwh	0.3563	0.4724	32.6%
Basic Charge	R122.60	R162.57	32.6%
Farm Lines			
0 – 1000 Kwh	0.4054	0.5376	32.6%
> 1000 Kwh	0.3308	0.4386	32.6%
Fixed Charge < 50 Kva	R167.06	R221.52	32.6%
Fixed Charge > 51 Kva	R213.52	R283.13	32.6%
Hospitals			
101 – 4000 KVA per Kwh	0.1980	0.2625	32.6%
Per KVA	R47.50	R 62.98	32.6%
Basic charge	R306.72	R406.71	32.6%
Casual Consumers			
Per Kwh	0.4240	0.5622	32.6%
Fixed Charge (per month)	R103.80	R137.64	32.6%
Departmental Charges per Kwh	0.2947	0.3908	32.6%

Assessment Rates

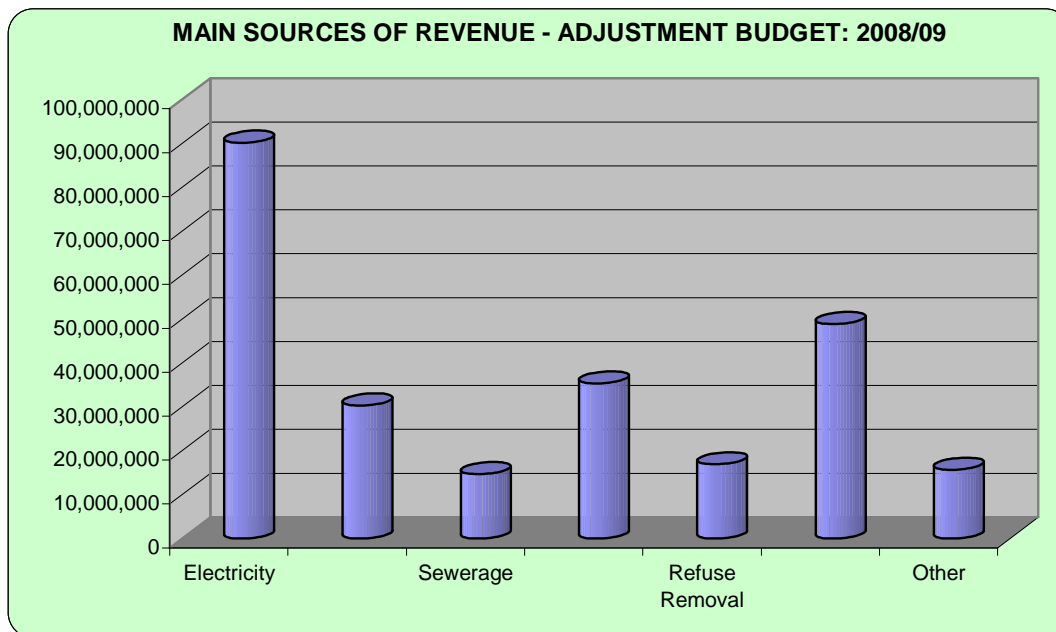
- The revenue on Property Rates has been calculated on the market value of the property according to the Property rates Act (Act of 2004) as well as the Property Rates Policy. Different rebates are applicable on different categories of owners of property. Council has approved a tariff of R0, 012 in the 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: ADJUSTED BUDGET - 2008/09

DESCRIPTION	AMOUNT
Electricity	R 90, 177, 252
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	R251, 862, 146



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

- Guideline on Electricity price increases from the NERSA - March/ April 2008.
- Approval of initial increase on Electricity tariff for 2008/09 from the NERSA – March/ April 2008.
- 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.
- Approval of additional increase on Electricity tariffs for 2008/09 from the NERSA – June 2008.

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, 000
TOTAL BUDGET	58,429,000	7, 694, 000	10,431,000	11,325,000	28,979,000
<i>Roll over – Fire engine</i>	2, 801, 107	0	0		
<i>Roll over – Financial system</i>	2, 000, 000	0	0	0	2, 000, 000
GRAND TOTAL	63 ,230,107	7, 694, 000	10,431,000	11,325,000	30,979,000

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	ORIGINAL	REVISED	APPROVED	ADJUSTMENT	INDICATIVE	INDICATIVE	INDICATIVE
	ACTUAL	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET
REVENUE BY SOURCE	2006/2007	2007/08	2007/08	2008/09	2008/09	2009/10	2010/11	2011/12
	R	R	R	R		R	R	R
Property rates	21,860,422	29,827,000	29,827,000	35,336,000	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	62,946,240	79,465,838	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	30,171,432	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	9,458,800	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	14,738,715	14,738,715	15,770,425	16,874,355	18,055,560
Service charges - other	14,416,663	9,684,111	9,483,111	9,782,779	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	2,266,544	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	6,169,405	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	7,107,511	7,107,511	8,014,210	8,575,205	9,175,469
Fines	4,667,781	4,406,200	4,406,200	4,670,572	4,670,572	4,997,512	5,347,338	5,721,652
Other income	1,492,816	11,720,115	5,992,855	3,842,386	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	48,852,164	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	28,979,000	30,979,000	32,497,000	21,438,000	13,772,000
Total Revenue By Source	199,306,918	251,272,709	227,275,699	264,321,548	282,841,146	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								
		ORIGINAL	REVISED	APPROVED	ADJUSTMENT	INDICATIVE	INDICATIVE	INDICATIVE
SCHEDULE 2	AUDITED	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET
	ACTUAL	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR
OPERATING EXPENDITURE BY VOTES	2006/07	2007/08	2007/08	2008/09	2008/09	2009/10	2010/11	2011/12
	R	R	R	R		R	R	R
Electricity	62,738,966	62,817,686	63,492,955	68,913,578	85,433,176	84,239,894	99,384,045	109,491,510
Water	56,687,322	26,678,485	22,321,394	25,102,472	25,102,472	26,627,336	29,781,824	33,345,545
Waste Water Management	6,880,909	11,039,875	8,412,603	9,221,757	9,221,757	9,817,332	10,451,601	11,127,092
Community & Social Services	34,833,435	36,083,423	36,713,489	42,246,037	42,246,037	44,790,530	47,488,375	50,348,820
Finance & Admin	18,395,536	11,765,321	25,157,237	30,610,666	30,610,666	30,323,064	32,181,957	34,155,147
Waste Management	11,511,430	12,715,015	10,337,949	11,044,836	11,044,836	11,817,715	12,535,799	13,297,599
Executive & Council	8,857,398	10,280,324	11,256,288	15,533,346	15,533,346	15,605,139	16,602,109	17,663,142
Planning & Development	2,918,925	6,994,891	5,671,042	6,756,944	6,756,944	7,169,460	7,607,225	8,071,787
Health	4,008,472	6,058,133	7,612,906	8,953,002	8,953,002	8,432,018	8,937,939	9,474,216
Housing	1,861,336	3,569,069	2,415,104	2,701,139	2,701,139	2,863,308	3,035,214	3,217,443
Environmental Protection	8,217,226	12,086,631	10,688,203	11,799,691	11,799,691	12,509,999	13,263,089	14,061,538
Sport and Recreation	992,504	3,052,882	2,100,333	2,457,628	2,457,628	2,504,326	2,655,655	2,816,140
Transport Facilities								
OPERATING EXPENDITURE BY VOTES	217,903,459	203,141,735	206,179,503	235,341,096	251,860,694	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	ORIGINAL	REVISED	APPROVED	ADJUSTMENT	INDICATIVE	INDICATIVE	INDICATIVE
	ACTUAL	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET
CAPITAL EXPENDITURE BY VOTE	2006/2007	2007/08	2007/08	2008/09	2008/09	2009/10	2010/11	2011/12
	R	R	R	R		R	R	R
Electricity	7,082,304	38,520,000	37,553,416	10,694,000	10,694,000	72,295,000	50,125,000	41,425,000
Water	3,746,851	16,950,000	1,408,900	9,550,000	9,550,000	44,900,000	31,550,000	29,050,000
Waste Water Management	10,826,869	8,300,000	8,758,838	1,040,000	1,040,000	65,280,000	45,280,000	46,230,000
Community & Social Services	15,035,814	33,163,000	15,121,378	12,415,000	12,415,000	95,852,600	108,720,000	69,960,000
Finance & Admin	599,280	320,000	3,920,000	750,000	2,750,000	120,000	90,000	90,000
Waste Management	7,707,526	2,547,000	1,210,381	4,470,000	4,470,000	10,815,000	5,820,000	2,560,000
Executive & Council	0	1,200,000	1,200,000	0	0	0	0	0
Planning & Development	703,247	750,000	808,242	1,500,000	1,500,000	750,000	500,000	0
Health	103,608	3,500,000	4,300,000	14,850,000	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	4,056,107	4,056,107	320,000	880,000	0
Sport and Recreation	1,521,978	1,180,000	0	1,905,000	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	61,230,107	63,230,107	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)

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 INVESTMENT PARTICULARS BY TYPE	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
					2008/09	2009/100	2010/11	2011/12
	A	B	C	D	E	F	G	G
Investment Type								
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)

NEW BORROWING

SUPPORTING TABLE 6	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
					2008/09	2009/10	2010/11	2011/12
NEW BORROWING	Audited Actual	Approved Budget	Adjusted Budget	Full Year Forecast	Budget	Budget	Budget	Budget
	A	B	C	D	E	F	G	G
Lesedi Main Substation	0	30,000,000	27,898,729	27,898,729	7,694,000	0	0	0
NEW BORROWING	0	30,000,000	27,898,729	27,898,729	7,694,000	0	0	0

BUDGET SCHEDULES (OPERATING & CAPITAL)

SALARIES: 2008 / 09

SUPPORTING TABLE 8	Salary	Social Contributions ⁴	Allowances	Performance Bonuses	Total Package
DISCLOSURE OF SALARIES, ALLOWANCES & BENEFITS	R	R	R	R	R
<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			
SUPPORTING TABLE 8b	2006/07	2007/08			Budget Year	Budget Year	Budget Year	Budget Year
					2008/09	2009/10	2010/11	2011/12
SUMMARY OF PERSONNEL NUMBERS	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
<u>Municipality</u>								
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

CASHFLOW BUDGET STATEMENT																	
'2008 - 2012																	
SUPPORTING TABLE 9	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Adjustment Budget	Approved Budget	Indicative Budget	Indicative Budget	Indicative Budget
MONTHLY CASH FLOWS	2008/09	2008/09	2008/09	2008/09	2008/09	2008/09	2008/09	2008/09	2008/09	2008/09	2008/09	2008/09	2008/09	2008/09	2009/10	2010/11	2011/12
	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R
Opening Balance	5,957,444	4,156,926	20,970,271	15,109,566	24,228,911	22,428,393	18,472,565	28,885,088	19,668,382	14,476,918	23,596,264	9,549,724	5,957,444	5,957,444	965,632	1,802,830	1,437,174
Cash Operating Receipts by Source																	
Property rates	2,944,667	2,944,667	2,944,667	2,944,667	2,944,667	2,944,667	2,944,667	2,944,667	2,944,667	2,944,667	2,944,667	2,944,667	35,336,000	35,336,000	37,809,520	40,456,186	43,288,119
Service charges - electricity	7,323,352	7,323,352	7,323,352	7,323,352	7,323,352	7,323,352	7,323,352	7,323,352	7,323,352	7,323,352	7,323,352	7,323,352	87,880,218	71,360,620	98,209,758	109,096,473	120,218,534
Service charges - water	2,295,189	2,295,189	2,295,189	2,295,189	2,295,189	2,295,189	2,295,189	2,295,189	2,295,189	2,295,189	2,295,189	2,295,189	27,542,273	27,542,273	29,047,832	30,635,125	32,308,551
Service charges - sanitation	1,096,546	1,096,546	1,096,546	1,096,546	1,096,546	1,096,546	1,096,546	1,096,546	1,096,546	1,096,546	1,096,546	1,096,546	13,158,552	13,158,552	14,048,703	14,999,308	16,014,488
Service charges - refuse	1,257,755	1,257,755	1,257,755	1,257,755	1,257,755	1,257,755	1,257,755	1,257,755	1,257,755	1,257,755	1,257,755	1,257,755	15,093,066	15,093,066	16,149,580	17,280,051	18,489,654
Service charges - other	315,487	315,487	315,487	315,487	315,487	315,487	315,487	315,487	315,487	315,487	315,487	315,487	3,785,842	3,785,842	4,050,838	4,334,384	4,637,777
Rental of facilities and equipment	188,879	188,879	188,879	188,879	188,879	188,879	188,879	188,879	188,879	188,879	188,879	188,879	2,266,544	2,266,544	2,425,203	2,594,967	2,776,614
Interest earned - external investments	514,117	514,117	514,117	514,117	514,117	514,117	514,117	514,117	514,117	514,117	514,117	514,117	6,169,405	6,169,405	6,988,070	7,643,042	8,178,054
Interest earned - outstanding debtors	592,293	592,293	592,293	592,293	592,293	592,293	592,293	592,293	592,293	592,293	592,293	592,293	7,107,511	7,107,511	7,669,316	8,040,362	8,603,187
Fines	389,214	389,214	389,214	389,214	389,214	389,214	389,214	389,214	389,214	389,214	389,214	389,214	4,670,572	4,670,572	4,997,512	5,347,338	5,721,652
Grants - operating (incl. grants from other municipalities)	0	12,213,041	0	12,213,041	0	0	12,213,041	0	0	12,213,041	0	0	48,852,164	48,852,164	57,485,614	67,716,228	67,180,822
Grants - capital (incl. grants from other municipalities)	0	4,829,833	0	4,829,833	0	4,829,833	0	4,829,833	0	4,829,833	0	4,829,833	28,979,000	28,979,000	17,938,000	13,772,000	13,772,000
Additional Capital Grants required Not Budgeted by National Treasury to meet National Goals.															283,602,600	235,298,000	178,693,000
Cash Operating Receipts by Source	16,917,499	33,960,373	16,917,499	33,960,373	16,917,499	21,747,332	29,130,540	21,747,332	16,917,499	33,960,373	16,917,499	21,747,332	280,841,146	264,321,548	580,422,546	557,213,464	519,882,452
Other Receipts																	
Investments Redeemed	0		0		0	0		0	0	0	0	0	0	4,000,000	0	0	0
External Loan Received		7,694,000		0	0	0	0	0	0	0	0	0	7,694,000	7,694,000	0	0	0
Statutory Receipts	1,801,299	1,801,299	1,801,299	1,801,299	1,801,299	1,801,299	1,801,299	1,801,299	1,801,299	1,801,299	1,801,299	1,801,299	21,615,589	19,494,786	23,650,120	25,800,270	28,023,418
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	32,600	32,600	34,410	36,475	38,663
Total Other Receipts	1,802,299	9,496,949	1,805,799	1,804,799	1,805,049	1,803,149	1,803,699	1,804,299	1,802,899	1,805,799	1,804,899	1,802,549	29,342,189	31,221,386	23,684,530	25,836,745	28,062,081
Cash Operating Payments by Type																	
Employee related costs	6,243,284	6,243,284	6,243,284	6,243,284	6,243,284	6,243,284	6,243,284	6,243,284	6,243,284	6,243,284	6,243,284	6,243,284	74,919,410	74,419,867	79,423,168	84,197,753	89,176,085
Remuneration of Councillors	414,247	414,247	414,247	414,247	414,247	414,247	414,247	414,247	414,247	414,247	414,247	414,247	4,970,965	4,970,965	5,318,933	5,691,258	6,089,646
Repairs and maintenance	1,081,220	1,081,220	1,081,220	1,081,220	1,081,220	1,081,220	1,081,220	1,081,220	1,081,220	1,081,220	1,081,220	1,081,220	12,974,639	11,024,639	15,975,231	17,071,092	18,231,926
Interest paid			1,543,906				532,657		1,015,728				1,306,013	4,398,304	4,396,304	4,704,045	5,033,328
Bulk purchases - Electricity	4,201,575	4,201,575	4,201,575	4,201,575	4,201,575	4,201,575	4,201,575	4,201,575	4,201,575	4,201,575	4,201,575	4,201,575	50,418,900	41,099,200	57,578,384	65,004,514	71,504,965
Bulk purchases - Water	1,720,950	1,720,950	1,720,950	1,720,950	1,720,950	1,720,950	1,720,950	1,720,950	1,720,950	1,720,950	1,720,950	1,720,950	20,651,400	20,651,400	23,282,190	28,765,433	30,491,359
Statutory Payments	1,801,299	1,801,299	1,801,299	1,801,299	1,801,299	1,801,299	1,801,299	1,801,299	1,801,299	1,801,299	1,801,299	1,801,299	21,615,589	19,494,786	23,650,120	25,800,270	28,023,418
Cash & Creditor Payments	5,056,741	5,056,741	5,056,741	5,056,741	5,056,741	5,056,741	5,056,741	5,056,741	5,056,741	5,056,741	5,056,741	5,056,741	60,680,888	58,619,220	61,469,410	64,586,368	67,841,521
Cash Operating Payments by Type	20,519,316	20,519,316	22,063,222	20,519,316	20,519,316	21,051,973	20,519,316	20,519,316	21,535,044	20,519,316	20,519,316	21,825,329	250,630,095	234,676,381	271,401,481	296,150,016	314,569,207
Other Cash Payments by Type													229,014,506	212,064,084	247,751,361	270,349,746	286,545,789
Investments made	0	0		0			0	0	0	0	0	0	0	0	24,000,000	31,000,000	36,000,000
Capital Expenditure	0	6,123,011	0	6,123,011	0	6,123,011	0	12,246,021	0	6,123,011	12,246,021	12,246,021	61,230,107	58,429,000	304,140,600	252,070,000	192,465,000
Loans repaid			2,516,281				329,475		2,375,217				-1,938,627	3,282,345	5,628,649	3,693,387	4,159,374
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	32,600	32,600	34,410	36,475	38,663
Total Cash Payments by Type	1,000	6,124,661	2,520,781	6,126,511	3,750	6,454,336	2,400	12,249,021	2,376,817	6,127,511	12,249,621	10,308,644	64,545,052	64,090,249	331,868,397	287,265,849	233,182,428
Closing Balance	4,156,926	20,970,271	15,109,566	24,228,911	22,428,393	18,472,565	28,885,088	19,668,382	14,476,918	23,596,264	9,549,724	965,632	965,632	2,733,748	1,802,830	1,437,174	1,630,073

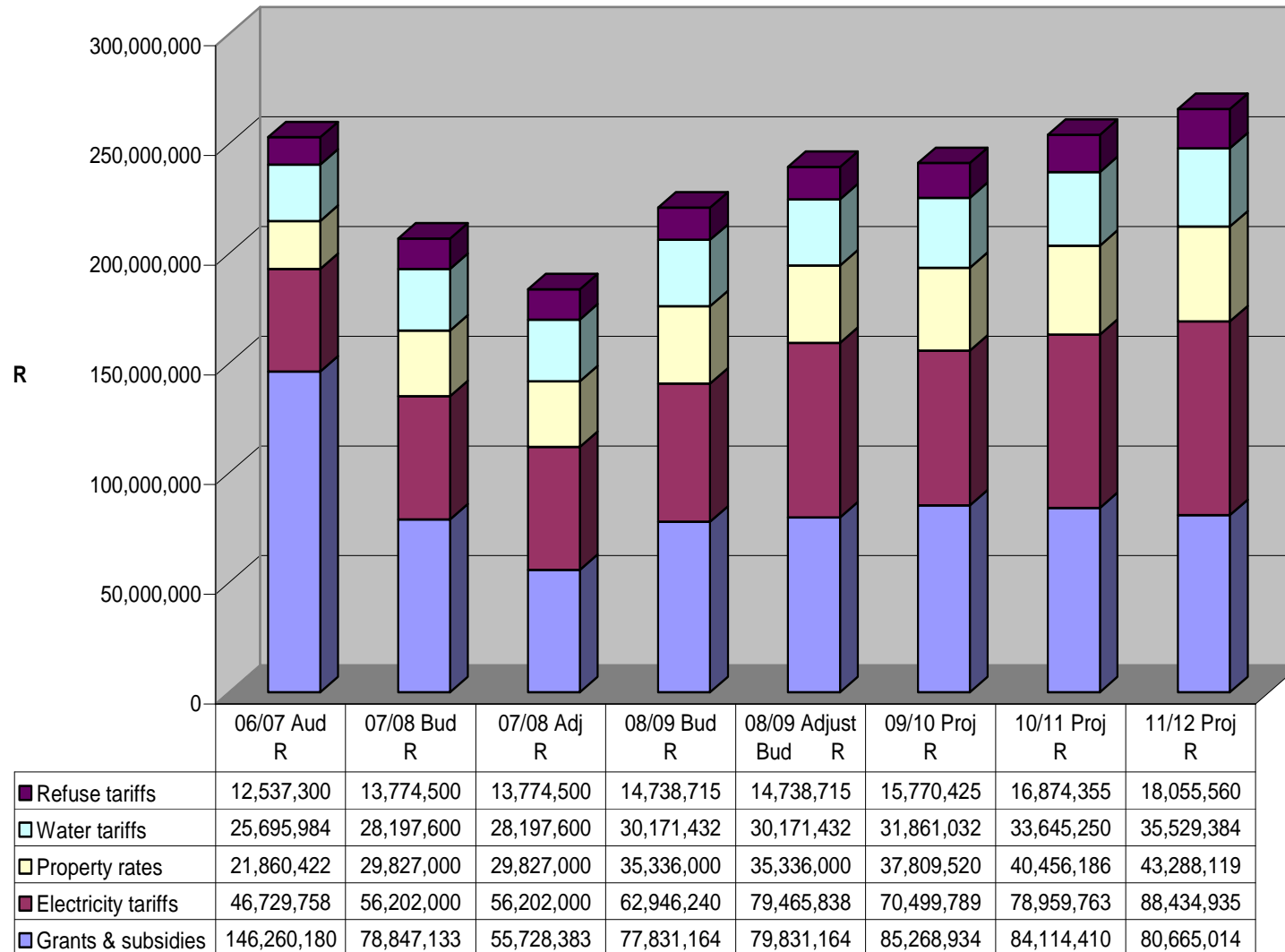
BUDGET SCHEDULES (OPERATING & CAPITAL)

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 unserved 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%

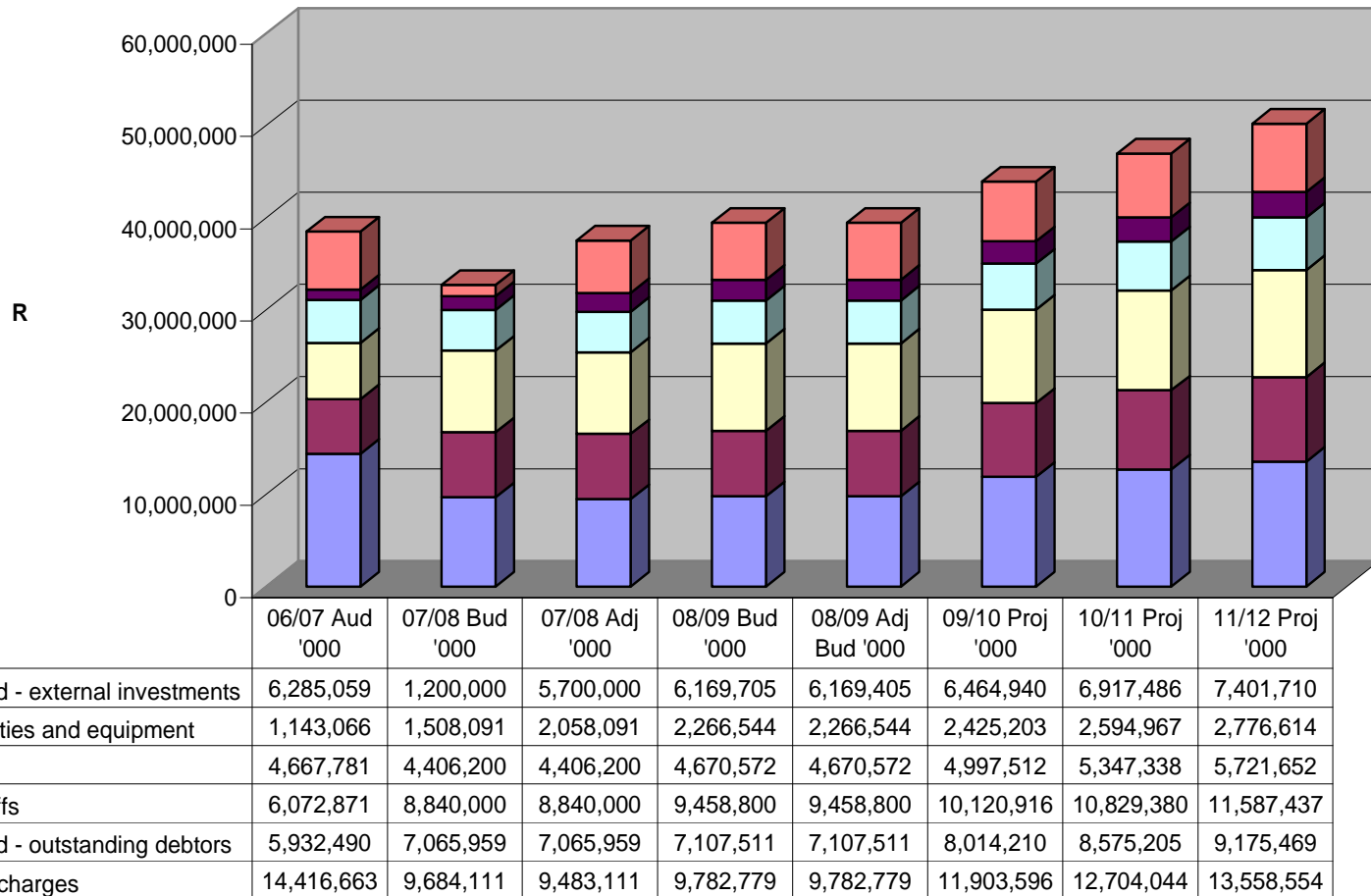
8. BUDGET RELATED CHARTS

Revenue by Major Source
2008 - 2012



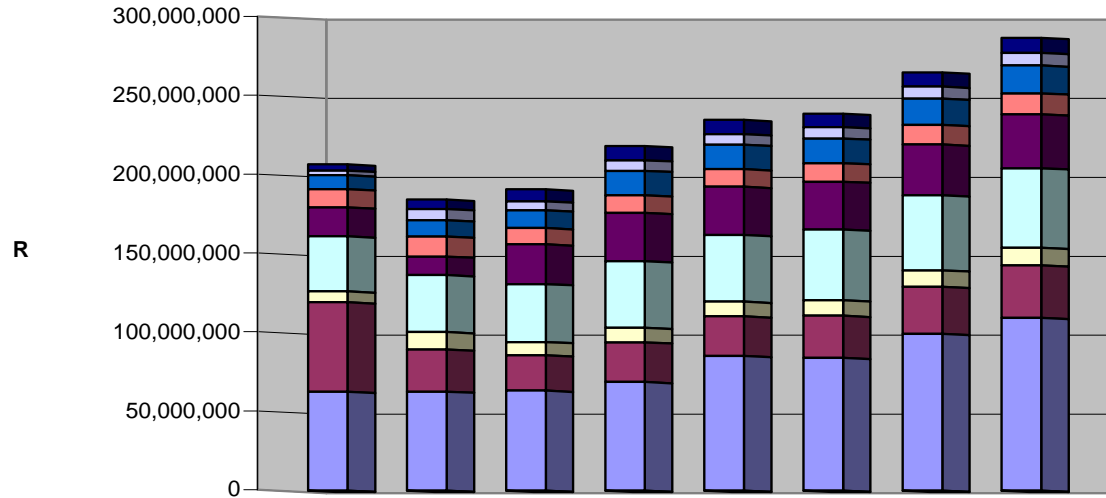
BUDGET RELATED CHARTS

Revenue By Minor Source
2008 - 2012



BUDGET RELATED CHARTS

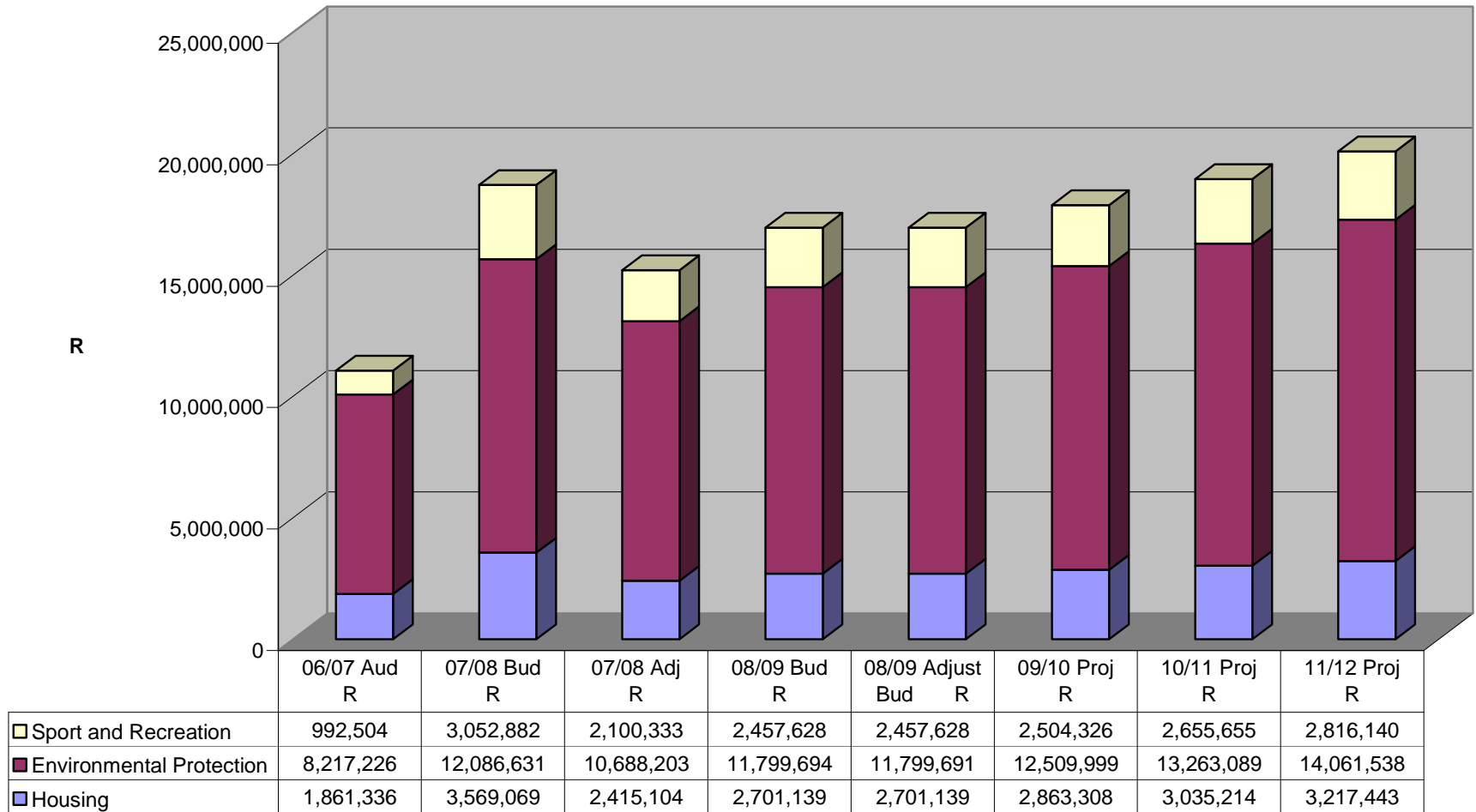
**Operating Expenditure by Major Vote
2008 - 2012**



	06/07 Aud R	07/08 Bud R	07/08 Adj R	08/09 Bud R	08/09 Adjust 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	8,953,002	8,953,002	8,432,018	8,937,939	9,474,216
□ Planning & Development	2,918,925	6,994,891	5,671,042	6,756,944	6,756,944	7,169,460	7,607,225	8,071,787
■ Executive & Council	8,857,398	10,280,324	11,256,288	15,533,346	15,533,346	15,605,139	16,602,109	17,663,142
■ Waste Management	11,511,430	12,715,015	10,337,949	11,044,836	11,044,836	11,817,715	12,535,799	13,297,599
■ Finance & Admin	18,395,536	11,765,321	25,157,237	30,610,666	30,610,666	30,323,064	32,181,957	34,155,147
□ Community & Social Services	34,833,435	36,083,423	36,713,489	42,246,037	42,246,037	44,790,530	47,488,375	50,348,820
□ Waste Water Management	6,880,909	11,039,875	8,412,603	9,221,757	9,221,757	9,817,332	10,451,601	11,127,092
■ Water	56,687,322	26,678,485	22,321,394	25,102,472	25,102,472	26,627,336	29,781,824	33,345,545
■ Electricity	62,738,966	62,817,686	63,492,955	68,913,578	85,433,176	84,239,894	99,384,045	109,491,510

BUDGET RELATED CHARTS

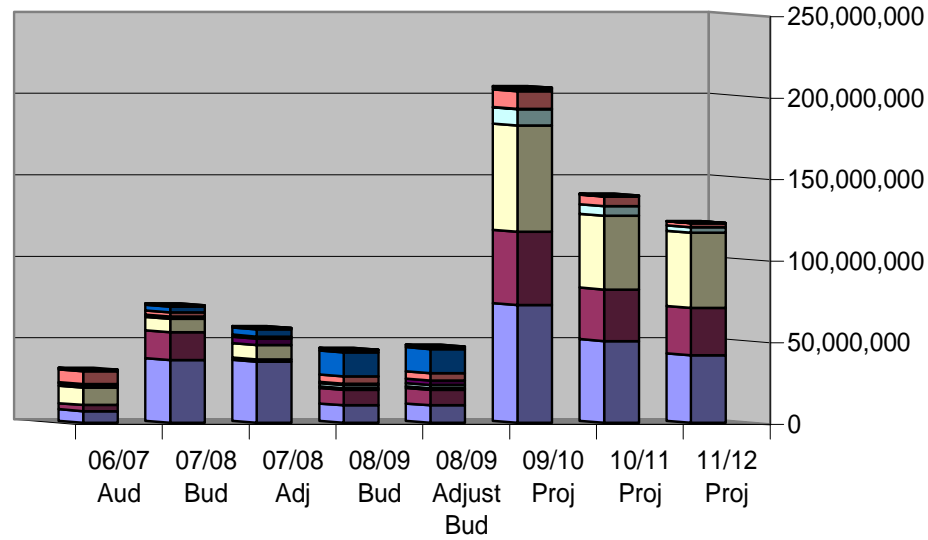
**Operating Expenditure by Minor Vote
2008 - 2012**



BUDGET RELATED CHARTS

Capital Expenditure by Major Vote 2008 - 2012

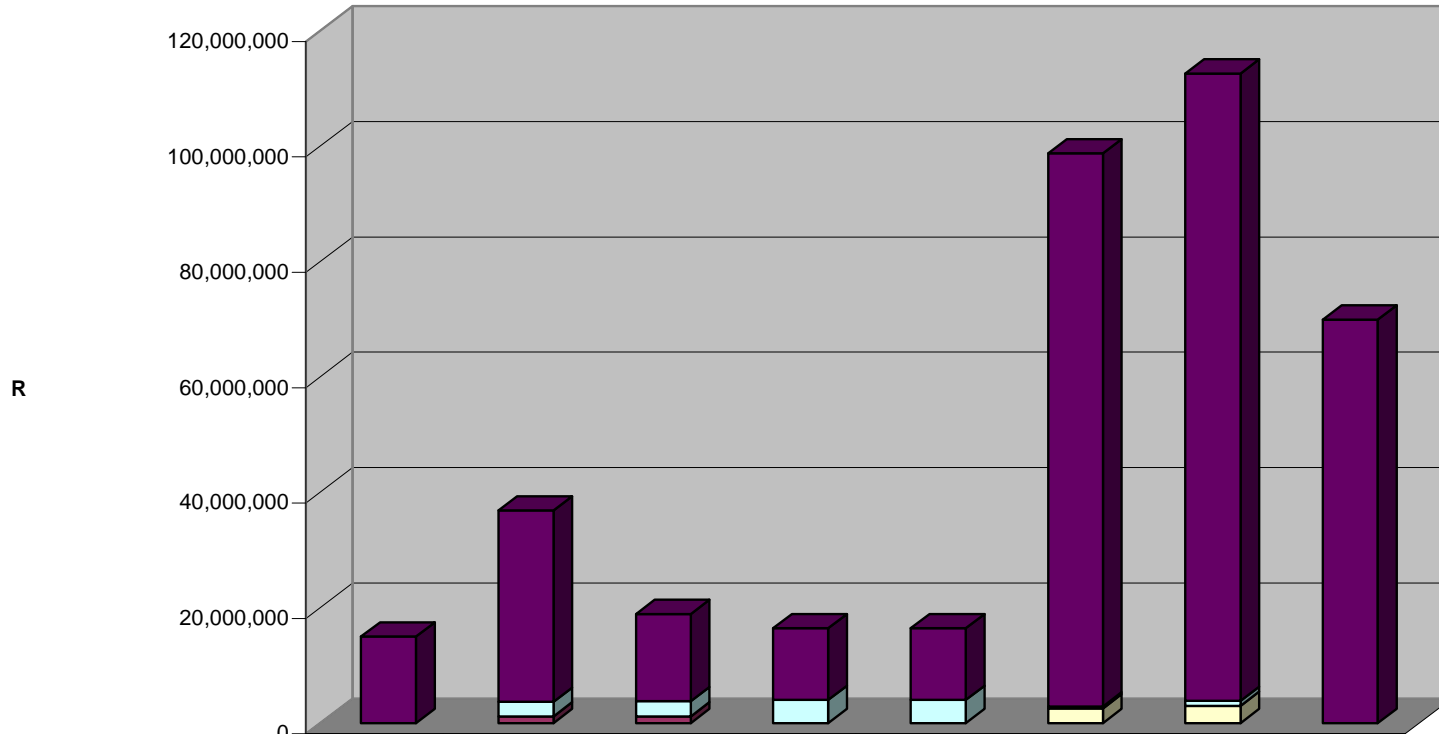
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	06/07 Aud	07/08 Bud	07/08 Adj	08/09 Bud	08/09 Adjust Bud	09/10 Proj	10/11 Proj	11/12 Proj
■ Housing	139,950	0	0	0	0	0	0	0
□ Planning & Development	703,247	750,000	808,242	1,500,000	1,500,000	750,000	500,000	0
■ Health	103,608	3,500,000	4,300,000	14,850,000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

BUDGET RELATED CHARTS

Capital Expenditure by Minor Vote 2008 - 2012



	06/07 Aud	07/08 Bud	07/08 Adj	08/09 Bud	08/09 Adjust Bud	09/10 Proj	10/11 Proj	11/12 Proj
■ Community & Social Services	15,035,814	33,163,000	15,121,378	12,415,000	12,415,000	95,852,600	108,720,000	69,960,000
□ Environmental Protection	0	2,500,000	2,611,709	4,056,107	4,056,107	320,000	880,000	0
□ Transport Facilities	0	0	0	0	0	2,600,000	3,000,000	0
■ Executive & Council	0	1,200,000	1,200,000	0	0	0	0	0
■								

9. BUDGET RELATED CHARTS

STATEMENT OF FINANCIAL PERFORMANCE: 2008/09

LESEDI LOCAL MUNICIPALITY								
BUDGETED STATEMENT OF FINANCIAL PERFORMANCE								
	Note	AUDITED	CURRENT YEAR		BUDGET	ADJUSTMENT	Medium Term Rev and Exp Framework	
		ACTUAL 2006/2007	2007/08		YEAR 2008/09	BUDGET YEAR 2008/09	BUDGET	BUDGET
			APPROVED BUDGET	REVISED BUDGET			YEAR 2009/10	YEAR 2010/11
		R	R	R	R	R	R	R
REVENUE								
Property rates		21,860,422	29,827,000	29,827,000	35,336,000	35,336,000	37,809,520	40,456,186
Service charges		105,452,576	116,698,211	116,497,211	127,097,966	143,617,564	138,889,842	151,658,262
Rental of facilities and equipment		1,143,066	1,508,091	2,058,091	2,266,544	2,266,544	2,425,203	2,594,967
Interest earned - external investments		6,285,059	1,200,000	5,700,000	6,169,405	6,169,405	6,988,070	7,643,042
Interest earned - outstanding debtors		5,932,490	7,065,959	7,065,959	7,107,511	7,107,511	7,669,316	8,040,362
Fines		4,667,781	4,406,200	4,406,200	4,670,572	4,670,572	4,997,512	5,347,338
Government grants and subsidies		47,117,121	24,741,200	28,599,200	41,139,140	41,139,140	49,309,808	59,049,874
Income from agency services(Health subsidies)		5,355,688	6,035,933	6,035,933	7,713,024	7,713,024	8,175,805	8,666,354
Other income		1,492,816	11,720,115	5,992,855	3,842,386	3,842,386	4,111,340	4,399,121
Total Revenue		199,307,019	203,202,709	206,182,449	235,342,548	251,862,146	260,376,417	287,855,506
EXPENDITURE								
Employee related costs		51,713,109	62,885,129	65,711,619	74,419,867	74,919,410	79,423,168	84,197,753
Remuneration of Councillors		4,264,491	4,560,292	4,581,496	4,970,965	4,970,965	5,318,933	5,691,258
Contribution to provision		42,475,266	5,765,027	3,392,776	4,024,398	4,024,398	7,966,523	8,504,851
Departmental Charges		-	-25,370,962	0	-	-	-	-
Depreciation		16,882,748	8,556,594	15,836,594	16,135,104	17,843,409	21,271,904	27,179,543
Repairs and maintenance		7,397,333	10,936,668	9,444,320	11,024,639	12,975,321	11,783,723	12,589,525
Interest paid		3,152,383	0	2,712,383	4,396,304	4,396,304	4,704,045	5,033,328
Loss on disposal of property, plant and equipment		0	0	0	0	0	0	0
Bulk purchases		57,496,081	56,520,000	56,520,000	61,750,600	71,070,300	70,217,476	81,615,530
General expenses		34,522,044	61,619,267	47,980,315	58,619,220	61,660,587	59,690,225	63,043,197
Internal Recoveries		0	17,669,722	0	0	0	0	0
Total Expenditure		217,903,455	203,141,737	206,179,503	235,341,096	251,860,694	260,375,998	287,854,985
SURPLUS/(DEFICIT) FOR THE YEAR		-18,596,436	60,972	2,946	1,452	1,452	420	520

9. BUDGET RELATED CHARTS

CAPEX BY CATEGORY

TABLE 11 CAPITAL EXPENDITURE BY CATEGORY	Preceding Year	Current Year		Medium Term Revenue and Expenditure Framework			
	2006/07	2007/08		Budget Year	Budget Year +1	Budget Year +2	Budget Year +2
	Audited Actual	Approved Budget	Adjusted Budget	2008/09	2009/10	2010/11	2011/12
	R'000	R'000	R'000	Budget	Budget	Budget	Budget
A	B	C	E	F	G	G	
INFRASTRUCTURE	39,709,383	96,420,000	61,178,180	31,491,000	279,095,000	234,485,000	186,765,000
Land and Buildings	0	0	0	250,000	70,000	70,000	0
Roads, pavements, bridges and stormwater	13,459,645	30,700,000	12,850,000	7,447,000	90,400,000	103,400,000	69,400,000
Water Reservoirs and reticulation	2,596,980	16,950,000	1,408,900	9,350,000	44,650,000	31,300,000	29,050,000
Car parks, bus terminals and taxi ranks	0	0	0	0	2,600,000	3,000,000	0
Electricity reticulation	6,627,308	37,470,000	36,512,136	9,894,000	64,800,000	44,550,000	36,000,000
Sewerage purification and reticulation	16,745,692	8,300,000	9,207,144	2,050,000	66,250,000	45,200,000	46,150,000
Housing	139,950	0	0	0	0	0	0
Street lighting	78,551	1,000,000	1,000,000	0	6,765,000	5,065,000	5,265,000
Refuse sights	61,257	2,000,000	200,000	2,500,000	3,560,000	1,900,000	900,000
Gas	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
COMMUNITY	1,324,083	4,440,000	4,401,280	18,547,000	10,086,000	5,050,000	2,750,000
Establishment of parks & gardens	23,306	60,000	60,000	570,000	390,000	500,000	0
Sportsfields	0	830,000	0	1,405,000	7,410,000	3,950,000	2,150,000
Community halls	1,173,169	0	0	0	1,000,000	500,000	500,000
Libraries	0	0	0	1,532,000	0	0	0
Recreation facilities	127,608	3,550,000	4,341,280	14,250,000	1,100,000	100,000	100,000
Clinics	0	0	0	650,000	16,000	0	0
Museums & art galleries	0	0	0	0	0	0	0
Other	0	0	0	140,000	170,000	0	0
HERITAGE ASSETS	0	0	0	0	0	0	0
INVESTMENT PROPERTIES	0	0	0	0	0	0	0
OTHER ASSETS	6,433,962	5,430,000	8,587,209	7,511,000	14,759,600	11,655,000	2,950,000
Other motor vehicles	1,455,264	3,170,000	2,774,878	2,300,000	1,920,000	1,925,000	500,000
Plant & equipment	3,016,208	990,000	984,089	2,061,000	9,819,600	7,040,000	1,860,000
Office equipment	609,726	320,000	3,920,000	750,000	120,000	90,000	90,000
Abattoirs	x	x	x	x	x	x	x
Markets	493,653	750,000	808,242	1,000,000	750,000	500,000	0
Airports	x	x	x	x	x	x	x
Security measures	472,609	200,000	100,000	1,400,000	2,150,000	2,100,000	500,000
Other	386,502	0	0	0	0	0	0
SPECIALISED VEHICLES	0	2,640,000	2,726,195	880,000	200,000	880,000	0
Refuse	0	140,000	114,486	80,000	0	0	0
Fire	0	2,500,000	2,611,709	800,000	200,000	880,000	0
Conservancy	x	0	x	x	x	x	x
Ambulances	x	0	x	x	x	x	x
Buses	x	0	x	x	x	x	x
TOTAL CAPITAL EXPENDITURE¹	47,467,428	108,930,000	76,892,864	58,429,000	304,140,600	252,070,000	192,465,000

