

Lejweleputswa District Municipality MTREF Budget 2017/2018 to 2019/2020 Medium Term Revenue and Expenditure Framework

Copies of this document can be viewed:

- In the foyers of municipal buildings
- All public libraries within the municipality
 - At www.lejwe.co.za

31 May 2017

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

Table of Contents

GLOSSARY.....	6-7
PART 1 – ANNUAL BUDGET	8
1.1 MAYORAL BUDGET SPEECH	8
1.2 COUNCIL RESOLUTIONS.....	8
1.3 BUDGET 2016/17 MID-YEAR REVIEW AND ADJUSTMENTS BUDGET.....	9
1.4 EXECUTIVE SUMMARY.....	9-11
1.5 BUDGET OVERVIEW OF THE 2017/18 MTREF.....	11-12
1.6 OPERATING REVENUE FRAMEWORK.....	13-15
1.7 OPERATING EXPENDITURE FRAMEWORK.....	15-19
1.8 CAPITAL BUDGET.....	19-21
1.9 BUDGET SCHEDULES.....	21-40
PART 2 – SUPPORTING DOCUMENTATION.....	41
2.1 DISCLOSURE ON IMPLEMENTATION OF THE MFMA.....	41
2.2 BUDGET PREPERATION PROCESS.....	41-47
2.3 SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN.....	47-48
2.4 ALIGNMENT OF BUDGET TO IDP.....	48-50
2.5 MEASURABLE PERFORMANCE OBJECTIVES AND FINANCIAL INDICATORS.....	53
2.6 BUDGET ASSUMPTIONS.....	54
2.7 OTHER SUPPORTING DOCUMENTS.....	55
2.8 MUNICIPAL MANAGER’S QUALITY CERTIFICATE.....	88

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

List of Tables

Table 1 – Consolidated Overview of the 2017/18 MTREF.....	13
Table 2 – Summary of revenue classified by main revenue source.....	14
Table 3 – Grants allocation.....	15
Table 13 – Summary of operating expenditure by type.....	16-18
Table 14 – Repairs and maintenance per asset class.....	19
Table 15 – Capital funding source.....	20
Table 16 – Capital expenditure by GFS classification.....	21
Table 17 – A1: Budget Summary.....	22-23
Table 18 – A2: Budgeted Financial Performance by standard classification (revenue and expenditure).....	25
Table 19 – A3: Budgeted Financial Performance by municipal vote (revenue and expenditure).....	27
Table 20 – A4: Budgeted Financial Performance by revenue source and expenditure type	29
Table 21 – A5: Budgeted Capital Expenditure by vote, standard classification and funding	31
Table 22 – A6: Budgeted Financial Position.....	33
Table 23 – A7: Budgeted Cash Flow.....	35
Table 24 – A8: Cash backed reserves/accumulated surplus reconciliation.....	37
Table 25 – A9: Asset management.....	39
Table 26 – A10: Basic Service Delivery Measurement.....	40
Table 27 – Schedule of Key deadlines relating to the budget process.....	48
Table 29 – SA4: Reconciliation between IDP strategic objectives and budgeted operating revenue.....	49
Table 30 – SA5: Reconciliation between IDP strategic objectives and budgeted operating expenditure.....	50
Table 31 – SA6: Reconciliation between IDP strategic objectives and budgeted capital	

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

expenditure.....	52
Table 32 – SA7: Measurable Performance Objectives.....	53
Table 33 – SA8: Performance indicators and benchmarks.....	53
Table 34 – SA15: Investment Particulars by Type.....	55
Table 34.1 – SA16: Investment Particulars by Maturity.....	56
Table 35 – SA17: Borrowing.....	57
Table 36 – SA18: Transfers and grants receipt.....	59
Table 37 – SA19: Expenditure on transfers and grants.....	60
Table 38 – SA20: Reconciliation of transfers, grants receipts and unspent funds.....	61
Table 39 – SA21: Transfers and grants made by the municipality.....	62
Table 40 – SA22: Summary of councillors and staff benefits.....	63
Table 41 – SA23: Salaries, allowances and benefits (political office bearers/councillors and senior managers.....	64
Table 42 – SA24: Summary of personnel numbers.....	65
Table 43 – SA25: Budgeted monthly revenue and expenditure by revenue source and expenditure type.....	66
Table 44 – SA26: Budgeted monthly revenue and expenditure by municipal vote.....	67
Table 45 – SA27: Budgeted monthly revenue and expenditure by standard classification	68
Table 46 – SA28: Budgeted monthly capital expenditure by municipal vote.....	69
Table 47 – SA29: Budgeted monthly capital expenditure by standard classification.....	70
Table 48 – SA30: Budgeted monthly cash flow.....	71
Table 49 – SA31: Aggregate entity budget	72
Table 50 – SA 32: List of external mechanisms	73
Table 51 – SA33: Contracts having future budgetary implications.....	74
Table 52 – SA34a: Capital expenditure on new assets by asset class.....	75
Table 53 – SA34b: Capital expenditure on the renewal of assets by asset class	76

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

Table 54 – SA34c: Repairs and maintenance expenditure by asset class.....	77
Table 55 – SA34d: Depreciation by asset class	78
Table 56 - SA34e Consolidated capital expenditure on the upgrading of existing Assets.....	79
Table 57 – SA35: Future financial implications of the capital budget.....	80
Table 58 – SA36: Detailed capital budget per municipal vote.....	81
Table 59 – SA37: Projects delayed from previous financial years.....	82
Table 60 – SA38 Consolidated detailed operational projects	83
Table 60 – SA52: Supporting detail to Statement of Financial Performance.....	84-85
Table 61 – SA3: Supporting detail to Statement of Financial Position.....	88
Municipal Manager ‘s Quality Certificate.....	89

ANNEXURES TO THE DOCUMENT

Annexure 1	Budget Speech
Annexure 2	Budget Item
Annexure 3	Budget Policy
Annexure 4	Cash Management and Investment Policy
Annexure 5	Credit Control and Debt Collection Policy
Annexure 6	Supply Chain Management Policy
Annexure 7	MFMA Circular no. 86
Annexure 8	MFMA Circular no. 85

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

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 Recognized 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.

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

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.

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.

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

Part 1 – Annual Budget

1.1 Mayoral Budget Speech

The budget speech is attached as a separate document.

1.2 Council Resolutions

On 31st May 2017 the Council of Lejweleputswa District Municipality had a meeting to approve the annual budget for the year 2017/2018. The following resolutions are contained in item to the agenda of the Council meeting held on 31st May 2017:

- (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 2017/18 and indicative outer years 2018/19 and 2019/20 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 2017/18 – 2019/20 as outlined in the budget regulations be submitted to National and Provincial government or organ of state after approval by Council.

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

1.3 Budget 2016/17 Mid-year Review and Adjustments Budget

The following table shows the original and adjustments budget for 2016/17.

	Original Budget 2016/17	MYR Adjustment Budget 2016/17	Difference
Operating Expenditure	117 699 700	118 430 815	731 115
Capital Expenditure	700 000	3 014 328	2 314 328
Total Income	118 399 700	121 445 143	3 045 443

The 2016/17 adjustment budget was taken into account in the preparation of the 2017/18 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 2.99% 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.

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

MFMA Circulars

National Treasury sent out MFMA Circular No. 85 on 09 December 2016 and was followed by Circular No. 86 on 08 March 2017 providing guidance to municipalities on their 2017/18 budgets and Medium Term Revenue and Expenditure Framework (MTREF). Circular No. 85 and 86 remind us of the key focus areas for the 2017/2018 budget process, and that it must be read together with MFMA Circulars no. 48, 51, 54, 55, 67, 67, 70, 72,74 and 75. 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.

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:

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

- 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;
- 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 2017/18 MTREF

This section provides an overview of the Lejweleputswa District Municipality's 2017/18 to 2019/20 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. 86, the following headline macro-economic forecasts must be taken into consideration when preparing 2017/18 MTREF municipal budgets:

Fiscal Year	2016/17	2017/18	2018/19	2019/20
-------------	---------	---------	---------	---------

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

	Estimate	Forecast	Forecast	Forecast
CPI Inflation	6.4%	6.4%	5.7%	5.6%
Real GDP growth	0.5%	1.3%	2.0%	2.2%

Source: Budget Review 2017

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 01st of September 2016.

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:

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

Table 1 Consolidated Overview of the 2017/2018 MTREF

AGGREGATE TOTAL					
DETAILS	ORIGINAL BUDGET 2016/17	1st REVISED BUDGET 2016/17	2nd REVISED BUDGET 2016/17	BUDGET 2017/18	DIFFERENCE
TOTAL OPERATING INCOME	118,399,900	119,967,850	121,291,429	122,597,500	1.08%
TOTAL OPERATING EXPENDITURE	117,699,700	118,430,815	119,340,149	122,597,500	2.73%
SURPLUS/(DEFICIT)	700,200	1,537,035	1,951,280	0	(100.00%)
TOTAL CAPITAL EXPENDITURE	700,000	(3,014,328)	(3,014,328)	(3,250,000)	7.82%
LOAN REDEMPTION	(2,254,806)	(2,254,806)	(2,254,806)	(2,488,761)	10.82%
TOTAL DEFICIT	(2,254,606)	(3,732,099)	(3,317,854)	(5,738,761)	72.97%
UNAPPROPRIATED SURPLUS	2,254,606	3,732,099	3,317,854	5,738,761	72.97%
CAPITAL REPLACEMENT RESERVE	700,000	3,014,328	3,014,328	3,250,000	7.82%

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.

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. 85 & 86
-

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

Table 2 Summary of Revenue Classes by Main Revenues Sources

SUMMARY OF INCOME BY SOURCE 2017/2018				
DETAILS	1ST REVISED BUDGET 2016/17	2ND REVISED BUDGET 2016/17	BUDGET 2017/18	DIFFERENCE
INTEREST EARNED	2,940,000	3,780,000	2,300,000	(39.15)
INTEREST EARNED O/S DEBTORS	330,000	330,000	164,000	(50.30)
OPERATING GRANTS & SUBSIDIES	116,513,000	116,513,000	119,998,000	2.99
OTHER INCOME	184,850	668,429	135,500	(79.73)
TOTAL INCOME	119,967,850	121,291,429	122,597,500	1.08

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

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

Table 3 Grants Allocation

NATIONAL GRANTS	MEDIUM - TERM ESTIMATES		
	2017/18	2018/19	2019/20
	R'000	R'000	R'000
Equitable Share	30,602	33,487	35,067
Transitional Grant	84,870	87,458	90,029
Local Government Financial Management Grant	1,250	1,000	1,000
Municipal Systems Improvement Grant	0	3,123	0
Rural Roads Asset Management Systems Grant	2,276	2,400	2,538
Expanded Public Works Programme Integrated Grant	1,000	0	0
TOTAL INCOME	119,998	127,468	128,634

1.7 – Operating Expenditure Framework

The expenditure framework for the 2017/18 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 increased from R119.3 million (2016/17) to R122.6 million in 2017/18.

The following table is a summary of the 2017/18 MTREF (classified by main expenditure by category):

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

Table 13: Summary of operating expenditure by category

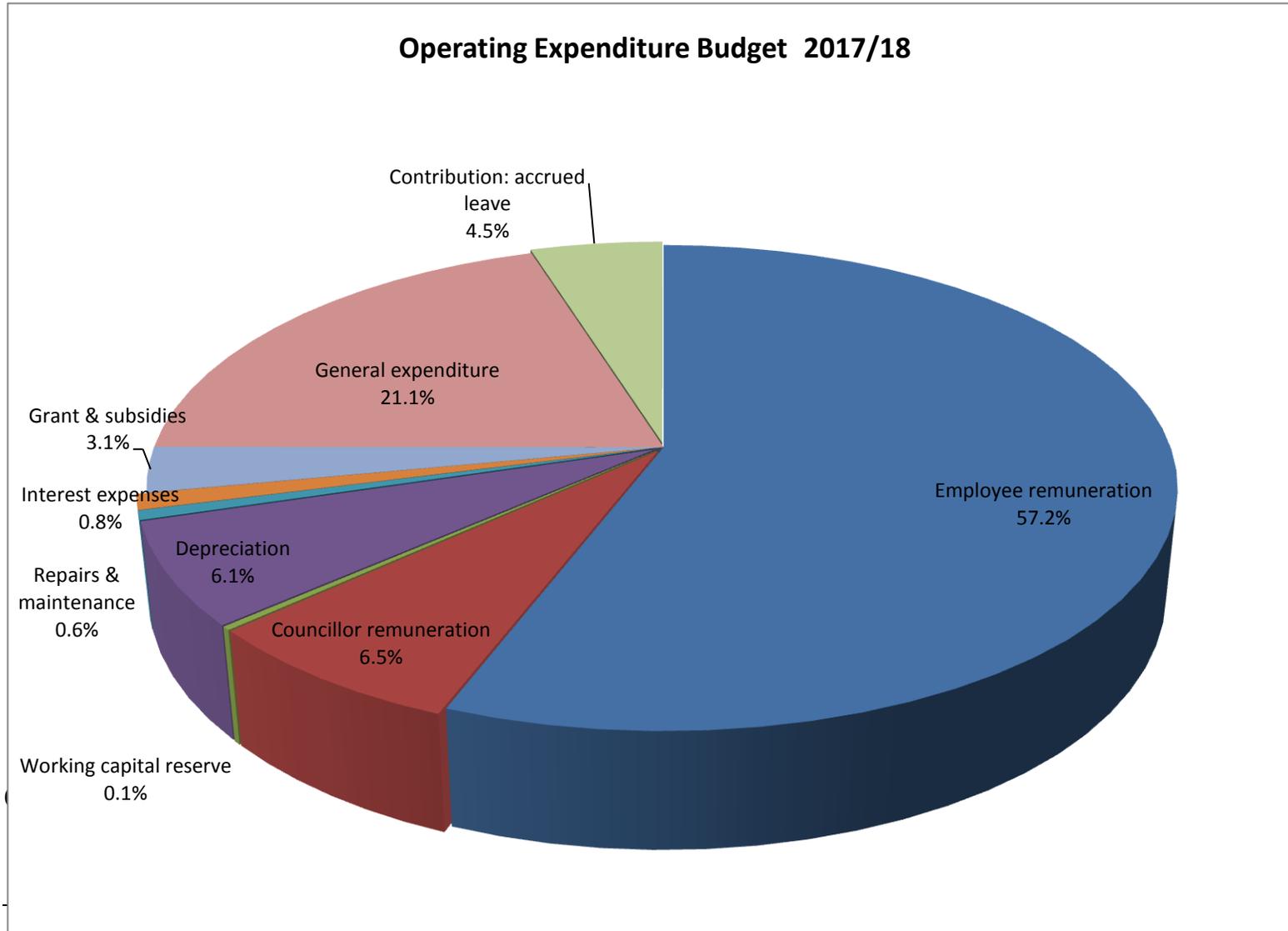
EXPENDITURE ALLOCATION BY CATEGORY 2017/18				
DETAILS	1st REVISED BUDGET 2016/17	2nd REVISED BUDGET 2016/17	BUDGET 2017/2018	DIFFERENCE
Employee remuneration	64,494,080	64,681,981	70,063,170	8.32
Councillor remuneration	9,526,270	9,526,270	7,914,739	(16.92)
Working capital reserve	292,770	292,770	165,180	(43.58)
Depreciation	8,029,841	8,029,841	7,521,164	(6.33)
Repairs & maintenance	726,450	726,450	726,450	0
Interest expenses	1,232,907	1,232,907	998,952	(18.98)
Grants & subsidies	3,800,000	4,052,000	3,752,000	(7.40)
General expenditure	24,486,140	25,275,918	25,885,914	2.41
Contribution: accrued leave	5,842,357	5,522,012	5,569,931	0.87
Total Amount	118,430,815	119,340,149	122,597,500	2.73

The operating expenditure has increased from R119,340,149 in 2016/17 (2nd adjustment budget) to R122,597,500 in 2017/18. The reasons for significant cost variances are attributed to the following:

- An increase of 8.32% has been provided for employee related costs.
- A decrease of 16.92% due to grading, (grade 5 to grade 4).
- 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 declined because the redemption portion of the loan is increasing versus the interest payments that are declining.
- 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 an increase of 2.41% of general expenditure.

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

The following table gives a breakdown of the main expenditure categories for the 2017/18 financial year.



LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

SUMMARY OF EXPENDITURE BY DEPARTMENT 2017/18

DEPARTMENT	1 st REV BUDGET 2016/17	2 nd REV BUDGET 2016/17	BUDGET 2017/18	DIFFERENCE
EXECUTIVE MAYOR	10,926,911	10,424,675	10,742,273	317,598
SPEAKER	3,646,806	3,800,553	4,051,797	251,244
MAYORAL COMMITTEE	6,168,933	6,218,345	6,224,533	6,188
COUNCIL GENERAL	17,812,894	17,862,893	16,472,565	(1,390,328)
MUNICIPAL MANAGER	12,334,116	12,628,889	13,592,598	963,709
CORPORATE SERVICES	16,767,183	16,727,938	16,927,860	199,922
PROPERTY	6,165,968	6,048,480	5,937,356	(111,124)
DISASTER MANAGEMENT	10,100,155	10,153,321	10,733,332	580,011
ENVIRONMENTAL HEALTH	10,483,930	10,701,423	12,022,727	1,321,304
LED & PLANNING	6,025,972	6,099,458	6,492,330	392,872
TOURISM	1,001,000	1,001,000	1,001,000	0
FINANCE SERVICES	16,996,947	17,673,174	18,399,129	725,955
TOTAL	118,430,815	119,340,149	122,597,500	3,257,351

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

Table 14: Repairs and maintenance per asset class

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Repairs and Maintenance by Expenditure Item	8										
Other Expenditure		405	465	540	726	726	726	726	726	748	776
Total Repairs and Maintenance Expenditure	9	405	465	540	726	726	726	726	726	748	776

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 0.6% of the budgeted amount is sufficient to cover repairs and maintenance. The municipality's ratio of repairs and maintenance to property, plant and equipment is 0.8% for the 2017/18 financial year. Although the benchmark for repairs and maintenance is 8%, the ratio is acceptable as the municipality does not have revenue raising assets to maintain.

1.8 – Capital Budget

The capital budget increased by 7.8% from R3,014,328 (2016/17) to R3,250,000 in 2017/18. 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.

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

Table 15: Capital funding by source

DC18 Lejweleputswa - Table A5 Consolidated Budgeted Capital Expenditure by vote, functional classification and funding											
Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 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 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital expenditure - Vote											
Single-year expenditure to be appropriated	2										
Vote 1 - Executive Mayor		36	23	18	35	35	35	50	50	50	50
Vote 2 - Speaker		35	15	-	22	69	69	50	50	50	50
Vote 3 - Mayoral Committee		8	21	-	91	107	107	50	50	50	50
Vote 4 - Council General		1,197	242	26	-	508	508	2,100	2,100	1,350	-
Vote 5 - Municipal Manager		89	170	130	42	49	49	100	100	100	100
Vote 6 - Budget & Treasury		291	374	360	370	1,957	1,957	500	500	350	350
Vote 7 - Corporate Services		93	26	73	65	55	55	50	50	50	50
Vote 8 - Human Resources		-	-	-	-	-	-	-	-	-	-
Vote 9 - Information Technology		-	-	-	-	-	-	-	-	-	-
Vote 10 - Property		254	7	58	-	74	74	200	200	200	200
Vote 11 - Municipal Support		-	-	-	-	-	-	-	-	-	-
Vote 12 - Planning & Development		47	44	56	20	32	32	50	50	50	50
Vote 13 - Community & Social Services		90	9	-	-	51	51	50	50	50	50
Vote 14 - Environmental Health Services		213	-	36	55	79	79	50	50	1,235	50
Vote 15 - Tourism		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		2,354	930	757	700	3,014	3,014	3,250	3,250	3,535	1,000
Total Capital Expenditure - Vote		2,354	930	757	700	3,014	3,014	3,250	3,250	3,535	1,000
Funded by:											
Internally generated funds		2,354	930	757	700	3,014	3,014	3,250	3,250	3,535	1,000
Total Capital Funding	7	2,354	930	757	700	3,014	3,014	3,250	3,250	3,535	1,000

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 Capital Replacement Reserve will be managed according to the available cash. To facilitate this process the Lejweleputswa District Municipality has prioritized the Capital Budget.

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

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

Table 16: Capital expenditure by GFS classification

DC18 Lejweleputswa - Table A5 Consolidated Budgeted Capital Expenditure by vote, functional classification and funding											
Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 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 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital Expenditure - Functional											
Governance and administration		2,004	877	665	625	2,853	2,853	3,100	3,100	2,200	850
Executive and council		1,366	470	174	190	767	767	2,350	2,350	1,600	250
Finance and administration		638	407	491	435	2,086	2,086	750	750	600	600
Community and public safety		90	9	-	-	51	51	50	50	50	50
Community and social services		90	9	-	-	51	51	50	50	50	50
Economic and environmental services		260	44	92	75	111	111	100	100	1,285	100
Planning and development		47	44	56	20	32	32	50	50	50	50
Environmental protection		213	-	36	55	79	79	50	50	1,235	50
Total Capital Expenditure - Functional	3	2,354	930	757	700	3,014	3,014	3,250	3,250	3,535	1,000

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 2017/2018 MTREF BUDGET

Table 17 - A1: Budget Summary

DC18 Lejweleputswa - Table A1 Consolidated Budget Summary										
Description	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousands										
<u>Financial Performance</u>										
Investment revenue	2,824	3,742	5,176	1,840	3,780	3,780	3,780	2,300	2,300	2,300
Transfers recognised - operational	103,760	108,518	115,631	116,162	116,513	116,513	116,513	119,998	127,468	128,634
Other own revenue	2,265	965	1,032	398	998	998	998	300	284	274
Total Revenue (excluding capital transfers and contributions)	108,850	113,226	121,838	118,400	121,291	121,291	121,291	122,598	130,052	131,208
Employee costs	60,740	62,538	66,030	65,750	64,682	64,682	64,682	70,063	72,866	76,509
Remuneration of councillors	8,713	9,294	9,042	8,721	9,526	9,526	9,526	7,915	8,223	8,625
Depreciation & asset impairment	6,651	6,505	4,395	8,030	8,030	8,030	8,030	7,521	7,747	8,057
Finance charges	2,583	2,321	3,552	1,233	1,233	1,233	1,233	999	840	769
Transfers and grants	4,063	3,549	4,474	3,550	4,052	4,052	4,052	3,752	5,721	5,878
Other expenditure	22,487	25,515	29,133	30,417	31,818	31,818	31,818	32,347	31,736	30,364
Total Expenditure	105,238	109,720	116,626	117,700	119,341	119,341	119,341	122,597	127,133	130,202
Surplus/(Deficit) for the year	3,612	3,505	5,212	700	1,951	1,951	1,951	0	2,919	1,006
<u>Capital expenditure & funds sources</u>										
Capital expenditure	2,354	930	757	700	3,014	3,014	3,250	3,250	3,535	1,000
Internally generated funds	2,354	930	757	700	3,014	3,014	3,250	3,250	3,535	1,000
Total sources of capital funds	2,354	930	757	700	3,014	3,014	3,250	3,250	3,535	1,000

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

Financial position										
Total current assets	49,699	59,281	70,716	34,590	34,590	34,590	34,590	23,916	17,321	16,947
Total non current assets	71,759	66,820	63,021	66,588	66,588	66,588	66,588	89,548	74,023	76,971
Total current liabilities	13,044	15,101	16,153	8,520	8,520	8,520	8,520	8,651	8,875	9,124
Total non current liabilities	20,701	20,049	21,924	19,715	19,715	19,715	19,715	17,656	16,859	15,920
Community wealth/Equity	87,713	90,951	95,661	72,942	72,942	72,942	72,942	87,157	65,609	68,874
Cash flows										
Net cash from (used) operating	12,707	13,340	14,655	8,730	9,663	9,663	9,663	7,520	10,666	9,063
Net cash from (used) investing	(12,639)	(11,888)	(289)	(700)	(3,014)	(3,014)	(3,014)	(3,250)	(3,535)	(1,000)
Net cash from (used) financing	(1,585)	(1,847)	(2,146)	(2,234)	(2,234)	(2,234)	(2,234)	(2,489)	(2,647)	(2,719)
Cash/cash equivalents at the year end	18,465	18,070	30,290	23,865	28,280	28,280	28,280	31,608	36,092	41,436
Cash backing/surplus reconciliation										
Cash and investments available	48,749	58,436	69,835	34,590	34,590	34,590	34,590	23,916	17,321	16,947
Application of cash and investments	4,677	8,719	9,660	7,287	7,287	7,287	7,287	7,652	8,034	8,356
Balance - surplus (shortfall)	44,072	49,717	60,176	27,302	27,302	27,302	27,302	16,264	9,287	8,591
Asset management										
Asset register summary (WDV)	71,759	66,820	63,021	66,588	66,588	66,588	89,548	89,548	74,023	76,971
Depreciation	6,651	6,505	4,395	8,030	8,030	8,030	7,521	7,521	7,747	8,057
Renewal of Existing Assets	-	-	-	-	-	-	-	-	1,350	-
Repairs and Maintenance	405	465	540	726	726	726	726	726	748	776

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

- 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 R122.6 million in 2017/18 and escalates to R131.2 million by 2019/20. This represents a year-on-year increase of 2.19% for the 2017/18 financial year, 6.09% for the 2018/19, and 0.90% for the 2019/20 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 2.99% (2017/18), 6.23% (2018/19), and 0.91% (2019/20).

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

Table 18 – A2: Budgeted Financial Performance by standard classification

DC18 Lejweleputswa - Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by functional classification)										
Functional Classification Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue - Functional										
Governance and administration		107,960	113,226	121,838	118,400	120,850	120,850	122,598	130,052	131,208
Executive and council		101,620	107,268	114,408	114,912	114,913	114,913	118,748	126,468	127,634
Finance and administration		6,340	5,957	7,430	3,488	5,937	5,937	3,850	3,584	3,574
Community and public safety		-	-	-	-	30	30	-	-	-
Community and social services		-	-	-	-	30	30	-	-	-
Economic and environmental services		890	-	-	-	412	412	-	-	-
Planning and development		890	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	412	412	-	-	-
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	108,850	113,226	121,838	118,400	121,291	121,291	122,598	130,052	131,208
Expenditure - Functional										
Governance and administration		77,884	83,451	89,695	89,100	91,385	91,385	92,348	96,731	98,369
Executive and council		52,882	51,188	52,830	48,735	50,936	50,936	51,084	55,798	55,757
Finance and administration		25,002	32,263	36,865	40,365	40,450	40,450	41,264	40,933	42,611
Community and public safety		8,306	8,691	7,512	10,184	10,153	10,153	10,733	10,604	11,111
Community and social services		8,306	8,691	7,512	10,184	10,153	10,153	10,733	10,604	11,111
Economic and environmental services		16,252	16,699	17,101	17,415	16,801	16,801	18,515	18,796	19,721
Planning and development		5,957	6,945	6,864	6,151	6,099	6,099	6,492	6,562	6,884
Environmental protection		10,295	9,753	10,237	11,265	10,701	10,701	12,023	12,234	12,837
Other	4	2,796	880	2,319	1,000	1,001	1,001	1,001	1,001	1,001
Total Expenditure - Functional	3	105,238	109,720	116,626	117,700	119,341	119,341	122,597	127,133	130,202
Surplus/(Deficit) for the year		3,612	3,505	5,212	700	1,951	1,951	0	2,919	1,006

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 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.

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

Table 19 – A3: Budgeted Financial Performance by municipal vote

DC18 Lejweleputswa - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
Revenue by Vote	1									
Vote 1 - Executive Mayor		-	-	-	-	0	0	-	-	-
Vote 2 - Speaker		-	-	-	-	0	0	-	-	-
Vote 3 - Mayoral Committee		-	-	-	-	-	-	-	-	-
Vote 4 - Council General		101,620	106,334	113,478	114,912	114,912	114,912	118,748	123,345	127,634
Vote 5 - Municipal Manager		-	934	930	-	-	-	-	3,123	-
Vote 6 - Budget & Treasury		6,340	5,957	7,430	3,488	5,578	5,578	3,850	3,584	3,574
Vote 7 - Corporate Services		-	-	-	-	351	351	-	-	-
Vote 8 - Human Resources		-	-	-	-	-	-	-	-	-
Vote 9 - Information Technology		-	-	-	-	-	-	-	-	-
Vote 10 - Property		-	-	-	-	8	8	-	-	-
Vote 11 - Municipal Support		-	-	-	-	-	-	-	-	-
Vote 12 - Planning & Development		890	-	-	-	-	-	-	-	-
Vote 13 - Community & Social Services		-	-	-	-	30	30	-	-	-
Vote 14 - Environmental Health Services		-	-	-	-	412	412	-	-	-
Vote 15 - Tourism		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	108,850	113,226	121,838	118,400	121,291	121,291	122,598	130,052	131,208
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive Mayor		10,152	6,330	13,008	10,174	10,425	10,425	10,742	10,827	11,299
Vote 2 - Speaker		3,075	3,336	3,078	3,724	3,801	3,801	4,052	4,018	4,214
Vote 3 - Mayoral Committee		5,409	5,916	6,065	5,701	6,218	6,218	6,225	6,371	6,684
Vote 4 - Council General		22,790	21,191	21,266	17,397	17,863	17,863	16,473	17,726	15,912
Vote 5 - Municipal Manager		11,457	14,415	9,413	11,740	12,629	12,629	13,593	16,856	17,649
Vote 6 - Budget & Treasury		13,010	15,803	16,530	17,771	17,673	17,673	18,399	18,145	18,748
Vote 7 - Corporate Services		8,228	12,031	14,813	16,665	16,728	16,728	16,928	16,693	17,511
Vote 8 - Human Resources		-	-	-	-	-	-	-	-	-
Vote 9 - Information Technology		-	-	-	-	-	-	-	-	-
Vote 10 - Property		3,764	4,429	5,522	5,929	6,048	6,048	5,937	6,095	6,352
Vote 11 - Municipal Support		-	-	-	-	-	-	-	-	-
Vote 12 - Planning & Development		5,957	6,945	6,864	6,151	6,099	6,099	6,492	6,562	6,884
Vote 13 - Community & Social Services		8,306	8,691	7,512	10,184	10,153	10,153	10,733	10,604	11,111
Vote 14 - Environmental Health Services		10,295	9,753	10,237	11,265	10,701	10,701	12,023	12,234	12,837
Vote 15 - Tourism		2,796	880	2,319	1,000	1,001	1,001	1,001	1,001	1,001
Total Expenditure by Vote	2	105,238	109,720	116,626	117,700	119,341	119,341	122,597	127,133	130,202
Surplus/(Deficit) for the year	2	3,612	3,505	5,212	700	1,951	1,951	0	2,919	1,006

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 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 2017/2018 MTREF BUDGET

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

DC18 Lejweleputswa - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1										
Revenue By Source											
Interest earned - external investments		2,824	3,742	5,176	1,840	3,780	3,780	3,780	2,300	2,300	2,300
Interest earned - outstanding debtors		1,142	734	697	293	330	330	330	164	164	164
Transfers and subsidies		103,760	108,518	115,631	116,162	116,513	116,513	116,513	119,998	127,468	128,634
Other revenue	2	1,124	231	307	105	630	630	630	136	120	110
Gains on disposal of PPE				27		38	38	38			
Total Revenue (excluding capital transfers and contributions)		108,850	113,226	121,838	118,400	121,291	121,291	121,291	122,598	130,052	131,208
Expenditure By Type											
Employee related costs	2	60,740	62,538	66,030	65,750	64,682	64,682	64,682	70,063	72,866	76,509
Remuneration of councillors		8,713	9,294	9,042	8,721	9,526	9,526	9,526	7,915	8,223	8,625
Debt impairment	3		1,067	678							
Depreciation & asset impairment	2	6,651	6,505	4,395	8,030	8,030	8,030	8,030	7,521	7,747	8,057
Finance charges		2,583	2,321	3,552	1,233	1,233	1,233	1,233	999	840	769
Contracted services		1,649	2,581	3,530	1,107	2,117	2,117	2,117	1,409	1,452	1,313
Transfers and subsidies		4,063	3,549	4,474	3,550	4,052	4,052	4,052	3,752	5,721	5,878
Other expenditure	4, 5	20,357	21,630	24,925	29,310	29,701	29,701	29,701	30,938	30,284	29,051
Loss on disposal of PPE		482	237								
Total Expenditure		105,238	109,720	116,626	117,700	119,341	119,341	119,341	122,597	127,133	130,202
Surplus/(Deficit)		3,612	3,505	5,212	700	1,951	1,951	1,951	0	2,919	1,006
Surplus/(Deficit) after capital transfers & contributions		3,612	3,505	5,212	700	1,951	1,951	1,951	0	2,919	1,006
Surplus/(Deficit) for the year		3,612	3,505	5,212	700	1,951	1,951	1,951	0	2,919	1,006

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

- Total revenue is R122.6 million 2017/18 and escalates to R131.2 million by 2019/20. This represents a year-on-year increase of 2.19% for the 2017/18 financial year; 6.09% for the 2018/19 financial year and 0.90% 2019/20 financial year
- Transfers recognized-operating, includes the local government equitable share and other operating grants from national and provincial government.

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

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

DC18 Lejweleputswa - Table A5 Consolidated Budgeted Capital Expenditure by vote, functional classification and funding											
Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1										
Capital expenditure - Vote											
Single-year expenditure to be appropriated	2										
Vote 1 - Executive Mayor		36	23	18	35	35	35	50	50	50	50
Vote 2 - Speaker		35	15	-	22	69	69	50	50	50	50
Vote 3 - Mayoral Committee		8	21	-	91	107	107	50	50	50	50
Vote 4 - Council General		1,197	242	26	-	508	508	2,100	2,100	1,350	-
Vote 5 - Municipal Manager		89	170	130	42	49	49	100	100	100	100
Vote 6 - Budget & Treasury		291	374	360	370	1,957	1,957	500	500	350	350
Vote 7 - Corporate Services		93	26	73	65	55	55	50	50	50	50
Vote 8 - Human Resources		-	-	-	-	-	-	-	-	-	-
Vote 9 - Information Technology		-	-	-	-	-	-	-	-	-	-
Vote 10 - Property		254	7	58	-	74	74	200	200	200	200
Vote 11 - Municipal Support		-	-	-	-	-	-	-	-	-	-
Vote 12 - Planning & Development		47	44	56	20	32	32	50	50	50	50
Vote 13 - Community & Social Services		90	9	-	-	51	51	50	50	50	50
Vote 14 - Environmental Health Services		213	-	36	55	79	79	50	50	1,235	50
Vote 15 - Tourism		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		2,354	930	757	700	3,014	3,014	3,250	3,250	3,535	1,000
Total Capital Expenditure - Vote		2,354	930	757	700	3,014	3,014	3,250	3,250	3,535	1,000
Funded by:											
Internally generated funds		2,354	930	757	700	3,014	3,014	3,250	3,250	3,535	1,000
Total Capital Funding	7	2,354	930	757	700	3,014	3,014	3,250	3,250	3,535	1,000

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

- 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.

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

Table 22 – A6: Budgeted Financial Position

DC18 Lejweleputswa - Table A6 Consolidated Budgeted Financial Position											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
ASSETS											
Current assets											
Cash		18,464	18,069	29,827	4,590	4,590	4,590	4,590	3,916	2,321	1,947
Call investment deposits	1	30,284	40,367	40,009	30,000	30,000	30,000	30,000	20,000	15,000	15,000
Other debtors		950	844	881							
Total current assets		49,699	59,281	70,716	34,590	34,590	34,590	34,590	23,916	17,321	16,947
Non current assets											
Property, plant and equipment	3	70,149	66,468	62,628	66,288	66,288	66,288	66,288	89,248	73,723	76,671
Intangible		1,610	352	394	300	300	300	300	300	300	300
Total non current assets		71,759	66,820	63,021	66,588	66,588	66,588	66,588	89,548	74,023	76,971
TOTAL ASSETS		121,458	126,101	133,738	101,177	101,177	101,177	101,177	113,464	91,344	93,918
LIABILITIES											
Current liabilities											
Borrowing	4	1,847	2,146	1,059	1,233	1,233	1,233	1,233	999	840	769
Consumer deposits											
Trade and other payables	4	7,138	8,921	9,929	7,287	7,287	7,287	7,287	7,652	8,034	8,356
Provisions		4,059	4,034	5,165							
Total current liabilities		13,044	15,101	16,153	8,520	8,520	8,520	8,520	8,651	8,875	9,124
Non current liabilities											
Borrowing		13,113	10,967	11,557	11,527	11,527	11,527	11,527	9,059	7,832	6,532
Provisions		7,588	9,082	10,367	8,188	8,188	8,188	8,188	8,597	9,027	9,388
Total non current liabilities		20,701	20,049	21,924	19,715	19,715	19,715	19,715	17,656	16,859	15,920
TOTAL LIABILITIES		33,745	35,150	38,076	28,235	28,235	28,235	28,235	26,307	25,734	25,045
NET ASSETS	5	87,713	90,951	95,661	72,942	72,942	72,942	72,942	87,157	65,609	68,874
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		87,713	90,951	95,661	72,942	72,942	72,942	72,942	87,157	65,609	68,874
TOTAL COMMUNITY WEALTH/EQUITY	5	87,713	90,951	95,661	72,942	72,942	72,942	72,942	87,157	65,609	68,874

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

- 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.

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

Table 23 – A7: Budgeted Cash Flow

DC18 Lejweleputswa - Table A7 Consolidated Budgeted Cash Flows											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Other revenue		5,870	231	307	398	630	630	630	136	120	110
Government - operating	1	103,760	108,706	115,631	116,162	116,513	116,513	116,513	119,998	127,468	128,634
Interest		2,824	4,476	5,176	1,840	3,780	3,780	3,780	2,464	2,464	2,464
Payments											
Suppliers and employees		(93,101)	(94,204)	(98,432)	(104,887)	(105,975)	(105,975)	(105,975)	(110,326)	(112,825)	(115,499)
Finance charges		(2,583)	(2,321)	(3,552)	(1,233)	(1,233)	(1,233)	(1,233)	(999)	(840)	(769)
Transfers and Grants	1	(4,063)	(3,549)	(4,474)	(3,550)	(4,052)	(4,052)	(4,052)	(3,752)	(5,721)	(5,878)
NET CASH FROM/(USED) OPERATING ACTIVITIES		12,707	13,340	14,655	8,730	9,663	9,663	9,663	7,520	10,666	9,063
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		(10,285)	(10,958)	468					-	-	-
Payments											
Capital assets		(2,354)	(930)	(757)	(700)	(3,014)	(3,014)	(3,014)	(3,250)	(3,535)	(1,000)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(12,639)	(11,888)	(289)	(700)	(3,014)	(3,014)	(3,014)	(3,250)	(3,535)	(1,000)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Payments											
Repayment of borrowing		(1,585)	(1,847)	(2,146)	(2,234)	(2,234)	(2,234)	(2,234)	(2,489)	(2,647)	(2,719)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(1,585)	(1,847)	(2,146)	(2,234)	(2,234)	(2,234)	(2,234)	(2,489)	(2,647)	(2,719)
NET INCREASE/ (DECREASE) IN CASH HELD		(1,517)	(395)	12,220	5,796	4,415	4,415	4,415	1,781	4,484	5,344
Cash/cash equivalents at the year begin:	2	19,982	18,464	18,069	18,069	23,865	23,865	23,865	29,827	31,608	36,092
Cash/cash equivalents at the year end:	2	18,465	18,070	30,290	23,865	28,280	28,280	28,280	31,608	36,092	41,436

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

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 R31.6 million for 2017/18 financial year.

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

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

DC18 Lejweleputswa - Table A8 Consolidated Cash backed reserves/accumulated surplus reconciliation											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Cash and investments available											
Cash/cash equivalents at the year end	1	18,465	18,070	30,290	23,865	28,280	28,280	28,280	31,608	36,092	41,436
Other current investments > 90 days		30,284	40,367	39,546	10,724	6,309	6,310	6,310	(7,692)	(18,771)	(24,489)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		48,749	58,436	69,835	34,590	34,590	34,590	34,590	23,916	17,321	16,947
Application of cash and investments											
Unspent conditional transfers		-	188	232	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	4,677	8,532	9,428	7,287	7,287	7,287	7,287	7,652	8,034	8,356
Other provisions											
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		4,677	8,719	9,660	7,287	7,287	7,287	7,287	7,652	8,034	8,356
Surplus(shortfall)		44,072	49,717	60,176	27,302	27,302	27,302	27,302	16,264	9,287	8,591

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

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 2017/18 budget is showing a positive outcome.

From the above table it can be seen that the cash and investments available total R7.7 million in the 2017/18 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.

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

Table 25 – A9: Asset Management

DC18 Lejweleputswa - Table A9 Consolidated Asset Management										
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	2,354	930	757	700	3,014	3,014	3,250	2,185	1,000
Total Renewal of Existing Assets	2	–	–	–	–	–	–	–	1,350	–
Licences and Rights		–	–	–	–	–	–	–	1,350	–
Intangible Assets		–	–	–	–	–	–	–	1,350	–
Other Assets		105	125	62	–	68	68	–	–	–
Licences and Rights		155	233	204	300	808	808	800	2,835	300
Intangible Assets		155	233	204	300	808	808	800	2,835	300
Computer Equipment		577	170	91	–	–	–	–	–	–
Furniture and Office Equipment		313	160	399	400	538	538	700	700	700
Machinery and Equipment		7	–	–	–	1,600	1,600	150	–	–
Transport Assets		1,197	242	–	–	–	–	1,600	–	–
TOTAL CAPITAL EXPENDITURE - Asset class		2,354	930	757	700	3,014	3,014	3,250	3,535	1,000
ASSET REGISTER SUMMARY - PPE (WDV)										
Operational Buildings	5	63,292	58,408	60,819	61,259	61,259	61,259	65,587	67,859	68,426
Other Assets		63,292	58,408	60,819	61,259	61,259	61,259	65,587	67,859	68,426
Licences and Rights		1,610	352	394	300	300	300	300	300	300
Intangible Assets		1,610	352	394	300	300	300	300	300	300
Computer Equipment		1,568	2,014	473	2,029	2,029	2,029	7,566	2,120	2,586
Furniture and Office Equipment		3,857	4,061	527	1,525	1,525	1,525	4,985	2,154	1,985
Machinery and Equipment								5,840	1,590	805
Transport Assets		1,432	1,986	809	1,475	1,475	1,475	5,270		2,869
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	71,759	66,820	63,021	66,588	66,588	66,588	89,548	74,023	76,971

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

Table 26 – A10: Basic Service delivery measurement

DC18 Lejweleputswa - Table A10 Consolidated basic service delivery measurement										
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Household service targets	1									
Water:										
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	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:										
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	-	-	-	-	-	-	-	-	-
Energy:										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Refuse:										
Removed at least once a week		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

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

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).

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

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).

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

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

<u>IDP AND BUDGET PROCESS PLAN FOR 2017/18</u>				
	ACTION/ OUTPUT	DELIVERABLE	RESPONSIBLE	ACTION DATE
1.	<i>DEVEOPMENT OF A 5 YEAR IDP FOR 2017-2022</i>	Final IDP 2017-2022	<i>MM and Executive Mayor</i>	August 2016 to 31 May 2017
2.	<i>Submit District IDP framework and process plan for adoption by council</i>	Adopted framework and process plans	<i>Municipal Manager</i>	August 2016
3.	<i>Advertise the approved framework & process plan in local newspapers</i>	Advertisement in the local newspapers	<i>Municipal Manager</i>	August 2016
4.	<i>Undertake District-wide Research analysis to assess level of existing development</i>	Updated Situational Analysis	<i>Municipal Manager</i>	Sept 2016 to January 2017
5.	<i>Develop objectives, strategies and projects for the 5 year IDP plan</i>	5 Year Objectives, strategies and projects & programmes	<i>IDP Steering Com & Representative forum</i>	30 February 2017
6.	<i>Submit budget instructions to all relevant persons</i>		<i>CFO</i>	30 Nov 2016
7.	<i>Submit 2017/2018 budget framework to all relevant persons (Budget framework to include salary, operational and capital related information).</i>		<i>CFO</i>	30 Nov 2016

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

8.	<i>Preparation of a summary of available funds from: Internal funds, e.g. CDF and External funding ,e.g. FM grant</i>		<i>CFO</i>	30 Nov 2016
9.	<i>Prioritize Projects for implementation</i>	Project list	<i>IDP Steering Committee & Rep forum</i>	31 March 2017
10.	<i>Submission of detailed estimates by MM, HODs and Political Offices to CFO.</i>	Budget estimates	<i>MM, HODs and Political Offices</i>	01 Dec 2016
11.	<i>Assess financial feasibility of proposed new projects based on existing and potential funds</i>	Proposed new project list/Budget adjustments	<i>IDP Steering Committee</i>	31Jan 2017
12.	<i>Meeting with relevant officials (First draft Budget meeting)</i>	Draft budget	<i>CFO</i>	31 Jan 2017
13.	<i>Meeting with relevant officials (Second draft Budget meeting)</i>		<i>CFO</i>	31 Jan 2017
14.	<i>Meeting with relevant officials (Third draft Budget meeting)</i>		<i>CFO</i>	31 Jan 2017
15.	<i>Considering of Draft Budget by Finance Portfolio Committee</i>		<i>CFO</i>	28 Feb 2017
16.	<i>Considering of Draft Budget by Mayoral Committee</i>	Mayoral Committee budget item	<i>CFO</i>	28 Feb 2017
17.	<i>Table a draft 5 year IDP to MAYCO for consideration.</i>	Mayoral committee Budget & IDP item	<i>MM and Executive Mayor</i>	28 Feb 2017
18.	<i>Tabling of MTEF Budget in Council meeting</i>	Draft budget item to Council	<i>Executive Mayor</i>	31 March 2017

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

19.	<i>Table draft 5 year IDP to council for approval</i>	Draft IDP item to Council	<i>Executive Mayor</i>	31 March 2017
20.	<i>Discussing the draft with the public</i>	Public participation	<i>IDP Rep forum</i>	31 March 2017
21.	<i>Publicize tabled budget within 5 Days after tabling on website & media</i>		<i>MM and CFO</i>	29 Apr 2017
22.	<i>Submit copies of IDP and budget to National /Provincial Treasury</i>		<i>MM and CFO</i>	01 April 2017
23.	<i>Second leg of IDP and Budget Participation process starts. Comments, additions and proposals by stakeholders</i>	Incorporated Inputs from stakeholders	<i>MM, CFO, HODs and Budget Manager</i>	01 April 2017
24.	<i>Mayoral Committee finalizes the draft 5 year IDP and budget</i>		<i>MM and CFO</i>	30 May 2017
25.	<i>Submission of 5 year IDP and budget for approval by council</i>	Approved IDP and Budget by Council	<i>MM and CFO</i>	30 May 2017
26.	<i>Presentation of approved final IDP to the public</i>	Informed Public participation	<i>MM, Executive Mayor & IDP Rep forum</i>	30 May 2017
27.	<i>Prepare Budget in the required format and submission thereof to both Provincial National Treasury</i>		<i>CFO and Budget Control Officer</i>	12 June 2017
28.	<i>Submit the approved IDP to provincial departments</i>		<i>MM</i>	12 June 2017

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

29.	<i>Submit draft SDBIP to Mayor within 14 days after approval of the budget</i>	Final Municipal SDBIP	<i>MM</i>	12 June 2017
30.	<i>Prepare Performance agreements and plans for signing and submission to relevant provincial offices.</i>		<i>MM</i>	31 July 2017
31.	<i>Set up expenditure, revenue and asset management system, incorporating budget.</i>		<i>CFO</i>	31 July 2017

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

2.2.3 – Tabling of the budget

The budget went for public participation on 03rd May 2017 and inputs were received from communities; Provincial Treasury; COGTA were taken into consideration.

The budget must be tabled by the mayor before the council for adoption by 31st May 2017, including measurable performance objectives, changes to the IDP and budget related policies.

2.2.4 – Consultation with the community and key stakeholders

When the 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.

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.

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

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 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 2017/18 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	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
R thousand													
Source funding for operation and support service	Service delivery (interest from Bank & Investment)			2,824	3,742	5,176	1,840	3,780	3,780	2,300	2,300	2,300	
	Other			2,265	965	1,032	398	998	998	300	284	274	
	Grants			103,760	108,518	115,631	116,162	116,513	116,513	119,998	127,468	128,634	
Allocations to other priorities			2										
Total Revenue (excluding capital transfers and contributions)				1	108,850	113,226	121,839	118,400	121,291	121,291	122,598	130,052	131,208

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

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	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand												
Local Economic Development	Economic Development, SMME's and Tourism development			2,682	1,058	1,577	1,180	1,180	1,180	701	1,413	1,429
Municipal Transformation and Institutional Development	Skills Development, Workplace skills plan, Employee wellness			1,399	2,149	2,377	240	240	240	340	350	364
Municipal Financial Viability and Management	Clean Audit			1,234	1,089	1,194	1,250	1,250	1,250	1,250	1,000	1,000
Good Governance and Public Participation	District Aids council and HIV & Aids,			34			90	740	115	115	118	123
	Gender Disability, Elderly					30	90	40	40	40	41	42
	Moral Regeneration			247	130	194	150	141	141	141	145	151
	National Campaign			1,265	1,227	2,849	450	675	675	675	695	723
	Mandela Day				99		100	100	100	100	103	107
	Educational Programme			761	371	452	300	300	300	300	309	321
	Grant in Aid			592	152	261	130	285	285	135	139	145
	Youth Development,			242	186	790	152	152	152	152	157	163
	OR Tambo games,			661	484	698	300	656	656	656	675	702
	National Population registration,						51					
Safety and Healthy Environment	Branding			238	55	206	110	170	170	200	206	214
	Performance Management				99		100	35	35	100	103	107
	Municipal health services			221	206		329	319	319	319	329	342
	Disaster Management			93	46		99	99	99	99	102	106
TOTAL LINKED IDP PROJECTS				95,569	102,369	105,998	112,579	112,960	113,585	117,275	121,247	124,161
Total Expenditure			1	105,238	109,720	116,627	117,700	119,341	119,341	122,598	127,133	130,202

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

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	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand												
Municipal Transformation and institutional Development	Furniture & fittings, Office equipment, Motor vehicles, Property & plant	A		2,354	930	757	700	3,014	3,014	3,250	3,535	1,000
Allocations to other priorities			3									
Total Capital Expenditure			1	2,354	930	757	700	3,014	3,014	3,250	3,535	1,000

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

2.5 – Measurable Performance Objectives and Indicators Tables 32 – SA7: Measurable Performance Objectives

DC18 Lejweleputswa - Supporting Table SA7 Measurable performance objectives										
Description	Unit of measurement	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
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>										
Vote 2 - 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>										

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

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

Tables 33 – SA8: Performance Indicators and benchmarks

DC18 Lejweleputswa - Supporting Table SA8 Performance indicators and benchmarks											
Description of financial indicator	Basis of calculation	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	4.0%	3.8%	4.9%	2.9%	2.9%	2.9%	2.9%	2.8%	2.7%	2.7%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	81.9%	88.5%	91.8%	154.9%	72.6%	72.6%	72.6%	134.2%	135.0%	135.5%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	3.8	3.9	4.4	4.1	4.1	4.1	4.1	2.8	2.0	1.9
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	3.8	3.9	4.4	4.1	4.1	4.1	4.1	2.8	2.0	1.9
Liquidity Ratio	Monetary Assets/Current Liabilities	3.7	3.9	4.3	4.1	4.1	4.1	4.1	2.8	2.0	1.9
<u>Creditors Management</u>											
Creditors to Cash and Investments		38.7%	48.3%	32.0%	30.5%	25.8%	25.8%	25.8%	24.2%	22.3%	20.2%
Employee costs	Employee costs/(Total Revenue - capital revenue)	55.8%	55.2%	54.2%	55.5%	53.3%	53.3%	53.3%	57.1%	56.0%	58.3%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	63.8%	63.4%	61.6%	62.9%	61.2%	61.2%		67.3%	66.0%	68.7%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.4%	0.4%	0.4%	0.6%	0.6%	0.6%		0.6%	0.6%	0.6%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	8.5%	7.8%	6.5%	7.8%	7.6%	7.6%	7.6%	6.9%	6.6%	6.7%
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	0.8	0.6	1.5	0.4	0.4	0.4	1.0	0.5	0.5	0.5
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	2.6	2.5	3.8	3.2	3.7	3.7	3.7	4.0	4.4	4.9

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

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, 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 2017/18 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 (2.8%) for 2017/18.
- 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 2.8 for 2017/18.
- *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 2.8 ratio for 2017/18.

(c) *Creditors Management*

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

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

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.

2.6.1 – National Treasury MFMA Circular No. 85 & 86

The Circulars were issued on 09 December 2016 and 08 March 2017 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. 86, inflation forecasts are estimated at 6.4%, 5.7% and 5.6% respectively for the years 2017/18 to 2019/20.

2.6.3 – Average salary increases

The MTREF includes increases for employee remuneration and for councillors remuneration by 5.5%:

The employee related costs comprise 57.2% and 6.5% for councillors of total operating expenditure in the 2017/1 MTREF budget and places a disproportionate upward pressure on the expenditure 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. 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.

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

2.7 – Other Supporting documents

2.7.1 Investment Particulars by Type

Table 34 – SA15: Investment Particulars by Type

DC18 Lejweleputswa - Supporting Table SA15 Investment particulars by type										
Investment type	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		30,284	40,367	40,009	30,000	30,000	30,000	20,000	15,000	15,000
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Municipality sub-total	1	30,284	40,367	40,009	30,000	30,000	30,000	20,000	15,000	15,000
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		30,284	40,367	40,009	30,000	30,000	30,000	20,000	15,000	15,000

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

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 *	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/Months												
Parent municipality														
First National Bank		Call	Call	Yes	Variable	6.85%				10,000	Call			10,000
Nedbank		3 months	Fixed	Yes	Fixed	7.85%			26/04/2017	20,000	387			20,387
Standard Bank		3 months	Fixed	Yes	Fixed	7.80%			26/04/2017	20,000	385			20,385
Municipality sub-total										50,000		-	-	50,772
Entities														
										-		-	-	-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	1									50,000		-	-	50,772

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

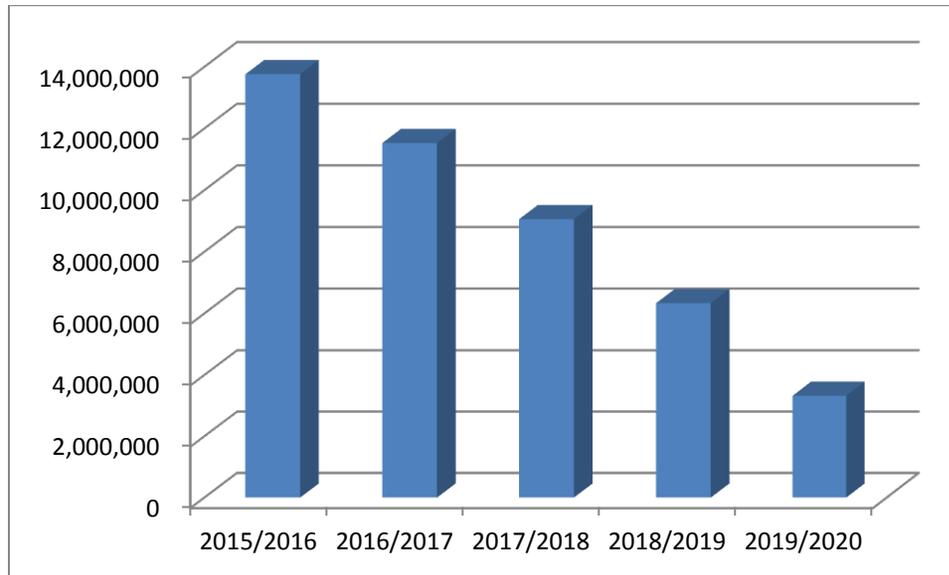
2.7.2 Borrowings

Table 35 – SA17: Borrowing

DC18 Lejweleputswa - Supporting Table SA17 Borrowing										
Borrowing - Categorised by type	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Parent municipality										
Annuity and Bullet Loans		13,113	10,967	11,557	11,527	11,527	11,527	9,059	7,832	6,532
Financial derivatives										
Other Securities										
Municipality sub-total	1	13,113	10,967	11,557	11,527	11,527	11,527	9,059	7,832	6,532
Entities										
Annuity and Bullet Loans										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	13,113	10,967	11,557	11,527	11,527	11,527	9,059	7,832	6,532

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

Table 35.1 Reductions in Outstanding Borrowing (long Term Liabilities)



LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

2.7.3 Grants and subsidies

Table 36 – SA18: Transfers and grants receipt

DC18 Lejweleputswa - Supporting Table SA18 Transfers and grant receipts										
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
					Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		103,760	108,518	115,631	116,162	116,513	116,513	119,998	127,468	128,634
Local Government Equitable Share		24,658	26,260	29,958	29,027	29,027	29,027	30,602	33,487	35,067
RSC Levy Replacement		75,962	78,487	80,432	82,700	82,700	82,700	84,870	87,458	90,029
Finance Management		1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,000	1,000
Municipal Systems Improvement		890	934	930					3,123	
EPWP Incentive		1,000		1,000	1,000	1,000	1,000	1,000		
Rural Roads Assets MGMT System			1,587	2,061	2,185	2,185	2,185	2,276	2,400	2,538
LGSETA BURSRIES AND LEARNERSHIP						351	351			
Total Operating Transfers and Grants	5	103,760	108,518	115,631	116,162	116,513	116,513	119,998	127,468	128,634
TOTAL RECEIPTS OF TRANSFERS & GRANTS		103,760	108,518	115,631	116,162	116,513	116,513	119,998	127,468	128,634

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

Table 37 – SA19: Expenditure on transfers and grants

DC18 Lejweleputswa - Supporting Table SA19 Expenditure on transfers and grant programme										
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		103,760	108,518	115,631	116,162	116,513	116,513	119,998	127,468	128,634
Local Government Equitable Share		24,658	26,260	29,958	29,027	29,027	29,027	30,602	33,487	35,067
RSC Levy Replacement		75,962	78,487	80,432	82,700	82,700	82,700	84,870	87,458	90,029
Finance Management		1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,000	1,000
Municipal Systems Improvement		890	934	930	-	-	-	-	3,123	-
EPWP Incentive		1,000	-	1,000	1,000	1,000	1,000	1,000	-	-
Rural Roads Assets MGMT System		-	1,587	2,061	2,185	2,185	2,185	2,276	2,400	2,538
LGSETA BURSRIES AND LEARNERSHIP						351	351	-	-	-
Total operating expenditure of Transfers and Grants:		103,760	108,518	115,631	116,162	116,513	116,513	119,998	127,468	128,634
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		103,760	108,518	115,631	116,162	116,513	116,513	119,998	127,468	128,634

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

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	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		103,760	108,518	115,631	116,162	116,513	116,513	119,998	127,468	128,634
Conditions met - transferred to revenue		103,760	108,518	115,631	116,162	116,513	116,513	119,998	127,468	128,634
Total operating transfers and grants revenue		103,760	108,518	115,631	116,162	116,513	116,513	119,998	127,468	128,634
TOTAL TRANSFERS AND GRANTS REVENUE		103,760	108,518	115,631	116,162	116,513	116,513	119,998	127,468	128,634

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

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

DC18 Lejweleputswa - Supporting Table SA21 Transfers and grants made by the municipality											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Cash Transfers to other municipalities											
<i>Insert description</i>	1										
Masilonyana Municipality (FS 181)				974							
Tswelopele Municipality (FS 183)		50			50						
Majhabeng Municipality (FS 184)		1,513	1,049								
Nala Municipality (FS 185)											1,800
Tswelopele Fancing (FS 183)											
Tokoloko Municipality (FS 182)						300	300	300		1,800	
Total Cash Transfers To Municipalities:		1,563	1,049	974	50	300	300	300	-	1,800	1,800
Cash Transfers to Entities/Other External Mechanisms											
Lejweleputswa Development Agency		2,500	2,500	3,500	3,500	3,752	3,752	3,752	3,752	3,921	4,078
Total Cash Transfers To Entities/Ems'		2,500	2,500	3,500	3,500	3,752	3,752	3,752	3,752	3,921	4,078
TOTAL CASH TRANSFERS AND GRANTS	6	4,063	3,549	4,474	3,550	4,052	4,052	4,052	3,752	5,721	5,878

The total remuneration has increased from R74 million (2016/17) to R78 million (2017/18).

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

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	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		4,855	5,870	5,837	5,483	6,066	6,066	5,106	5,310	5,575
Pension and UIF Contributions					759	813	813	725	754	792
Medical Aid Contributions		1,150	1,080	1,081	342	372	372	280	291	306
Motor Vehicle Allowance		1,976	1,886	1,666	1,741	1,854	1,854	1,470	1,521	1,588
Cellphone Allowance		398	389	391	396	420	420	334	347	365
Other benefits and allowances		332	68	67						
Sub Total - Councillors		8,713	9,294	9,042	8,721	9,526	9,526	7,915	8,223	8,625
% increase	4		6.7%	(2.7%)	(3.6%)	9.2%	-	(16.9%)	3.9%	4.9%
Senior Managers of the Municipality										
Basic Salaries and Wages		2,682	3,413	3,571	5,400	5,347	5,347	5,127	5,332	5,599
Pension and UIF Contributions		646	587	767						
Performance Bonus		169			694	749	749	730	759	797
Motor Vehicle Allowance	3	653	753	789						
Cellphone Allowance	3	89	120	132	120	120	120	120	125	131
Housing Allowances	3	261	274	246						
Sub Total - Senior Managers of Municipality		4,501	5,147	5,505	6,215	6,216	6,216	5,977	6,216	6,527
% increase	4		14.3%	7.0%	12.9%	0.0%	-	(3.8%)	4.0%	5.0%
Other Municipal Staff										
Basic Salaries and Wages		31,219	36,698	40,766	40,674	39,525	39,525	42,771	44,482	46,706
Pension and UIF Contributions		5,765	6,020	6,172	6,874	6,624	6,624	7,255	7,545	7,922
Medical Aid Contributions		2,907	3,140	3,363	3,918	3,775	3,775	3,851	4,005	4,206
Overtime		188	232	44		49	49			
Motor Vehicle Allowance	3	5,282	5,299	5,466	5,958	6,394	6,394	7,745	8,055	8,458
Cellphone Allowance	3	235	197	196	216	120	120	109	114	119
Housing Allowances	3	327	276	368	431	429	429	478	497	522
Other benefits and allowances	3	1,262	3,028	1,301	1,098	1,087	1,087	1,386	1,441	1,513
Payments in lieu of leave		2,250	2,501	2,849						
Long service awards		3,192			364	463	463	491	511	536
Post-retirement benefit obligations	6	3,612								
Sub Total - Other Municipal Staff		56,239	57,391	60,525	59,535	58,466	58,466	64,086	66,649	69,982

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

Table 41 – SA23: Salaries, allowances and benefits (political office bearers/councillors and senior managers)

Board Members of Entities											
Board Fees									60	66	73
Sub Total - Board Members of Entities		-	-	-	-	-	-	-	60	66	73
% increase	4		-	-	-	-	-	-	-	10.0%	10.0%
Senior Managers of Entities											
Basic Salaries and Wages									1,058	1,117	1,178
Pension and UIF Contributions									0	1	1
Medical Aid Contributions									-	-	-
Overtime									-	-	-
Performance Bonus									51	54	56
Motor Vehicle Allowance	3								68	71	75
Payments in lieu of leave									6	6	6
Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-	1,183	1,248	1,317
% increase	4		-	-	-	-	-	-	-	5.5%	5.5%
Other Staff of Entities											
Basic Salaries and Wages									2,413	2,546	2,686
Pension and UIF Contributions									435	459	484
Medical Aid Contributions									151	159	167
Motor Vehicle Allowance	3								152	160	169
Cellphone Allowance	3								11	12	13
Housing Allowances	3								53	56	59
Payments in lieu of leave									46	49	51
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	3,262	3,441	3,630
% increase	4		-	-	-	-	-	-	-	5.5%	5.5%
Total Municipal Entities		-	-	-	-	-	-	-	4,505	4,755	5,019
TOTAL SALARY, ALLOWANCES & BENEFITS		69,453	71,831	75,072	74,470	74,208	74,208		82,483	85,844	90,153
% increase	4		3.4%	4.5%	(0.8%)	(0.4%)	-		11.2%	4.1%	5.0%
TOTAL MANAGERS AND STAFF	5,7	60,740	62,538	66,030	65,750	64,682	64,682		74,508	77,555	81,455

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

Table 42 – SA24: Summary of personnel numbers

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
				1.				2.
Rand per annum								
Councillors	3							
Speaker	4		574,895	82,128	20,868			677,891
Chief Whip			370,223	91,987	168,442			630,652
Executive Mayor			661,961	159,718	20,868			842,547
Deputy Executive Mayor								-
Executive Committee			2,107,505	447,746	920,313			3,475,564
Total for all other councillors			1,391,065	223,552	673,468			2,288,085
Total Councillors	8	-	5,105,649	1,005,131	1,803,959			7,914,739
Senior Managers of the Municipality	5							
Municipal Manager (MM)			1,208,463		36,000	169,185		1,413,648
Chief Finance Officer			987,820		30,000	159,227		1,177,047
Corporate services			955,476		18,000	133,767		1,107,243
LED & Plan Manager			987,820		18,000	133,868		1,139,688
EHS & DM Manager			987,820		18,000	133,868		1,139,688
								-
Total Senior Managers of the Municipality	8,10	-	5,127,399	-	120,000	729,915		5,977,314
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	-	10,233,048	1,005,131	1,923,959	729,915		13,892,053

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

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 Consolidated budgeted monthly revenue and expenditure																
Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue By Source																
Interest earned - external investments		74	101	1,345	38	55	96	33	123	29	346	60	-	2,300	2,300	2,300
Interest earned - outstanding debtors				35			39			43		47	-	164	164	164
Transfers and subsidies		45,500	1,250	2,490		400	38,500		600	29,000	2,258		-	119,998	127,468	128,634
Other revenue		16	13	8	3	15	10	12	20	13	9	17	-	136	120	110
Total Revenue (excluding capital transfers and contributions)		45,590	1,364	3,878	41	470	38,645	45	743	29,085	2,613	124	-	122,598	130,052	131,208
Expenditure By Type																
Employee related costs		4,813	5,026	5,347	5,160	5,421	5,609	5,819	6,002	5,766	6,347	6,148	8,605	70,063	72,866	76,509
Remuneration of councillors		572	589	626	643	651	638	729	685	671	690	702	718	7,915	8,223	8,625
Depreciation & asset impairment		576	553	541	592	608	614	682	600	623	636	730	767	7,521	7,747	8,057
Finance charges			499						499				-	999	840	769
Contracted services			120			380		600		125			184	1,409	1,452	1,313
Transfers and subsidies		3,500											252	3,752	5,721	5,878
Other expenditure		2,057	2,394	2,732	3,018	2,590	3,080	2,951	2,264	2,407	2,550	2,651	2,244	30,938	30,284	29,051
Total Expenditure		11,518	9,181	9,246	9,413	9,650	9,941	10,781	10,050	9,592	10,223	10,231	12,771	122,597	127,133	130,202
Surplus/(Deficit)		34,072	(7,817)	(5,368)	(9,372)	(9,180)	28,704	(10,736)	(9,307)	19,493	(7,610)	(10,107)	(12,771)	0	2,919	1,006
Surplus/(Deficit) after capital transfers & contributions		34,072	(7,817)	(5,368)	(9,372)	(9,180)	28,704	(10,736)	(9,307)	19,493	(7,610)	(10,107)	(12,771)	0	2,919	1,006
Surplus/(Deficit)	1	34,072	(7,817)	(5,368)	(9,372)	(9,180)	28,704	(10,736)	(9,307)	19,493	(7,610)	(10,107)	(12,771)	0	2,919	1,006

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

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

DC18 Lejweleputswa - Supporting Table SA26 Consolidated budgeted monthly revenue and expenditure (municipal vote)																
Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue by Vote																
Vote 4 - Council General		45,500					38,500			34,748			–	118,748	123,345	127,634
Vote 5 - Municipal Manager													–	–	3,123	–
Vote 6 - Budget & Treasury			1,250	95	87	242	15	821	408	163	422	180	167	3,850	3,584	3,574
Total Revenue by Vote		45,500	1,250	95	87	242	38,515	821	408	34,911	422	180	167	122,598	130,052	131,208
Expenditure by Vote to be appropriated																
Vote 1 - Executive Mayor		781	826	1,014	935	972	861	993	907	864	937	966	686	10,742	10,827	11,299
Vote 2 - Speaker		302	316	327	332	350	328	397	361	340	331	348	320	4,052	4,018	4,214
Vote 3 - Mayoral Committee		484	472	459	426	441	492	528	554	570	599	613	587	6,225	6,371	6,684
Vote 4 - Council General		966	1,013	1,161	1,009	1,215	1,393	1,678	1,799	1,742	1,500	1,690	1,307	16,473	17,726	15,912
Vote 5 - Municipal Manager		941	991	1,015	963	1,148	1,234	1,459	1,246	1,277	1,397	989	933	13,593	16,856	17,649
Vote 6 - Budget & Treasury		1,123	1,348	1,209	1,349	1,456	1,582	1,974	2,016	1,609	1,785	1,508	1,440	18,399	18,145	18,748
Vote 7 - Corporate Services		1,102	1,239	1,361	1,257	1,084	1,634	1,750	1,475	1,564	1,542	1,690	1,230	16,928	16,693	17,511
Vote 10 - Property		402	416	428	471	493	511	522	484	555	523	549	583	5,937	6,095	6,352
Vote 12 - Planning & Development		595	512	507	562	591	527	504	572	549	536	529	508	6,492	6,562	6,884
Vote 13 - Community & Social Services		798	814	822	836	887	916	954	1,001	969	918	932	886	10,733	10,604	11,111
Vote 14 - Environmental Health Services		827	844	865	894	917	848	985	1,110	1,238	1,274	1,160	1,061	12,023	12,234	12,837
Vote 15 - Tourism							1,001						–	1,001	1,001	1,001
Total Expenditure by Vote		8,321	8,791	9,168	9,034	9,554	11,327	11,744	11,525	11,277	11,342	10,974	9,540	122,597	127,133	130,202
Surplus/(Deficit) before assoc.		37,179	(7,541)	(9,073)	(8,947)	(9,312)	27,188	(10,923)	(11,117)	23,634	(10,920)	(10,794)	(9,374)	0	2,919	1,006
Surplus/(Deficit)	1	37,179	(7,541)	(9,073)	(8,947)	(9,312)	27,188	(10,923)	(11,117)	23,634	(10,920)	(10,794)	(9,374)	0	2,919	1,006

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

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

DC18 Lejweleputswa - Supporting Table SA27 Consolidated budgeted monthly revenue and expenditure (functional classification)																
Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue - Functional																
<i>Governance and administration</i>		45,500	1,250	95	87	242	38,515	821	408	34,911	422	180	167	122,598	130,052	131,208
Executive and council		45,500					38,500			34,748			-	118,748	126,468	127,634
Finance and administration			1,250	95	87	242	15	821	408	163	422	180	167	3,850	3,584	3,574
Total Revenue - Functional		45,500	1,250	95	87	242	38,515	821	408	34,911	422	180	167	122,598	130,052	131,208
Expenditure - Functional																
<i>Governance and administration</i>		6,101	6,621	6,974	6,742	7,159	8,035	9,301	8,842	8,521	8,614	8,353	7,085	92,348	96,731	98,369
Executive and council		3,474	3,618	3,976	3,665	4,126	4,308	5,055	4,867	4,793	4,764	4,606	3,832	51,084	55,798	55,757
Finance and administration		2,627	3,003	2,998	3,077	3,033	3,727	4,246	3,975	3,728	3,850	3,747	3,253	41,264	40,933	42,611
Internal audit													-	-	-	-
<i>Community and public safety</i>		798	814	822	836	887	916	954	1,001	969	918	932	886	10,733	10,604	11,111
Community and social services		798	814	822	836	887	916	954	1,001	969	918	932	886	10,733	10,604	11,111
Sport and recreation													-	-	-	-
<i>Economic and environmental services</i>		1,422	1,356	1,372	1,456	1,508	1,375	1,489	1,682	1,787	1,810	1,689	1,569	18,515	18,796	19,721
Planning and development		595	512	507	562	591	527	504	572	549	536	529	508	6,492	6,562	6,884
Environmental protection		827	844	865	894	917	848	985	1,110	1,238	1,274	1,160	1,061	12,023	12,234	12,837
<i>Other</i>							1,001						-	1,001	1,001	1,001
Total Expenditure - Functional		8,321	8,791	9,168	9,034	9,554	11,327	11,744	11,525	11,277	11,342	10,974	9,540	122,597	127,133	130,202
Surplus/(Deficit) before assoc.		37,179	(7,541)	(9,073)	(8,947)	(9,312)	27,188	(10,923)	(11,117)	23,634	(10,920)	(10,794)	(9,374)	0	2,919	1,006
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	37,179	(7,541)	(9,073)	(8,947)	(9,312)	27,188	(10,923)	(11,117)	23,634	(10,920)	(10,794)	(9,374)	0	2,919	1,006

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

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

DC18 Lejweleputswa - Supporting Table SA28 Consolidated budgeted monthly capital expenditure (municipal vote)																		
Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework				
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20		
Single-year expenditure to be appropriated																		
Vote 1 - Executive Mayor				50										-	50	50	50	
Vote 2 - Speaker				50											-	50	50	50
Vote 3 - Mayoral Committee				50											-	50	50	50
Vote 4 - Council General				100			2,000								-	2,100	1,350	-
Vote 5 - Municipal Manager						100									-	100	100	100
Vote 6 - Budget & Treasury						500									-	500	350	350
Vote 7 - Corporate Services				50											-	50	50	50
Vote 10 - Property						200									-	200	200	200
Vote 12 - Planning & Development				50											-	50	50	50
Vote 13 - Community & Social Services				50											-	50	50	50
Vote 14 - Environmental Health Services				50											-	50	1,235	50
Capital single-year expenditure sub-total	2	-	-	450	-	800	2,000	-	-	-	-	-	-	-	-	3,250	3,535	1,000
Total Capital Expenditure	2	-	-	450	-	800	2,000	-	-	-	-	-	-	-	-	3,250	3,535	1,000

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

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

DC18 Lejweleputswa - Supporting Table SA29 Consolidated budgeted monthly capital expenditure (functional classification)																
Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital Expenditure - Functional	1															
<i>Governance and administration</i>		-	-	300	-	800	2,000	-	-	-	-	-	-	3,100	2,200	850
Executive and council				250		100	2,000							2,350	1,600	250
Finance and administration				50		700								750	600	600
<i>Community and public safety</i>		-	-	50	-	-	-	-	-	-	-	-	-	50	50	50
Community and social services				50										50	50	50
<i>Economic and environmental services</i>		-	-	100	-	-	-	-	-	-	-	-	-	100	1,285	100
Planning and development				50										50	50	50
Environmental protection				50										50	1,235	50
Total Capital Expenditure - Functional	2	-	-	450	-	800	2,000	-	-	-	-	-	-	3,250	3,535	1,000
Funded by:																
Internally generated funds				450		800	2,000							3,250	3,535	1,000
Total Capital Funding		-	-	450	-	800	2,000	-	-	-	-	-	-	3,250	3,535	1,000

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

Table 48 – SA30: Budgeted monthly cash flow

DC18 Lejweleputswa - Supporting Table SA30 Consolidated budgeted monthly cash flow														Medium Term Revenue and Expenditure Framework		
MONTHLY CASH FLOWS	Budget Year 2017/18												Budget Year	Budget Year	Budget Year	
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	2017/18	+1 2018/19	+2 2019/20
Cash Receipts By Source														1		
Interest earned - external investments			72	44	239		65	709	358	107	413	293	-	2,300	2,300	2,300
Interest earned - outstanding debtors				35			39			43		47	-	164	164	164
Transfer receipts - operational	45,500	1,250	2,490			400	38,500		600	29,000	2,258		-	119,998	127,468	128,634
Other revenue	16	13	8	3	15	10	12	20	13	9	18		-	136	120	110
Cash Receipts by Source	45,516	1,335	2,577	242	415	38,614	721	978	29,163	2,680	358	-	122,598	130,052	131,208	
Total Cash Receipts by Source	45,516	1,335	2,577	242	415	38,614	721	978	29,163	2,680	358	-	122,598	130,052	131,208	
Cash Payments by Type																
Employee related costs	5,433	5,610	5,730	5,836	5,350	5,491	5,286	5,214	5,920	6,077	6,154	7,962	70,063	72,866	76,509	
Remuneration of councillors	598	605	593	601	604	628	690	701	712	720	731	733	7,916	8,223	8,625	
Finance charges		500										499	999	840	769	
Transfers and grants - other municipalities												-		1,800	1,800	
Transfers and grants - other	3,752											-	3,752	3,921	4,078	
Other expenditure	1,850	2,329	2,808	2,670	2,409	3,001	3,127	2,657	2,890	3,011	2,850	2,745	32,347	31,736	30,364	
Cash Payments by Type	11,633	9,044	9,131	9,107	8,363	9,120	9,103	8,572	9,522	9,808	9,735	11,940	115,077	119,386	122,145	
Other Cash Flows/Payments by Type																
Capital assets			450		800	2,000							-	3,250	3,535	1,000
Repayment of borrowing		1,244										1,244	2,489	2,647	2,719	
Total Cash Payments by Type	11,633	10,288	9,581	9,107	9,163	11,120	9,103	8,572	9,522	9,808	9,735	13,184	120,816	125,568	125,864	
NET INCREASE/(DECREASE) IN CASH HELD	33,883	(8,953)	(7,005)	(8,866)	(8,748)	27,494	(8,383)	(7,594)	19,641	(7,128)	(9,377)	(13,184)	1,781	4,484	5,344	
Cash/cash equivalents at the month/year begin:	29,827	63,710	54,757	47,752	38,887	30,139	57,633	49,250	41,656	61,297	54,169	44,792	29,827	31,608	36,092	
Cash/cash equivalents at the month/year end:	63,710	54,757	47,752	38,887	30,139	57,633	49,250	41,656	61,297	54,169	44,792	31,608	31,608	36,092	41,436	

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

Table 49 – SA31: Aggregate entity budget

DC18 Lejweleputswa - Supporting Table SA31 Aggregated entity budget										
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Financial Performance										
Property rates										
Service charges										
Investment revenue										
Transfers recognised - operational								9	7	7
Other own revenue										
Contributions recognised - capital & contributed assets										
Total Revenue (excluding capital transfers and contributions)		-	-	-	-	-	-	9	7	7
Employee costs								4	5	5
Remuneration of Board Members								0	0	0
Depreciation & asset impairment								0	0	0
Finance charges								-	-	-
Materials and bulk purchases								-	-	-
Transfers and grants								-	-	-
Other expenditure								4	2	2
Total Expenditure		-	-	-	-	-	-	9	7	7
Surplus/(Deficit)		-	-	-	-	-	-	-	-	-
Capital expenditure & funds sources										
Capital expenditure										
Transfers recognised - operational								-	-	-
Public contributions & donations								-	-	-
Borrowing								-	-	-
Internally generated funds								-	-	-
Total sources		-	-	-	-	-	-	-	-	-
Financial position										
Total current assets								0	0	0
Total non current assets								-	-	-
Total current liabilities								0	0	0
Total non current liabilities								-	-	-
Equity								0	0	0
Cash flows										
Net cash from (used) operating								0	0	0
Net cash from (used) investing								(0)	(0)	(0)
Net cash from (used) financing								-	-	-
Cash/cash equivalents at the year end								0	0	0

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

Table 51 – SA33: Contracts having future budgetary implications

DC18 Lejweleputswa - Supporting Table SA33 Contracts having future budgetary implications														
Description	Ref	Preceding Years	Current Year 2016/17	2017/18 Medium Term Revenue & Expenditure Framework			Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Total Contract Value
		Total	Original Budget	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Estimate							
Parent Municipality:														
<u>Revenue Obligation By Contract</u>	2													
<i>Contract 1</i>														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Expenditure Obligation By Contract</u>	2													
<i>Contract 1</i>														-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Capital Expenditure Obligation By Contract</u>	2													
<i>Contract 1</i>														-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Parent Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Entities:														
<u>Revenue Obligation By Contract</u>	2													
<i>Contract 1</i>														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Expenditure Obligation By Contract</u>	2													
<i>Contract 1</i>														-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Capital Expenditure Obligation By Contract</u>	2													
<i>Contract 1</i>														-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Entity Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

2.7.7 Capital expenditure details

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

Table 52 – SA34a: Capital Expenditure on new assets by asset class

DC18 Lejweleputswa - Supporting Table SA34a Consolidated capital expenditure on new assets by asset class										
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital expenditure on new assets by Asset Class/Sub-class										
Other assets		105	125	62	-	68	68	-	-	-
Operational Buildings		105	125	62	-	68	68	-	-	-
Municipal Offices		105	125	62		68	68			
Intangible Assets		155	233	204	300	808	808	800	1,485	300
Servitudes										
Licences and Rights		155	233	204	300	808	808	800	1,485	300
Computer Software and Applications		155	233	204	300	300	300	300	300	300
Unspecified						508	508	500	1,185	
Computer Equipment		577	170	91	-	-	-	-	-	-
Computer Equipment		577	170	91						
Furniture and Office Equipment		313	160	399	400	538	538	700	700	700
Furniture and Office Equipment		313	160	399	400	538	538	700	700	700
Machinery and Equipment		7	-	-	-	1,600	1,600	150	-	-
Machinery and Equipment		7				1,600	1,600	150		
Transport Assets		1,197	242	-	-	-	-	1,600	-	-
Transport Assets		1,197	242					1,600		
Total Capital Expenditure on new assets	1	2,354	930	757	700	3,014	3,014	3,250	2,185	1,000

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

Table 53 – SA34b: Capital Expenditure on the renewal of assets by asset class

DC18 Lejweleputswa - Supporting Table SA34b Consolidated capital expenditure on the renewal of existing assets by asset class										
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1									
<u>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</u>										
<u>Intangible Assets</u>		-	-	-	-	-	-	-	1,350	-
<i>Unspecified</i>									1,350	
<u>Computer Equipment</u>		-	-	-	-	-	-	-	-	-
Computer Equipment										
<u>Furniture and Office Equipment</u>		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment										
<u>Machinery and Equipment</u>		-	-	-	-	-	-	-	-	-
Machinery and Equipment										
<u>Transport Assets</u>		-	-	-	-	-	-	-	-	-
Transport Assets										
Total Capital Expenditure on renewal of existing assets	1	-	-	-	-	-	-	-	1,350	-

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

Table 54 – SA34c: Repairs and maintenance expenditure by asset class

DC18 Lejweleputswa - Supporting Table SA34c Consolidated repairs and maintenance by asset class										
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1									
<u>Repairs and maintenance expenditure by Asset Class/Sub-class</u>										
Other assets		158	264	156	209	209	209	209	215	224
Operational Buildings		158	264	156	209	209	209	209	215	224
<i>Municipal Offices</i>		158	264	156	209	209	209	209	215	224
Intangible Assets		59	63	55	35	35	35	35	37	38
Licences and Rights		59	63	55	35	35	35	35	37	38
<i>Unspecified</i>		59	63	55	35	35	35	35	37	38
Computer Equipment		27	7	47	18	18	18	18	18	19
Computer Equipment		27	7	47	18	18	18	18	18	19
Furniture and Office Equipment		91	–	16	14	14	14	14	15	13
Furniture and Office Equipment		91	–	16	14	14	14	14	15	13
Transport Assets		69	130	266	450	450	450	450	464	482
Transport Assets		69	130	266	450	450	450	450	464	482
Total Repairs and Maintenance Expenditure	1	405	465	540	726	726	726	726	748	776

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

Table 55 – SA34d: Depreciation by asset class

DC18 Lejweleputswa - Supporting Table SA34d Consolidated Depreciation by asset class										
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1									
<u>Depreciation by Asset Class/Sub-class</u>										
<u>Other assets</u>		2,195	2,882	200	3,130	3,130	3,130	3,024	3,114	3,239
Operational Buildings		2,195	2,882	200	3,130	3,130	3,130	3,024	3,114	3,239
Municipal Offices		2,195	2,882	200	3,130	3,130	3,130	3,024	3,114	3,239
<u>Intangible Assets</u>		1,743	30	49	172	172	172	156	161	167
Servitudes										
Licences and Rights		1,743	30	49	172	172	172	156	161	167
Computer Software and Applications		1,710								
Unspecified		33	30	49	172	172	172	156	161	167
<u>Computer Equipment</u>		128	371	–	478	478	478	458	471	490
Computer Equipment		128	371	–	478	478	478	458	471	490
<u>Furniture and Office Equipment</u>		1,183	2,503	2,479	3,185	3,185	3,185	2,601	2,679	2,786
Furniture and Office Equipment		1,183	2,503	2,479	3,185	3,185	3,185	2,601	2,679	2,786
<u>Machinery and Equipment</u>		1,309	–	–	–	–	–	–	–	–
Machinery and Equipment		1,309								
<u>Transport Assets</u>		93	719	1,668	1,065	1,065	1,065	1,283	1,321	1,374
Transport Assets		93	719	1,668	1,065	1,065	1,065	1,283	1,321	1,374
Total Depreciation	1	6,651	6,505	4,395	8,030	8,030	8,030	7,521	7,747	8,057

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

Table 56– SA34e: Consolidated capital expenditure on the upgrading of existing assets by asset class

DC18 Lejweleputswa - Supporting Table SA34e Consolidated capital expenditure on the upgrading of existing assets by asset class										
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1									
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Other assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
<i>Unspecified</i>										
Computer Equipment		-	-	-	-	-	-	-	-	-
Computer Equipment										
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment										
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment										
Transport Assets		-	-	-	-	-	-	-	-	-
Transport Assets										
Total Capital Expenditure on upgrading of existing assets	1	-	-	-	-	-	-	-	-	-

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

Table 57 – SA35: Future financial implications of the capital budget

DC18 Lejweleputswa - Supporting Table SA35 Consolidated future financial implications of the capital budget								
Vote Description	Ref	2017/18 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Present value
Capital expenditure	1							
Vote 1 - Executive Mayor		50	50	50				
Vote 2 - Speaker		50	50	50				
Vote 3 - Mayoral Committee		50	50	50				
Vote 4 - Council General		2,100	1,350	-				
Vote 5 - Municipal Manager		100	100	100				
Vote 6 - Budget & Treasury		500	350	350				
Vote 7 - Corporate Services		50	50	50				
Vote 8 - Human Resources		-	-	-				
Vote 9 - Information Technology		-	-	-				
Vote 10 - Property		200	200	200				
Vote 11 - Municipal Support		-	-	-				
Vote 12 - Planning & Development		50	50	50				
Vote 13 - Community & Social Services		50	50	50				
Vote 14 - Environmental Health Services		50	1,235	50				
Vote 15 - Tourism		-	-	-				
<i>List entity summary if applicable</i>								
Total Capital Expenditure		3,250	3,535	1,000	-	-	-	-
Net Financial Implications		3,250	3,535	1,000	-	-	-	-

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

2.7.8 Detailed capital budget per municipal vote

Table 58 – SA36: Detailed capital budget per municipal vote

DC18 Lejweleputswa - Supporting Table SA36 Consolidated detailed capital budget																
Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2017/18 Medium Term Revenue & Expenditure Framework			Project information	
										Audited Outcome 2015/16	Current Year 2016/17 Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Ward location	New or renewal
R thousand	4				6	3	3	5								
Parent municipality:																
<i>List all capital projects grouped by Municipal Vote</i>																
Parent Capital expenditure																
	1											-	-	-		
Entities:																
<i>List all capital projects grouped by Entity</i>																
Entity A																
Water project A																
Entity B																
Electricity project B																
Entity Capital expenditure																
										-	-	-	-	-		
Total Capital expenditure																
										-	-	-	-	-		

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

Table 59 – SA37: Projects delayed from previous financial years

DC18 Lejweleputswa - Supporting Table SA37 Consolidated projects delayed from previous financial year/s												
Municipal Vote/Capital project	Ref.	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target year to complete	Current Year 2016/17		2017/18 Medium Term Revenue & Expenditure Framework		
	1,2							Original Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand							Year					
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>												

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

Table60: SA38 Consolidated detailed operational projects

DC18 Lejweleputswa - Supporting Table SA38 Consolidated detailed operational projects															
Municipal Vote/Operational project	Ref	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2017/18 Medium Term Revenue & Expenditure Framework			Project information
										Audited Outcome 2015/16	Current Year 2016/17 Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Ward location
Parent municipality: <i>List all operational projects grouped by Municipal Vote</i>					No										
Parent operational expenditure	1											-	-	-	
Entities: <i>List all operational projects grouped by Entity</i>															
Entity A Water project A															
Entity B Electricity project B															
Entity Operational expenditure										-	-	-	-	-	
Total Operational expenditure										-	-	-	-	-	

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

**2.7.9 Supporting detail to A4 (Budgeted Financial Performance) and A6 (Budgeted Financial Position)
Table 60.1 – SA1: Supporting detail to Statement of Financial Performance**

DC18 Lejweleputswa - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
REVENUE ITEMS:											
Other Revenue by source											
<i>Fuel Levy</i>											
<i>Other Revenue</i>		1,124	231	307	105	630	630	630	136	120	110
Total 'Other' Revenue	1	1,124	231	307	105	630	630	630	136	120	110
EXPENDITURE ITEMS:											
Basic Salaries and Wages	2	35,720	41,845	46,271	46,889	45,741	45,741	45,741	48,748	50,698	53,233
Pension and UIF Contributions		5,765	6,020	6,172	6,874	6,624	6,624	6,624	7,255	7,545	7,922
Medical Aid Contributions		2,907	3,140	3,363	3,918	3,775	3,775	3,775	3,851	4,005	4,206
Overtime		188	232	44		49	49	49			
Motor Vehicle Allowance		5,282	5,299	5,466	5,958	6,394	6,394	6,394	7,745	8,055	8,458
Cellphone Allowance		235	197	196	216	120	120	120	109	114	119
Housing Allowances		327	276	368	431	429	429	429	478	497	522
Other benefits and allowances		1,262	3,028	1,301	1,098	1,087	1,087	1,087	1,386	1,441	1,513
Payments in lieu of leave		2,250	2,501	2,849							
Long service awards		3,192			364	463	463	463	491	511	536
Post-retirement benefit obligations	4	3,612									
sub-total	5	60,740	62,538	66,030	65,750	64,682	64,682	64,682	70,063	72,866	76,509
Less: Employees costs capitalised to PPE											
	1	60,740	62,538	66,030	65,750	64,682	64,682	64,682	70,063	72,866	76,509
0											
Depreciation of Property, Plant & Equipment		6,651	6,505	4,395	8,030	8,030	8,030	8,030	7,521	7,747	8,057
Depreciation resulting from revaluation of PPE	10										
Total 0	1	6,651	6,505	4,395	8,030	8,030	8,030	8,030	7,521	7,747	8,057

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

Professional Fees		1,287	2,345	2,883	807	1,556	1,556	1,556	809	834	670
Legal Fees		362	235	647	300	561	561	561	600	618	643
sub-total	1	1,649	2,581	3,530	1,107	2,117	2,117	2,117	1,409	1,452	1,313
Total contracted services		1,649	2,581	3,530	1,107	2,117	2,117	2,117	1,409	1,452	1,313
Other Expenditure By Type											
Collection costs											
Contributions to 'other' provisions		3,915	4,835	2,849	5,729	5,522	5,522	5,522	5,570	2,317	
Consultant fees		924	700	3,530	807	1,556	1,556	1,556	809	834	670
Audit fees		2,102	2,092	1,995	2,499	2,499	2,499	2,499	2,499	2,574	2,677
General expenses	3	8,821	9,532	10,372	16,846	16,326	16,325	16,326	18,264	14,438	18,474
ADVERTISEMENTS		160	137	122	130	130	130	130	130	134	140
AIR QUALITY PROGRAMME					90	90	90	90	90	93	96
ARTS & CULTURE PROGRAMMES		146	130	100							
AUDIT COMMITTEE		158	113	149	105	130	130	130	133	137	141
BANK CHARGES		58	67	104	54	54	54	54	54	56	58
BRANDING		238	55	206	170	220	220	220	170	175	182
CAPACITY BUILDING		544	807							3,123	3,248
CAPACITY DEVELOPMENT		855	934	930						3,123	
CAMPAIGNS		872	894	2,849	566	891	891	891	920	948	986
CAR HIRE					111	53	53	53	53	55	57
CAR TRACKING SYSTEM					29	29	29	29			
CHILDREN'S PROGRAMME		29	65	174	50	50	50	50	50	52	54
CLEANING SERVICES		21	92	99	122	122	122	122	122	125	130
COMMUNICATION					51	51	51	51	51	53	55
COOPERATIVE DEVELOPMENT		810	22	528	200	200	200	200	200	206	214
DISASTER AWARENESS PROGRAMMES					23	23	23	23	23	24	25
DISASTER RELIEF FUND					60	60	60	60	60	62	64
DISTRICT AIDS COUNCIL					40	65	65	65	65	67	70
TOURISM PROGRAMME					1,000	1,001	1,001	1,001	1,001	1,001	1,001
EDUCATIONAL PROJECT		371	761	468	152	152	152	152	152	152	152
ELECTRICITY		334	394	452	449	449	449	449	493	508	529
EMPLOYEE SPORTS					28	28	28	28	28	29	30
Total 'Other' Expenditure	1	20,357	21,630	24,925	29,310	29,701	29,701	29,701	30,938	30,284	29,051

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

Table 61 – SA2: Supporting detail to Statement of Financial Performance

DC18 Lejweleputswa - Supporting Table SA2 Consolidated Matrix Financial Performance Budget (revenue source/expenditure type & dept.)																	
Description	Ref	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 - Human Resources	Vote 9 - Information Technology	Vote 10 - Property	Vote 11 - Municipal Support	Vote 12 - Planning & Development	Vote 13 - Community & Social Services	Vote 14 - Environmental Health Services	Vote 15 - Tourism	Total
R thousand	1																
Revenue By Source																	
Interest earned - external investments							2,300										2,300
Interest earned - outstanding debtors							164										164
Other revenue							136										136
Transfers and subsidies					118,748		1,250										119,998
Gains on disposal of PPE																	-
Total Revenue (excluding capital transfers and contributions)		-	-	-	118,748	-	3,850	-	-	-	-	-	-	-	-	-	122,598
Expenditure By Type																	
Employee related costs		3,696	2,600	1,439	24	11,565	10,812	14,330			1,272		5,610	7,906	10,808		70,063
Remuneration of councillors		843	678	4,106	2,288												7,915
Depreciation & asset impairment		99	58	89	769	153	880	204			3,083		82	1,877	227		7,521
Finance charges					999												999
Transfers and subsidies					3,752												3,752
Other expenditure		6,105	716	590	8,640	1,874	6,707	2,394			1,582		800	950	988	1,001	32,347
Loss on disposal of PPE																	-
Total Expenditure		10,742	4,052	6,225	16,473	13,593	18,399	16,928	-	-	5,937	-	6,492	10,733	12,023	1,001	122,597
Surplus/(Deficit)		(10,742)	(4,052)	(6,225)	102,275	(13,593)	(14,550)	(16,928)	-	-	(5,937)	-	(6,492)	(10,733)	(12,023)	(1,001)	0
Surplus/(Deficit) after capital transfers & contributions		(10,742)	(4,052)	(6,225)	102,275	(13,593)	(14,550)	(16,928)	-	-	(5,937)	-	(6,492)	(10,733)	(12,023)	(1,001)	0

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 MTREF BUDGET

Table 62 – SA3: Supporting detail to Statement of Financial Position

DC18 Lejweleputswa - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
ASSETS											
Call investment deposits											
Other current investments		30,284	40,367	40,009	30,000	30,000	30,000	30,000	20,000	15,000	15,000
Total Call investment deposits	2	30,284	40,367	40,009	30,000	30,000	30,000	30,000	20,000	15,000	15,000
Property, plant and equipment (PPE)											
PPE at cost/valuation (ex cl. finance leases)		91,400	91,234	92,355	83,499	83,499	83,499	83,499	111,438	91,438	95,095
Less: Accumulated depreciation		21,251	24,766	29,727	17,211	17,211	17,211	17,211	22,190	17,715	18,424
Total Property, plant and equipment (PPE)	2	70,149	66,468	62,628	66,288	66,288	66,288	66,288	89,248	73,723	76,671
LIABILITIES											
Current liabilities - Borrowing											
Current portion of long-term liabilities		1,847	2,146	1,059	1,233	1,233	1,233	1,233	999	840	769
Total Current liabilities - Borrowing		1,847	2,146	1,059	1,233	1,233	1,233	1,233	999	840	769
Trade and other payables											
Trade and other creditors		7,138	8,734	9,697	7,287	7,287	7,287	7,287	7,652	8,034	8,356
Unspent conditional transfers			188	232							
Total Trade and other payables	2	7,138	8,921	9,929	7,287	7,287	7,287	7,287	7,652	8,034	8,356
Non current liabilities - Borrowing											
Borrowing	4	13,113	10,967	11,557	11,527	11,527	11,527	11,527	9,059	7,832	6,532
Total Non current liabilities - Borrowing		13,113	10,967	11,557	11,527	11,527	11,527	11,527	9,059	7,832	6,532
Provisions - non-current											
Retirement benefits		7,588	9,082	10,367	8,188	8,188	8,188	8,188	8,597	9,027	9,388
Total Provisions - non-current		7,588	9,082	10,367	8,188	8,188	8,188	8,188	8,597	9,027	9,388
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		84,101	87,445	90,450	72,242	70,991	70,991	70,991	87,157	62,690	67,867
Restated balance		84,101	87,445	90,450	72,242	70,991	70,991	70,991	87,157	62,690	67,867
Surplus/(Deficit)		3,612	3,505	5,212	700	1,951	1,951	1,951	0	2,919	1,006
Accumulated Surplus/(Deficit)	1	87,713	90,951	95,662	72,942	72,942	72,942	72,942	87,157	65,610	68,874
TOTAL COMMUNITY WEALTH/EQUITY	2	87,713	90,951	95,662	72,942	72,942	72,942	72,942	87,157	65,610	68,874

LEJWELEPUTSWA DISTRICT MUNICIPALITY 2017/2018 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 2017/2018 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