

Lejweleputswa District Municipality MTREF Budget 2016/2017 to 2018/2019 Medium Term Revenue and Expenditure Framework

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09 June 2016

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2016/2017 MTREF BUDGET

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Annexure 2	Budget Item
Annexure 3	Budget Policy
Annexure 4	Cash Management and Investment Policy
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Glossary

Adjustments Budget – Prescribed in section 28 of the MFMA. It is the formal means by which a municipality may revise its annual budget during the year.
Allocations – Money received from Provincial or National Government or other municipalities.
Budget – The financial plan of the Municipality.
Budget Related Policy – Policy of a municipality affecting or affected by the budget, such as the tariffs policy, rates policy and credit control and debt collection policy.
Capital Expenditure – Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's Statement of Financial Performance.
CRR – Capital Replacement Reserve. A cash reserve set aside for future capital expenditure.
Cash flow statement – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it marks as expenditure in the month it is received, even though it may not be paid in the same period.
DORA – Division of Revenue Act. This is the annual piece of legislation that shows the amount of allocations from national to local government.
Equitable Share – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.
Fruitless and wasteful expenditure – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.
GFS – Government Finance Statistics. An internationally recognized classification system that facilitates like for like comparison between municipalities.
GRAP – Generally Recognised Accounting Practice. The new standard for municipal accounting and basis upon which the Annual Financial Statements are prepared.
IDP – Integrated Development Plan. The main strategic planning document of the Municipality.
KPI's – Key Performance Indicators. Measures of service output and/or outcome.
MFMA – The Municipal Finance Management Act no. 53 of 2003. The principle piece of legislation relating to municipal financial management.
MTREF – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years'.
Operating Expenditure – Spending on the day to day expenses of the Municipality such as salaries and wages.
SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.
Strategic Objectives – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

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Unauthorised expenditure – Generally, spending without, or in excess of, an approved budget.
Virement – A transfer of budget.
Virement Policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.
Vote – One of the main segments into which a budget is divided. In LDM this means at directorate level.

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Part 1 – Annual Budget

1.1 Mayoral Budget Speech

The budget speech is attached as a separate document.

1.2 Council Resolutions

On 09th June 2016 the Council of Lejweleputswa District Municipality had a meeting to approve the annual budget for the year 2016/2017. The following resolutions are contained in item to the agenda of the Council meeting held on 09th June 2016:

- (a) that the following policies be approved:
 - (i) Budget Policy;
 - (ii) Credit control and debt collection;
 - (iii) Cash Management and Investment Policy;
 - (iv) Supply Chain Management Policy

- (b) that the annual budget for the financial year 2016/17 and indicative outer years 2017/18 and 2018/19 be approved as set-out:
 - (i) Capital expenditure by project as contained in annexure "A" to the agenda;
 - (ii) Capital funding by source as contained in annexure "A" to the agenda;
 - (iii) Operating revenue by source as contained in Table A4 of the report;
 - (iv) Operating expenditure by type as contained in Table A4 of the report;

- (c) that the annual budget documentation for 2016/17 – 2018/19 as outlined in the budget regulations be submitted to National and Provincial government or organ of state after approval by Council.

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1.3 Budget 2015/16 Mid-year Review and Adjustments Budget

The following table shows the original and adjustments budget for 2015/16.

	Original Budget 2015/16	Adjustment Budget 2015/16	Difference
Operating Expenditure	119 439 303	124 989 159	5 549 856
Capital Expenditure	1 660 000	1 755 000	95 000
Total Income	117 760 000	118 150 000	390 000

The 2015/16 adjustments budget was taken into account in the preparation of the 2016/17 MTREF.

1.4 Executive Summary

The Municipality was confronted with numerous challenges during the budget process. The following had an impact:

- The continued negative effect of the economic downturn;
- Weaker outlook as a result of lower commodity prices, higher borrowings costs, drought and diminished business and consumer confidence;
- Persistent high unemployment remains one of our most pressing challenges;
- The dependency on the grants available for funding; operating grants and subsidies have increased by 0.42% from 2015/16 to 2016/17
- Overhead costs growing at a higher rate than income;
- The municipality needs to focus on its core functions. During the adjustments budget, the Portfolio Councillors in conjunction with the Head of Departments, scrutinized the budget to affect all possible savings;
- Sufficient provision for debtor's impairment was budgeted for in the operating budget.
The writing off of irrecoverable debt will also be scrutinized through the business processes, which will be managed by a credit control to ensure that proper credit control measures are in place and also to recommend the writing off of debt to council;
- A provision for a contribution to the capital replacement reserve (CRR) in the operating budget has been made in order to grow our reserve;

These circumstances make it essential for the municipality to reprioritize expenditure and implement stringent cost-containment measures.

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MFMA Circulars

National Treasury sent out MFMA Circular No. 79 on 07 March 2016 and No. 78 on 07 December 2015 providing guidance to municipalities on their 2016/17 budgets and Medium Term Revenue and Expenditure Framework (MTREF). Circular No. 78 and 79 remind us of the key focus areas for the 2015/2016 budget process, and that it must be read together with MFMA Circulars no. 48, 51, 54, 55, 67, 67 and 70. It is essential reading material in order to understand the background to this budget. National Treasury has also set out the requirements for funding the budget and producing a credible budget.

Funding the Budget

Section 18(1) of the MFMA states that an annual budget may only be funded from:

- Realistically anticipated revenues to be collected;
- Cash-backed accumulated funds from previous years' surpluses not committed for other purposes; and
- Borrowed funds, but only for the capital budget referred to in section 17(2).

Achievement of this requirement in totality effectively means that a Council has 'balanced' its budget by ensuring that budgeted outflows will be offset by a combination of planned inflows.

Under old budget formats a 'balanced' income generated approach was a key objective and this assisted in ensuring that outflows were matched by inflows, provided revenue collections were realistic. However, GRAP compliant budgets necessitate that budget 'balancing' be much more comprehensive.

New budgeting and accounting formats demand that the budgeted Statement of Financial Performance, the Budgeted Statement of Financial Position and the Budgeted Statement of Cash Flows must be considered simultaneously to ensure effective financial management and sustainability and to ensure that the budget is funded.

Credible Budget

Amongst other things, a credible budget is a budget that:

- Funds only activities consistent with the revised IDP and vice versa, ensuring the IDP is realistically achievable given the financial constraints of the municipality;
- Is achievable in terms of agreed service delivery and performance targets;
- Contains revenue and expenditure projections that are consistent with current and past performance and supported by documented evidence of future assumptions;

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- Does not jeopardize the financial viability of the municipality (ensures that the financial position is maintained within generally accepted prudential limits and that obligations can be met in the short, medium and long term); and
- Provides managers with appropriate levels of delegation sufficient to meet their financial management responsibilities.

A budget sets out certain service delivery levels and associated financial implications. Therefore the community should realistically expect to receive these promised service delivery levels and understand the associated financial implications. Major under spending due to under collection of revenue or poor planning is a clear example of a budget that is not credible and unrealistic.

Furthermore, budgets tabled for consultation at least 90 days prior to the start of the budget year should already be credible and fairly close to the final approved budget.

1.5 Budget Overview of the 2016/17 MTREF

This section provides an overview of the Lejweleputswa District Municipality's 2016/17 to 2018/19 MTREF. It includes an assessment of how the budget links with the national and provincial government contexts along with a review of the fiscal position of Lejweleputswa District Municipality.

The Municipality's budget must be seen within the context of the policies and financial priorities of national, provincial and local government. In essence, the spheres of Government are partners in meeting the service delivery challenges faced at Lejweleputswa District Municipality. Lejweleputswa District Municipality alone cannot meet these challenges. It requires support from the other spheres of Government through the direct allocation of resources as well as the achievement of their own policies.

According to Circular No. 79, the following headline macro-economic forecasts must be taken into consideration when preparing 2016/17 budgets and MTREF:

Fiscal Year	2014/15 Actual	2015/16 Estimate	2016/17 Forecast	2017/18 Forecast	2018/19 Forecast
CPI Inflation	5.6%	5.4%	6.6%	6.2%	5.9%
RealGDP growth	1.6%	0.9%	1.2%	1.9%	2.5%

Source: Budget Review 2016

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The budget process in Lejweleputswa District Municipality followed the requirements of the MFMA. A Table of key deadlines was prepared for tabling in Council by the Executive Mayor on the 27th of August 2015.

A budget Committee was established to examine, review and prioritize budget proposals from departments.

The MFMA requires municipalities to set out measurable performance objectives when tabling their budgets. These “key deliverables” link the financial inputs of the budget to service delivery on the ground.

As a further enhancement to this, quarterly service targets and monthly financial targets are contained in the Service Delivery and Budget Implementation Plan (SDBIP). This must be approved by the Mayor within 28 days after the approval of the final budget and forms the basis for the Municipality’s in year monitoring.

In view of the aforementioned, the following table is a consolidated overview of the proposed MTREF:

Table 1 Consolidated Overview of the 2016/2017 MTREF

AGGREGATE TOTAL				
DETAILS	ORIGINAL BUDGET 2015/2016	REVISED BUDGET 2015/2016	DRAFT BUDGET 2016/2017	DIFFERENCE
TOTAL OPERATING INCOME	117,760,000	118,150,000	118,399,900	0.21%
TOTAL OPERATING EXPENDITURE	119,439,303	124,989,159	117,699,700	(5.83%)
SURPLUS/(DEFICIT)	(1,679,303)	(6,839,159)	700,200	(110.24%)
TOTAL CAPITAL EXPENDITURE	1,660,000	1,775,000	700,000	(60.56%)
LOAN REDEMPTION	2,145,864	2,145,864	2,234,256	8.78%
TOTAL DEFICIT	(5,485,167)	(10,760,023)	(2,234,456)	(79.23%)
UNAPPROPRIATED SURPLUS	(5,485,167)	(10,760,023)		(100.00%)
CAPITAL REPLACEMENT RESERVE			700,000	

The surplus/(deficit) in the above table differs from that in the SA Tables, as the SA tables does not take into account the appropriations.

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1.6 Operating Revenue Framework

For Lejweleputswa District Municipality to continue maintaining/improving the quality of services provided to its citizens it needs to generate the required revenue.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines, Circular No. 78 & 79

Table 2 Summary of Revenue Classes by Main Revenues Sources

SUMMARY OF INCOME BY SOURCE 2016/2017				
DETAILS	ORIGINAL BUDGET 2015/2016	REVISED BUDGET 2015/2016	DRAFT BUDGET 2016/2017	DIFFERENCE
INTEREST EARNED	1,890,000	2,000,000	1,839,800	(0.08)
INTEREST EARNED O/S DEBTORS	95,000	365,000	293,000	(0.20)
OPERATING GRANTS & SUBSIDIES	115,675,000	115,675,000	116,162,000	0.00
OTHER INCOME	100,000	110,000	105,100	(0.04)
TOTAL INCOME	117,760,000	118,150,000	118,399,900	0.00

The following table gives a breakdown of the various grants allocated to LDM over the medium term:

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Table 3 Grants Allocation

NATIONAL GRANTS	MEDIUM - TERM ESTIMATES		
	2016/2017	2017/2018	2018/2019
	R'000	R'000	R'000
Equitable Share	29,027	29,919	31,302
Transitional Grant	82,700	84,870	87,458
Local Government Financial Management Grant	1,250	1,250	1,000
Municipal Systems Improvement Grant	0	0	3,123
Rural Roads Asset Management Systems Grant	2,185	2,294	2,435
Expanded Public Works Programme Integrated Grant	1,000	0	0
TOTAL INCOME	116,162	118,333	125,318

1.7 – Operating Expenditure Framework

The expenditure framework for the 2016/17 budget and MTREF is informed by the National Treasury's guidelines and the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services;
- Strict adherences to the principle of no project plan no budget. If there is no business plan no funding allocation can be made.

The operating expenditure decreased from R125 million (2015/16) to R118 million in 2016/17.

The following table is a summary of the 2016/17 MTREF (classified by main expenditure by category):

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Table 13: Summary of operating expenditure by category

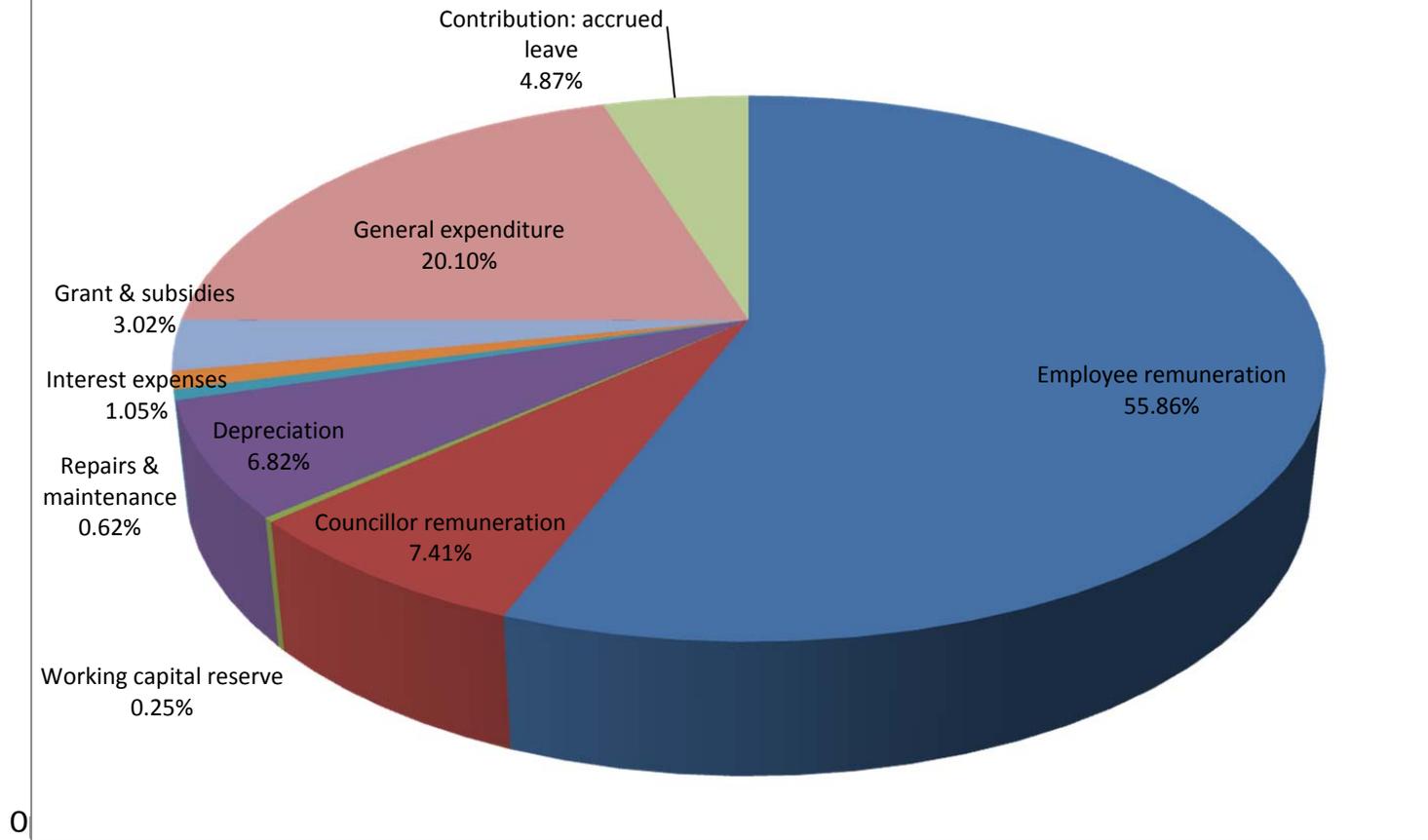
EXPENDITURE ALLOCATION BY CATEGORY 2016/2017				
DETAILS	ORIGINAL BUDGET 2015/2016	REVISED BUDGET 2015/2016	DRAFT BUDGET 2016/2017	DIFFERENCE
Employee remuneration	61,455,303	64,528,714	65,749,634	0.02
Councillor remuneration	9,410,323	9,968,436	8,720,576	(0.13)
Working capital reserve	485,590	485,590	292,770	(0.40)
Depreciation	7,611,223	7,611,223	8,029,841	0.06
Repairs & maintenance	634,460	564,460	726,450	0.29
Interest expenses	2,022,079	2,022,079	1,232,907	(0.39)
Grants & subsidies	5,450,000	4,550,000	3,550,000	(0.22)
General expenditure	27,254,874	29,814,659	23,669,006	(0.21)
Contribution: accrued leave	4,965,451	5,545,159	5,728,516	0.03
Total Amount	119,289,303	125,090,320	117,699,700	(0.06)

- No increase has been made for all employee remuneration due to grant increase of 0.42%
- Councillor remuneration decreased because of a decrease from grade 5 to grade 4 in accordance with the most recent proclamation of the Remuneration of Public Bearers Act.
- Provision for depreciation and asset impairment is informed by the municipality's asset management policy.
- The provision of debt impairment was determined based on the debt-write off policy of the municipality.
- Finance charges consist primarily of the repayment of interest of long-term borrowing (cost of capital). Finance charges make up 1.05% of operating expenditure excluding the annual redemption.
- Grants and subsidies, and general expenditure decreased because of slight increase in grants of 0.42%.
- General expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. This makes up 20.11% of operating expenditure.

The following table gives a breakdown of the main expenditure categories for the 2015/16 financial year.

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Operating Expenditure Budget 2016/2017



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SUMMARY OF EXPENDITURE BY DEPARTMENT 2016/2017

DEPARTMENT	BUDGET 2015/2016	REV BUDGET 2015/2016	BUDGET 2016/2017	DIFFERENCE
EXECUTIVE MAYOR	13,008,464	13,669,751	10,173,386	(0.26)
SPEAKER	3,077,912	3,702,852	3,723,628	0.01
MAYORAL COMMITTEE	6,064,558	6,032,315	5,701,155	(0.05)
COUNCIL GENERAL	19,164,446	19,384,246	17,396,528	(0.10)
MUNICIPAL MANAGER	10,497,632	10,454,659	11,740,257	0.12
CORPORATE SERVICES	15,445,151	16,125,640	16,664,630	0.03
PROPERTY	5,522,213	5,662,021	5,929,119	0.05
DISASTER MANAGEMENT	9,304,975	9,541,669	10,184,474	0.07
ENVIRONMETAL HEALTH	10,562,814	11,460,156	11,264,622	(0.02)
LED & PLANNING	7,327,870	7,381,619	6,150,804	(0.17)
TOURISM	2,275,000	2,375,000	1,000,000	(0.58)
FINANCE SERVICES	17,188,268	19,300,392	17,771,098	(0.08)
TOTAL	119,439,303	125,090,320	117,699,700	(0.06)

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Table 14: Repairs and maintenance per asset class

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
Repairs and Maintenance by Expenditure Item	1										
Total Repairs and Maintenance Expenditure	1	438	405	465	634	564	564	564	726	756	783

In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures.

Repairs and maintenance do not have the same impact as in the case of local municipalities. It is our submission that 0.62% of the budgeted amount is sufficient to cover repairs and maintenance. Repairs and Maintenance is

1.8 – Capital Budget

The capital budget increased by 60.11% from R1 755 000 (2015/16) to R700 000 in 2016/17. Total capital budget will be spent on furniture; other equipment; and computer software.

The Budget Committee went through several stages of prioritizing the capital budget to contain the budget within the available funding.

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Table 15: Capital funding by source

DC18 Lejweleputswa - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding											
Vote Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Capital expenditure - Vote											
Single-year expenditure to be appropriated	2										
Vote 1 - Executive Mayor		129	36	23	25	25	25	25	35	25	30
Vote 2 - Speaker		20	35	15	10	10	10	10	22	20	25
Vote 3 - Mayoral Committee		29	8	21	15	15	15	15	91	20	34
Vote 4 - Council General		301	1 197	242	150	150	150	150	-	765	20
Vote 5 - Municipal Manager		30	89	170	200	200	200	200	42	50	25
Vote 6 - Budget & Treasury		547	291	374	900	915	915	915	370	900	300
Vote 7 - Corporate Services		500	93	26	100	100	100	100	65	50	60
Vote 8 - Property		956	254	7	30	110	110	110	-	100	-
Vote 9 - Planning & Development		29	47	44	60	60	60	60	20	14	18
Vote 10 - Community & Social Services		8	90	9	40	40	40	40	-	55	700
Vote 11 - Environmental Health Services		180	213	-	130	130	130	130	55	70	197
Vote 12 - Tourism		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		2 727	2 354	930	1 660	1 755	1 755	1 755	700	2 069	1 409
Total Capital Expenditure - Vote		2 727	2 354	930	1 660	1 755	1 755	1 755	700	2 069	1 409
Funded by:											
Internally generated funds		2 727	2 354	930	1 660	1 755	1 755	1 755	700	2 069	1 409
Total Capital Funding	7	2 727	2 354	930	1 660	1 755	1 755	1 755	700	2 069	1 409

Although the budgeted income and expenditure are realistically anticipated, the situation regarding the available internal funds will be monitored closely and expenditure on capital projects linked to the CRR will be managed according to the available cash. To facilitate this process the Lejweleputswa District Municipality has prioritized the Capital Budget.

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The following table provides a breakdown of the budgeted capital expenditure by classification:

Table 16: Capital expenditure by GFS classification

Vote Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Capital Expenditure - Standard											
<i>Governance and administration</i>		2 510	2 004	877	1 430	1 525	1 525	1 525	625	1 930	494
Executive and council		508	1 366	470	400	400	400	400	190	880	134
Budget and treasury office		547	291	374	900	915	915	915	370	900	300
Corporate services		1 456	347	34	130	210	210	210	65	150	60
<i>Community and public safety</i>		8	90	9	40	40	40	40	-	55	700
Community and social services		8	90	9	40	40	40	40	-	55	700
<i>Economic and environmental services</i>		209	260	44	190	190	190	190	75	84	215
Planning and development		29	47	44	60	60	60	60	20	14	18
Environmental protection		180	213	-	130	130	130	130	55	70	197
<i>Other</i>		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	2 727	2 354	930	1 660	1 755	1 755	1 755	700	2 069	1 409

1.9 – Budget Schedules

The Municipal Budget and Reporting Regulations are designed to achieve a range of objectives, including improving the local government sphere's ability to deliver basic services by facilitating improved financial sustainability and better medium term planning and policy choices on service delivery.

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2016/2017 MTREF BUDGET

Table 17 - A1: Budget Summary

Description	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousands										
Financial Performance										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-	-
Investment revenue	2 425	2 824	3 742	1 890	2 000	2 000	2 000	1 840	1 925	1 992
Transfers recognised - operational	99 931	103 760	108 518	115 675	115 675	115 675	115 675	116 162	118 333	125 318
Other own revenue	1 270	2 265	965	195	475	475	475	398	391	384
Total Revenue (excluding capital transfers and contributions)	103 626	108 850	113 226	117 760	118 150	118 150	118 150	118 400	120 649	127 694
Employee costs	48 208	60 740	62 538	61 455	64 529	64 529	64 411	65 750	68 683	72 117
Remuneration of councillors	8 121	8 713	9 294	9 410	9 968	9 968	8 500	8 721	9 157	9 614
Depreciation & asset impairment	7 764	6 651	6 505	7 611	7 611	7 611	7 611	8 030	8 447	8 711
Finance charges	2 841	2 583	2 321	2 022	2 022	2 022	2 022	1 233	999	740
Materials and bulk purchases	-	-	-	-	-	-	-	-	-	-
Transfers and grants	4 450	4 063	3 549	5 450	4 550	4 550	4 550	3 550	4 550	7 050
Other expenditure	29 115	22 487	25 515	33 490	36 308	36 308	36 298	30 417	26 463	27 888
Total Expenditure	100 499	105 238	109 720	119 439	124 989	124 989	123 393	117 700	118 298	126 121
Surplus/(Deficit)	3 127	3 612	3 505	(1 679)	(6 839)	(6 839)	(5 243)	700	2 351	1 573
Surplus/(Deficit) after capital transfers & contributions	3 127	3 612	3 505	(1 679)	(6 839)	(6 839)	(5 243)	700	2 351	1 573
Surplus/(Deficit) for the year	3 127	3 612	3 505	(1 679)	(6 839)	(6 839)	(5 243)	700	2 351	1 573

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2016/2017 MTREF BUDGET

Capital expenditure & funds sources										
Capital expenditure	2 727	2 354	930	1 660	1 755	1 755	1 755	700	2 069	1 409
Internally generated funds	2 727	2 354	930	1 660	1 755	1 755	1 755	700	2 069	1 409
Total sources of capital funds	2 727	2 354	930	1 660	1 755	1 755	1 755	700	2 069	1 409
Financial position										
Total current assets	41 540	49 699	59 281	25 120	25 120	25 120	25 120	34 590	24 819	20 060
Total non current assets	76 843	71 759	66 819	71 821	72 121	72 121	72 121	66 588	89 498	74 023
Total current liabilities	10 268	13 044	14 054	8 611	8 611	8 611	8 611	8 520	8 651	8 775
Total non current liabilities	20 545	20 701	20 049	18 817	18 817	18 817	18 817	19 715	17 656	15 359
Community wealth/Equity	87 570	87 713	91 997	69 513	69 813	69 813	69 813	72 942	88 010	69 948
Cash flows										
Net cash from (used) operating	11 358	12 707	13 058	5 837	2 452	306	306	8 730	10 798	10 284
Net cash from (used) investing	(9 373)	(12 639)	(11 888)	(13 660)	(13 755)	(1 755)	(1 755)	(700)	(2 069)	(1 409)
Net cash from (used) financing	(2 118)	(1 585)	(1 566)	(2 146)	(2 146)	(2 146)	(2 146)	(2 234)	(2 468)	(2 727)
Cash/cash equivalents at the year end	(3 743)	18 465	18 069	(2 348)	(5 828)	(9 423)	(9 423)	23 865	30 126	36 275
Cash backing/surplus reconciliation										
Cash and investments available	39 982	48 749	58 436	25 120	25 120	25 120	25 120	34 590	24 819	20 060
Application of cash and investments	8 683	4 677	7 672	6 589	6 589	6 589	6 589	7 287	7 652	8 034
Balance - surplus (shortfall)	31 299	44 072	50 764	18 531	18 531	18 531	18 531	27 302	17 167	12 026
Asset management										
Asset register summary (WDV)	7 764	71 759	66 819	71 821	72 121	72 121	66 588	66 588	89 498	74 023
Depreciation & asset impairment	7 764	6 651	6 505	7 611	7 611	7 611	8 030	8 030	8 447	8 711
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	438	405	465	634	564	564	726	726	756	783

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- Table A1 is the budget summary and provides a concise overview of the Council's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
- The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance.
- Financial management reforms emphasize the importance of the municipal budget being funded. This requires the simultaneous assessment of the financial performance, financial position and cash flow budgets, along with the capital budget.
- The cash backing/surplus reconciliation is positive and funding and reserves policies have been compiled to address CRR and all provisions in future.
- Total revenue is R118.4 million in 2016/17 and escalates to R127.7 million by 2018/19. This represents a year-on-year increase of 1.9% for the 2017/18 financial year and 5.84% for the 2018/19 financial year.
- Transfers recognized: It needs to be noted that in real terms the grants receipts from national government are growing slightly over the MTREF by 0.42% (2016/17), 1.87% (2017/18), and 5.9% (2018/19).

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Table 18 – A2: Budgeted Financial Performance by standard classification

DC18 Lejweleputswa - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)										
Standard Classification Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue - Standard										
<i>Governance and administration</i>		102 534	107 960	113 226	117 760	118 150	118 150	118 400	120 649	127 694
Executive and council		97 537	101 620	107 268	114 425	114 425	114 425	116 162	118 333	125 318
Budget and treasury office		4 997	6 340	5 957	3 335	3 725	3 725	2 238	2 316	2 376
<i>Economic and environmental services</i>		1 092	890	-	-	-	-	-	-	-
Planning and development		1 092	890	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	103 626	108 850	113 226	117 760	118 150	118 150	118 400	120 649	127 694
Expenditure - Standard										
<i>Governance and administration</i>		69 587	77 884	83 451	89 968	94 331	94 331	89 100	89 431	95 680
Executive and council		44 264	52 882	51 188	54 446	53 243	53 243	48 735	49 143	54 118
Budget and treasury office		13 229	13 010	15 803	17 188	19 300	19 300	17 771	17 639	17 894
Corporate services		12 094	11 992	16 460	18 333	21 788	21 788	22 594	22 650	23 668
<i>Community and public safety</i>		8 142	8 306	8 691	9 305	9 441	9 441	10 184	10 301	10 768
Community and social services		8 142	8 306	8 691	9 305	9 441	9 441	10 184	10 301	10 768
<i>Economic and environmental services</i>		18 418	16 252	16 699	17 891	18 842	18 842	17 415	17 526	18 373
Planning and development		7 958	5 957	6 945	7 328	7 382	7 382	6 151	6 077	6 371
Environmental protection		10 459	10 295	9 753	10 563	11 460	11 460	11 265	11 449	12 002
<i>Other</i>	4	4 353	2 796	880	2 275	2 375	2 375	1 000	1 040	1 300
Total Expenditure - Standard	3	100 499	105 238	109 720	119 439	124 989	124 989	117 700	118 298	126 121
Surplus/(Deficit) for the year		3 127	3 612	3 505	(1 679)	(6 839)	(6 839)	700	2 351	1 573

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2016/2017 MTREF BUDGET

- Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into four functional areas.
- Functions that show a deficit between revenue and expenditure are being financed from Grant revenues reflected under the Council General.

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Table 19 – A3: Budgeted Financial Performance by municipal vote

DC18 Lejweleputswa - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)										
Vote Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
Revenue by Vote	1									
Vote 4 - Council General		97 537	101 620	106 334	113 495	113 495	113 495	116 162	118 333	122 195
Vote 5 - Municipal Manager		-	-	934	930	930	930	-	-	3 123
Vote 6 - Budget & Treasury		4 997	6 340	5 957	3 335	3 725	3 725	2 238	2 316	2 376
Vote 9 - Planning & Development		1 092	890	-	-	-	-	-	-	-
Total Revenue by Vote	2	103 626	108 850	113 226	117 760	118 150	118 150	118 400	120 649	127 694
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive Mayor		11 499	10 152	6 330	13 008	13 669	13 669	10 174	10 281	10 683
Vote 2 - Speaker		2 410	3 075	3 336	3 078	3 703	3 703	3 724	3 678	3 852
Vote 3 - Mayoral Committee		4 930	5 409	5 916	6 065	6 032	6 032	5 701	5 866	6 153
Vote 4 - Council General		13 975	22 790	21 191	19 164	19 384	19 384	17 397	17 625	18 049
Vote 5 - Municipal Manager		11 451	11 457	14 415	13 132	10 455	10 455	11 740	11 692	15 381
Vote 6 - Budget & Treasury		13 229	13 010	15 803	17 188	19 300	19 300	17 771	17 639	17 894
Vote 7 - Corporate Services		8 350	8 228	12 031	12 811	16 126	16 126	16 665	16 486	17 292
Vote 8 - Property		3 744	3 764	4 429	5 522	5 662	5 662	5 929	6 164	6 376
Vote 9 - Planning & Development		7 958	5 957	6 945	7 328	7 382	7 382	6 151	6 077	6 371
Vote 10 - Community & Social Services		8 142	8 306	8 691	9 305	9 441	9 441	10 184	10 301	10 768
Vote 11 - Environmental Health Services		10 459	10 295	9 753	10 563	11 460	11 460	11 265	11 449	12 002
Vote 12 - Tourism		4 353	2 796	880	2 275	2 375	2 375	1 000	1 040	1 300
Total Expenditure by Vote	2	100 499	105 238	109 720	119 439	124 989	124 989	117 700	118 298	126 121
Surplus/(Deficit) for the year	2	3 127	3 612	3 505	(1 679)	(6 839)	(6 839)	700	2 351	1 573

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2016/2017 MTREF BUDGET

- Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of Council.

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2016/2017 MTREF BUDGET

Table 20 – A4: Budgeted Financial Performance by revenue source and expenditure type

DC18 Lejweleputswa - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1										
Revenue By Source											
Interest earned - external investments		2 425	2 824	3 742	1 890	2 000	2 000	2 000	1 840	1 925	1 992
Interest earned - outstanding debtors		770	1 142	734	95	365	365	365	293	281	270
Transfers recognised - operational		99 931	103 760	108 518	115 675	115 675	115 675	115 675	116 162	118 333	125 318
Other revenue	2	500	1 124	231	100	110	110	110	105	110	114
Total Revenue (excluding capital transfers and contributions)		103 626	108 850	113 226	117 760	118 150	118 150	118 150	118 400	120 649	127 694
Expenditure By Type											
Employee related costs	2	48 208	60 740	62 538	61 455	64 529	64 529	64 411	65 750	68 683	72 117
Remuneration of councillors		8 121	8 713	9 294	9 410	9 968	9 968	8 500	8 721	9 157	9 614
Debt impairment	3			1 067							
Depreciation & asset impairment	2	7 764	6 651	6 505	7 611	7 611	7 611	7 611	8 030	8 447	8 711
Finance charges		2 841	2 583	2 321	2 022	2 022	2 022	2 022	1 233	999	740
Contracted services		-	1 649	2 581	-	-	-	-	1 107	1 151	990
Transfers and grants		4 450	4 063	3 549	5 450	4 550	4 550	4 550	3 550	4 550	7 050
Other expenditure	4, 5	29 115	20 357	21 630	33 490	36 308	36 308	36 298	29 310	25 312	26 898
Loss on disposal of PPE			482	237							
Total Expenditure		100 499	105 238	109 720	119 439	124 989	124 989	123 393	117 700	118 298	126 121
Surplus/(Deficit)		3 127	3 612	3 505	(1 679)	(6 839)	(6 839)	(5 243)	700	2 351	1 573
Surplus/(Deficit) after capital transfers & contributions		3 127	3 612	3 505	(1 679)	(6 839)	(6 839)	(5 243)	700	2 351	1 573
Surplus/(Deficit) after taxation		3 127	3 612	3 505	(1 679)	(6 839)	(6 839)	(5 243)	700	2 351	1 573
Surplus/(Deficit) attributable to municipality		3 127	3 612	3 505	(1 679)	(6 839)	(6 839)	(5 243)	700	2 351	1 573
Surplus/(Deficit) for the year		3 127	3 612	3 505	(1 679)	(6 839)	(6 839)	(5 243)	700	2 351	1 573

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2016/2017 MTREF BUDGET

- Total revenue is R118.2 million 2015/16 and escalates to R 118.4 million by 2016/76. This represents a year-on-year increase of 0.21% for the 2016/17 financial year; 1.90% for the 2017/18 financial year and 5.84% 2018/19 financial year
- Transfers recognized-operating, includes the local government equitable share and other operating grants from national and provincial government.

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2016/2017 MTREF BUDGET

Table 21 – A5: Budgeted Capital Expenditure by Vote, Funding and Standard Classification

DC18 Lejweleputswa - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding											
Vote Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Capital expenditure - Vote											
Single-year expenditure to be appropriated	2										
Vote 1 - Executive Mayor		129	36	23	25	25	25	25	35	25	30
Vote 2 - Speaker		20	35	15	10	10	10	10	22	20	25
Vote 3 - Mayoral Committee		29	8	21	15	15	15	15	91	20	34
Vote 4 - Council General		301	1 197	242	150	150	150	150	-	765	20
Vote 5 - Municipal Manager		30	89	170	200	200	200	200	42	50	25
Vote 6 - Budget & Treasury		547	291	374	900	915	915	915	370	900	300
Vote 7 - Corporate Services		500	93	26	100	100	100	100	65	50	60
Vote 8 - Property		956	254	7	30	110	110	110	-	100	-
Vote 9 - Planning & Development		29	47	44	60	60	60	60	20	14	18
Vote 10 - Community & Social Services		8	90	9	40	40	40	40	-	55	700
Vote 11 - Environmental Health Services		180	213	-	130	130	130	130	55	70	197
Vote 12 - Tourism		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		2 727	2 354	930	1 660	1 755	1 755	1 755	700	2 069	1 409
Total Capital Expenditure - Vote		2 727	2 354	930	1 660	1 755	1 755	1 755	700	2 069	1 409
Funded by:											
Internally generated funds		2 727	2 354	930	1 660	1 755	1 755	1 755	700	2 069	1 409
Total Capital Funding	7	2 727	2 354	930	1 660	1 755	1 755	1 755	700	2 069	1 409

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2016/2017 MTREF BUDGET

Vote Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1										
Capital Expenditure - Standard											
<i>Governance and administration</i>		2 510	2 004	877	1 430	1 525	1 525	1 525	625	1 930	494
Executive and council		508	1 366	470	400	400	400	400	190	880	134
Budget and treasury office		547	291	374	900	915	915	915	370	900	300
Corporate services		1 456	347	34	130	210	210	210	65	150	60
<i>Community and public safety</i>		8	90	9	40	40	40	40	-	55	700
Community and social services		8	90	9	40	40	40	40	-	55	700
<i>Economic and environmental services</i>		209	260	44	190	190	190	190	75	84	215
Planning and development		29	47	44	60	60	60	60	20	14	18
Environmental protection		180	213	-	130	130	130	130	55	70	197
<i>Other</i>		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	2 727	2 354	930	1 660	1 755	1 755	1 755	700	2 069	1 409

- Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
- The capital programme is funded from the Capital Replacement Reserve.

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Table 22 – A6: Budgeted Financial Position

DC18 Lejweleputswa - Table A6 Budgeted Financial Position

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
ASSETS											
Current assets											
Cash		14 982	18 464	18 069	5 120	5 120	5 120	5 120	4 590	4 819	5 060
Call investment deposits	1	25 000	30 284	40 367	20 000	20 000	20 000	20 000	30 000	20 000	15 000
Consumer debtors	1	1 553	-	-	-	-	-	-	-	-	-
Other debtors		5	950	844							
Current portion of long-term receivables											
Inventory	2										
Total current assets		41 540	49 699	59 281	25 120	25 120	25 120	25 120	34 590	24 819	20 060
Non current assets											
Long-term receivables											
Investments											
Investment property											
Investment in Associate											
Property, plant and equipment	3	73 723	70 149	66 468	71 821	71 821	71 821	71 821	66 288	89 248	73 723
Agricultural											
Biological											
Intangible		3 120	1 610	352		300	300	300	300	250	300
Other non-current assets											
Total non current assets		76 843	71 759	66 819	71 821	72 121	72 121	72 121	66 588	89 498	74 023
TOTAL ASSETS		118 383	121 458	126 100	96 941	97 241	97 241	97 241	101 177	114 317	94 083

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LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	1 585	1 847	2 146	2 022	2 022	2 022	2 022	1 233	999	740
Consumer deposits											
Trade and other payables	4	8 683	7 138	7 874	6 589	6 589	6 589	6 589	7 287	7 652	8 034
Provisions			4 059	4 034							
Total current liabilities		10 268	13 044	14 054	8 611	8 611	8 611	8 611	8 520	8 651	8 775
Non current liabilities											
Borrowing		14 960	13 113	10 967	10 967	10 967	10 967	10 967	11 527	9 059	6 332
Provisions		5 585	7 588	9 082	7 850	7 850	7 850	7 850	8 188	8 597	9 027
Total non current liabilities		20 545	20 701	20 049	18 817	18 817	18 817	18 817	19 715	17 656	15 359
TOTAL LIABILITIES		30 813	33 745	34 103	27 428	27 428	27 428	27 428	28 235	26 307	24 134
NET ASSETS	5	87 570	87 713	91 997	69 513	69 813	69 813	69 813	72 942	88 010	69 948
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		87 570	87 713	91 997	69 513	69 813	69 813	69 813	72 942	88 010	69 948
Reserves	4	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	87 570	87 713	91 997	69 513	69 813	69 813	69 813	72 942	88 010	69 948

- Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
- This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
- Table 6 is supported by an extensive table of notes (SA3) providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non-current;
 - Changes in net assets; and
 - Reserves
- The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
- Any movement on the budgeted financial performance or the capital budget will inevitably impact on the budgeted financial position

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Table 23 – A7: Budgeted Cash Flow

DC18 Lejweleputswa - Table A7 Budgeted Cash Flows

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges									-	-	-
Service charges									-	-	-
Other revenue			5 870	231	100	110	110	110	105	110	114
Government - operating	1	100 130	103 760	108 706	115 675	115 675	115 675	115 675	116 162	118 333	125 318
Government - capital	1								-	-	-
Interest		2 425	2 824	4 476	1 890	2 000	2 000	2 000	2 133	2 206	2 262
Dividends									-	-	-
Payments											
Suppliers and employees		(88 356)	(93 101)	(94 485)	(104 356)	(108 761)	(110 907)	(110 907)	(104 887)	(104 302)	(109 619)
Finance charges		(2 841)	(2 583)	(2 321)	(2 022)	(2 022)	(2 022)	(2 022)	(1 233)	(999)	(740)
Transfers and Grants	1		(4 063)	(3 549)	(5 450)	(4 550)	(4 550)	(4 550)	(3 550)	(4 550)	(7 050)
NET CASH FROM/(USED) OPERATING ACTIVITIES		11 358	12 707	13 058	5 837	2 452	306	306	8 730	10 798	10 284
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		2 354	(10 285)	(10 958)					-	-	-
Decrease (Increase) in non-current debtors									-	-	-
Decrease (increase) other non-current receivables									-	-	-
Decrease (increase) in non-current investments		(9 000)			(12 000)	(12 000)			-	-	-
Payments											
Capital assets		(2 727)	(2 354)	(930)	(1 660)	(1 755)	(1 755)	(1 755)	(700)	(2 069)	(1 409)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(9 373)	(12 639)	(11 888)	(13 660)	(13 755)	(1 755)	(1 755)	(700)	(2 069)	(1 409)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits									-	-	-
Payments											
Repayment of borrowing		(2 118)	(1 585)	(1 566)	(2 146)	(2 146)	(2 146)	(2 146)	(2 234)	(2 468)	(2 727)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(2 118)	(1 585)	(1 566)	(2 146)	(2 146)	(2 146)	(2 146)	(2 234)	(2 468)	(2 727)
NET INCREASE/ (DECREASE) IN CASH HELD		(133)	(1 517)	(396)	(9 969)	(13 449)	(3 595)	(3 595)	5 796	6 261	6 149
Cash/cash equivalents at the year begin:	2	(3 610)	19 982	18 464	7 621	7 621	(5 828)	(5 828)	18 069	23 865	30 126
Cash/cash equivalents at the year end:	2	(3 743)	18 465	18 069	(2 348)	(5 828)	(9 423)	(9 423)	23 865	30 126	36 275

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The cash flow management and forecasting is a critical step in determining if the budget is funded over medium-term. The table above is consistent with international standards of good financial management practice and also improves understandability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category.
- Clear separation of capital and operating receipts from government, which also enables cash from "debtors and other" to provide for as cash inflow based on actual performance.
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long-term borrowing (debt).

The above table shows an increase in the cash and cash equivalents to R23.9 million for 2016/17 financial year. The positive cash position will decrease to R36.3 million. In the past performances, the municipality used to have negative cash flow position.

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Table 24 – A8: Cash backed reserves/accumulated surplus reconciliation

DC18 Lejweleputswa - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Cash and investments available											
Cash/cash equivalents at the year end	1	(3 743)	18 465	18 069	(2 348)	(5 828)	(9 423)	(9 423)	23 865	30 126	36 275
Other current investments > 90 days		43 725	30 284	40 367	27 468	30 948	34 543	34 543	10 724	(5 307)	(16 215)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		39 982	48 749	58 436	25 120	25 120	25 120	25 120	34 590	24 819	20 060
Application of cash and investments											
Unspent conditional transfers		-	-	188	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	8 683	4 677	7 485	6 589	6 589	6 589	6 589	7 287	7 652	8 034
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		8 683	4 677	7 672	6 589	6 589	6 589	6 589	7 287	7 652	8 034
Surplus(shortfall)		31 299	44 072	50 764	18 531	18 531	18 531	18 531	27 302	17 167	12 026

The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – funding a municipal budget in accordance with sections 18 and 19 of the MFMA.

The 2016/2017 budget is showing a positive outcome.

From the above table it can be seen that the cash and investments available total R27.3million in the 2016/17 financial year. The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the revenue fund at the end of the financial year. In the past these have been allowed to 'roll-over' and be spent in the ordinary course of business, but this practice has been discontinued.
- Provision for statutory requirements including VAT owing due to timing differences resulting from year-end obligations.
- The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due.
- This liability is informed by all provisions.
- The level of cash-backing is directly informed by the municipality's cash backing policy.
- It can be concluded that the council has a surplus against the cash backed and accumulated surpluses reconciliation.

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Table 25 – A9: Asset Management

DC18 Lejweleputswa - Table A9 Asset Management										
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
CAPITAL EXPENDITURE										
<u>Total New Assets</u>	1	2 727	2 354	930	1 660	1 755	1 755	700	2 069	1 409
Other assets	6	2 727	2 199	696	1 360	1 455	1 455	400	1 819	1 109
Intangibles		–	155	233	300	300	300	300	250	300
Other assets		2 727	2 199	696	1 360	1 455	1 455	400	1 819	1 109
Intangibles		–	155	233	300	300	300	300	250	300
TOTAL CAPITAL EXPENDITURE - Asset class	2	2 727	2 354	930	1 660	1 755	1 755	700	2 069	1 409
ASSET REGISTER SUMMARY - PPE (WDV)										
Other assets	5	4 644	70 149	66 468	71 821	71 821	71 821	66 288	89 248	73 723
Intangibles		3 120	1 610	352	–	300	300	300	250	300
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	7 764	71 759	66 819	71 821	72 121	72 121	66 588	89 498	74 023

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Table 26 – A10: Basic Service delivery measurement

DC18 Lejweleputswa - Table A10 Basic service delivery measurement										
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Household service targets	1									
<u>Water:</u>										
Piped water inside dwelling		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
<u>Sanitation/sewerage:</u>										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-

The municipality is a district, and does not provide basic services.

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Part 2 – Supporting documentation

2.1 - Disclosure on implementation of the MFMA & other applicable legislation Municipal Finance Management Act – No 56 of 2003

The MFMA became effective on 1st July 2004. The Act aims to modernize budget and financial management practices within the overall objective of maximizing the capacity of municipalities to deliver services.

The MFMA covers all aspects of municipal finance including budgeting, supply chain management and financial reporting.

The various sections of the Act are phased in according to the designated financial management capacity of municipalities. Lejweleputswa District Municipality has been designated as a low capacity municipality. The MFMA is the foundation of the municipal financial management reforms which municipalities are implementing.

The MFMA and the budget

The following explains the budgeting process in terms of the requirements in the MFMA. It is based on National Treasury's guide to the MFMA.

2.2 The budget preparation process

2.2.1 Overview

A central element of the reforms is a change to the way that municipalities prepare their budgets.

The MFMA requires a council to adopt three-year capital and operating budgets that take into account, and are linked to, the municipality's current and future development priorities (as contained in the IDP) and other finance-related policies (such as those relating to free basic service provision).

These budgets must clearly set out revenue by source and expenditure by vote over three years and must be accompanied by performance objectives for revenue and expenditure, a cash flow statement and particulars on borrowing, investments, municipal entities and service delivery agreements, grant allocations and details of employment conditions of service.

The budget may be funded only from reasonable estimates of revenue and cash backed surplus funds from the previous year and borrowings (the latter for capital items only).

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2.2.2 Budget preparation timetable

The first step in the budget preparation process is to develop a timetable of all key deadlines relating to the budget and to review the municipality's IDP and budget related policies.

The budget preparation timetable should be prepared by senior management and tabled by the mayor for council adoption ten months before the commencement of the next budget year.

The next diagram depicts the planning, implementation and monitoring process that is followed in LDM. In terms of Section 21 of the MFMA the mayor is required to table in council ten months before the start of the new financial year a time schedule of key deadlines that sets out the process to revise the IDP and prepare the budget.

Table 27 – A10: Schedule of key Deadlines

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LEJWELEPUTSWA DISTRICT MUNICIPALITY IDP AND BUDGET PROCESS TIMEFRAME				
	ACTION/ OUTPUT	DELIVERABLE	RESPONSIBLE	ACTION DATE
1.	<i>IDP to be reviewed</i>	Final IDP 2016-17	<i>MM and Executive Mayor</i>	03 August 2015 to 31 May 2016
2.	<i>Submit District IDP framework and process plan for adoption by council</i>	Adopted framework and process plans	<i>Municipal Manager</i>	11 August 2015
3.	<i>Advertise the approved framework & process plan in local newspapers</i>	Advertisement in the local newspapers	<i>IDP Manager</i>	31 August 2015
4.	<i>Update IDP analysis phase on alignment with NDP & PGDS & Address IDP assessment report comments</i>	Reviewed & updated Analysis	<i>MM& IDP steering committee & Representative forum</i>	30 Sept 2015
5.	<i>Review key objectives, strategies and projects</i>	Reviewed key objectives, strategies and projects & programs	<i>IDP Steering Com & Representative forum</i>	30 Nov 2015
6.	<i>Submit budget instructions to all relevant persons</i>		CFO	30 Nov 2015
7.	<i>Submit 2016/2017 budget framework to all relevant persons (Budget framework to include salary, operational and capital related information).</i>		CFO	30 Nov 2015
8.	<i>Preparation of a summary of available funds from: Internal funds, e.g. CDF and External funding ,e.g. FM grant</i>		CFO	30 Nov 2015
9.	<i>Prioritization of reviewed project list for 2016/2017 from 2015/2016 IDP</i>	Project list	<i>MM & Steering Committee,</i>	11 Dec 2015
10.	<i>Submission of detailed estimates by MM, HODs and Political Offices to CFO.</i>	Budget estimates	<i>MM, HODs and Political Offices</i>	11 Dec 2015
11.	<i>Assess financial feasibility of proposed new projects based on existing and potential funds</i>	Proposed new project list/Budget adjustments	<i>All HODs and Budget Control Officer/IDP Steering committee</i>	29 Jan 2016
12.	<i>Meeting with relevant officials (First draft Budget meeting)</i>	Draft budget	<i>CFO, Budget Control Officer/IDP Steering committee</i>	29 Jan 2016
13.	<i>Meeting with relevant officials (Second draft Budget meeting)</i>		CFO	29 Jan 2016
14.	<i>Meeting with relevant officials (Third draft</i>		CFO,	29 Jan 2016

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	<i>Budget meeting)</i>			
15	<i>LDA Draft budget & business plan 16-17 to 18-19</i>	LDA budget and Business plan	LDA CEO	29 Jan 2016
15.	<i>Considering of Draft Budget by Finance Portfolio Committee</i>		CFO	29 Feb 2016
16.	<i>Considering of Draft Budget by Mayoral Committee</i>	Mayoral Committee budget item	CFO	29 Feb 2016
17.	<i>Table a draft reviewed IDP to MAYCO for consideration.</i>	Mayoral committee Budget & IDP item	MM and Executive Mayor	29 Feb 2016
18.	<i>Tabling of MTEF Budget in Council meeting</i>	Draft budget item to Council	Executive Mayor	31 March 2016
19	<i>Table draft IDP to council for approval</i>	Draft IDP item to Council	Executive Mayor	31 March 2016
20.	<i>Discussing the draft with the public</i>	Public participation	IDP Rep forum	31 March 2016
21.	<i>Publicize tabled budget within 5 Days after tabling on website & media</i>		MM and CFO	29 Apr 2016
22.	<i>Submit copies of IDP and budget to National /Provincial Treasury</i>		MM and CFO	29 Apr 2016
23.	<i>Second leg of IDP and Budget Participation process starts. Comments, additions and proposals by stakeholders</i>	Incorporated Inputs from stakeholders	MM, CFO, HODs and Budget Control Officer and political offices	1 Apr- 29 May 2016
24.	<i>Mayoral Committee finalizes the draft 2016/2017 IDP and budget</i>		MM and CFO	29 May 2016
25.	<i>Submission of IDP and budget for 2016/2017 for approval by council</i>	Approved IDP and Budget by Council	MM and CFO	29 May 2016
26.	<i>Presentation of approved final IDP to the public</i>	Informed Public participation	MM, Executive Mayor & IDP Rep forum	29 May 2016
27.	<i>Prepare Budget in the required format and submission thereof to both Provincial National Treasury</i>		CFO	12 June 2016
28.	<i>Submit the approved IDP to provincial departments</i>		MM	12 June 2016
29.	<i>Submit draft SDBIP to Mayor within 14 days after approval of the budget</i>	Final Municipal SDBIP	MM	12 June 2016
30.	<i>Prepare Performance agreements and plans for signing and submission to relevant provincial offices.</i>		MM	31 July 2016
31.	<i>Set up expenditure, revenue and asset management system, incorporating budget.</i>		CFO	31 July 2016

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2.2.3 – Tabling of the budget

The budget will go for public participation in April/May 2016 as indicated below and inputs were received from communities; provincial treasury, national treasury will be taken into consideration.

The budget must be tabled by the mayor before council for adoption by 30th June, including measurable performance objectives, changes to the IDP and budget related policies.

2.2.4 – Consultation with the community and key stakeholders

When the draft budget is tabled, council must consider the views of the local community, the national and the relevant provincial treasury and other municipalities and government departments that may have made submissions on the budget.

The overall objective of this is to ensure an authentic and inclusive public participation process for the IDP and budget.

The planning of the public participation was be driven by a steering committee constituted by politicians and officials from all Directorates. This committee provided guidance and feedback on areas that required improvement as the IDP and Budget shows unfolded.

2.3 – Service Delivery and Budget Implementation Plan (SDBIP)

The municipal manager must within fourteen days after the approval of the annual budget submit to the executive mayor for approval a draft service delivery and budget implementation plan and draft annual performance agreements for all pertinent senior staff.

A service delivery and budget implementation plan is a detailed plan for implementing the delivery of municipal services contemplated in the annual budget and should indicate monthly revenue and expenditure projections and quarterly service delivery targets and performance indicators.

The executive mayor must approve the draft service delivery and budget implementation plan within 28 days of the approval of the annual final budget.

This plan must then be monitored by the mayor and reported on to council on a regular basis. The municipal manager is responsible for implementation of the budget and must take steps to ensure that all spending is in accordance with the budget and that revenue and expenditure are properly monitored.

Generally, councils may incur expenditure only if it is in terms of the budget, within the limits of the amounts appropriated against each budget vote – and in the case of capital expenditure, only if council has approved the project. Expenditure incurred outside of these parameters may be considered

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to be unauthorized or, in some cases, irregular or fruitless and wasteful. Unauthorized expenditure must be reported and may result in criminal proceedings.

2.4 – Alignment of Annual Budget with IDP

Municipalities are required to develop five year Integrated Development Plans which must be reviewed annually. Local priorities were identified as part of the IDP process which is directly aligned to that of national and provincial priorities. The IDP strategic objectives and goals are set out in the IDP document.

The 2016/17 MTREF has therefore been directly informed by the IDP and the following tables provide reconciliation between the IDP strategic objectives and goals.

Table 29 – SA4: Reconciliation between IDP strategic objectives and budgeted operating revenue

DC18 Lejweleputswa - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)												
Strategic Objective	Goal	Goal Code	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand												
Source funding for operation and support service	Service delivery (interest from Bank & Investment)			2 425	2 824	3 742	1 890	2 000	2 000	1 840	1 925	1 992
	Other			1 270	2 265	965	195	475	475	398	391	384
	Grants			99 931	103 760	108 518	115 675	115 675	115 675	116 162	118 333	125 318
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	103 626	108 850	113 226	117 760	118 150	118 150	118 400	120 649	127 694

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Table 30 – SA5: Reconciliation between IDP strategic objectives and budgeted operating expenditure

DC18 Lejweleputswa - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)												
Strategic Objective	Goal	Goal Code	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand												
Local Economic Development	Economic Development			500	88	267	100	100	100	100	104	108
	SMME Development				398	41	100	100	100	80	83	86
	Tourism Development			3 254	2 196	750	1 000	1 000	1 000	1 000	1 040	500
Municipal Transformation and Institutional Development	Skills Development			595	1 265	1 807	2 200	1 450	1 450	2 150	2 236	2 283
	Workplace Skills Plan			78	100	232	220	220	220	220	207	241
	Employee Wellness			200	34	109	140	140	14	50	52	54
Municipal Financial Viability and Management	Clean Audit			1 308	1 234	1 089	1 250	1 250	1 250	1 250	1 250	1 000
Good Governance and Public Participation	Moral Regeneration			197	247	130	220	200	200	150	156	161
	District Aids			163	34	-	90	90	90	90	94	97
	Council and HIV & AIDS											
	Gender Disability, Elderly and Children's Programme			73	321	109	50	50	50	90	93	96
	National Campaign			1 807	1 265	1 227	1 500	2 774	2 774	450	468	484
	Mandela Day					99	100	100	100	100	104	108
	Educational Programme			542	761	371	540	540	540	300	312	323
	Grant in Aid			1 303	592	152	130	130	130	130	135	140
	Youth Development			1 030	242	186	288	188	188	152	158	164
	OR Tambo games			500	661	484	719	719	719	300	312	323
	National Population registration Campaign								51			
	Branding			72	238	55	620	262	262	110	114	118
	Performance Management				99	99	100	100	100	100	104	108
Safety and Healthy Environment	Municipal health services			72	221	206	340	329	329	329	342	354
	Disaster Management			31	93	46	97	94	94	99	103	107
TOTAL LINKED IDP PROJECTS				88 776	95 247	102 261	109 635	115 153	115 279	110 400	110 830	119 267
Allocations to other priorities												
Total Expenditure				100 499	105 237	109 720	119 439	124 989	124 989	117 700	118 298	126 121

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Table 31 – SA6: Reconciliation between IDP strategic objectives and budgeted capital expenditure

DC18 Lejweleputswa - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)												
Strategic Objective	Goal	Goal Code	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand												
Municipal Transformation and institutional Development	Furniture & fittings, Office equipment, Motor vehicles, Property & plant	A		2 727	2 354	930	1 660	1 755	1 755	700	2 069	1 409
Allocations to other priorities			3									
Total Capital Expenditure			1	2 727	2 354	930	1 660	1 755	1 755	700	2 069	1 409

2.5 – Measurable Performance Objectives and Indicators

Tables 32 – SA7: Measurable Performance Objectives

DC18 Lejweleputswa - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Vote 1 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
<i>Insert measure/s description</i>										
Sub-function 2 - (name)										
<i>Insert measure/s description</i>										
Sub-function 3 - (name)										
<i>Insert measure/s description</i>										
Function 2 - (name)										
Sub-function 1 - (name)										
<i>Insert measure/s description</i>										
Sub-function 2 - (name)										
<i>Insert measure/s description</i>										
Sub-function 3 - (name)										
<i>Insert measure/s description</i>										

The key financial indicators and ratios are expressed in the table below:

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Tables 33 – SA8: Performance Indicators and benchmarks

DC18 Lejweleputswa - Supporting Table SA8 Performance indicators and benchmarks											
Description of financial indicator	Basis of calculation	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<u>Borrowing Management</u>											
Capital Charges to Operating	Interest & Principal Paid /Operating Expenditure	4.9%	4.0%	3.5%	3.5%	3.3%	3.3%	3.4%	2.9%	2.9%	2.7%
Capital Charges to Own	Finance charges & Repayment of borrowing /Own	134.2%	81.9%	82.6%	199.9%	168.4%	168.4%	168.4%	154.9%	149.7%	145.9%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	4.0	3.8	4.2	2.9	2.9	2.9	2.9	4.1	2.9	2.3
Current Ratio adjusted for aged	Current assets less debtors > 90 days/current	4.0	3.8	4.2	2.9	2.9	2.9	2.9	4.1	2.9	2.3
Liquidity Ratio	Monetary Assets/Current Liabilities	3.9	3.7	4.2	2.9	2.9	2.9	2.9	4.1	2.9	2.3
<u>Revenue Management</u>											
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	1.5%	0.9%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Creditors Management</u>											
Creditors to Cash and		-232.0%	38.7%	42.5%	-280.6%	-113.1%	-69.9%	-69.9%	30.5%	25.4%	22.1%
<u>Other Indicators</u>											
Employee costs	Employee costs/(Total Revenue - capital revenue)	46.5%	55.8%	55.2%	52.2%	54.6%	54.6%	54.5%	55.5%	56.9%	56.5%
Remuneration	Total remuneration/(Total Revenue - capital	57.0%	67.9%	68.0%	60.2%	62.6%	62.6%		63.2%	64.8%	64.2%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.4%	0.4%	0.4%	0.5%	0.5%	0.5%		0.6%	0.6%	0.6%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	10.2%	8.5%	7.8%	8.2%	8.2%	8.2%	8.2%	7.8%	7.8%	7.4%
<u>IDP regulation financial</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt	0.8	0.8	1.2	0.5	0.5	0.5	0.6	0.5	0.5	0.5
ii. O/S Service Debtors to	Total outstanding service debtors/annual revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
iii. Cost coverage	(Av available cash + Investments)/monthly fixed	(0.6)	2.6	2.5	(0.3)	(0.7)	(1.2)	(1.2)	3.2	3.9	4.4

2.5 Measurable Performance Indicators and Benchmarks

(a) Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities,

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Lejweleputswa District Municipality's borrowing strategy is primarily informed by the affordability of debt repayments. Council's debt portfolio is dominated by annuity loans.

The following financial performance indicators have formed part of the compilation of the 2016/17 MTREF:

- *Capital charges to operating expenditure* are a measure of the cost of borrowing in relation to the operating expenditure. It can be seen that the cost of borrowing is (2.9%) for 2016/17.
- Safety of Capital
- *The debt-to-equity ratio* is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of loans, creditors, and overdraft and tax provisions as a percentage of funds and reserves.
- *The gearing ratio* is a measure of the total long term borrowings over funds and reserves.

(b) Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities which is standing at 4.1 for 2016/17.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately which reflects a 4.1 ratio for 2016/17.

(c) Creditors Management

- The Finance department ensures that creditor payments are done within the allowed 30 days.

2.6 – Budget Assumptions

Budgets are prepared in an environment of uncertainty. To prepare meaningful budgets, assumptions need to be made about internal and external factors that could influence the budget. Documentation of the assumptions used in preparing the budget assists understanding of the information. This section provides a comprehensive summary of all the assumptions used in preparing the budget.

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2.6.1 – National Treasury MFMA Circular No. 78 & 79

The Circulars were issued on 07 December 2015 and 07 March 2016 respectively, and it provides further guidance to municipalities for the preparation of the 2016/17 budget and MTREF and was used in preparing this budget. Copies of the Circulars are attached as an Annexure to this document.

2.6.2 – Inflation Outlook

In MFMA Circular No. 79, inflation forecasts are estimated at 4.8%, 5.9% and 5.6% respectively for the years 201 to 2018.

2.6.3 – Average salary increases

The MTREF includes the following average percentage increases for employee remuneration and for councillors remuneration:

	2016/17	2016/17
Employee remuneration	6%	average CPI (Feb 2016 – Jan 201) +1%

The employee related costs comprise 55.86% of total operating expenditure in the 2016/17 MTREF budget and places a disproportionate upward pressure on the expenditure budget.

Based on the three year collective SALGBC agreement, salary increases have not been factored into this budget (2016/17) due to financial constraints that has been alluded to above (grant increase of 0.42%).

An annual increase has not been included in the outer two years of the MTREF.

The cost associated with the remuneration of councilors is determined by the Minister of Cooperative Governance and Traditional Affairs in accordance with the Remuneration of Public Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the LDM's budget.

2.6.4 – Ability of the municipality to spend and deliver on the programmes

Spending is monitored closely throughout the year and head of departments must ensure that capital programmes are supported by robust planning.

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The SDBIP includes monthly cash flows of expenditure and is used as the basis for budget monitoring. Monthly Section 71 meetings with portfolio councillors, municipal manager, head of departments and the budget office also forms part of the monitoring tool and directorates must give reasons for poor performance and over spending and put corrective measures in place.

2.6.5 – Implications of restructuring and other major events in the future

Council approved a new organizational structure that reduced the number of directorates from eight to seven. Community Safety was combined with Environmental Affairs to establish the new directorate namely Community Services. Minor changes to the micro structure were also made. These changes were made to streamline service delivery and to affect savings.

2.7 – Other Supporting documents

2.7.1 Investment Particulars by Type

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Table 34 – SA15: Investment Particulars by Type

DC18 Lejweleputswa - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		25 000	30 284	40 367	20 000	20 000	20 000	30 000	20 000	15 000
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	25 000	30 284	40 367	20 000	20 000	20 000	30 000	20 000	15 000
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		25 000	30 284	40 367	20 000	20 000	20 000	30 000	20 000	15 000

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Table 34.1 – SA16: Investment Particulars by Maturity

DC18 Lejweleputswa - Supporting Table SA16 Investment particulars by maturity														
Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate 3.	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID	1	Yrs/Month												
Parent municipality														
ABSA		90days	Fixed	Yes	Fixed	6.87%				5 000	67			5 067
Nedbank		3 months	Fixed	Yes	Fixed	6.88%				5 000	66			5 066
First National Bank		3 months	Fixed	Yes	Fixed	6.88%				5 000	66			5 066
Standard Bank		3 months	Fixed	Yes	Fixed	6.86%				5 000	67			5 067
Municipality sub-total										20 000		-	-	20 266
Entities														
														-
														-
														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	1									20 000		-	-	20 266

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2.7.2 Borrowings

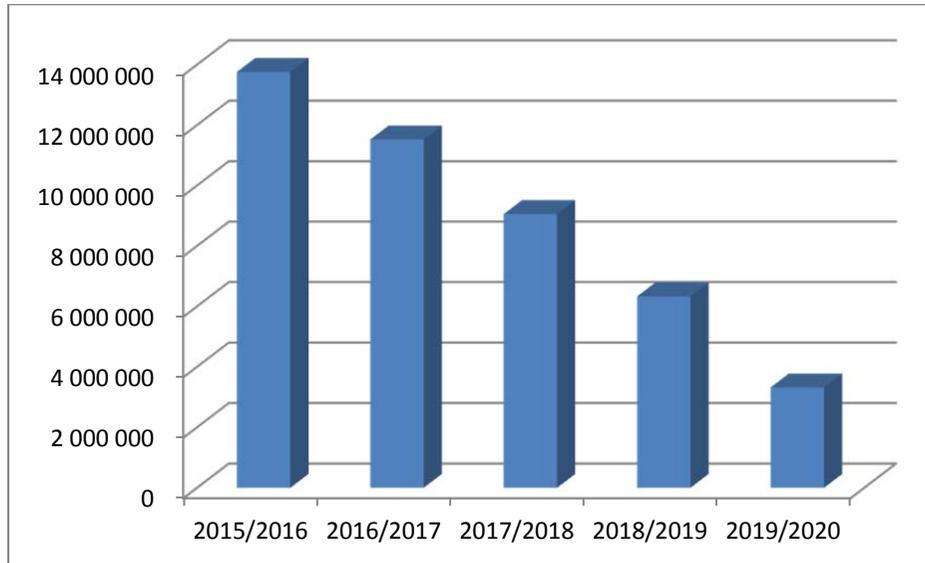
Table 35 – SA17: Borrowing

DC18 Lejweleputswa - Supporting Table SA17 Borrowing										
Borrowing - Categorized by type	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Parent municipality										
Long-Term Loans (annuity/reducing balance)		14 960	13 113	10 967	10 967	10 967	10 967	11 527	9 059	6 332
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	14 960	13 113	10 967	10 967	10 967	10 967	11 527	9 059	6 332

The above schedule and below graph indicates the reduction in the capital amount from R11.5 million to R6.3 million at 2018/19.

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Table 35.1 Reductions in Outstanding Borrowing (long Term Liabilities)



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2.7.3 Grants and subsidies

Table 36 – SA18: Transfers and grants receipt

DC18 Lejweleputswa - Supporting Table SA18 Transfers and grant receipts										
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		100 318	103 760	108 518	115 675	115 675	115 675	116 162	118 333	125 318
Local Government Equitable Share		23 150	24 658	26 260	29 958	29 958	29 958	29 027	29 919	31 302
RSC Levy Replacement		73 962	75 962	78 487	80 432	80 432	80 432	82 700	84 870	87 458
Finance Management		1 232	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 000
Municipal Systems Improvement		974	890	934	930	930	930			3 123
EPWP Incentive		1 000	1 000		1 000	1 000	1 000	1 000		
Rural Roads Assets MGMT System				1 587	2 105	2 105	2 105	2 185	2 294	2 435
Other transfers/grants [insert description]										
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Operating Transfers and Grants	5	100 318	103 760	108 518	115 675	115 675	115 675	116 162	118 333	125 318

Table 37 – SA19: Expenditure on transfers and grants

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DC18 Lejweleputswa - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
EXPENDITURE:										
Operating expenditure of Transfers and Grants										
National Government:		100,317	103,760	108,518	115,675	115,675	115,675	116,162	118,333	125,318
Local Government Equitable Share		23,150	24,658	26,260	29,958	29,958	29,958	29,027	29,919	31,302
RSC Levy Replacement		73,962	75,962	78,487	80,432	80,432	80,432	82,700	84,870	87,458
Finance Management		1,232	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,000
Municipal Systems Improvement		974	890	934	930	930	930			3,123
EPWP Incentive		999	1,000		1,000	1,000	1,000	1,000		
Rural Roads Assets MGMT System				1,587	2,105	2,105	2,105	2,185	2,294	2,435
Provincial Government:		-	-	-	-	-	-	-	-	-
Rural Roads Assets MGMT System										
District Municipality:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Other grant providers:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Total operating expenditure of Transfers and Grants		100,317	103,760	108,518	115,675	115,675	115,675	116,162	118,333	125,318

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Table 38 – SA20: Reconciliation of transfers, grants receipts and unspent funds

DC18 Lejweleputswa - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds										
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		99 931	103 760	108 518	115 675	115 675	115 675	116 162	118 333	125 318
Conditions met - transferred to revenue		99 931	103 760	108 518	115 675	115 675	115 675	116 162	118 333	125 318
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		99 931	103 760	108 518	115 675	115 675	115 675	116 162	118 333	125 318

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Table 39 – SA21: Transfers and grants made by the municipality

DC18 Lejweleputswa - Supporting Table SA21 Transfers and grants made by the municipality											
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
Cash Transfers to other municipalities											
<i>Insert description</i>	1										
Masilonyana Municipality (FS 181)							1 000	1 000			1 000
Tswelopele Municipality (FS 183)		50	50		50	50	50	50	50	50	50
Majhabeng Municipality (FS 184)		1 900	1 513	1 049	1 900	1 000					
Nala Municipality (FS 185)	1				1 000					1 000	1 000
Tswelopele Fancing (FS 183)											
Tokologo Municipality (FS 182)											1 500
Total Cash Transfers To Municipalities:		1 950	1 563	1 049	2 950	1 050	1 050	1 050	50	1 050	3 550
Cash Transfers to Entities/Other External Mechanisms											
<i>Insert description</i>	2										
Lejweleputswa Development Agency		2 500	2 500	2 500	2 500	3 500	3 500	3 500	3 500	3 500	3 500
Cemeteries: Roads & Stormwater; Roads to Cemetery											
Total Cash Transfers To Entities/Ems'		2 500	2 500	2 500	2 500	3 500	3 500	3 500	3 500	3 500	3 500
Cash Transfers to other Organs of State											
<i>Insert description</i>	3										
Total Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Organisations											
<i>Insert description</i>											
Total Cash Transfers To Organisations		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Groups of Individuals											
<i>Insert description</i>											
Total Cash Transfers To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL CASH TRANSFERS AND GRANTS	6	4 450	4 063	3 549	5 450	4 550	4 550	4 550	3 550	4 550	7 050

The total remuneration has remained the same from R74.5 million to R74.5 million from 2015/16 to 2016/17

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Table 40 – SA22: Summary of councillor and staff benefits

DC18 Lejweleputswa - Supporting Table SA22 Summary councillor and staff benefits										
Summary of Employee and Councillor remuneration	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		4 708	4 855	5 870	5 841	5 841	5 841	5 483	5 738	6 004
Pension and UIF Contributions		895			810	810	810	759	794	831
Medical Aid Contributions			1 150	1 080	568	568	568	342	358	375
Motor Vehicle Allowance		1 863	1 976	1 886	1 647	1 647	1 647	1 741	1 822	1 907
Cellphone Allowance		347	398	389	292	292	292	396	414	434
Housing Allowances										
Other benefits and allowances		307	332	68	252	252	252	310	324	339
Sub Total - Councillors		8 121	8 713	9 294	9 410	9 410	9 410	9 030	9 450	9 889
% increase	4		7.3%	6.7%	1.3%	-	-	(4.0%)	4.7%	4.7%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		1 657	2 682	3 413	5 267	5 267	5 267	5 668	5 932	6 208
Pension and UIF Contributions		347	646	587						
Performance Bonus			169		790	790	790	694	727	761
Motor Vehicle Allowance	3	534	653	753						
Cellphone Allowance	3	34	89	120	120	120	120	120	126	131
Housing Allowances	3	94	261	274						
Other benefits and allowances	3	103								
Sub Total - Senior Managers of Municipality		2 770	4 501	5 147	6 177	6 177	6 177	6 483	6 784	7 100
Revenue Management	0		62.5%	14.3%	20.0%	-	-	4.9%	4.7%	4.7%
Other Municipal Staff										
Basic Salaries and Wages		28 790	35 720	41 845	38 125	40 116	40 116	40 673	42 707	44 842
Pension and UIF Contributions		5 352	5 765	6 020	6 508	6 542	6 542	6 874	7 218	7 579
Medical Aid Contributions		2 401	2 907	3 140	3 589	3 565	3 565	3 918	4 114	4 320
Overtime		407	188	232		12	12			
Performance Bonus		2 410								
Motor Vehicle Allowance	3	5 230	5 282	5 299	5 445	6 017	6 017	5 958	6 256	6 569
Cellphone Allowance	3	308	235	197	216	216	216	216	227	238
Housing Allowances	3	435	327	276	287	382	382	431	453	476
Other benefits and allowances	3	752	1 262	3 028	947	1 001	1 001	832	896	965
Payments in lieu of leave		2 236	2 250	2 501						
Long service awards			3 192		161	515	515	364	28	29
Post-retirement benefit obligations	6	(113)	3 612							
Sub Total - Other Municipal Staff		48 208	60 740	62 538	55 278	58 367	58 367	59 267	61 899	65 018
Revenue Management	0		26.0%	3.0%	(11.6%)	5.6%	0.0%	1.5%	4.4%	5.0%
Total Parent Municipality		59 098	73 954	76 978	70 865	73 954	73 954	74 780	78 133	82 007

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Table 42 – SA24: Summary of personnel numbers
 DC18 Lejweleputswa - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2014/15			Current Year 2015/16			Budget Year 2016/17		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		37			37			37		
Board Members of municipal entities	4									
Municipal employees	5									
Municipal Manager and Senior Managers	3	5		5	5		5	5		5
Other Managers	7									
Professionals		46	46	-	46	46	-	46	46	-
<i>Finance</i>		3	3		3	3		3	3	
<i>Spatial/town planning</i>		1	1		1	1		1	1	
<i>Information Technology</i>										
<i>Roads</i>										
<i>Electricity</i>										
<i>Water</i>										
<i>Sanitation</i>										
<i>Refuse</i>										
<i>Other</i>		42	42		42	42		42	42	
Technicians		91	91	-	91	91	-	91	91	-
<i>Finance</i>		14	14		14	14		14	14	
<i>Spatial/town planning</i>		1	1		1	1		1	1	
<i>Information Technology</i>		3	3		3	3		3	3	
<i>Roads</i>										
<i>Electricity</i>										
<i>Water</i>										
<i>Sanitation</i>										
<i>Refuse</i>										
<i>Other</i>		73	73		73	73		73	73	
Clerks (Clerical and administrative)										
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators										
Elementary Occupations										
TOTAL PERSONNEL NUMBERS	9	179	137	5	179	137	5	179	137	5

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2.7.5 Monthly targets for revenue, expenditure and cash flow

Table 43 – SA25: Budgeted monthly revenue and expenditure by revenue source and expenditure type

DC18 Lejweleputswa - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
Revenue By Source																	
Property rates														-	-	-	-
Property rates - penalties & collection charges														-	-	-	-
Service charges - electricity revenue														-	-	-	-
Service charges - water revenue														-	-	-	-
Service charges - sanitation revenue														-	-	-	-
Service charges - refuse revenue														-	-	-	-
Service charges - other														-	-	-	-
Rental of facilities and equipment														-	-	-	-
Interest earned - external investments		63	135	297	118	260	99	184	250	166	127		141	1 840	1 925	1 992	
Interest earned - outstanding debtors				89			65			74			66	293	281	270	
Dividends received														-	-	-	-
Fines														-	-	-	-
Licences and permits														-	-	-	-
Agency services														-	-	-	-
Transfers recognised - operational		1 250		43 520				39 801					31 591	116 162	118 333	125 318	
Other revenue		4	5	8	10	13	12	9	14	9	11		13	105	110	114	
Gains on disposal of PPE														-	-	-	-
Total Revenue (excluding capital transfers and contributions)		1 317	140	43 913	128	273	176	39 994	264	249	138	-	31 810	118 400	120 649	127 694	
Expenditure By Type																	
Employee related costs		3 360	3 982	4 626	5 014	5 170	5 230	5 607	6 260	6 613	6 820	6 334	6 733	65 750	68 683	72 117	
Remuneration of councillors		620	632	671	708	714	719	726	750	773	798	806	804	8 721	9 157	9 614	
Debt impairment														-	-	-	-
Depreciation & asset impairment		580	606	613	637	641	654	668	682	711	765	745	728	8 030	8 447	8 711	
Finance charges							617						616	1 233	999	740	
Bulk purchases														-	-	-	-
Other materials														-	-	-	-
Contracted services													1 107	1 107	1 151	990	
Transfers and grants		3 500					50							3 550	4 550	7 050	
Other expenditure		1 900	2 016	2 148	2 186	2 610	2 025	2 850	3 198	3 028	2 958	3 458	933	29 310	25 312	26 898	
Loss on disposal of PPE														-	-	-	-
Total Expenditure		9 960	7 236	8 058	8 545	9 135	9 295	9 851	10 890	11 125	11 341	11 343	10 921	117 700	118 298	126 121	
Surplus/(Deficit)		(8 643)	(7 097)	35 855	(8 417)	(8 862)	(9 119)	30 143	(10 627)	(10 876)	(11 203)	(11 343)	20 889	700	2 351	1 573	
Transfers recognised - capital														-	-	-	-
Contributions recognised - capital														-	-	-	-
Contributed assets														-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(8 643)	(7 097)	35 855	(8 417)	(8 862)	(9 119)	30 143	(10 627)	(10 876)	(11 203)	(11 343)	20 889	700	2 351	1 573	
Taxation														-	-	-	-
Attributable to minorities														-	-	-	-
Share of surplus/ (deficit) of associate														-	-	-	-
Surplus/(Deficit)	1	(8 643)	(7 097)	35 855	(8 417)	(8 862)	(9 119)	30 143	(10 627)	(10 876)	(11 203)	(11 343)	20 889	700	2 351	1 573	

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2016/2017 MTREF BUDGET

Table 44 – SA26: Budgeted monthly revenue and expenditure by municipal vote

DC18 Lejweleputswa - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
Revenue by Vote																	
Vote 1 - Executive Mayor														-	-	-	-
Vote 2 - Speaker														-	-	-	-
Vote 3 - Mayoral Committee														-	-	-	-
Vote 4 - Council General		42 663				36 900				36 599				-	116 162	118 333	122 195
Vote 5 - Municipal Manager														-	-	-	3 123
Vote 6 - Budget & Treasury		1 250	219	305	65	75	62	52	48	38	37	48	39	2 238	2 316	2 376	
Vote 7 - Corporate Services														-	-	-	-
Vote 8 - Property														-	-	-	-
Vote 9 - Planning & Development														-	-	-	-
Vote 10 - Community & Social Services														-	-	-	-
Vote 11 - Environmental Health Services														-	-	-	-
Vote 12 - Tourism														-	-	-	-
Vote 13 - [NAME OF VOTE 13]														-	-	-	-
Vote 14 - [NAME OF VOTE 14]														-	-	-	-
Vote 15 - [NAME OF VOTE 15]														-	-	-	-
Total Revenue by Vote		43 913	219	305	65	36 975	62	52	48	36 637	37	48	39	118 400	120 649	127 694	
Expenditure by Vote to be appropriated																	
Vote 1 - Executive Mayor		710	723	753	786	790	805	869	912	935	963	947	981	10 174	10 281	10 683	
Vote 2 - Speaker		275	284	293	309	311	322	338	317	307	293	331	344	3 724	3 678	3 852	
Vote 3 - Mayoral Committee		340	351	346	378	415	426	582	590	575	529	610	559	5 701	5 866	6 153	
Vote 4 - Council General		640	753	799	815	940	1 340	1 700	1 983	2 500	1 982	2 174	1 770	17 397	17 625	18 049	
Vote 5 - Municipal Manager		560	632	740	872	948	1 129	1 042	1 125	1 109	1 204	1 260	1 119	11 740	11 692	15 381	
Vote 6 - Budget & Treasury		915	936	1 016	1 290	1 570	1 680	1 800	2 010	1 700	1 806	1 604	1 444	17 771	17 639	17 894	
Vote 7 - Corporate Services		854	865	899	1 119	1 200	1 310	1 683	1 941	2 282	2 063	1 187	1 262	16 665	16 486	17 292	
Vote 8 - Property		416	433	480	470	556	461	467	439	484	450	460	813	5 929	6 164	6 376	
Vote 9 - Planning & Development		453	460	478	491	502	566	586	563	573	506	494	479	6 151	6 077	6 371	
Vote 10 - Community & Social Services		732	871	882	873	842	830	962	981	833	796	789	793	10 184	10 301	10 768	
Vote 11 - Environmental Health Services		802	826	985	901	923	985	962	1 075	989	960	957	900	11 265	11 449	12 002	
Vote 12 - Tourism							1 000						-	1 000	1 040	1 300	
Vote 13 - [NAME OF VOTE 13]													-	-	-	-	
Vote 14 - [NAME OF VOTE 14]													-	-	-	-	
Vote 15 - [NAME OF VOTE 15]													-	-	-	-	
Total Expenditure by Vote		6 697	7 133	7 670	8 304	8 997	10 854	10 992	11 936	12 287	11 552	10 812	10 465	117 700	118 298	126 121	
Surplus/(Deficit) before assoc.		37 216	(6 914)	(7 365)	(8 239)	27 978	(10 792)	(10 940)	(11 888)	24 350	(11 515)	(10 764)	(10 426)	700	2 351	1 573	
Taxation														-	-	-	
Attributable to minorities														-	-	-	
Share of surplus/ (deficit) of associate														-	-	-	
Surplus/(Deficit)	1	37 216	(6 914)	(7 365)	(8 239)	27 978	(10 792)	(10 940)	(11 888)	24 350	(11 515)	(10 764)	(10 426)	700	2 351	1 573	

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2016/2017 MTREF BUDGET

Table 45 – SA27: Budgeted monthly revenue and expenditure by standard classification

DC18 Lejweleputswa - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
Revenue - Standard																	
<i>Governance and administration</i>		43 913	219	305	65	36 975	62	52	48	36 637	37	48	39	118 400	120 649	127 694	
Executive and council		42 663	-	-	-	36 900	-	-	-	36 599	-	-	-	116 162	118 333	125 318	
Budget and treasury office		1 250	219	305	65	75	62	52	48	38	37	48	39	2 238	2 316	2 376	
Corporate services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Economic and environmental services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenue - Standard		43 913	219	305	65	36 975	62	52	48	36 637	37	48	39	118 400	120 649	127 694	
Expenditure - Standard																	
<i>Governance and administration</i>		4 710	4 976	5 326	6 039	6 730	7 473	8 482	9 317	9 892	9 290	8 573	8 292	89 100	89 431	95 680	
Executive and council		2 525	2 743	2 931	3 160	3 404	4 022	4 531	4 927	5 426	4 971	5 322	4 773	48 735	49 143	54 118	
Budget and treasury office		915	936	1 016	1 290	1 570	1 680	1 800	2 010	1 700	1 806	1 604	1 444	17 771	17 639	17 894	
Corporate services		1 270	1 298	1 379	1 589	1 756	1 771	2 150	2 380	2 766	2 513	1 647	2 075	22 594	22 650	23 668	
<i>Community and public safety</i>		732	871	882	873	842	830	962	981	833	796	789	793	10 184	10 301	10 768	
Community and social services		732	871	882	873	842	830	962	981	833	796	789	793	10 184	10 301	10 768	
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Economic and environmental services</i>		1 255	1 286	1 463	1 392	1 425	1 551	1 548	1 638	1 562	1 466	1 451	1 379	17 415	17 526	18 373	
Planning and development		453	460	478	491	502	566	586	563	573	506	494	479	6 151	6 077	6 371	
Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Environmental protection		802	826	985	901	923	985	962	1 075	989	960	957	900	11 265	11 449	12 002	
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Other</i>		-	-	-	-	-	1 000	-	-	-	-	-	-	1 000	1 040	1 300	
Total Expenditure - Standard		6 697	7 133	7 670	8 304	8 997	10 854	10 992	11 936	12 287	11 552	10 812	10 465	117 700	118 298	126 121	
Surplus/(Deficit) before assoc.		37 216	(6 914)	(7 365)	(8 239)	27 978	(10 792)	(10 940)	(11 888)	24 350	(11 515)	(10 764)	(10 426)	700	2 351	1 573	
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit)	1	37 216	(6 914)	(7 365)	(8 239)	27 978	(10 792)	(10 940)	(11 888)	24 350	(11 515)	(10 764)	(10 426)	700	2 351	1 573	

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2016/2017 MTREF BUDGET

Table 46 – SA28: Budgeted monthly capital expenditure by municipal vote

DC18 Lejweleputswa - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
Multi-year expenditure to be appropriated	1																
Vote 1 - Executive Mayor														-	-	-	
Vote 2 - Speaker														-	-	-	
Vote 3 - Mayoral Committee														-	-	-	
Vote 4 - Council General														-	-	-	
Vote 5 - Municipal Manager														-	-	-	
Vote 6 - Budget & Treasury														-	-	-	
Vote 7 - Corporate Services														-	-	-	
Vote 8 - Property														-	-	-	
Vote 9 - Planning & Development														-	-	-	
Vote 10 - Community & Social Services														-	-	-	
Vote 11 - Environmental Health Services														-	-	-	
Vote 12 - Tourism														-	-	-	
Vote 13 - [NAME OF VOTE 13]														-	-	-	
Vote 14 - [NAME OF VOTE 14]														-	-	-	
Vote 15 - [NAME OF VOTE 15]														-	-	-	
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Single-year expenditure to be appropriated																	
Vote 1 - Executive Mayor				35										-	35	25	30
Vote 2 - Speaker					22									-	22	20	25
Vote 3 - Mayoral Committee				91										-	91	20	34
Vote 4 - Council General														-	-	765	20
Vote 5 - Municipal Manager						42								-	42	50	25
Vote 6 - Budget & Treasury			170					200						-	370	900	300
Vote 7 - Corporate Services			65											-	65	50	60
Vote 8 - Property														-	-	100	-
Vote 9 - Planning & Development				20										-	20	14	18
Vote 10 - Community & Social Services														-	-	55	700
Vote 11 - Environmental Health Services		20			35									-	55	70	197
Vote 12 - Tourism														-	-	-	-
Vote 13 - [NAME OF VOTE 13]														-	-	-	-
Vote 14 - [NAME OF VOTE 14]														-	-	-	-
Vote 15 - [NAME OF VOTE 15]														-	-	-	-
Capital single-year expenditure sub-total	2	20	235	146	57	42	-	200	-	-	-	-	-	700	2 069	1 409	
Total Capital Expenditure	2	20	235	146	57	42	-	200	-	-	-	-	-	700	2 069	1 409	

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2016/2017 MTREF BUDGET

Table 47 – SA29: Budgeted monthly capital expenditure by standard classification

DC18 Lejweleputswa - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Capital Expenditure - Standard	1															
<i>Governance and administration</i>		-	235	126	22	42	-	200	-	-	-	-	-	625	1 930	494
Executive and council				126	22	42								190	880	134
Budget and treasury office			170					200						370	900	300
Corporate services			65											65	150	60
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	55	700
Community and social services														-	55	700
Sport and recreation														-	-	-
Public safety														-	-	-
Housing														-	-	-
Health														-	-	-
<i>Economic and environmental services</i>		20	-	20	35	-	-	-	-	-	-	-	-	75	84	215
Planning and development				20										20	14	18
Road transport														-	-	-
Environmental protection		20			35									55	70	197
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity														-	-	-
Water														-	-	-
Waste water management														-	-	-
Waste management														-	-	-
<i>Other</i>														-	-	-
Total Capital Expenditure - Standard	2	20	235	146	57	42	-	200	-	-	-	-	-	700	2 069	1 409
Funded by:																
National Government														-	-	-
Provincial Government														-	-	-
District Municipality														-	-	-
Other transfers and grants														-	-	-
Transfers recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public contributions & donations														-	-	-
Borrowing														-	-	-
Internally generated funds		20	235	146	57	42	-	200	-	-	-	-	-	700	2 069	1 409
Total Capital Funding		20	235	146	57	42	-	200	-	-	-	-	-	700	2 069	1 409

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2016/2017 MTREF BUDGET

Table 48 – SA30: Budgeted monthly cash flow

DC18 Lejweleputswa - Supporting Table SA30 Budgeted monthly cash flow															
MONTHLY CASH FLOWS	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18
Cash Receipts By Source													1		
Rental of facilities and equipment												-			
Interest earned - external investments	14	80	102	300	55	170	316	250	91	160	182	121	1 840	1 925	1 992
Interest earned - outstanding debtors			90			65			88			50	293	281	270
Dividends received												-			
Fines												-			
Licences and permits												-			
Agency services												-			
Transfer receipts - operational	44 770				39 801							31 591	116 162	118 333	125 318
Other revenue	4	9	10	9	10	11	8	12	9	10	9	6	105	110	114
Cash Receipts by Source	44 787	89	202	309	39 866	246	323	262	188	170	191	31 768	118 400	120 649	127 694
Other Cash Flows by Source															
Total Cash Receipts by Source	44 787	89	202	309	39 866	246	323	262	188	170	191	31 768	118 400	120 649	127 694
Cash Payments by Type															
Employee related costs	5 403	5 517	5 420	5 506	5 400	5 296	5 310	5 399	5 600	5 513	5 690	5 695	65 750	68 683	72 117
Remuneration of councillors	678	685	690	708	716	738	750	737	741	752	768	757	8 721	9 157	9 614
Finance charges						617						616	1 233	999	740
Bulk purchases - Electricity												-			
Bulk purchases - Water & Sewer												-			
Other materials												-			
Contracted services												-			
Transfers and grants - other municipalities						50						-	50	1 050	3 550
Transfers and grants - other	3 500											-	3 500	3 500	3 500
Other expenditure	1 725	1 900	2 060	1 870	1 900	2 500	2 850	2 619	3 180	3 400	3 303	3 110	30 417	26 463	27 888
Cash Payments by Type	11 306	8 102	8 170	8 084	8 016	9 201	8 910	8 755	9 521	9 665	9 761	10 178	109 670	109 851	117 410
Other Cash Flows/Payments by Type															
Capital assets												700	700	2 069	1 409
Repayment of borrowing												2 234	2 234	2 468	2 727
Other Cash Flows/Payments												-			
Total Cash Payments by Type	11 306	8 102	8 170	8 084	8 016	9 201	8 910	8 755	9 521	9 665	9 761	13 113	112 604	114 388	121 545
NET INCREASE (DECREASE) IN CASH HELD	33 481	(8 013)	(7 969)	(7 775)	31 850	(8 955)	(8 587)	(8 494)	(9 333)	(9 495)	(9 571)	18 655	5 796	6 261	6 149
Cash/cash equivalents at the month/year begin:	18 069	51 550	43 537	35 569	27 794	59 644	50 690	42 103	33 609	24 276	14 781	5 210	18 069	23 865	30 126
Cash/cash equivalents at the month/year end:	51 550	43 537	35 569	27 794	59 644	50 690	42 103	33 609	24 276	14 781	5 210	23 865	23 865	30 126	36 275

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2016/2017 MTREF BUDGET

2.7.6 External mechanisms

Table 49 – SA32: List of external mechanisms

DC18 Lejweleputswa - Supporting Table SA32 List of external mechanisms

External mechanism Name of organisation	Yrs/ Mths	Period of agreement 1. Number	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2. R thousand

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2016/2017 MTREF BUDGET

Table 50 – SA33: Contracts having future budgetary implications

DC18 Lejweleputswa - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding Years	Current Year 2015/16	2016/17 Medium Term Revenue & Expenditure Framework			Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Total Contract Value
		Total	Original Budget	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Estimate							
R thousand	1,3													
Parent Municipality:														
<u>Revenue Obligation By Contract</u>	2													
<i>Contract 1</i>														-
<i>Contract 2</i>														-
<i>Contract 3 etc</i>														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Expenditure Obligation By Contract</u>	2													
<i>Contract 1</i>														-
<i>Contract 2</i>														-
<i>Contract 3 etc</i>														-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Capital Expenditure Obligation By Contract</u>	2													
<i>Contract 1</i>														-
<i>Contract 2</i>														-
<i>Contract 3 etc</i>														-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Parent Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Entities:														
<u>Revenue Obligation By Contract</u>	2													
<i>Contract 1</i>														-
<i>Contract 2</i>														-
<i>Contract 3 etc</i>														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Expenditure Obligation By Contract</u>	2													
<i>Contract 1</i>														-
<i>Contract 2</i>														-
<i>Contract 3 etc</i>														-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Capital Expenditure Obligation By Contract</u>	2													
<i>Contract 1</i>														-
<i>Contract 2</i>														-
<i>Contract 3 etc</i>														-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Entity Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-

2.7.7 Capital expenditure details

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The following three tables present details of the Municipality's capital expenditure programme.

Table 51 – SA34a: Capital Expenditure on new assets by asset class

DC18 Lejweleputswa - Supporting Table SA34a Capital expenditure on new assets by asset class										
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Other assets		2 727	2 199	696	1 360	1 455	1 455	400	1 819	1 109
General vehicles			1 197	242					750	580
Specialised vehicles	10	-	-	-	-	-	-	-	-	-
Plant & equipment			7							
Computers - hardware/equipment			577	170	1 130	1 225	1 225	400	269	364
Furniture and other office equipment		2 528	313	160	80	80	80			
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings		200								
Other Land				5	90	90	90			
Surplus Assets - (Investment or Inventory)										
Other			105	120	60	60	60		800	165
Intangibles		-	155	233	300	300	300	300	250	300
Computers - software & programming										
Other (<i>list sub-class</i>)			155	233	300	300	300	300	250	300
Total Capital Expenditure on new assets	1	2 727	2 354	930	1 660	1 755	1 755	700	2 069	1 409

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Table 52 – SA34b: Capital Expenditure on the renewal of assets by asset class

DC18 Lejweleputswa - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class										
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<u>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</u>										
Other assets		-	-	-	-	-	-	-	-	-
General vehicles										
Specialised vehicles	10	-	-	-	-	-	-	-	-	-
Plant & equipment										
Computers - hardware/equipment										
Furniture and other office equipment										
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings										
Other Land										
Surplus Assets - (Investment or Inventory)										
Other										
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
Total Capital Expenditure on renewal of ex	1	-	-	-	-	-	-	-	-	-

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Table 53 – SA34c: Repairs and maintenance expenditure by asset class

DC18 Lejweleputswa - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1									
<u>Repairs and maintenance expenditure by Asset Class/Sub-class</u>										
-										
<u>Other assets</u>		292	405	465	634	564	564	726	756	783
General vehicles			69	130	156	156	156	450	468	484
Specialised vehicles	10	-	-	-	-	-	-	-	-	-
Plant & equipment										
Computers - hardware/equipment		8	27	7	47	47	47	18	19	20
Furniture and other office equipment		37	91	-	16	16	16	14	15	16
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings		129	158	264	360	290	290	209	217	225
Other Land										
Surplus Assets - (Investment or Inventory)										
Other		118	59	63	55	55	55	35	37	38
<u>Intangibles</u>		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (<i>list sub-class</i>)										
Total Repairs and Maintenance Expenditure	1	292	405	465	634	564	564	726	756	783
<i>R&M as a % of PPE</i>		<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
<i>R&M as % Operating Expenditure</i>		<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>

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Table 54 – SA34d: Depreciation by asset class

DC18 Lejweleputswa - Supporting Table SA34d Depreciation by asset class										
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1									
Depreciation by Asset Class/Sub-class										
Other assets		7 149	4 941	6 505	7 611	7 611	7 611	8 030	8 447	8 711
General vehicles		200	93	719	969	969	969	1 065	1 283	113
Specialised vehicles	10	-	-	-	-	-	-	-	-	-
Plant & equipment										
Computers - hardware/equipment			128	371	458	458	458	478	501	537
Furniture and other office equipment		2 479	1 183	2 503	2 997	2 997	2 997	3 185	3 260	3 986
Abattoirs			1 309							
Markets										
Civic Land and Buildings										
Other Buildings		49	2 195	2 882	3 024	3 024	3 024	3 130	3 218	3 858
Other Land										
Surplus Assets - (Investment or Inventory)										
Other		4 422	33	30	165	165	165	172	185	217
Intangibles		615	1 710	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)		615	1 710							
Total Depreciation	1	7 764	6 651	6 505	7 611	7 611	7 611	8 030	8 447	8 711

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Table 55 – SA35: Future financial implications of the capital budget

DC18 Lejweleputswa - Supporting Table SA35 Future financial implications of the capital budget								
Vote Description	Ref	2016/17 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Present value
Capital expenditure	1							
Vote 1 - Executive Mayor		35	25	30				
Vote 2 - Speaker		22	20	25				
Vote 3 - Mayoral Committee		91	20	34				
Vote 4 - Council General		-	765	20				
Vote 5 - Municipal Manager		42	50	25				
Vote 6 - Budget & Treasury		370	900	300				
Vote 7 - Corporate Services		65	50	60				
Vote 8 - Property		-	100	-				
Vote 9 - Planning & Development		20	14	18				
Vote 10 - Community & Social Services		-	55	700				
Vote 11 - Environmental Health Services		55	70	197				
Vote 12 - Tourism		-	-	-				
Vote 13 - [NAME OF VOTE 13]		-	-	-				
Vote 14 - [NAME OF VOTE 14]		-	-	-				
Vote 15 - [NAME OF VOTE 15]		-	-	-				
<i>List entity summary if applicable</i>								
Total Capital Expenditure		700	2 069	1 409	-	-	-	-
Total future revenue		-	-	-	-	-	-	-
Net Financial Implications		700	2 069	1 409	-	-	-	-

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Table 57 – SA37: Projects delayed from previous financial years

DC18 Lejweleputswa - Supporting Table SA37 Projects delayed from previous financial year/s

Municipal Vote/Capital project	Ref. 1,2	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target year to complete	Current Year 2015/16		2016/17 Medium Term Revenue & Expenditure Framework		
								Original Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>												
				<i>Examples</i>	<i>Examples</i>							
Entities: <i>List all capital projects grouped by Municipal Entity</i>												
Entity Name <i>Project name</i>												

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2.7.9 Supporting detail to A4 (Budgeted Financial Performance) and A6 (Budgeted Financial Position)

Table 58 – SA1: Supporting detail to Statement of Financial Performance

DC18 Lejweleputswa - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'											
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
REVENUE ITEMS:											
<u>Other Revenue by source</u>											
<i>Fuel Levy</i>											
<i>Other Revenue</i>		500	1 124	231	100	110	110	110	105	110	114
Total 'Other' Revenue	1	500	1 124	231	100	110	110	110	105	110	114
EXPENDITURE ITEMS:											
<u>Employee related costs</u>											
Basic Salaries and Wages	2	28 790	35 720	41 845	44 302	46 278	46 278	46 278	46 889	49 233	51 695
Pension and UIF Contributions		5 352	5 765	6 020	6 508	6 542	6 542	6 542	6 874	7 218	7 579
Medical Aid Contributions		2 401	2 907	3 140	3 589	3 565	3 565	3 565	3 918	4 114	4 320
Overtime		407	188	232		12	12	12			
Performance Bonus		2 410									
Motor Vehicle Allowance		5 230	5 282	5 299	5 445	6 017	6 017	5 900	5 958	6 256	6 569
Cellphone Allowance		308	235	197	216	216	216	216	216	227	238
Housing Allowances		435	327	276	287	382	382	382	431	453	476
Other benefits and allowances		752	1 262	3 028	947	1 001	1 001	1 001	1 098	1 153	1 211
Payments in lieu of leave		2 236	2 250	2 501							
Long service awards			3 192		161	515	515	515	364	28	29
Post-retirement benefit obligations	4	(113)	3 612								
<i>sub-total</i>	5	48 208	60 740	62 538	61 455	64 529	64 529	64 411	65 750	68 683	72 117
<u>Less: Employees costs capitalised to PPE</u>											
Total Employee related costs	1	48 208	60 740	62 538	61 455	64 529	64 529	64 411	65 750	68 683	72 117

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Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment		7 149	6 651	6 505	7 611	7 611	7 611	7 611	8 030	8 447	8 711
Lease amortisation		615									
Capital asset impairment											
Depreciation resulting from revaluation of PPE	10										
Total Depreciation & asset impairment	1	7 764	6 651	6 505	7 611	7 611	7 611	7 611	8 030	8 447	8 711
Transfers and grants											
Cash transfers and grants		4 450	4 063	3 549	5 450	4 550	4 550	4 550	3 550	4 550	7 050
Non-cash transfers and grants		-	-	-	-	-	-	-	-	-	-
Total transfers and grants	1	4 450	4 063	3 549	5 450	4 550	4 550	4 550	3 550	4 550	7 050
Contracted services											
<i>Professional Fees</i>			1 287	2 345			1 165	1 165	807	839	667
<i>Legal Fees</i>			362	235			485	485	300	312	323
Total contracted services		-	1 649	2 581	-	-	1 650	1 650	1 107	1 151	990
Other Expenditure By Type											
Collection costs											
Contributions to 'other' provisions		2 123	3 915	4 835	4 965	5 545	5 545	5 545	5 729	2 207	
Consultant fees		1 850	924	700	725	1 165	1 165	1 165	807	839	667
Audit fees		1 721	2 102	2 092	1 800	2 450	2 450	2 450	2 499	2 599	2 651
General expenses	3	3 686	1		2 381	2 123	1 879	474	788	551	742
ADVERTISEMENTS		216	160	137	144	144	144	144	130	136	140
AIR QUALITY PROGRAMME					100	100	100	100	100	104	108
ARTS & CULTURE PROGRAMMES		640	146	130	250	100	250	100	-	-	-
AUDIT COMMITTEE			158	113	100	100	100	100	105	109	113
BANK CHARGES		63	58	67	80	52	80	52	54	56	58
BRANDING		72	238	55	62	262	62	262	110	114	118
CAPACITY BUILDING		596	544	807	2 100	1 300	2 100	1 300	2 000	2 080	2 122
CAPACITY DEVELOPMENT		569	855	934	930	930	930	930	-	-	3 123
CAMPAIGNS			872	894	1 638	2 942	1 638	2 942	546	567	587
CAR HIRE					276	267	276	267	111	115	119
CAR TRACKING SYSTEM					40	40	40	40	40	42	43
CHILDREN'S PROGRAMME		285	29	65	200	200	200	200	50	52	54
CLEANING SERVICES		115	21	92	120	120	120	120	122	126	131
COMMUNICATION		974			100	100	100	100	51	53	55
COOPERATIVE DEVELOPMENT			810	22	500	500	500	500	200	208	215

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DISASTER AWARENESS PROGRAMMES					25	25	25	25	23	24	25
DISASTER RELIEF FUND					54	54	54	54	60	62	65
DISTRICT AIDS COUNCIL					40	40	40	40	40	42	43
EASTER FESTIVAL					1 000	1 275	1 000	1 275	-	-	800
EDUCATIONAL PROJECT	542	371	761		540	540	540	540	300	312	323
ELECTRICITY	321	334	394		436	432	436	432	449	467	484
EMPLOYEE SPORTS					51	39	51	39	28	29	30
EMPLOYEE WELLNESS					140	140	140	140	50	52	54
ENTERTAINMENT					335	425	335	425	295	307	318
EPWP PROJECT	999	784	1 546		1 310	1 310	1 310	1 310	1 000	-	-
EXPERENTIAL TRAINING					100	150	100	150	150	156	161
FINANCIAL MANAGEMENT REFORMS	1 232	1 234	1 089		1 250	1 250	1 250	1 250	1 250	1 250	1 000
FOOD CONTROL PROGRAMME					100	100	100	100	100	104	108
FUEL	321	322	401		315	308	315	308	286	297	308
GAMES: OR TAMBO	500	455			719	719	719	719	300	312	323
GENDER & DISABILITY	44	292	43		50	50	50	50	40	41	43
GRANT IN AID	1 303	152	592		130	130	130	130	130	135	140
INSURANCE	228	147	142		562	556	562	556	578	601	622
INTERNET SERVICES		328	350		251	254	251	254	240	250	258
LEASE CHARGES: EQUIPMENT	212	232	232		351	336	351	336	353	367	380
LEVY SKILLS DEVELOPMENT		436	460		743	1 243	743	1 243	2 221	2 229	2 327
LISENCE AND REGISTRATION	265	361	360		25	32	25	32	33	34	36
LISENCE FEES - FINANCIAL SYSTEM					210	319	210	319	300	312	323
MANDELA DAY					100	100	100	100	100	104	108
MATERIALS & CONSUMABLES					24	18	24	18	11	12	12
MEMBERSHIP FEES PROFESSIONAL	479	565	508		640	640	640	640	691	721	757
MEMBERSHIP FEES: INDUSTRIAL COUNCIL		27	29		9	12	9	12	12	13	13
MORAL REGENERATION	197	247	130		220	200	220	200	150	156	161
PERFORMANCE MANAGEMENT					100	100	100	100	100	104	108
POSTAGE					3	4	3	4	3	3	3
POVERTY ALLEVIATION	678	500	383		550	720	550	720	300	312	323
PROPERTY RATES	50	53	67		72	72	72	72	71	74	76
REFRESHMENTS					64	51	64	51	53	56	58
REFUSE CHARGES	9	10	10		15	15	15	15	14	15	15
RENT WATER DISPENSER					10	10	10	10	10	10	11
RURAL ROADS ASSETS MGMT SYSTEMS GRANT					2 105	2 105	2 105	2 105	2 189	2 294	2 374
SECURITY SERVICES	58	26	31		40	40	40	40	40	41	43
SEMINARS/TRAINING/CONGRESS		1 027	1 031		1 395	1 248	1 395	1 248	1 188	1 234	1 277
SEWERAGE CHARGES	1	1	1		1	2	1	2	2	2	2
SMME	228	398	41		100	100	100	100	80	83	86
STATIONERY COSTS	443	429	507		338	404	338	404	408	425	440
STUDY ASSISTANCE					220	220	220	220	200	207	214

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TELEPHONE		472	521	610	392	383	392	383	371	386	399
TOURISM PROGRAMME		3 254		750	1 000	1 000	1 000	1 000	1 000	1 040	500
TRADE PUBLICATIONS & PUBLICATIONS		70	2	2	10	10	10	10	7	7	7
TRAVELLING AND SUBSISTANCE		2 900			366	323	366	323	323	336	348
UNIFORMS			29	31	22	20	22	20	12	13	13
WATER					9	7	9	7	6	6	7
WATER QUALITY PROGRAMME					100	100	100	100	100	104	108
WOMENS' DAY		370			50	50	50	50	50	52	54
YOUTH DEVELOPMENT		1 030	242	186	288	188	288	188	152	158	164
Total 'Other' Expenditure	1	29 115	20 357	21 630	33 490	36 308	34 659	34 659	29 310	25 312	26 898
Repairs and Maintenance by Expenditure Item	8										
Other Expenditure		438	405	465	634	564	564	564	726	756	783
Total Repairs and Maintenance Expenditure	9	438	405	465	634	564	564	564	726	756	783

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Table 59 – SA2: Supporting detail to Statement of Financial Performance

DC18 Lejweleputswa - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - Executive Mayor	Vote 2 - Speaker	Vote 3 - Mayor Committee	Vote 4 - Council General	Vote 5 - Municipal Manager	Vote 6 - Budget & Treasury	Vote 7 - Corporate Services	Vote 8 - Property	Vote 9 - Planning & Development	Vote 10 - Community & Social Services	Vote 11 - Environment al Health Services	Vote 12 - Tourism	Vote 13 - [NAME OF VOTE 13]	Vote 14 - [NAME OF VOTE 14]	Vote 15 - [NAME OF VOTE 15]	Total
R thousand	1																
Revenue By Source																	
Property rates																	-
Property rates - penalties & collection charges																	-
Service charges - electricity revenue																	-
Service charges - water revenue																	-
Service charges - sanitation revenue																	-
Service charges - refuse revenue																	-
Service charges - other																	-
Rental of facilities and equipment																	-
Interest earned - external investments							1 840										1 840
Interest earned - outstanding debtors							293										293
Dividends received																	-
Fines																	-
Licences and permits																	-
Agency services																	-
Other revenue							105										105
Transfers recognised - operational					114 912		1 250										116 162
Gains on disposal of PPE																	-
Total Revenue (excluding capital transfers and contributions)		-	-	-	114 912	-	3 488	-	-	-	-	-	-	-	-	-	118 400
Expenditure By Type																	
Employee related costs		3 940	2 383	1 344	31	9 827	10 830	14 363	918	5 255	7 166	9 758					65 816
Remuneration of councillors		540	690	3 731	3 761												8 721
Debt impairment					293												293
Depreciation & asset impairment		106	63	96	850	169	677	224	3 455	84	2 071	233					8 030
Finance charges					1 233												1 233
Bulk purchases																	-
Other materials																	-
Contracted services																	-
Transfers and grants					3 550												3 550
Other expenditure		5 587	588	530	7 679	1 744	6 264	2 077	1 555	812	947	1 274	1 000				30 058
Loss on disposal of PPE																	-
Total Expenditure		10 173	3 724	5 701	17 397	11 740	17 771	16 665	5 929	6 151	10 184	11 265	1 000	-	-	-	117 700
Surplus/(Deficit)		(10 173)	(3 724)	(5 701)	97 515	(11 740)	(14 283)	(16 665)	(5 929)	(6 151)	(10 184)	(11 265)	(1 000)	-	-	-	700
Transfers recognised - capital																	-
Contributions recognised - capital																	-
Contributed assets																	-
Surplus/(Deficit) after capital transfers & contributions		(10 173)	(3 724)	(5 701)	97 515	(11 740)	(14 283)	(16 665)	(5 929)	(6 151)	(10 184)	(11 265)	(1 000)	-	-	-	700

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Table 60 – SA3: Supporting detail to Statement of Financial Position

DC18 Lejweleputswa - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'											
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
ASSETS											
<u>Call investment deposits</u>											
Call deposits < 90 days											
Other current investments > 90 days		25 000	30 284	40 367	20 000	20 000	20 000	20 000	30 000	20 000	15 000
Total Call investment deposits	2	25 000	30 284	40 367	20 000	20 000	20 000	20 000	30 000	20 000	15 000
<u>Consumer debtors</u>											
Consumer debtors		13 923									
Less: Provision for debt impairment		(12 370)									
Total Consumer debtors	2	1 553	-	-	-	-	-	-	-	-	-
<u>Debt impairment provision</u>											
Balance at the beginning of the year											
Contributions to the provision											
Bad debts written off											
Balance at end of year		-	-	-	-	-	-	-	-	-	-
<u>Property, plant and equipment (PPE)</u>											
PPE at cost/valuation (excl. finance leases)		91 438	91 400	83 699	104 880	104 880	104 880	104 880	83 499	111 438	91 438
Leases recognised as PPE	3										
Less: Accumulated depreciation		17 715	21 251	17 231	33 059	33 059	33 059	33 059	17 211	22 190	17 715
Total Property, plant and equipment (PPE)	2	73 723	70 149	66 468	71 821	71 821	71 821	71 821	66 288	89 248	73 723

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2016/2017 MTREF BUDGET

LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)											
Current portion of long-term liabilities		1 585	1 847	2 146	2 022	2 022	2 022	2 022	1 233	999	740
Total Current liabilities - Borrowing		1 585	1 847	2 146	2 022	2 022	2 022	2 022	1 233	999	740
Trade and other payables											
Trade and other creditors		8 683	7 138	7 687	6 589	6 589	6 589	6 589	7 287	7 652	8 034
Unspent conditional transfers				188							
VAT											
Total Trade and other payables	2	8 683	7 138	7 874	6 589	6 589	6 589	6 589	7 287	7 652	8 034
Non current liabilities - Borrowing											
Borrowing	4	14 960	13 113	10 967	10 967	10 967	10 967	10 967	11 527	9 059	6 332
Finance leases (including PPP asset element)											
Total Non current liabilities - Borrowing		14 960	13 113	10 967	11 527	9 059	6 332				
Provisions - non-current											
Retirement benefits		5 585	7 588	9 082	7 850	7 850	7 850	7 850	8 188	8 597	9 027
<i>List other major provision items</i>											
Total Provisions - non-current		5 585	7 588	9 082	7 850	7 850	7 850	7 850	8 188	8 597	9 027
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		84 443	84 101	88 492	71 191	76 651	76 651	75 066	72 242	85 660	68 375
GRAP adjustments											
Restated balance		84 443	84 101	88 492	71 191	76 651	76 651	75 066	72 242	85 660	68 375
Surplus/(Deficit)		3 127	3 612	3 505	(1 679)	(6 839)	(6 839)	(5 253)	700	2 351	1 573
Accumulated Surplus/(Deficit)	1	87 570	87 713	91 997	69 513	69 813	69 813	69 813	72 942	88 010	69 948
TOTAL COMMUNITY WEALTH/EQUITY	2	87 570	87 713	91 997	69 513	69 813	69 813	69 813	72 942	88 010	69 948

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2016/2017 MTREF BUDGET

2.8 Municipal Manager's Quality Certificate

I, **P.M.E. Kaota**, The Municipal Manager of Lejweleputswa District Municipality hereby certify that the annual budget and supporting documentation for the 2016/2017 Financial Year, have been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act, and that the annual budget and supporting documentation are consistent with the Integrated Development Plan.

Print Name: **Palesa Matshidiso Elizabeth Kaota**

Municipal Manager of: **Lejweleputswa District Municipality (DC18)**

Signature

Date