

# BA-PHALABORWA MUNICIPALITY



**“Home of Marula and Wildlife Tourism”**

**ANNUAL BUDGET 2017/18 MTREF**

## Vision

*“Provision of quality services for community well-being and tourism development”*



## Mission

- to provide democratic and accountable government for local communities;
- to ensure the provision of services to communities in a sustainable manner;
- to promote social and economic development;
- to promote a safe and healthy environment; and
  - to encourage the involvement of communities and community organisations in the matters of local government.

## Values

- Efficiency and effectiveness
  - Accountability
- Innovation and creativity
- Professionalism & hospitality
- Transparency and fairness
  - Continuous learning
- Conservation conscious

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**ABBREVIATIONS/ACCRONYMS**

CFO	Chief Financial Officer
CPIX	Consumer Price Index
DoRA	Division of Revenue Act
DPLG	Department of Provincial and Local Government
DLGH	Department of Local Government and Housing
EXCO	Executive Committee
GRAP	Generally Recognised Accounting Practice
IDP	Integrated Development Plan

MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
MPRA	Municipal Property Rates Act
MTREF	Medium Term Revenue and Expenditure Framework
NERSA	National Electricity Regulation of South Africa
NT	National Treasury
PMS	Performance Management System
PPP	Public-Private Partnerships
SALGA	South African Local Government Association
SDBIP	Service Delivery Budget and Implementation Plan

# **PART ONE**

## **ANNUAL BUDGET**

## 1. MAYOR'S REPORT

### BA- PHALABORWA LOCAL MUNICIPALITY'S BUDGET SPEECH FOR 2017/18

Delivered by Mayor, Cllr. PJ Shayi

On Friday, 30<sup>th</sup> March 2017

Honourable Speaker, Cllr. MM Malatji, Chief Whip of Council, Cllr. E Hlungwani, Members of the Executive Committee,

Leaders of Opposition Parties, Traditional Leaders, Fellow Cllrs, Community at large, Distinguished Guests, Members of the Media, Ladies and Gentlemen,

Good Afternoon,

#### **In terms of MFMA Sec 16.**

(1) The council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year.

(2) In order for a municipality to comply with subsection (1), the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.

#### **17. (1) An annual budget of a municipality must be a schedule in the prescribed format–**

- (a) setting out realistically anticipated revenue for the budget year from each revenue source;
- (b) appropriating expenditure for the budget year under the different votes of the municipality;

(c) setting out indicative revenue per revenue source and projected expenditure by vote for the two financial years following the budget year;

(d) setting out—

(i) estimated revenue and expenditure by vote for the current year; and

(ii) And actual revenue and expenditure by vote for the financial year preceding the current year

Honourable Speaker, for the 2017/18 budget a considerate effort was put to align our strategic objectives with the IDP and Budget. The total projected revenue for budget year 2017/18 is **R522, 891** million. The total revenue comprises of own generated revenue which amount to **R345, 735** million for all municipal service charges and total transfers grants amounting **R177, 156** as per DORA. Total revenue has grown by **10.57** for the 2017/18 financial year compared to the 2016/17 Adjustments Budget.

The 2017/18 total expenditure budget amounts to **R569, 906 million**. This total budget comprises of operational expenditure budget of **R508, 887** million and capital budget of **R60, 619** million.

- The budgeted allocation for employee related costs for the 2017/18 financial year totals **R143, 682 million** which equals 28.23% of the total operating expenditure. Salary increases have been factored into this budget at a percentage increase of 7.4% as per SALGA Bargaining agreement for the 2017/18 financial year as per latest circular 86.
- The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). For the 2017/18 financial year the remuneration will amount to **R14, 804 million**, which is equal to 2.91% of the operating expenditure.



- The provision of debt impairment was determined based on a current collection rate and the Debt Write-off Policy of the municipality. For the 2017/18 financial year this amount equates to **R37, 799 million** which equates to 7.43% of the total operating expenditure.
- Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Budget appropriations in this regard total **R70, 117 million** for the 2017/18 financial and equates to 13.78% of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has taken into account.
- Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses and are equal to 19.29% of the operating expenditure.
- The finance charges for 2017/18 financial year is estimated to be **R745 thousand** which constitute 0.15% of the total operating expenditure.
- Other expenditure comprises of various line items relating to the daily operations of the municipality, For 2017/18 financial year is estimated at **R95, 758 million** which equates to 18.82% of total operational budget. The amount include **R25 million** of repairs and maintenance.

The budget we are tabling today is having a surplus amount totalling to **R14, 004 ( Fourteen million)** which will be able to fund the internally funded capital projects if collection of revenue as planned is realised.

Honourable Speaker, as I've already indicated that the total capital budget is **R60, 619** million, in terms of budget funding, **R13, 400** million will be funded from internally generated revenue which constitute **22.11%** of the capital budget, while the **R47, 219** will be funded by Grants as outlined in the DORA and it constitute **77.89%** of the capital budget.

### **Tariffs**

Honourable Speaker, it is envisaged that the proposed tariffs will allow the municipality to generate sufficient revenue to sustain its operations. The 2017/18 tariffs has been reviewed and analysis has been conducted to assess affordability level of our community. However, NERSA is governing the electricity tariff increases. The annexure of tariff book is attached on the budget document to highlight the categories of increases. Members of the community are encouraged to allow access into their yards where meters are located to avoid exorbitant charges.

Honourable Speaker, I will repeat this time and again: **Our communities are reminded to pay services offered by Council in order to afford continuity.**

I thank you.

## 2. ANNUAL BUDGET RESOLUTIONS

The Council of Ba-Phalaborwa Local Municipality in its seating on 31 March 2017 resolved as follows with regard to the annual Budget for 2017/18 Medium-Term Revenue and Expenditure Framework:

### 2.1. Annual Budget for 2017/18 MTREF

Council resolved that the budget and MTREF and its supporting tables of the Ba-Phalaborwa municipality for the financial year 2017/18; be approved as set out in the following tables:

Table MBRR A1	Budget Summary
Table MBRR A2	Revenue and expenditure by standard classification
Table MBRR A3	Budgeted financial performance (Revenue and Expenditure by Municipal Vote)
Table MBRR A4	Budgeted financial performance (Revenue and Expenditure)
Table MBRR A5	Budgeted capital expenditure
Table MBRR A6	Financial position
Table MBRR A7	Budget cash flows
Table MBRR A8	Cash backed reserves, accumulated surplus reconciliation
Table MBRR A9	Asset Management,
Table MBRR A10	Basic service delivery measures

## 2.2. Annual Budget Supporting Tables for 2017/18 MTREF

That the budget of Ba-Phalaborwa municipality for the financial year 2017/18; and indicative figures for the two projected outer years 2018/19 and 2019/20 be approved as set-out in the following supporting tables:

Table MBRR SA1	Supporting details to budgeted financial performance
Table MBRR SA2	Consolidated Matrix Financial performance
Table MBRR SA3	Budgeted financial position
Table MBRR SA7	Measurable performance objective
Table MBRR SA8	Performance indicators and benchmark
Table MBRR SA9	Social, economic and demographic statistics and assumptions
Table MBRR SA10	Funding Measurements
Table MBRR SA11	Property rates summary,
TableMBRSA12&13	Property rates category
Table MBRR SA14	Household bills
Table MBRR SA15	Investment particulars
Table MBRR SA16	Investment particulars by maturity
Table MBRR SA17	Borrowing
Table MBRR SA20	Reconciliation of transfer, grant receipt and unspent funds
Table MBRR SA21	Transfer and grants made by the municipality
Table MBRR SA22	Summary of councillor and staff benefits
Table MBRR SA23	Salaries, allowances & benefits
Table MBRR SA25	Budgeted monthly revenue and expenditure (Standard Item)
Table MBRR SA26	Budgeted monthly revenue and expenditure (Municipal vote)

Table MBRR SA27	Budgeted monthly revenue and expenditure ( Standard classification )
Table MBRR SA28	Budgeted monthly capital expenditure (Municipal vote )
Table MBRR SA29	Budgeted monthly capital expenditure (Standard classification )
Table MBRR SA30	Budgeted monthly cash flow
Table MBRR SA33	Contract having future budgetary implications
Table MBRR SA34	Capital expenditure by asset classification
Table MBRR SA35	Future financial implications of the capital budget
Table MBRR SA36	Detailed capital budget
Table MBRR SA37	Detailed capital projects delayed from previous financial
Table MBRR SA38	Consolidated detailed operational projects

### 2.3. Property Rates and other municipal tax

Council resolves that **adopted** property rates and other municipal tax as reflected on Tariff Schedule (Annexure A) are **imposed** for the budget year 2017/18

### 2.4. Tariffs and charges

Council resolves that the tariffs and charges reflected on Tariff Schedule (Annexure A and B) are **approved** for 2017/18 budget year be adopted for implementation.

### 2.5. Integrated Development Plan

Council resolves that the Integrated Development Plan be **approved** with this budget.

## 2.6. Credit Control, Debt Collection

Council resolves that the adopted credit control, debt collection and Consumer Care Policies be approved for 2017/18 financial year

## 2.7. Indigent Policies

Council resolves that the adopted Indigent Household Consumers Subsidy Policy be approved for 2017/18 financial year.

### Indigent Support

2.7.1. Council resolves to support indigents households **approved** as per adopted indigent household consumer policy

2.7.2. Council further resolves that, in the event that the total subsidy in respect of approved indigents exceeds the budgeted amount, the excess amount be re-allocated from the current provision for bad debts to the relevant indigent subsidies, in view of the fact that the current bad debt is adequately provided for and the resolution related to the approval of the Indigent Policy will remain intact.

2.7.3. Council resolves that for the 2017/18 financial year the indigents are subsidized as set out in adopted Household Consumer and Subsidy Policy and that the subsidy will consist of the following:

1. 6 kl of water per indigent household per month, where metered, alternatively the flat rate levied
2. 50 kw of electricity per indigent household per month, where metered, alternatively the flat rate levied
3. 100% Free refuse removal from residential stands in accordance with the Tariff Schedule

4. 100% Free sewer services to residential stands in accordance with the municipality's Tariff Schedule
5. Payment of Rates and Taxes on a residential property in accordance with the municipality's Property Rates and Tariff Policies
6. Payment of rental on council-occupied residential property in accordance with the municipality's Tariff Policy

**Budget related policies**

Council resolves that the following 2017/18 budget related policies be approved:

1. Property Rates Policy
2. Tariff Policy
3. Credit Control Policy
4. Debt Collection Policy
5. Indigent Household Consumer Subsidy policy
6. Supply chain management policy
7. Virement policy
8. Budget policy
9. Petty Cash policy
10. Asset Management Policy

11. Bad Debts Write Off
12. Deposit Policy
13. Cash management and Investment Policy
14. Fleet management Policy
15. Electricity by-laws
16. Land use by-law
17. Electricity supply by-laws
18. Subsistence and travelling policy
19. Customer care Policy and Service Standards
20. Inventory Management Policy



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**CLLR MM MALATJI**

**SPEAKER OF BA-PHALABORWA LOCAL MUNICIPALITY COUNCIL**

### **3. EXECUTIVE SUMMARY**

## EXECUTIVE SUMMARY

In terms of Section 16. (1) Of the MFMA, the council of a municipality must for each financial year approve an annual budget for the municipality before the start of the financial year, (which is before the end of June each year). In order for a municipality to comply with the above statement indicated, the mayor of the municipality must table the annual budget at a council meeting at least **90 days** (which is before or by the end of March) before the start of the budget year.

**Section 17 of the MFMA, further states that the annual budget of a municipality must be scheduled in the prescribed formats as indicated by National Treasury, and must do the following:**

- Setting out **realistically anticipated revenue** for the budget year from each revenue source.
- Appropriating expenditure for the budget year under the different votes of the municipality.
- Setting out **indicative revenue per revenue source and projected expenditure by vote** for the two financial years following the budget year.

**As municipalities are implementing the Municipal Standards Charts Of Accounts(mSCOA, the previous audited information will be presented on A-Schedule version 2.8 as per circular 86 and A-Schedule 6.1 version will cater the 2017/18 budget and the two( 2 ) outer years.**

**Section 18 of the MFMA, further states that the municipality may fund the expenditures from:**

- Realistically anticipated revenues to be collected. (This will includes all the Grants to be received by the municipality, Donations, Transfers, and Own Revenue Collection).
- Cash-backed accumulated funds from previous years' surpluses not committed for other purposes;
- Borrowed funds, but only for the capital budget

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Cost containment circular 82 was considered in the preparation of budget. Key areas where savings were realized were on telephone and internet usage, printing, workshops, travelling, accommodation, and catering. The economy is still volatile and the South African economy is having a slow growth.

And so we must intensify our efforts to address economic constraints, improve our growth performance, create work opportunities and broaden economic participation. We need to achieve these goals if our National Development Plan is to be realised.

The Municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers.

National Treasury's MFMA Circular No. 64, 66, 67, 70, 72, 74 and 75, 80, 81, 82, 82, 84, 85 and 86 were used to guide the compilation of the budget 2017/18 annual budget and MTREF. The planning of the budget involved consideration of all factors, which had far reaching implications on the annual budget of the municipality.

The 2017/18 - 2019/20 budget and medium-term revenue and expenditure framework was prepared on the basis of the following priorities, guidelines and assumptions:

#### **1. National priorities**

The national government's main priorities for the medium-term is services and social infrastructure development and job creation and therefore the focus and priorities of all spheres of government should be geared towards the achievement of this priorities.

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As we prepare our next five year integrated development plan we need to ensure that our plans and budgets are redirected towards the achievements of these priorities. We need to continue to explore opportunities to mainstream labour intensive approaches to delivering services, and more particularly to participate fully in the Extended Public Works Programme.

The municipality should not just employ more people without any reference to the level of staffing required to deliver effective services, and what is financially sustainable over the medium term.

**The municipality ought to focus on maximizing its contribution to job creation by:**

- (a) Ensuring that service delivery and capital projects use labour intensive methods wherever appropriate;
- (b) Ensuring that service providers use labour intensive approaches;
- (c) Supporting labour intensive Local Economic Development projects;
- (d) Participating fully in the Extended Public Works Programme; and
- (e) Implementing interns programmes to provide young people with on-the-job training.

The municipality should also play a critical role in creating an enabling environment for investments and other activities that lead to job creation.

## Projected Revenue

	2013/14	2014/15	2015/16	Current Year 2016/17			Projections		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjustment	Adjusted Budget	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Revenue By Source</b>									
Own generated revenue	224,774	218,781	345,070	333,272	-4,000	329,272	345,735	361,335	377,536
Transfers recognised – operational	73,626	87,633	112,388	114,153	-108	114,045	129,937	139,931	147,774
Transfers recognised – capital	31,537	38,768	55,499	29,460	108	29,568	47,219	36,243	54,352
<b>Total Revenue (Including Capital Transfers and Contributions)</b>	<b>329,937</b>	<b>345,182</b>	<b>512,957</b>	<b>476,885</b>	<b>-4,000</b>	<b>472,885</b>	<b>522,891</b>	<b>537,509</b>	<b>579,662</b>

The total projected revenue for budget year 2017/18 is R522, 891 million. The budgeted financing activities breakdown are as follows:

- Own generated revenue amount to R345,735 million.
- Operational transfers grants as per DoRA is R129, 937 million
- And capital transfers grants of R47, 219 million

Total revenue has grown by 10.57 per cent for the 2017/18 financial year compared to the 2016/17 Adjustments Budget. For the next two coming years, operational revenue will increase by 2.8 and 7.84 per cent respectively.

## Operational Budget

Description	2013/14	2014/15	2015/16	Current Year 2016/17			Projections		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjustment	Adjusted Budget	Budget Year +1 2017/18	Budget Year +2 2018/19	Budget Year +3 2019/20
<b>Expenditure By Type</b>									
Employee related costs	94,192	123,098	118,246	129,304	3,323	132,627	143,682	153,308	163,428
Remuneration of councillors	10,492	11,790	13,243	13,784	-	13,784	14,804	15,796	16,839
Debt impairment	2,691	73,146	66,032	35,525	-	35,525	37,799	39,953	42,191
Depreciation & asset impairment	61,010	60,127	62,987	66,899	1,000	65,899	70,117	74,114	78,264
Finance charges	128	231	1,215	1,519	-800	719	745	787	831
Bulk purchases	67,501	65,626	74,560	92,259	-	92,259	98,163	103,759	109,569
Contracted services	26,056	44,545	30,487	50,055	-6,253	43,802	47,819	48,504	52,001
Other expenditure	70,427	71,596	69,939	87,009	-1,095	85,914	95,758	99,874	105,187
Loss on disposal of PPE	-30								
<b>Total Expenditure</b>	<b>332,466</b>	<b>450,159</b>	<b>436,709</b>	<b>476,355</b>	<b>5,826</b>	<b>470,529</b>	<b>508,887</b>	<b>536,095</b>	<b>568,309</b>
<b>Surplus/(Deficit)</b>	<b>(2,530)</b>	<b>(104,977)</b>	<b>76,247</b>	<b>530</b>	<b>(1,826)</b>	<b>2,356</b>	<b>14,004</b>	<b>1,414</b>	<b>11,353</b>

Total expenditure for the 2017/18 financial year amount to R508,887 million and a surplus of R14 million is anticipated. When compared to the 2016/17 Adjustments Budget, total operating expenditure has increased by 8.15 per cent in the 2017/18 budget and increased by 5.35 and 6.01 per cent for each of the respective outer years of the MTREF.

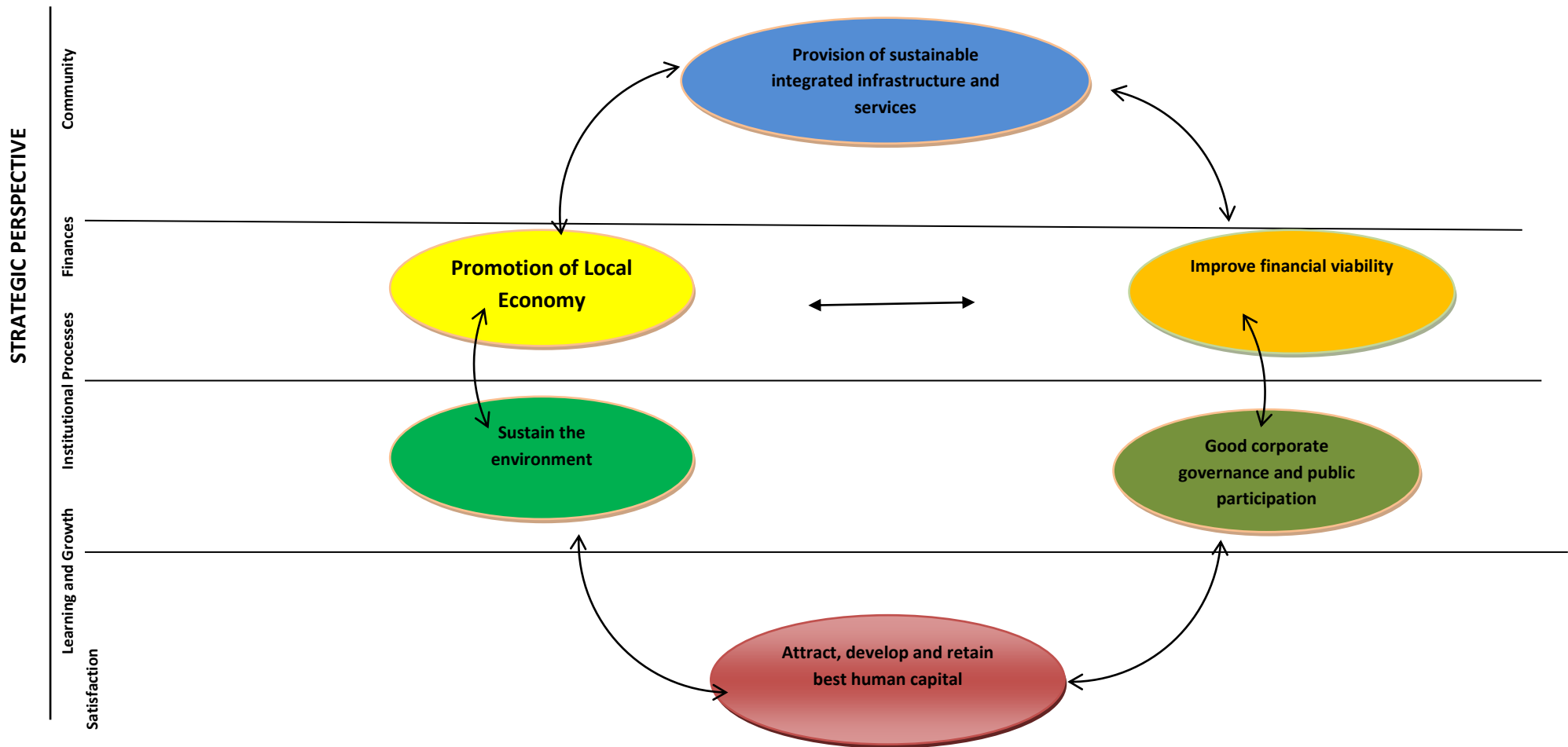
### Capital Budget

Capital Budget	Adjustment Budget	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Municipal Infrastructure Grant	29,568,000	38,219,000	31,402,957	35,352,000
INEP	-	9,000,000	3,000,000	19,000,000
Internally Funded Projects	20,200,000	13,400,000	13,400,000	23,095,803
<b>Total Capital Expenditure</b>	<b>49,768,000</b>	<b>60,619,000</b>	<b>47,802,957</b>	<b>77,447,803</b>

The capital budget for 2017/18 amounts to R60,619 million of which is 21.80% increase from Adjustment Budget. It is projected to decrease by 21.14% in 2018/19 and increase by 62.05% in 2019/20. The total capital expenditure will be funded by grants & subsidies and internally generated funds.



**PROVISION OF QUALITY SERVICES FOR COMMUNITY WELL-BEING AND TOURISM DEVELOPMENT  
THE HOME OF MARULA AND WILDLIFE TOURIM**



## 4. ANNUAL BUDGET TABLES

#### 4.1. BUDGET SUMMARY

LIM334 Ba-Phalaborwa - Table A1 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
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	-	-	-	-	-	-	-	113,609	120,085	126,810
Service charges	-	-	-	-	-	-	-	142,239	150,347	158,766
Investment revenue	-	-	-	-	-	-	-	538	569	601
Transfers recognised - operational	-	-	-	-	-	-	-	129,937	139,931	147,774
Other own revenue	-	-	-	-	-	-	-	89,348	90,335	91,359
	-	-	-	-	-	-	-	475,672	501,266	525,310
<b>Total Revenue (excluding capital transfers and contributions)</b>										
Employee costs	-	-	-	-	-	-	-	143,682	153,308	163,427
Remuneration of councillors	-	-	-	-	-	-	-	14,804	15,796	16,839
Depreciation & asset impairment	-	-	-	-	-	-	-	70,117	74,114	78,264
Finance charges	-	-	-	-	-	-	-	745	787	831
Materials and bulk purchases	-	-	-	-	-	-	-	98,163	103,759	109,569
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	-	-	-	-	-	-	-	181,376	188,331	199,379
<b>Total Expenditure</b>	-	-	-	-	-	-	-	508,887	536,095	568,309
<b>Surplus/(Deficit)</b>	-	-	-	-	-	-	-	(33,215)	(34,829)	(42,999)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	-	-	-	-	-	-	47,219	36,243	54,352
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-

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<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	-	-	-	-	-	-	-	-	14,004	1,414	11,353
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	-	-	-	-	-	-	-	-	14,004	1,414	11,353
<b><u>Capital expenditure &amp; funds sources</u></b>											
<b>Capital expenditure</b>	-	-	-	-	-	-	-	-	60,619	47,803	77,448
Transfers recognised - capital	-	-	-	-	-	-	-	-	47,219	34,403	54,352
Internally generated funds	-	-	-	-	-	-	-	-	13,400	13,400	23,096
<b>Total sources of capital funds</b>	-	-	-	-	-	-	-	-	60,619	47,803	77,448
<b><u>Financial position</u></b>											
Total current assets	-	-	-	-	-	-	-	-	599,754	599,854	599,954
Total non current assets	-	-	-	-	-	-	-	-	1,070,539	1,070,539	1,070,539
Total current liabilities	-	-	-	-	-	-	-	-	3,060	3,060	3,060
Total non current liabilities	-	-	-	-	-	-	-	-	215,050	215,050	215,050
Community wealth/Equity	-	-	-	-	-	-	-	-	1,452,183	1,452,283	1,452,383
<b><u>Cash flows</u></b>											
Net cash from (used) operating	-	-	-	-	-	-	-	-	47,857	38,812	59,693
Net cash from (used) investing	-	-	-	-	-	-	-	-	(47,219)	(36,243)	(54,352)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	-	-	-	-	-	-	-	-	1,899	4,468	9,809
<b><u>Cash backing/surplus reconciliation</u></b>											
Cash and investments available	-	-	-	-	-	-	-	-	3,061	3,161	3,261
Application of cash and investments	-	-	-	-	-	-	-	-	(98,238)	(117,560)	(141,772)
<b><u>Asset management</u></b>											

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Asset register summary (WDV)	-	-	-	-	-	-	870,237	870,237	870,237	870,237
Depreciation	-	-	-	-	-	-	70,117	70,117	74,114	78,264
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	-	-	-	-	-	-	25,407	25,407	26,570	27,778
<b><u>Free services</u></b>										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
<b><u>Households below minimum service level</u></b>										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	6	6	6	6	6	6	6	6	6	6
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

## NOTES

- Total Revenue excluding capital transfers and contributions is estimated at R 476 million for 2017/18 financial year , R501 million and R523 million for the year 2018/19 and 2019/20 respectively.
- Total Expenditure is estimated at R509 million for 2017/18 financial year
- A municipal operating budget shows a surplus of R 14 million after capital transfers & contributions for 2017/18 financial year
- Total Capital budget for the financial year 2017/18 is estimated to be R60.619 million, which comprises of R47,2 million from Capital transfers Grants and R 13,4 million funded internally.

## 4.2. BUDGETED FINANCIAL PERFORMANCE

LIM334 Ba-Phalaborwa - Table A2 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		
		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
<b>R thousand</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<i><b>Governance and administration</b></i>		-	-	-	-	-	-	292,872	310,833	325,495
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		-	-	-	-	-	-	292,872	310,833	325,495
Internal audit		-	-	-	-	-	-	-	-	-
<i><b>Community and public safety</b></i>		-	-	-	-	-	-	293	310	328
Community and social services		-	-	-	-	-	-	293	310	328
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i><b>Economic and environmental services</b></i>		-	-	-	-	-	-	56,579	51,113	54,166
Planning and development		-	-	-	-	-	-	691	731	772
Road transport		-	-	-	-	-	-	55,888	50,382	53,395
Environmental protection		-	-	-	-	-	-	-	-	-
<i><b>Trading services</b></i>		-	-	-	-	-	-	173,146	175,254	199,673
Energy sources		-	-	-	-	-	-	149,311	150,386	173,733
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	23,835	24,868	25,940
<i><b>Other</b></i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>2</b>	-	-	-	-	-	-	<b>522,891</b>	<b>537,509</b>	<b>579,662</b>
<b>Expenditure - Functional</b>										
<i><b>Governance and administration</b></i>	-	-	-	-	-	-	-	188,925	198,908	210,822
Executive and council		-	-	-	-	-	-	32,969	35,115	37,366
Finance and administration		-	-	-	-	-	-	139,321	146,177	154,818
Internal audit		-	-	-	-	-	-	16,635	17,616	18,638
<i><b>Community and public safety</b></i>		-	-	-	-	-	-	44,684	47,530	50,510
Community and social services		-	-	-	-	-	-	7,352	7,823	8,316

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Sport and recreation		-	-	-	-	-	-	20,752	22,032	23,369
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	16,580	17,675	18,825
<b>Economic and environmental services</b>		-	-	-	-	-	-	<b>129,179</b>	<b>135,390</b>	<b>144,215</b>
Planning and development		-	-	-	-	-	-	40,164	42,102	45,431
Road transport		-	-	-	-	-	-	89,016	93,288	98,784
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		-	-	-	-	-	-	<b>146,099</b>	<b>154,268</b>	<b>162,762</b>
Energy sources		-	-	-	-	-	-	136,851	144,479	152,409
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	9,247	9,789	10,353
<b>Other</b>	4	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	3	-	-	-	-	-	-	<b>508,887</b>	<b>536,095</b>	<b>568,309</b>
<b>Surplus/(Deficit) for the year</b>		-	-	-	-	-	-	<b>14,004</b>	<b>1,414</b>	<b>11,353</b>

## NOTES

- Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification.
- Total Revenue by Standard Classification amount to R523 million for the financial year 2017/18 and total operating expenditure by Standard Classification is estimated at R509 million.
- It must be noted that the Total Revenue on this table includes capital revenues (Transfers recognised – capital)
- The estimated municipality surplus is R14 million for the financial year 2017/18.

#### 4.3. BUDGETED FINANCIAL PERFORMANCE BY MUNICIPAL VOTE

LIM334 Ba-Phalaborwa - Table A3 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
<b>Revenue by Vote</b>	1									
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury Department		-	-	-	-	-	-	292 222	310 145	324 768
Vote 3 - Corporate Services		-	-	-	-	-	-	651	688	726
Vote 4 - Community and Social Services		-	-	-	-	-	-	39 181	41 088	43 069
Vote 5 - Planning and Development		-	-	-	-	-	-	62	66	70
Vote 6 - Technical Services Department		-	-	-	-	-	-	190 775	185 522	211 028
0		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	-	-	-	-	-	-	<b>522 891</b>	<b>537 509</b>	<b>579 662</b>
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - Executive and Council		-	-	-	-	-	-	51 677	54 939	58 354
Vote 2 - Budget and Treasury Department		-	-	-	-	-	-	90 697	94 854	100 417
Vote 3 - Corporate Services		-	-	-	-	-	-	48 624	51 323	54 401
Vote 4 - Community and Social Services		-	-	-	-	-	-	78 540	83 452	88 591
Vote 5 - Planning and Development		-	-	-	-	-	-	15 494	15 948	17 729
Vote 6 - Technical Services Department		-	-	-	-	-	-	223 855	235 579	248 818
0		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	-	-	-	-	-	-	<b>508 887</b>	<b>536 095</b>	<b>568 309</b>
<b>Surplus/(Deficit) for the year</b>	2	-	-	-	-	-	-	<b>14 004</b>	<b>1 414</b>	<b>11 353</b>

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## Notes

- Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote.
- Total Revenue by Municipal Vote is R523 million for the year 2017/18 and total Expenditure by Vote is estimated to be R509 million
- The estimated expenditure by vote is per department is allocated in the table above and the biggest one being technical department as service delivery department.
- And as a results, a municipality surplus amount to R14 million for 2017/18 financial year.

#### 4.4. BUDGETED MUNICIPAL PERFORMANCE REVENUE AND EXPENDITURE

LIM334 Ba-Phalaborwa - Table A4 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
<b>R thousand</b>	1										
<b>Revenue By Source</b>											
Property rates	2	-	-	-	-	-	-	-	113,609	120,085	126,810
Service charges - electricity revenue	2	-	-	-	-	-	-	-	124,121	131,196	138,543
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	-	-	-	-	-	-	18,119	19,151	20,224
Service charges - other											
Rental of facilities and equipment									500	529	558
Interest earned - external investments									538	569	601
Interest earned - outstanding debtors									72,042	72,042	72,042
Dividends received											
Fines, penalties and forfeits									451	476	503
Licences and permits									11,922	12,602	13,308
Agency services									2,701	2,855	3,015
Transfers and subsidies									129,937	139,931	147,774
Other revenue	2	-	-	-	-	-	-	-	1,732	1,831	1,933
Gains on disposal of PPE											
<b>Total Revenue (excluding capital transfers and contributions)</b>		-	-	-	-	-	-	-	<b>475,672</b>	<b>501,266</b>	<b>525,310</b>
<b>Expenditure By Type</b>											
Employee related costs	2	-	-	-	-	-	-	-	143,682	153,308	163,427
Remuneration of councillors									14,804	15,796	16,839
Debt impairment	3								37,799	39,953	42,191
Depreciation & asset impairment	2	-	-	-	-	-	-	-	70,117	74,114	78,264
Finance charges									745	787	831
Bulk purchases	2	-	-	-	-	-	-	-	98,163	103,759	109,569

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Other materials	8											
Contracted services		-	-	-	-	-	-	-	47,819	48,504	52,001	
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	
Other expenditure	4, 5	-	-	-	-	-	-	-	95,758	99,874	105,187	
Loss on disposal of PPE												
<b>Total Expenditure</b>		-	-	-	-	-	-	-	<b>508,887</b>	<b>536,095</b>	<b>568,309</b>	
<b>Surplus/(Deficit)</b>		-	-	-	-	-	-	-	<b>(33,215)</b>	<b>(34,829)</b>	<b>(42,999)</b>	
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)									47,219	36,243	54,352	
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	-	-	-	-	-	-	-	-	-	-	
Transfers and subsidies - capital (in-kind - all)												
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		-	-	-	-	-	-	-	<b>14,004</b>	<b>1,414</b>	<b>11,353</b>	
Taxation												
<b>Surplus/(Deficit) after taxation</b>		-	-	-	-	-	-	-	<b>14,004</b>	<b>1,414</b>	<b>11,353</b>	
Attributable to minorities												
<b>Surplus/(Deficit) attributable to municipality</b>		-	-	-	-	-	-	-	<b>14,004</b>	<b>1,414</b>	<b>11,353</b>	
Share of surplus/ (deficit) of associate	7											
<b>Surplus/(Deficit) for the year</b>		-	-	-	-	-	-	-	<b>14,004</b>	<b>1,414</b>	<b>11,353</b>	

## Notes

- Total Revenue (excluding capital transfers and contributions) is R476 million for 2017/18 financial year and escalates to R501 million for 2018/19 financial year and R525 million for 2019/20 financial year.
- Revenue to be generated from property rate is estimated at R114 million in 2017/18 financial year of which the property valuation roll was considered.
- Services charges relating to electricity is R124 million which is in line with NERSA regulated tariff increase.

- Transfers recognised – operating grants includes the local government equitable share which shows an increase for the two outer years.
- Total operational expenditure is estimated to be R509 million for 2017/18.
- The employees related cost has been estimated to be R144 million which is determined by 7.4% increase as per SALGA Bargaining Council.
- The Remuneration of Councillors is projected at R15 million which the municipality considered the Minister of COGSTA Determination of Upper Limits.
- The depreciation and impairment has been estimated at R70 million of which the Asset Register has been considered.

#### 4.5. BUDGETED CAPITAL EXPENDITURE BY VOTE

LIM334 Ba-Phalaborwa - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description R thousand	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
<b>Capital expenditure - Vote</b>											
<b>Single-year expenditure to be appropriated</b>	2										
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury Department		-	-	-	-	-	-	-	500	500	500
Vote 3 - Corporate Services		-	-	-	-	-	-	-	2,500	2,500	2,500
Vote 4 - Community and Social Services		-	-	-	-	-	-	-	1,150	1,150	1,150
Vote 5 - Planning and Development		-	-	-	-	-	-	-	-	-	-
Vote 6 - Technical Services Department		-	-	-	-	-	-	-	56,469	43,653	73,298
<b>Capital single-year expenditure sub-total</b>		-	-	-	-	-	-	-	<b>60,619</b>	<b>47,803</b>	<b>77,448</b>
<b>Total Capital Expenditure - Vote</b>		-	-	-	-	-	-	-	<b>60,619</b>	<b>47,803</b>	<b>77,448</b>
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		-	-	-	-	-	-	-	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>
Executive and council									3,000	3,000	3,000
Finance and administration											
Internal audit											
<b>Community and public safety</b>		-	-	-	-	-	-	-	<b>17,192</b>	<b>1,150</b>	<b>1,150</b>
Community and social services									450	450	450
Sport and recreation									16,042	-	-
Public safety									700	700	700
Housing											
Health											
<b>Economic and environmental services</b>		-	-	-	-	-	-	-	<b>25,177</b>	<b>34,403</b>	<b>48,048</b>
Planning and development											
Road transport									25,177	34,403	48,048
Environmental protection											
<b>Trading services</b>		-	-	-	-	-	-	-	<b>15,250</b>	<b>9,250</b>	<b>25,250</b>
Energy sources									15,250	9,250	25,250
Water management											
Waste water management											

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Waste management <i>Other</i>											
<b>Total Capital Expenditure - Functional</b>	3	-	-	-	-	-	-	-	60,619	47,803	77,448
<b>Funded by:</b>											
National Government									47,219	34,403	54,352
Provincial Government											
District Municipality											
Other transfers and grants											
<b>Transfers recognised - capital</b>	4	-	-	-	-	-	-	-	47,219	34,403	54,352
<b>Public contributions &amp; donations</b>	5										
<b>Borrowing</b>	6										
<b>Internally generated funds</b>									13,400	13,400	23,096
<b>Total Capital Funding</b>	7	-	-	-	-	-	-	-	60,619	47,803	77,448

- The Capital Projects are estimated to be at R61 million which are appropriated per department in the municipality.

#### 4.6. BUDGETED FINANCIAL POSITION

LIM334 Ba-Phalaborwa - Table A6 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
<b>ASSETS</b>											
<b>Current assets</b>											
Cash									1,261	1,261	1,261
Call investment deposits	1	-	-	-	-	-	-	-	1,800	1,900	2,000
Consumer debtors	1	-	-	-	-	-	-	-	144,976	144,976	144,976
Other debtors											
Current portion of long-term receivables											
Inventory	2								451,717	451,717	451,717
<b>Total current assets</b>		-	-	-	-	-	-	-	<b>599,754</b>	<b>599,854</b>	<b>599,954</b>
<b>Non current assets</b>											
Long-term receivables											
Investments											
Investment property									43,858	43,858	43,858
Investment in Associate											
Property, plant and equipment	3	-	-	-	-	-	-	-	1,025,129	1,025,129	1,025,129
Agricultural											
Biological									267	267	267
Intangible									1,285	1,285	1,285
Other non-current assets											
<b>Total non current assets</b>		-	-	-	-	-	-	-	<b>1,070,539</b>	<b>1,070,539</b>	<b>1,070,539</b>
<b>TOTAL ASSETS</b>		-	-	-	-	-	-	-	<b>1,670,293</b>	<b>1,670,393</b>	<b>1,670,493</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	1										
Borrowing	4	-	-	-	-	-	-	-	-	-	-
Consumer deposits									3,060	3,060	3,060
Trade and other payables	4	-	-	-	-	-	-	-	-	-	-

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Provisions											
<b>Total current liabilities</b>		-	-	-	-	-	-	-	3,060	3,060	3,060
<b>Non current liabilities</b>											
Borrowing		-	-	-	-	-	-	-	147,172	147,172	147,172
Provisions		-	-	-	-	-	-	-	67,878	67,878	67,878
<b>Total non current liabilities</b>		-	-	-	-	-	-	-	<b>215,050</b>	<b>215,050</b>	<b>215,050</b>
<b>TOTAL LIABILITIES</b>		-	-	-	-	-	-	-	<b>218,110</b>	<b>218,110</b>	<b>218,110</b>
<b>NET ASSETS</b>	5	-	-	-	-	-	-	-	<b>1,452,183</b>	<b>1,452,283</b>	<b>1,452,383</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)									1,452,183	1,452,283	1,452,383
Reserves	4	-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	-	-	-	-	-	-	-	<b>1,452,183</b>	<b>1,452,283</b>	<b>1,452,383</b>

## NOTES

- 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;
  - ✓ Consumer debtors;
  - ✓ Property, plant and equipment;
  - ✓ Trade and other payables;
  - ✓ Provisions non current;
  - ✓ Changes in net assets; and
  - ✓ Reserves
- Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position.



#### 4.7. BUDGETED CASH FLOWS

LIM334 Ba-Phalaborwa - Table A7 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
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates									47,729	60,139	75,775
Service charges									173,224	218,262	275,010
Other revenue									12,957	14,143	17,820
Government - operating	1								129,937	139,931	147,774
Government - capital	1								47,219	36,243	54,352
Interest									4,852	6,114	7,703
<b>Payments</b>											
Suppliers and employees									(367,316)	(435,082)	(517,560)
Finance charges									(745)	(938)	(1,182)
Transfers and Grants	1								-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		-	-	-	-	-	-	-	<b>47,857</b>	<b>38,812</b>	<b>59,693</b>
<b>Payments</b>											
Capital assets									(47,219)	(36,243)	(54,352)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		-	-	-	-	-	-	-	<b>(47,219)</b>	<b>(36,243)</b>	<b>(54,352)</b>
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		-	-	-	-	-	-	-	-	-	-
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		-	-	-	-	-	-	-	<b>638</b>	<b>2,569</b>	<b>5,341</b>
Cash/cash equivalents at the year begin:	2								<b>1,261</b>	<b>1,899</b>	<b>4,468</b>
Cash/cash equivalents at the year end:	2								<b>1,899</b>	<b>4,468</b>	<b>9,809</b>

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## NOTES

- The budgeted cash flow statement is the first measurement in determining if the budget is funded, It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
- Cash and cash equivalents totals R1,9 as at the end of the 2017/18 financial year and the two outer years R4,5 million and R9,8 million respectively.

#### 4.8. CASH BACKED RESERVES/ACCUMULATED SURPLUSES

LIM334 Ba-Phalaborwa - Table A8 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
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	-	-	-	-	-	-	-	1,899	4,468	9,809
Other current investments > 90 days		-	-	-	-	-	-	-	1,162	(1,307)	(6,548)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,061</b>	<b>3,161</b>	<b>3,261</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	-	-	-	-	-	-	-	(98,238)	(117,560)	(141,772)
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
<b>Total Application of cash and investments:</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(98,238)</b>	<b>(117,560)</b>	<b>(141,772)</b>
<b>Surplus(shortfall)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>101,299</b>	<b>120,721</b>	<b>145,033</b>

#### NOTES

- As part of the budgeting and planning guidelines that informed the compilation of the 2017/18 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

#### 4.9. ASSET MANAGEMENT

LIM334 Ba-Phalaborwa - Table A9 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
<b>CAPITAL EXPENDITURE</b>										
<b>Total New Assets</b>	1	-	-	-	-	-	-	60,619	47,803	77,448
<i>Roads Infrastructure</i>		-	-	-	-	-	-	25,177	34,403	48,048
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	15,250	9,250	25,250
<b>Infrastructure</b>		-	-	-	-	-	-	<b>40,427</b>	<b>43,653</b>	<b>73,298</b>
Community Facilities		-	-	-	-	-	-	1,150	1,150	1,150
Sport and Recreation Facilities		-	-	-	-	-	-	16,042	-	-
<b>Community Assets</b>		-	-	-	-	-	-	<b>17,192</b>	<b>1,150</b>	<b>1,150</b>
<b>Furniture and Office Equipment</b>		-	-	-	-	-	-	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>
<b>Total Capital Expenditure</b>	4	-	-	-	-	-	-	-	-	-
<i>Roads Infrastructure</i>		-	-	-	-	-	-	25,177	34,403	48,048
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	15,250	9,250	25,250
<b>Infrastructure</b>		-	-	-	-	-	-	<b>40,427</b>	<b>43,653</b>	<b>73,298</b>
Community Facilities		-	-	-	-	-	-	1,150	1,150	1,150
Sport and Recreation Facilities		-	-	-	-	-	-	16,042	-	-
<b>Community Assets</b>		-	-	-	-	-	-	<b>17,192</b>	<b>1,150</b>	<b>1,150</b>
<b>Furniture and Office Equipment</b>		-	-	-	-	-	-	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>		-	-	-	-	-	-	<b>60,619</b>	<b>47,803</b>	<b>77,448</b>
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5									
<i>Roads Infrastructure</i>								280,645	280,645	280,645
<i>Storm water Infrastructure</i>								18,517	18,517	18,517
<i>Electrical Infrastructure</i>								99,463	99,463	99,463
<i>Information and Communication Infrastructure</i>										
<b>Infrastructure</b>		-	-	-	-	-	-	<b>398,625</b>	<b>398,625</b>	<b>398,625</b>
Community Facilities								121,835	121,835	121,835
Sport and Recreation Facilities								36,428	36,428	36,428
<b>Community Assets</b>		-	-	-	-	-	-	<b>158,263</b>	<b>158,263</b>	<b>158,263</b>

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<b>Heritage Assets</b>										
Revenue Generating								42,999	42,999	42,999
Non-revenue Generating										
<b>Investment properties</b>								<b>42,999</b>	<b>42,999</b>	<b>42,999</b>
Operational Buildings								256,403	256,403	256,403
Housing										
<b>Other Assets</b>								<b>256,403</b>	<b>256,403</b>	<b>256,403</b>
<b>Biological or Cultivated Assets</b>										
Servitudes										
Licences and Rights								1,285	1,285	1,285
<b>Intangible Assets</b>								<b>1,285</b>	<b>1,285</b>	<b>1,285</b>
Computer Equipment								1,031	1,031	1,031
Furniture and Office Equipment								2,585	2,585	2,585
Machinery and Equipment								2,808	2,808	2,808
Transport Assets								6,169	6,169	6,169
Libraries								69	69	69
Zoo's, Marine and Non-biological Animals										
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	-	-	-	-	-	-	<b>870,237</b>	<b>870,237</b>	<b>870,237</b>
<b>EXPENDITURE OTHER ITEMS</b>										
<u>Depreciation</u>	7	-	-	-	-	-	-	70,117	74,114	78,264
<u>Repairs and Maintenance by Asset Class</u>	3	-	-	-	-	-	-	<b>25,407</b>	<b>26,570</b>	<b>27,778</b>
Roads Infrastructure		-	-	-	-	-	-	4,781	5,054	5,337
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	11,384	11,748	12,126
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	2,521	2,665	2,814
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	0	0	0
<b>Infrastructure</b>		-	-	-	-	-	-	<b>18,687</b>	<b>19,467</b>	<b>20,277</b>
Community Facilities		-	-	-	-	-	-	3,684	3,894	4,112
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		-	-	-	-	-	-	<b>3,684</b>	<b>3,894</b>	<b>4,112</b>
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	<b>1</b>	<b>1</b>	<b>1</b>
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-

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Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	2,887	3,051	3,222
Machinery and Equipment		-	-	-	-	-	-	149	157	166
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		-	-	-	-	-	-	<b>95,524</b>	<b>100,683</b>	<b>106,042</b>
<i>Renewal and upgrading of Existing Assets as % of total capex</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Renewal and upgrading of Existing Assets as % of deprecn R&amp;M as a % of PPE</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Renewal and upgrading and R&amp;M as a % of PPE</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.5%	2.6%	2.7%
		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.0%	3.0%	3.0%

## NOTES

- Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

#### 4.10. BASIC SERVICE DELIVERY MEASUREMENT

LIM334 Ba-Phalaborwa - Table A10 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
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		15	15	15	15	15	15	15	15	15
Piped water inside yard (but not in dwelling)		19	19	19	19	19	19	19	19	19
Using public tap (at least min.service level)	2	3,812	3,812	3,812	3,812	3,812	3,812	3,812	3,812	3,812
Other water supply (at least min.service level)	4	413	413	413	413	413	413	413	413	413
<i>Minimum Service Level and Above sub-total</i>		4,259	4,259	4,259	4,259	4,259	4,259	4,259	4,259	4,259
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>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	<b>4,259</b>	<b>4,259</b>	<b>4,259</b>	<b>4,259</b>	<b>4,259</b>	<b>4,259</b>	<b>4,259</b>	<b>4,259</b>	<b>4,259</b>
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		16,638	16,638	16,638	16,638	16,638	16,638	16,638	16,638	16,638
Flush toilet (with septic tank)		860	860	860	860	860	860	860	860	860
Chemical toilet		424	424	424	424	424	424	424	424	424
Pit toilet (ventilated)		6,718	6,718	6,718	6,718	6,718	6,718	6,718	6,718	6,718
Other toilet provisions (> min.service level)		10,833	10,833	10,833	10,833	10,833	10,833	10,833	10,833	10,833
<i>Minimum Service Level and Above sub-total</i>		35,473	35,473	35,473	35,473	35,473	35,473	35,473	35,473	35,473
Bucket toilet		80	80	80	80	80	80	80	80	80
Other toilet provisions (< min.service level)		864	864	864	864	864	864	864	864	864
No toilet provisions		4,698	4,698	4,698	4,698	4,698	4,698	4,698	4,698	4,698
<i>Below Minimum Service Level sub-total</i>		5,642	5,642	5,642	5,642	5,642	5,642	5,642	5,642	5,642
<b>Total number of households</b>	5	<b>41,115</b>	<b>41,115</b>	<b>41,115</b>	<b>41,115</b>	<b>41,115</b>	<b>41,115</b>	<b>41,115</b>	<b>41,115</b>	<b>41,115</b>
<b>Energy:</b>										
Electricity (at least min.service level)		37,345	37,345	37,345	37,345	37,345	37,345	37,345	37,345	37,345
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		37,345	37,345	37,345	37,345	37,345	37,345	37,345	37,345	37,345

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Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	<b>37,345</b>	<b>37,345</b>	<b>37,345</b>	<b>37,345</b>	<b>37,345</b>	<b>37,345</b>	<b>37,345</b>	<b>37,345</b>	<b>37,345</b>

## NOTES

- Table A10 provides an overview of municipal basic service delivery measurement to household service targets.



**PART TWO**

**ANNUAL BUDGET SUPPORTING INFORMATION**

## 5. OVERVIEW OF ANNUAL BUDGET

### 5.1. Schedule of key deadlines relating to budget process

#### 1. IDP, Budget and PMS Calendar for 2016–17

The IDP, Budget, PMS and MPAC calendar presents the activities that will be undertaken by both the District Municipality and Ba-Phalaborwa Municipality during the 2016/17 financial year. The activities will culminate in the adoption of the 2017/18 IDP both Mopani District Municipality and Ba-Phalaborwa Municipality.

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
<b>IDP</b>			
July 2016	<b>Preparatory Phase</b> <ul style="list-style-type: none"> <li>• District IDP Technical Committee Meeting (IDP Framework and Process Plan).</li> <li>• IDP, Budget &amp; PMS Operational Meeting (IDP Framework &amp; Process Plan)</li> <li>• IDP, Budget &amp; PMS Technical Meeting (IDP Framework &amp; Process Plan)</li> <li>• IDP, Budget &amp; PMS Steering Committee Meeting (Framework &amp; Process Plan)</li> <li>• IDP, Budget &amp; PMS Rep</li> </ul>	<ul style="list-style-type: none"> <li>• 06/07/2016</li> <li>• 15/07/2016</li> <li>• 18/07/2016</li> <li>• 21/07/ 2016</li> <li>• 25/07/2016</li> </ul>	31 July 2016

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	Forum (Framework & Process Plan) <ul style="list-style-type: none"> <li>• Mayor tables IDP/Budget/PMS/MPAC Framework &amp; Process Plan in (Special Council)</li> </ul>	<ul style="list-style-type: none"> <li>• 28/07/2016</li> </ul>	
<b>Budget</b>			
	<ul style="list-style-type: none"> <li>• Establish Departmental Budget Committees (include councillors &amp; officials).</li> </ul>	<ul style="list-style-type: none"> <li>• 27/07/2016 – 02/09/2016</li> </ul>	
<b>PMS</b>			
	<ul style="list-style-type: none"> <li>• Compilation of 2015/16 4<sup>th</sup> quarterly report</li> <li>• Conclude 2015/16 annual performance agreements</li> <li>• Submit final approved SDBIP</li> </ul>	<ul style="list-style-type: none"> <li>• 04/07/2016 - 22/07/2016</li> <li>• 04/07/2016 – 28/07/2016</li> <li>• 29/07/2016</li> </ul>	
<b>MPAC</b>			
	<ul style="list-style-type: none"> <li>• Committee meeting District MPAC Framework and Process Plan.</li> <li>• Consideration of SDBIP</li> <li>• MPAC and Audit committee Quarterly meeting.</li> <li>• Final Work Programme presented to Council.</li> </ul>	<ul style="list-style-type: none"> <li>• 04/07/2016</li> <li>• 27/07/2016</li> <li>• 29/07/2016</li> <li>• 28/07/2016</li> </ul>	
<b>IDP</b>			
<b>August 2016</b>	<b>Analysis Phase</b>		<b>31 August 2016</b>

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	<ul style="list-style-type: none"> <li>Data collection (ward-based planning)</li> <li>Data analysis and interpretation</li> <li>Community Satisfaction Survey</li> </ul>	<ul style="list-style-type: none"> <li>01/08/2016 – 30/09/2016</li> <li>01/08/2016 – 30/09/2016</li> <li>01/08/2016 – 30/09/2016</li> </ul>	
<b>Budget</b>			
	<ul style="list-style-type: none"> <li>2015/16 internal analysis of financial and non-financial performance. Determine financial position and assess financial capacity against future strategies.</li> </ul>	<ul style="list-style-type: none"> <li>31/08/2016</li> </ul>	
<b>PMS</b>			
	<ul style="list-style-type: none"> <li>2015/16 IDP implementation feedback: Fourth Quarter Mayoral Imbizo</li> <li>Make public the 2017/17 SDBIP</li> <li>Make public 2016/17 annual performance agreements and ensure that copies are submitted to Council and MEC:CoGHSTA</li> <li>Submission of 2015/16 Departmental Annual Performance Report</li> <li>Place 2016/17 annual performance agreements on the municipal website.</li> </ul>	<ul style="list-style-type: none"> <li>01/08/2016 – 31/08/2016</li> <li>15/08/2016</li> <li>15/08/2016</li> <li>15/08/2016</li> <li>15/08/2016</li> <li>03/08/2016 – 31/08/2016</li> </ul>	

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	<ul style="list-style-type: none"> <li>Individual performance assessments 2015/16 Annual</li> </ul>		
<b>MPAC</b>			
	<ul style="list-style-type: none"> <li>Technical committee meeting.</li> <li>MPAC District Forum meeting.</li> <li>Probing 4<sup>th</sup> quarter performance report.</li> <li>Consider the 2016/17 IDP/Budget/PMS process plan</li> <li>District Wide Session</li> <li>Public hearing on the fourth quarter performance report.</li> </ul>	<ul style="list-style-type: none"> <li>04/08/2016</li> <li>12/08/2016</li> <li>19/08/2016</li> <li>24/08/2016</li> <li>29-31/08/2016</li> <li>31/8/2015</li> </ul>	
<b>IDP</b>			
<b>September 2016</b>	<b>Analysis Phase</b>		
	<ul style="list-style-type: none"> <li>Data collection (ward-based planning)</li> <li>Data analysis and interpretation</li> <li>Community Satisfaction Survey</li> </ul>	<ul style="list-style-type: none"> <li>01/08/2016 – 30/09/2016</li> <li>01/08/2016 – 30/09/2016</li> <li>01/08/2016 – 30/09/2016</li> </ul>	
<b>Budget</b>			
	<ul style="list-style-type: none"> <li>Circulate budget schedules to all departments</li> <li>Consolidate draft core</li> </ul>	<ul style="list-style-type: none"> <li>28/09/2015 – 08/10/2015</li> <li>06/10/2015 – 13/10/2015</li> </ul>	

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Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	departments business plans & budgets <ul style="list-style-type: none"> <li>Review resources frames and financial strategies</li> </ul>	<ul style="list-style-type: none"> <li>29/09/2015 – 03/11/2015</li> </ul>	
<b>PMS</b>			
	<ul style="list-style-type: none"> <li>Individual performance assessment report 2015/16 Annual</li> <li>Submission of Final 2015/16 departmental annual reports</li> </ul>	<ul style="list-style-type: none"> <li>07/09/2016</li> <li>26/09/2016</li> </ul>	
<b>MPAC</b>			
	<ul style="list-style-type: none"> <li>Project Visit</li> <li>4<sup>th</sup> Quarter Individual Performance Assessment Report</li> </ul>	<ul style="list-style-type: none"> <li>08 /09/2016</li> <li>28 /09/2016</li> </ul>	
<b>IDP</b>			
<b>October 2016</b>	<b>Analysis Phase (cont)</b> <ul style="list-style-type: none"> <li>IDP, Budget &amp; PMS Operational Meeting (Analysis Phase)</li> <li>IDP, Budget &amp; PMS Technical Meeting (Analysis Phase)</li> <li>IDP, Budget &amp; PMS Steering Meeting (Analysis Phase)</li> <li>IDP, Budget &amp; PMS Rep Forum (Analysis Phase)</li> </ul>	<ul style="list-style-type: none"> <li>07/10/2016</li> <li>12/10/2016</li> <li>17/10/2016</li> <li>25/10/2016</li> </ul>	

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Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
<b>Budget</b>			
	<ul style="list-style-type: none"> <li>Commence preparation for the 2017/18 departmental operational plans and service delivery and budget implementation plan aligned to strategic priorities in IDP and inputs from other stakeholders including government and bulk service providers (and NERSA)</li> <li>Submission of departmental adjustment budgets</li> <li>Departmental budgets inputs for 2016/17</li> </ul>	<ul style="list-style-type: none"> <li>14-15/10/2016</li> <li>15/12/2015</li> <li>15/12/2015</li> </ul>	
<b>PMS</b>			
	<ul style="list-style-type: none"> <li>Continuation of preparations for 2015/16 annual report utilizing financial and non-financial information first reviewed as part of budget and IDP analysis</li> <li>Compilation of 2015/16 first quarter institutional performance report.</li> </ul>	<ul style="list-style-type: none"> <li>05/10/2016 – 30/10/2016</li> <li>05/10/2016 – 30/10/2016</li> </ul>	
<b>MPAC</b>			
	<ul style="list-style-type: none"> <li>Project Visit</li> <li>MPAC Strategic Planning</li> </ul>	<ul style="list-style-type: none"> <li>16/10/2016</li> <li>22-23/10/2016</li> </ul>	

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	Session <ul style="list-style-type: none"> <li>MPAC and Audit committee Quarterly meeting</li> </ul>	<ul style="list-style-type: none"> <li>30/10/2016</li> </ul>	
<b>Budget</b>			
<b>November 2016</b>	<ul style="list-style-type: none"> <li>Community and stakeholder consultation process, review inputs, financial models, assess impacts on tariffs and charges and consider funding decisions including borrowing. Adjust estimates based on plans and resources. Commence consultation on the proposed tariffs. Check the tariff submission date and align.</li> <li>Draft five year Financial Plan</li> </ul>	<ul style="list-style-type: none"> <li>05/11/2016 – 30/11/2016</li> <li>03/11/2016 – 30/11/2016</li> </ul>	
<b>PMS</b>			
	<ul style="list-style-type: none"> <li>Mayoral Imbizo on first quarter performance</li> </ul>	<ul style="list-style-type: none"> <li>11/11/2016 – 18/11/2016</li> </ul>	
<b>MPAC</b>			
	<ul style="list-style-type: none"> <li>Consideration of Annual Institutional Performance Report</li> <li>Collection of public comments during mayoral Imbizo on 1<sup>st</sup> Quarter performance</li> </ul>	<ul style="list-style-type: none"> <li>03/11/2016</li> <li>11/11/2016– 18/11/2016</li> <li>21/11/2016</li> </ul>	



Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	<ul style="list-style-type: none"> <li>• Technical Committee meeting</li> <li>• Probe 1<sup>st</sup> Quarter Performance Report and public hearing.</li> <li>• MPAC District forum</li> </ul>	<ul style="list-style-type: none"> <li>• 29-27/11/2016</li> <li>• 30/11/ 2016</li> </ul>	
<b>IDP</b>			
<b>December 2016</b>	<b>Strategies Phase</b>		<b>31 January 2017</b>
	<ul style="list-style-type: none"> <li>• Strategic Session</li> </ul>	<ul style="list-style-type: none"> <li>• 05/12/2016 – 09/12/2016</li> </ul>	
<b>PMS</b>			
	<ul style="list-style-type: none"> <li>• Oversight training for MPAC members for probing the 2015/16 annual report.</li> <li>• Finalize the draft annual report incorporating financial and non financial information on performance, audit reports and annual financial statements</li> <li>• Present draft annual report to Municipal Manager</li> </ul>	<ul style="list-style-type: none"> <li>• 05/12/2016 – 16/08/2016</li> <li>• 21/12/2016</li> <li>• 2/12/2016</li> </ul>	
<b>MPAC</b>			
	<ul style="list-style-type: none"> <li>• Develop schedule for considering the 2015/16 Annual Report</li> </ul>	<ul style="list-style-type: none"> <li>• 01/12/2016</li> </ul>	
<b>Budget</b>			
	<ul style="list-style-type: none"> <li>• Finalise the 2016/17 inputs from bulk resource providers</li> </ul>	<ul style="list-style-type: none"> <li>• 01/12/2015 – 09/12/2015</li> </ul>	

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Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	(and NERSA) and agree on proposed price increase. (Align after submission of proposed tariffs		
<b>IDP</b>			
<b>January 2017</b>	<b>Strategies Phase (cont)</b> <ul style="list-style-type: none"> <li>• IDP, Budget &amp; PMS Operational Meeting</li> <li>• IDP/Budget &amp; PMS Technical Meeting (Strategic Plan)</li> <li>• Advisory Board meeting with Municipal Manager</li> <li>• IDP/Budget &amp; PMS Steering Committee (Strategic Plan)</li> <li>• IDP/Budget &amp; PMS Rep. Forum (Strategic Plan)</li> </ul>	<ul style="list-style-type: none"> <li>• 12/01/2017</li> <li>• 16/01/2017</li> <li>• 18/01/2017</li> <li>• 24/01/2017</li> <li>• 27/01/2017</li> </ul>	<b>31 January 2017</b>
<b>Budget</b>			
	<ul style="list-style-type: none"> <li>• Mid-Year Performance Assessment and recommend and adjustment budget, if necessary.</li> <li>• Incorporate priorities from the President's State of the Nation Address, National Treasury and SALGA for further budget consideration.</li> <li>• Review all aspects of the 2016/17 budget including any</li> </ul>	<ul style="list-style-type: none"> <li>• 26/01/2017</li> <li>• 23/01/2017– 26/01/2017</li> <li>• 09/01/2017 – 26/01/2017</li> </ul>	

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	unforeseen and unavoidable expenditure in light of need for an adjustment budget.		
<b>PMS</b>			
	<ul style="list-style-type: none"> <li>• Compilation of 2016/17 Mid-year report</li> <li>• Mayor tables 2015/16 annual report to council</li> <li>• Make public the 2015/16 annual report and invite comments from local community, submit report to Auditor-General, Provincial Treasury &amp; CoGHSTA</li> <li>• Consider monthly &amp; mid-year reports for the period ended 31 December 2016.</li> <li>• Review implementation of budget and service delivery plan (SDBIP), identify problems and amend or recommend appropriate amendments. Submit report to council and make public any amendments to the SDBIP by the end of January 2017 to Council the status of next three year budget, 2015/16 annual report</li> </ul>	<ul style="list-style-type: none"> <li>• 02/01/2017 – 20/01/2017</li> <li>• 23/01/2017</li> <li>• 27/01/2017</li> <li>• 27/01/2017</li> <li>• 27/01/2017</li> <li>• 27/01/2017</li> </ul>	

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	(including AFS & audit report) and summarizes overall findings of 2015/16 annual performance report.		
<b>MPAC</b>			
	<ul style="list-style-type: none"> <li>MPAC and Audit committee Quarterly meeting</li> </ul>	<ul style="list-style-type: none"> <li>30/01/2017</li> </ul>	
<b>IDP</b>			
<b>February 2017</b>	<b>Projects and Integration Phase</b> <ul style="list-style-type: none"> <li>Develop a list of project</li> <li>Project prioritisation task team establishment</li> <li>Submission of Sector Plans</li> <li>IDP, Budget &amp; PMS Operational meeting (Projects prioritisation and Sector plans)</li> <li>IDP, Budget &amp; PMS Technical meeting (Projects prioritisation and Sector plans)</li> <li>IDP, Budget &amp; PMS Steering meeting (Projects prioritisation and Sector plans)</li> <li>IDP, Budget &amp; PMS Representative Forum (Projects prioritisation and Sector plans).</li> </ul>	<ul style="list-style-type: none"> <li>31/01/2017 – 16/02/2017</li> <li>01/02/2017 – 03/02/2017</li> <li>03/02/2017 – 13/02/2017</li> <li>06/02/2017</li> <li>16/02/2017</li> <li>20/02/2017</li> <li>26/02/2017</li> </ul>	<b>28 February 2017</b>

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
<b>Budget</b>			
	<ul style="list-style-type: none"> <li>Incorporate directives from the National budget and Provincial and National allocations to municipalities into budget.</li> <li>Finalise the draft 2017/18 detailed operating &amp; capital budgets in the prescribed formats incorporating National and Provincial budget allocations, integrate and align to IDP documentation and draft SDBIP, finalise budget policies including tariff policy.</li> <li>Tabling and approval of an adjustments budget (if necessary)</li> </ul>	<ul style="list-style-type: none"> <li>02/02/2017 – 28/02/2017</li> <li>10/03/2017</li> <li>15/02/2017</li> <li>28/02/2017</li> </ul>	
<b>PMS</b>			
	<ul style="list-style-type: none"> <li>Individual Performance Assessments 2016/17 Mid-year</li> <li>Place 2015/16 annual report on the municipal website</li> <li>Mayoral Imbizo</li> </ul>	<ul style="list-style-type: none"> <li>06/02/2017 - 22/02/2017</li> <li>06/02/2017</li> <li>04/02/2017 – 16/02/2017</li> </ul>	
<b>MPAC</b>			
	<ul style="list-style-type: none"> <li>Considering the 2015/16 annual report</li> </ul>	<ul style="list-style-type: none"> <li>02/02/2017-27/02/2017</li> </ul>	

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Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	<ul style="list-style-type: none"> <li>• Consider the 2016/17 Mid-Year Report</li> <li>• Review individual annual performance report for 2016/17</li> <li>• Visit to Scopa</li> <li>• Visit projects</li> <li>• Public Hearing on 2016/17 Mid- Year report</li> <li>• District forum meeting</li> </ul>	<ul style="list-style-type: none"> <li>• 02/02/2017</li> <li>• 02/02/2017</li> <li>• 06/02/2017</li> <li>• 13/02/2017</li> <li>• 16-17/02/2017</li> <li>• 24/02/2017</li> <li>• 27/02/2017</li> </ul>	
<b>IDP</b>			
<b>March 2017</b>	<b>Approval Phase (Draft IDP)</b>		<b>31 March 2017</b>
	<ul style="list-style-type: none"> <li>• IDP, Budget &amp; PMS operational meeting (Draft 2017/18 IDP, Budget &amp; PMS)</li> <li>• IDP, Budget &amp; PMS Technical meeting (Draft 2017/18 IDP, Budget &amp; PMS)</li> <li>• IDP, Budget &amp; PMS Steering meeting (Draft 2017/18 IDP, Budget &amp; PMS)</li> <li>• IDP, Budget &amp; PMS Representative Forum (Draft 2017/18 IDP, Budget &amp; PMS)</li> <li>• Establishment of IDP, Budget</li> </ul>	<ul style="list-style-type: none"> <li>• 09/03/2017</li> <li>• 11/03/2017</li> <li>• 15/03/2017</li> <li>• 17/03/2017</li> <li>• 17/03/2017 – 21/03/2017</li> </ul>	

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	& PMS Public Participation Teams. <ul style="list-style-type: none"> <li>• Mayor table Draft IDP, Budget &amp; PMS for adoption by Council.</li> <li>• Publication of the IDP, Budget &amp; PMS Public Participation schedule</li> </ul>	<ul style="list-style-type: none"> <li>• 30/03/2017</li> <li>• 10/04/2017</li> </ul>	
<b>Budget</b>			
	<ul style="list-style-type: none"> <li>• Consolidation of Draft 2017/18 annual budget.</li> <li>• Incorporate changes in prices for bulk resources and finalise tariff proposals for all charges.</li> <li>• Distribute all budget documentation prior to meeting at which budget is to be tabled.</li> <li>• Table in Council the 2017/18 annual budget &amp; all supporting documents.</li> <li>• Submit the 2016/17 approved adjustments budget to the Provincial &amp; National Treasury &amp; any other affected organ of state (10 days after approval.)</li> </ul>	<ul style="list-style-type: none"> <li>• 04/03/2017</li> <li>• 14/03/2017</li> <li>• 18/03/2017 – 25/03/2017</li> <li>• 31/03/2017</li> <li>• 14/03/2017</li> </ul>	
<b>PMS</b>			
	<ul style="list-style-type: none"> <li>• Compile Individual</li> </ul>	<ul style="list-style-type: none"> <li>• 14/03/2016</li> </ul>	

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Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	performance assessment report (2016/17 Mid -Year Quarter) <ul style="list-style-type: none"> <li>• Council adopts the 2015/16 annual report with the comments of the oversight committee.</li> <li>• Submit draft 2017/18 SDBIP to the Mayor</li> <li>• Submit draft 2017/18 annual performance agreements to the Mayor</li> </ul>	<ul style="list-style-type: none"> <li>• 30/03/2016</li> <li>• 28/03/2016</li> <li>• 28/03/2016</li> </ul>	
<b>MPAC</b>			
	<ul style="list-style-type: none"> <li>• Considering the 2015/16 Annual Report</li> <li>• Consider the 2015/16 SDBIP Review against the Adjustments Budgets</li> <li>• Public hearing on the Annual Report</li> <li>• Submit Draft Oversight Report and Annual Report to Council</li> <li>• Review the individual performance report for section 57</li> </ul>	<ul style="list-style-type: none"> <li>• 02/03/2017-16/03/2017</li> <li>• 02/03/2017-16/03/2017</li> <li>• 18/03/2017</li> <li>• 31/03/2017</li> <li>• 02/03/2017-31/03/2017</li> </ul>	
<b>IDP</b>			



Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
April 2017	<b>Approval Phase (Draft IDP cont)</b> <ul style="list-style-type: none"> <li>• Consultations on tabled Draft 2017/18 IDP, Budget &amp; PMS</li> </ul>	<ul style="list-style-type: none"> <li>• 06/04/2017 – 25/04/2017</li> </ul>	<b>30 April 2017</b>
<b>Budget</b>			
	<ul style="list-style-type: none"> <li>• Make public the 2016/17 tabled annual budget &amp; accompanying budget documentation, invite the community to submit representations and submit to Provincial &amp; National Treasury and other affected organs of state.</li> <li>• Consultation on tabled budget, publicise and conduct public hearings and meetings within wards.</li> </ul>	<ul style="list-style-type: none"> <li>• 11/04/2016 – 25/04/2016</li> <li>• 11/04/2016 – 25/04/2016</li> </ul>	
<b>PMS</b>			
	<ul style="list-style-type: none"> <li>• Submit the 2015/16 Annual Report &amp; Oversight Report to Provincial Treasury, CoGHSTA, AG and Legislature.</li> <li>• Make public the 2015/16 oversight report</li> <li>• Submission of third quarter departmental performance report</li> </ul>	<ul style="list-style-type: none"> <li>• 11/04/2017</li> <li>• 11/04/2017</li> <li>• 11/04/2017</li> </ul>	

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
<b>MPAC</b>			
	<ul style="list-style-type: none"> <li>• Consider the Draft IDP, Budget and PMS</li> <li>• Consider proposed municipal tariffs</li> <li>• Collection of public representations on municipal tariffs and Capital plan</li> <li>• Consider the 2017/18 Draft SDBIP</li> <li>• Technical committee meeting</li> <li>• District forum meeting</li> <li>• MPAC and Audit committee Quarterly meeting</li> </ul>	<ul style="list-style-type: none"> <li>• 01/04/2016-30/04/2017</li> <li>• 01/04/2017-30/04/2017</li> <li>• 01/04/2017-30/04/2017</li> <li>• 01/04/2017-30/04/2017</li> <li>• 8/04/2017</li> <li>• 22 /4/2017</li> <li>• 30/4/2017</li> </ul>	
<b>IDP</b>			
<b>May 2017</b>	<b>Approval Phase (Final IDP)</b> <ul style="list-style-type: none"> <li>• IDP, Budget &amp; PMS Operational Teams (Analysis &amp; integration of public comments)</li> <li>• IDP, Budget &amp; PMS Technical meeting (Analysis &amp; integration of public comments)</li> <li>• IDP, Budget &amp; PMS Steering meeting (analysis &amp; integration of public comments)</li> </ul>	<ul style="list-style-type: none"> <li>• 04/05/2017</li> <li>• 10/05/2017</li> <li>• 12/05/2017</li> <li>• 16/05/2017</li> </ul>	<b>31 May 2017</b>

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	<ul style="list-style-type: none"> <li>IDP, Budget &amp; PMS Representative meeting (analysis &amp; integration of public comments)</li> <li>Adjustment of IDP, Budget &amp; PMS in accordance with public comments</li> <li>Exco considers Draft IDP, Budget &amp; PMS</li> <li>Mayor tables Final 2017/18 IDP, Budget &amp; PMS for final approval/adoption</li> </ul>	<ul style="list-style-type: none"> <li>10/04/2017 – 28/04/2017</li> <li>26/05/2017</li> <li>30/05/2017</li> </ul>	
<b>Budget</b>			
	<ul style="list-style-type: none"> <li>Consider the views of the community and other stakeholders on the 2017/18 budget.</li> <li>Respond to submissions received &amp; if necessary revise the budget and table amendments for council consideration.</li> </ul>	<ul style="list-style-type: none"> <li>16/05/2017 – 17/05/2017</li> <li>16/05/2017 – 18/05/2017</li> </ul>	
<b>PMS</b>			
	<ul style="list-style-type: none"> <li>Approve the 2017/18 SDBIP-final date under legislation 26 July 2017</li> </ul>	<ul style="list-style-type: none"> <li>31/05/2017</li> </ul>	
<b>MPAC</b>			
	<ul style="list-style-type: none"> <li>Consider the Draft IDP, Budget</li> </ul>	<ul style="list-style-type: none"> <li>02/05/2017-19/05/2017</li> </ul>	

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Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	and PMS <ul style="list-style-type: none"> <li>• Make recommendations to council on municipal tariffs and capital plan</li> <li>• Consider third Quarter report</li> <li>• District wide session.</li> <li>• Probing and public hearing on third Quarter Institutional Performance Report.</li> </ul>	<ul style="list-style-type: none"> <li>• 11/05/2017-19/05/2017</li> <li>• 02/05/2017-19/05/2017</li> <li>• 20-22/05/2017</li> <li>• 25/05/2017</li> </ul>	
<b>IDP</b>			
<b>June 2017</b>	<ul style="list-style-type: none"> <li>• Public Notice on the adoption of IDP, Budget &amp; PMS</li> <li>• Summary of IDP &amp; public notice on the final approval</li> <li>• Submission of the Final Approved IDP to the MEC for Local Government &amp; Housing</li> </ul>	<ul style="list-style-type: none"> <li>• 07/06/2017</li> <li>• 13/06/2017</li> <li>• 14/06/2017</li> </ul>	<b>30 June 2017</b>
<b>Budget</b>			
	<ul style="list-style-type: none"> <li>• Submit approved IDP/Budget to National &amp; Provincial Treasury, CoGHSTA and District ( 10 working days after approval)</li> </ul>	<ul style="list-style-type: none"> <li>• 14/06/2016</li> </ul>	
<b>MPAC</b>			
	<ul style="list-style-type: none"> <li>• Consider the alignment of final IDP, Budget, PMS and MPAC Work Programme</li> </ul>	<ul style="list-style-type: none"> <li>• 01/06/2016 - 15/06/2016</li> </ul>	

## 6. OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH INTEGRATED DEVELOPMENT PLAN

### 6.1. VISION OF THE MUNICIPALITY

The vision was therefore revised as follows:

*“Provision Of Quality Services For Community Well-Being And Tourism Development”*

### 6.2. FIVE YEAR STRATEGIC FOCUS AREA

**Good governance and institutional excellence:** The learning and growth perspective entails skills development and capacitating of employees. Employees are the foundation of the municipality; if employees are skilled and capacitated they will improve the ways they work and both service delivery and individual performance will improve. This perspective will also include leadership, financial and management training. This objective will address NSDP priority area “Effective administration and governance structure.”

**Provide, maintain and upgrade municipal assets and services:** The core function of the municipality is to provide access to services. Ba-Phalaborwa experiences the following challenges as mentioned under the binding constraints in the strategic alignment and which is directly linked to the NSDP and PGDS: Infrastructure development, poor maintenance plans and infrastructure development plans. If these are not addressed, the municipality will not be able to provide sustainable services to the community and investment and economic growth in the municipal area will be challenged. The infrastructure master plan such as Electricity, roads and water master plans to be developed as a matter of urgency to unlock gaps of the challenges of the infrastructure.

**Environmental sustainability:** PGDS strategic objective deals with environmental sustainability and climate change. A priority mentioned in the PGDS is that all municipalities have to have environmental management plans. Also mentioned

are waste management plans, recycling of waste and water and alternative energy plan. Ba-Phalaborwa plays a leading role in the achievement of this objective as mentioned under NSDP and PGDS priorities.

**Develop effective and sustainable stakeholder relationships and partnerships:** With the small revenue base it is crucial that partnerships be formed and stakeholder relationships built to ensure cooperation and development of Ba-Phalaborwa and its community. Ba-Phalaborwa has established strategic relationships with the mines, Phalaborwa Foundation and DBSA. Stakeholder management, however, is not structured.

**Facilitate local economic growth and provide for mobility and access:** The best way to alleviate poverty, curb unemployment and address social problems is to ensure that there are enough jobs so that everybody in the community can earn a living. Ba-Phalaborwa has various projects and initiatives to alleviate poverty and stimulate economic growth. Ba-Phalaborwa's location has established it as developmental and economic nodes in tourism, mining, agriculture and a service node.

**Become financially viable:** To be sustainable, it is necessary for the municipality to increase its revenue base through expanding its collection points, partnership and investment in the area. Again, investment will only be achieved if the necessary infrastructure is provided and therefore maintenance, upgrading and replacement of infrastructure is of utmost importance for the municipality.

**Ensure community well-being;** Community well-being does not only have to do with provision of services, but also deals with priorities such as HIV/Aids, education, health, safety and security and literacy. Ba-Phalaborwa strives, together with its stakeholders and partnerships to achieve on all these priorities to ensure healthy and sustained community.

### 6.3.ALIGNMENT OF IDP WITH NATIONAL AND PROVINCIAL GOVERNMENT

Cluster	PERSPECTIVE	MTSF	COGTA	MTAS	LEGDP (PGDS)	OUTCOME 9	COGTA BUSINESS PLAN 2010/2011	STRATEGIC AGENDA KPA	NATIONAL DEVELOPMENT PLAN	BA-PHALABORWA
Economic	Financial	1. Speed up economic growth and transform the economy to create decent work and sustainable livelihoods.			1. Ensuring more inclusive economic growth, decent work and sustainable livelihoods	3. Implement the community work programme and cooperatives supported	1: Contribute to building a Developmental State in National, Provincial and Local Government that is efficient, effective and responsive ( Enhance the municipal contribution to job creation and sustainable livelihoods through Local Economic Development )	Local Economic Development	An economy that will create more jobs  An inclusive and integrated rural economy	Promotion of the local economy
Social Infrastructure	Community Satisfaction	5. Improve the health profile of society	5. Fostering Development Partnerships, Social Cohesion and community mobilisation	5. Strengthen partnerships between local government, communities and civil society	4. Access to quality education			Basic Service Delivery	Improving the quality of education, training and innovation	Integrate social development and services for sustainability
Social Infrastructure	Community Satisfaction				5. Improved health care			Basic Service Delivery	Quality health care for all	Integrate social development and services for sustainability

Cluster	PERSPECTIVE	MTSF	COGTA	MTAS	LEGDP (PGDS)	OUTCOME 9	COGTA BUSINESS PLAN 2010/2011	STRATEGIC AGENDA KPA	NATIONAL DEVELOPMENT PLAN	BA-PHALABORWA
Social Infrastructure	Community Satisfaction	6. Intensify the fight against crime and corruption			6. Fighting crime and corruption			Basic Service Delivery	Fighting corruption	Integrate social development and services for sustainability
Social Infrastructure	Community Satisfaction	7. Building of cohesive, caring and sustainable communities			8. Cohesive and sustained communities			Basic Service Delivery	An inclusive and integrated rural economy Transforming society and uniting the country	Integrate social development and services for sustainability
Social Infrastructure	Community Satisfaction		3. Accelerating service delivery and supporting the vulnerable		3. Rural development, food security and land reform			Basic Service Delivery	An inclusive and integrated rural economy	Provision of sustainable integrated infrastructure and services
Technical Infrastructure	Institutional Processes		3. Accelerating service delivery and supporting the vulnerable			2. Improved access to basic services	3. Accelerating service delivery & supporting the vulnerable (Improve quantity & quality of municipal basic services to people in areas of access to water, sanitation, electricity, waste management, roads & disaster management)	Basic Service Delivery	Improving infrastructure	Provision of sustainable integrated infrastructure and services



Cluster	PERSPECTIVE	MTSF	COGTA	MTAS	LEGDP (PGDS)	OUTCOME 9	COGTA BUSINESS PLAN 2010/2011	STRATEGIC AGENDA KPA	NATIONAL DEVELOPMENT PLAN	BA-PHALABORWA
Technical Infrastructure	Institutional Processes	2. Massive programmes to build economic and social infrastructure		1. Ensure that municipalities meet the basic needs of communities		1. Implement a differentiated approach to municipal financing, planning and support (Outcome 2 and 3)	1: Contribute to building a Developmental State in National, Provincial and Local Government (Implement a differentiated approach to municipal financing, planning and support)	Basic Service Delivery	Reforming public service  Improving infrastructure	Provision of sustainable integrated infrastructure and services
Technical Infrastructure	Institutional Processes		3. Accelerating service delivery and supporting the vulnerable		2. Provision of economic and social infrastructure			Basic Service Delivery	Improving infrastructure	Provision of sustainable integrated infrastructure and services
Technical Infrastructure	Institutional Processes	3. Comprehensive rural development strategy linked to land and agrarian reform and food security						Basic Service Delivery	Improving infrastructure  An inclusive and integrated rural economy	Provision of sustainable integrated infrastructure and services
Technical Infrastructure	Institutional Processes	9. Sustainable resource management and use			9. Sustainable resource management and use			Basic Service Delivery	Transition to a low-carbon economy	Sustain the environment

Cluster	PERSPECTIVE	MTSF	COGTA	MTAS	LEGDP (PGDS)	OUTCOME 9	COGTA BUSINESS PLAN 2010/2011	STRATEGIC AGENDA KPA	NATIONAL DEVELOPMENT PLAN	BA-PHALABORWA
Governance and Administration	Institutional Processes					6: Improved municipal financial and administrative capacity	2: Strengthen Accountability and Clean Government (Develop a coherent and cohesive system of governance and a more equitable intergovernmental fiscal system)	Municipal Financial Viability and Management	Reforming the public service	Improve financial viability
Governance and Administration	Institutional Processes		4. Improving the Developmental Capability of the Institution of Traditional Leadership.			5. Deepened democracy through a refined ward committee model	3: Accelerating Service Delivery and supporting the Vulnerable (Deepen democracy through a refined ward committee model)	Good Governance and Public Participation	Reforming the public service	Good Corporate governance and Public Participation
Governance and Administration	Institutional Processes	3. Comprehensive rural development strategy linked to land and agrarian reform and food security			3. Rural development, food security and land reform	4. Actions supportive of human settlement outcomes	1: Contribute to building a Developmental State in National, Provincial and Local Government that is efficient, effective and responsive (Ensure the development and adoption of reliable and credible integrated Development Plans)	Municipal Transformation and Organisational Development	Reversing the spatial effect of apartheid	Facilitate sustainable development

Cluster	PERSPECTIVE	MTSF	COGTA	MTAS	LEGDP (PGDS)	OUTCOME 9	COGTA BUSINESS PLAN 2010/2011	STRATEGIC AGENDA KPA	NATIONAL DEVELOPMENT PLAN	BA-PHALABORWA
Governance and Administration	Institutional Processes	10. Building of a developmental state including improving of public services and strengthening democratic institutions	1. Building the Developmental State in Provincial and Local Government that is efficient, effective and responsive	2. Build clean, responsive and accountable local government	10. A developmental state including improvement of public services	7. Single Window of coordination	1: Contribute to building a Developmental State in National, Provincial and Local Government ( Create a single window of coordination for the support, monitoring and intervention in municipalities )	Good Governance and Public Participation	Reforming the public service	Good Corporate governance and Public Participation
Governance and Administration	Institutional Processes		2. Strengthen Accountability and Clean Government	3. Improve functionality, performance and professionalism in municipalities	9. Sustainable resource management and use	6. Improved administrative capacity	1: Contribute to building a Developmental State in National, Provincial and Local Government ( Develop and strengthen a politically and administratively stable system of municipalities )	Good Governance and Public Participation	Reforming the public service	Good Corporate governance and Public Participation
Governance and Administration	Institutional Processes						2: Strengthen Accountability and Clean Government ( Build and strengthen the administrative, institutional and financial capabilities of municipalities )	Good Governance and Public Participation Municipal Transformation and Organisational Development	Reforming the public service	Attract, develop and retain best human capital

Cluster	PERSPECTIVE	MTSF	COGTA	MTAS	LEGDP (PGDS)	OUTCOME 9	COGTA BUSINESS PLAN 2010/2011	STRATEGIC AGENDA KPA	NATIONAL DEVELOPMENT PLAN	BA-PHALABORWA
Governance and Administration	Institutional Processes						2: Strengthen Accountability and Clean Government (Develop a coherent and cohesive system of governance and a more equitable intergovernmental fiscal system)	Good Governance and Public Participation	Reforming the public service	Good Corporate governance and Public Participation
Governance and Administration	Institutional Processes						2: Strengthen Accountability and Clean Government (Restore the institutional integrity of municipalities)	Municipal Transformation and Organisational Development	Reforming the public service	Attract, develop and retain best human capital
Governance and Administration	Institutional Processes			4.Improve national and provincial policy, support and oversight to local government					Reforming the public service	Good Corporate governance and Public Participation
Governance and Administration	Institutional Processes	6. Intensify the fight against crime and corruption			6. Fighting crime and corruption		2: Strengthen Accountability and Clean Government (Uproot fraud, corruption, nepotism and all forms of maladministration)	Good Governance and Public Participation	Fighting corruption	Advance good corporate governance

Cluster	PERSPECTIVE	MTSF	COGTA	MTAS	LEGDP (PGDS)	OUTCOME 9	COGTA BUSINESS PLAN 2010/2011	STRATEGIC AGENDA KPA	NATIONAL DEVELOPMENT PLAN	BA-PHALABORWA
							affecting local government )			
Governance and Administration	Institutional Processes	8. Pursuing African advancement and enhanced international cooperation			8. Creation of a better Africa and a better world				Reforming the public service	Advance good corporate governance
Governance and Administration	Learning and Growth	4. Strengthening of skills and human resource base						Municipal Transformation and Organisational Development	Reforming the public service	Attract, develop and retain best human capital

## 7. MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

### 7.1. Key Financial Indicators and ratios

LIM334 Ba-Phalaborwa - 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
<b><u>Borrowing Management</u></b>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.2%	0.2%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Safety of Capital</u></b>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Liquidity</u></b>											
Current Ratio	Current assets/current liabilities	-	-	-	-	-	-	-	196.0	196.0	196.1
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	-	-	-	-	-	-	-	196.0	196.0	196.1
Liquidity Ratio	Monetary Assets/Current Liabilities	-	-	-	-	-	-	-	1.0	1.0	1.1
<b><u>Revenue Management</u></b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	86.4%	102.9%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	86.4%	102.9%	122.8%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	30.5%	28.9%	27.6%

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Creditors to Cash and Investments		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Employee costs	Employee costs/(Total Revenue - capital revenue)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	30.2%	30.6%	31.1%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	33.3%	32.0%	30.9%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.3%	5.3%	5.3%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	14.9%	14.9%	15.1%
<b><u>IDP regulation financial viability indicators</u></b>		-									
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	-	-	-	-	-	-	-	56.5	46.9	49.0
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	56.6%	53.5%	50.7%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	-	-	-	-	-	-	-	0.1	0.1	0.3

## 7.2. Measurable Performance Objectives and Indicators

LIM334 Ba-Phalaborwa - Supporting Table SA7 Measureable 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
<b>Vote 1 - vote name</b>										
<b>Function 1 - (name)</b>										
<b>Sub-function 1 - (name)</b>										
<i>Insert measure/s description</i>										
<b>Sub-function 2 - (name)</b>										
<i>Insert measure/s description</i>										
<b>Sub-function 3 - (name)</b>										
<i>Insert measure/s description</i>										
<b>Function 2 - (name)</b>										
<b>Sub-function 1 - (name)</b>										
<i>Insert measure/s description</i>										
<b>Sub-function 2 - (name)</b>										
<i>Insert measure/s description</i>										
<b>Sub-function 3 - (name)</b>										
<i>Insert measure/s description</i>										
<b>Vote 2 - vote name</b>										
<b>Function 1 - (name)</b>										
<b>Sub-function 1 - (name)</b>										
<i>Insert measure/s description</i>										
<b>Sub-function 2 - (name)</b>										
<i>Insert measure/s description</i>										

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## 8. OVERVIEW OF BUDGET-RELATED POLICIES

The following policies has been reviewed and adopted with this budget for implementation by July 2017

### **Tariff Policy**

- The Tariff Policy was reviewed in line with relevant legislation and adopted with this budget for implementation in July 2017

### **Property Rates Policy**

- A policy in line with Local Government: Municipal Property Rates Act, Act No. 6 of 2004 was reviewed to take into consideration requirements of Gazette to ensure the implementation of the new property rates act and is adopted with this budget for implementation.

### **Budget Policy**

- A budget policy in line with relevant legislation was reviewed and is adopted with this budget for implementation in July 2017.

### **Asset Management Policy**

- A policy in line with relevant legislation is reviewed and adopted with this annual budget for implementation in July 2017.

### **Supply chain management policy**

- The supply chain management policy in line with relevant legislation was reviewed and is adopted with this budget for implementation in July 2017.

### **Indigent Household Consumer Policy**

- The Indigent and household Consumer policy in line with relevant legislation was reviewed and is adopted with this budget for implementation in July 2017. The approved indigent register will be in force as from 1<sup>st</sup> July 2017.

### **Credit Control, Debt Collection and Consumer Care Policy**

- Credit Control and Debt Collection Policy of the municipality was reviewed to take into account relevant legislation and developments in court findings and orders during the year. The policy also covers Consumer Care principles. The policy is adopted with this budget for implementation in July 2017

### **Investment Policy**

- The municipality was reviewing an Investment Policy to ensure proper cash management and investment in line with relevant legislation and the policy and is adopted with this budget for implementation. The policy will be implemented after adopting procedure manuals for implementation in July 2017.

### **Virement Policy**

- Virement policy was reviewed by the municipality in line with legislation to ensure that the process of this policy is implemented, to enable budget managers to amend budgets in the light of experience or to reflect anticipated changes.

### **Petty Cash Policy**

- The municipality reviewed the petty cash policy in line with relevant legislation and policy so that it may be able to improve the efficiency of departmental operations especially for purchases of minor items.

### **Bad Debt Write Off**

- Bad debt write off policy was reviewed by the municipality in line with legislation and policy to ensure that the whole credit control and debt collection process have been followed in terms of trying to obtain payment due to council by customer, taking into account developments of legislation governing financial management in local government as well as accounting standards.

### **Deposit Policy**

- Deposit policy reviewed in order for municipality council in line with legislation to amend any clause, stipulation or tariff embodied in the policy in the interest of the parties concerned.

### **Fleet Management Policy**

- Municipality reviewed this policy in line with legislation to regulate the use of official Municipal vehicles and to ensure that they are used in a safe and efficient manner in order to minimize accidents and abuse of vehicles.

### **Electricity Supply by-laws**

- Electricity supply by-laws was reviewed by the municipality in line with legislation so that only the service provider shall supply or contract for the supply of electricity within the jurisdiction of the Service Authority.

### **Land Use by-laws**

- Municipality reviewed the policy in line with legislation so that there is no intrusion over municipal property, or property which the Council has control over or other property in respect of which a servitude or other property right has been registered in favour of the Council.

#### **Subsistence and Traveling Policy**

- This policy was reviewed in line with legislation by municipality to sets out the basis for the payment of a subsistence and travel allowance for the purposes of such official who travel from time to time to establish and maintain links and relationships with other municipalities, government bodies, and other parties, institutions and organizations operating in the sphere of local government so that they can broaden their knowledge and understanding.

#### **Inventory management Policy**

The policy aims to achieve the following objectives which are to:-

- Provide guidelines that employees of the Municipality must follow in the management and control of inventory, including safeguarding and disposal of inventory.
- Procure inventory in line with the established procurement principles contained in the Municipality's Supply Chain Management Policy. Eliminate any potential misuse of inventory and possible theft
- To lay down procedures and processes for the procurement management and control over inventory (stock) items in accordance with all relevant regulations and legislations and other policies and directives.

The envisaged outcome is an efficient and effective control and inventory management tool for the Municipality.

## **9. OVERVIEW OF BUDGET ASSUMPTIONS**

### **External factors**

The following factors were taken consideration and assumption when compiling 2017/18 budget to ensure that the budget is meaningful and easy to understand during the calculation of estimated revenues and expenditures:

- Division of Revenue Bill, 2017
- Domestic outlook
- Population growth
- Risks to the global outlook
- National target in new growth path to create jobs over the next decade
- Sound macroeconomic policy enables the Country to fund social and economic priorities
- Anticipated salary increases
- Demand for services provision on free basic services
- Rates – Tariffs, charges and timing of revenue collection
- Sustainability – Consumer affordability to services municipal services
- Interest rate

### **Internal factors**

#### **KEY FINANCIAL TARGETS**

The following assumptions were considered on compilation of 2017/18 budget on revenues: The multi – year budget is underpinned by the following key financial target assumptions:

- Increasing/ maximizing revenue collection on outstanding debtors
- Full implementation of credit control policy and intensifying debt collection
- Revision of cemetery tariffs and other minor sources of income such as building plans
- Improvement on billing system by means of ensuring correctness of meter readings
- Customer education
- Improvement on public participation
- Tariff increase ,
- Macro Growth factor indicator
- Capital Charges
- Total expenditure increases allowed
- Increase in repairs and maintenance.

**There are several sources of information gathered during the compilation of 2017/18 budget:**

- Ba-Phalaborwa Intergrated Development Plan
- mSCOA circulars
- Treasury circulars 86,85,82,75, 74, 72, 70, 67,66, 59, 58, 55, 54, 51 and 48
- Statistics SA guidelines on economic indicators
- Financial management system and departmental budget inputs submitted
- Consumer/ Customers surveys on services

## 10. OVERVIEW OF BUDGET FUNDING

### 10.1. REVENUE AND FINANCING ACTIVITIES

Financial Performance (Revenue By Source and Expenditure By Type)

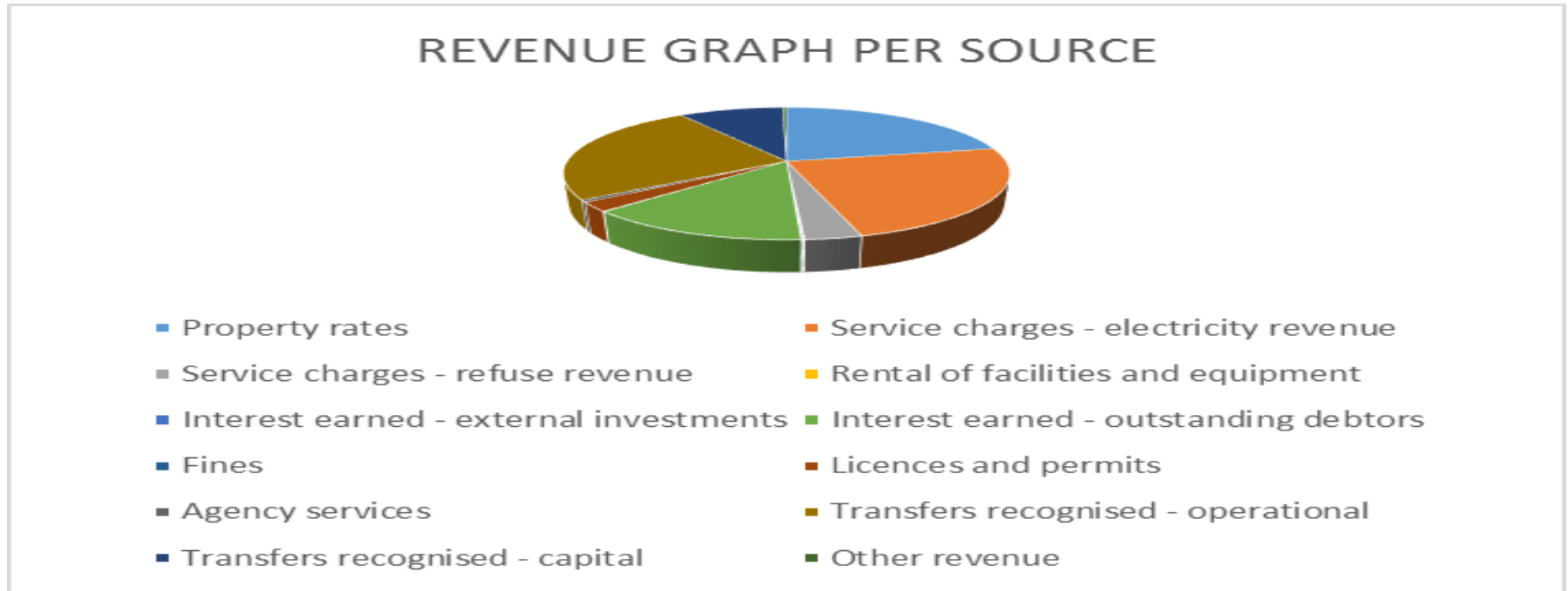
Description	2013/14	2014/15	2015/16	Current Year 2016/17			Projections		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjustement	Adjusted Budget	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Revenue By Source</b>									
Property rates	57,239	65,594	68,106	106,776	-	106,776	113,609	120,085	126,810
Service charges – electricity revenue	83,082	87,608	94,111	116,655	-	116,655	124,121	131,196	138,543
Service charges – refuse revenue	10,422	11,405	13,789	17,029	-	17,029	18,119	19,151	20,224
Service charge – other			251						
Rental of facilities and equipment	228	265	354	470	-	470	500	529	558
Interest earned – external investments	359	277	638	506	-	506	538	569	601
Interest earned – outstanding debtors	55,541	29,899	32,559	76,042	-4,000	72,042	72,042	72,042	72,042
Dividends received	-	-	-	-	-	-	-	-	-
Fines	2,826	8,823	3,360	423	-	423	451	476	503
Licences and permits	3,121	2,257	3,525	11,205	-	11,205	11,922	12,502	13,308
Agency services	9,665	5,325	5,676	2,539	-	2,539	2,701	2,855	3,015
Transfers recognised – operational	73,626	87,633	112,388	114,153	-108	114,153	129,937	139,931	147,774
Transfers recognised – capital	31,537	38,768	55,499	29,460	108	29,568	47,219	36,243	54,352
Other revenue	2,291	7,328	122,699	1,628	-	1,628	1,732	1,831	1,933
<b>Total Revenue</b>	<b>329,937</b>	<b>345,182</b>	<b>512,957</b>	<b>476,885</b>	<b>-4,000</b>	<b>472,885</b>	<b>522,891</b>	<b>537,509</b>	<b>579,662</b>

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- The table above illustrate the summaries of revenue and financing activities. The estimated revenue is at R522,89 million
- Equitable share allocation as per Division of Revenue 2017
- Highlights of operational grants as per Division of Revenue
- Highlights of conditional capital grants as per Division of Revenue

Graphically Revenue per source:





## 10.2.1 Grants and subsidies as per Division of Revenue 2017

### LIM334 Ba-Phalaborwa - 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	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>RECEIPTS:</b>	1, 2									
<u>Operating Transfers and Grants</u>										
<b>National Government:</b>		-	-	-	-	-	-	<b>129 937</b>	<b>139 931</b>	<b>147 774</b>
Local Government Equitable Share								120 392	131 531	139 114
Finance Management								2 145	2 400	2 660
EPWP Incentive								1 000	-	-
Energy Efficiency and Demand Management								5 000	5 000	5 000
Municipal Systems Improvement										
Municipal Infrastructure Grant-Operational								1 400	1 000	1 000
<b>Total Operating Transfers and Grants</b>	5	-	-	-	-	-	-	<b>129 937</b>	<b>139 931</b>	<b>147 774</b>
<u>Capital Transfers and Grants</u>										
<b>National Government:</b>		-	-	-	-	-	-	<b>47 219</b>	<b>36 243</b>	<b>54 352</b>
Municipal Infrastructure Grant (MIG)								38 219	33 243	35 352
Intergrated National Electrification Programme								9 000	3 000	19 000
<b>Total Capital Transfers and Grants</b>	5	-	-	-	-	-	-	<b>47 219</b>	<b>36 243</b>	<b>54 352</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		-	-	-	-	-	-	<b>177 156</b>	<b>176 174</b>	<b>202 126</b>

- Equitable share has increased from 2016 Division of Revenue – R110,235 million to R120,392 million in 2017

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- Financial Management grant also increased from 2016 Division of Revenue – R1,810 million to R2,145 million
- Municipal Infrastructure grant as per Division of Revenue is R39,619 million in 2017.
- ENEG R9,000 million as per Division of Revenue 2017 to deal with the backlog of households that are without electricity.
- Energy Efficient and Demand Management Grant of R5,000 million as per Division of Revenue 2017

### Allocation of Expenditure per standard item

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
<b>R thousand</b>	1										
<b>Revenue By Source</b>											
<b>Expenditure By Type</b>	-										
Employee related costs	2	-	-	-	-	-	-	-	143 682	153 308	163 427
Remuneration of councillors									14 804	15 796	16 839
Debt impairment	3								37 799	39 953	42 191
Depreciation & asset impairment	2	-	-	-	-	-	-	-	70 117	74 114	78 264
Finance charges									745	787	831
Bulk purchases	2	-	-	-	-	-	-	-	98 163	103 759	109 569
Contracted services									47 819	48 504	52 001
Transfers and subsidies									-	-	-
Other expenditure	4, 5	-	-	-	-	-	-	-	95 758	99 874	105 187
<b>Total Expenditure</b>		-	-	-	-	-	-	-	<b>508 887</b>	<b>536 095</b>	<b>568 309</b>

- The estimated operational expenditure as per standard item is R508,887 million for the financial year 2017/18
- Included on the expenditure per standard item is the depreciation and impairment of assets at an estimated value of R107, 916 million
- Employee related costs for entire staff members exclusive of councillors is estimated at R143,682 million in 2017/18 financial year

- Repairs and maintenance at an estimated value of R25,407 million will be utilised to maintain municipal assets. It is 41.9% of the total estimated capital budget of R60,619 million. National Treasury guides indicate that at least the repairs and maintenance allocation should be 40% of the total capital expenditure budget of which it has been met.

### **Summary of operating expenditure by standard classification item**

#### **Employee Related Costs**

- The budgeted allocation for employee related costs for the 2017/18 financial year totals R143,682 million which equals 28 per cent of the total operating expenditure. Salary increases have been factored into this budget at a percentage increase of 7.4 per cent for the 2017/18 financial year as per latest circular 86.

#### **Remuneration of councilors**

- The cost associated with the remuneration of councilors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). For the 2015/16 financial year the remuneration of councilors will amount to R14, 804 million. It is equal to 3 per cent of the operating expenditure.

#### **Debt impairment**

- The provision of debt impairment was determined based on an current collection rate and Debt Write-off Policy of the municipality. For the 2017/18 financial year this amount equates to R37,799 million which equates to 7.43 percent of the total operating expenditure and escalates to R39,953 million by 2018/19. While this expenditure is considered to be a non-cash flow item, it is informed by the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues and equals to 8 per cent of the operating expenditure.

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### **Depreciation and asset impairment**

- Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Budget appropriations in this regard total R70,117 million for the 2017/18 financial and equates to 14 per cent of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has taken into account.

### **Bulk Purchases**

- Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses and is equal to 19 per cent of the operating expenditure.

### **Contracted Services**

- In the 2017/18 financial year, this group of expenditure totals R47,819 million which equates to 9 percent of the total operating expenditure. For the two outer years, the projection is at R48,504 million and R52,001 million.

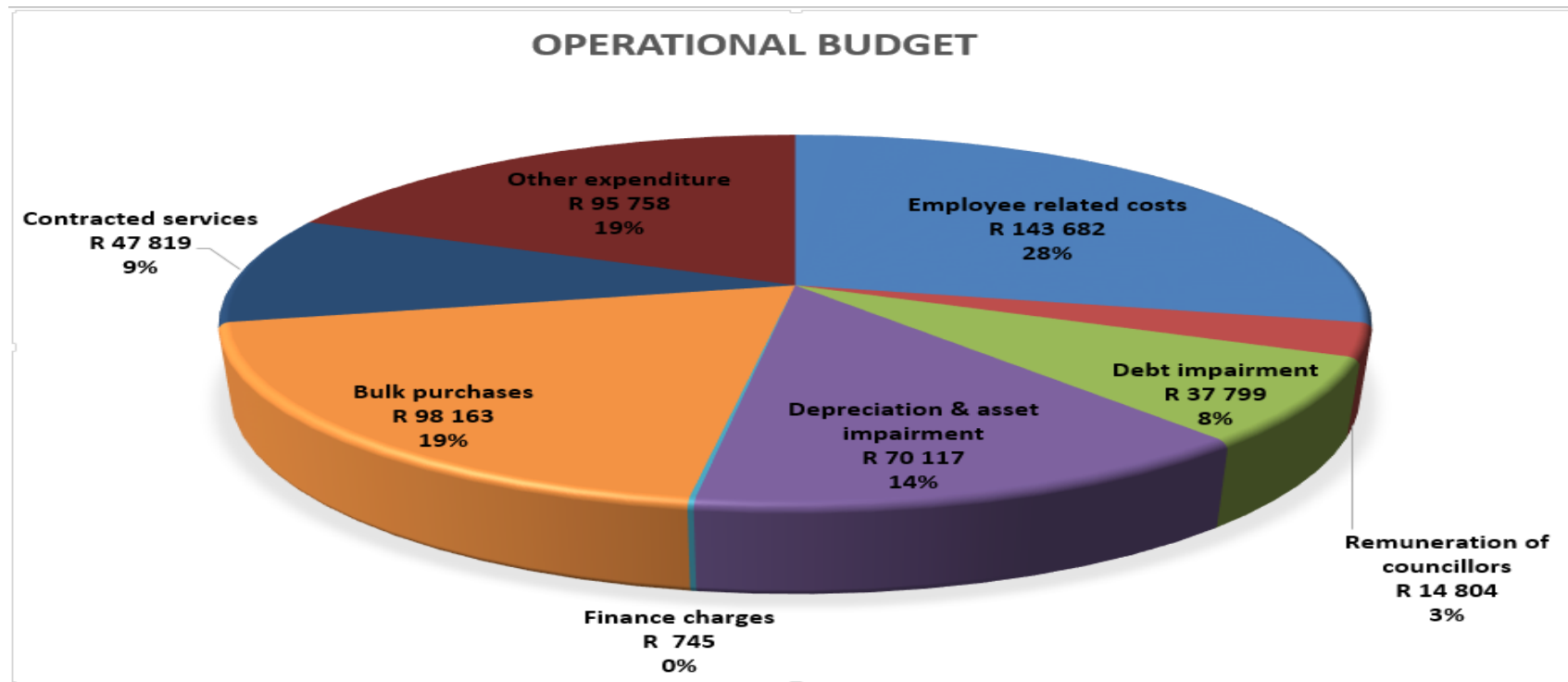
### **Other Expenditure**

- Other expenditure comprises of various line items relating to the daily operations of the municipality, For 2017/18 financial year is estimated at R95,758 million which equates to 19 percent of total operational budget. The amount include R25 million of repairs and maintenance.

### **Finance Charges**

- The finance charges for 2017/18 financial year is estimated to be R745 thousand which constitute 0,15 per cent of the total operating expenditure.

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



## 10.2.2 ALLOCATION OF MAIN VOTE

LIM334 Ba-Phalaborwa - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description R thousand	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
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - Executive and Council		-	-	-	-	-	-	51 677	54 939	58 354
Vote 2 - Budget and Treasury Department		-	-	-	-	-	-	90 697	94 854	100 417
Vote 3 - Corporate Services		-	-	-	-	-	-	48 624	51 323	54 401
Vote 4 - Community and Social Services		-	-	-	-	-	-	78 540	83 452	88 591
Vote 5 - Planning and Development		-	-	-	-	-	-	15 494	15 948	17 729
Vote 6 - Technical Services Department		-	-	-	-	-	-	223 855	235 579	248 818
0		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	-	-	-	-	-	-	<b>508 887</b>	<b>536 095</b>	<b>568 309</b>
<b>Surplus/(Deficit) for the year</b>	2	-	-	-	-	-	-	<b>14 004</b>	<b>1 414</b>	<b>11 353</b>

- Allocation of expenditure per main vote highlights the share per department's budget
- The directorate receiving a bigger share in terms of the main votes are Technical Services
- The least directorate receiving smaller share of budget is Planning and development

## 10.5 FUNDING MEASUREMENT

LIM334 Ba-Phalaborwa Supporting Table SA10 Funding measurement

Description	MFMA section	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
<b>Funding measures</b>	-	-										
Cash/cash equivalents at the year end - R'000	18(1)b	1	-	-	-	-	-	-	-	1,899	4,468	9,809
Cash + investments at the yr end less applications - R'000	18(1)b	2	-	-	-	-	-	-	-	101,299	120,721	145,033
Cash year end/monthly employee/supplier payments	18(1)b	3	-	-	-	-	-	-	-	0.1	0.1	0.3
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	-	-	-	-	-	-	-	14,004	1,414	11,353
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(0.3%)	(0.4%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	67.8%	81.1%	97.8%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	14.8%	14.8%	14.8%
Capital payments % of capital expenditure	18(1)c;19	8	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	77.9%	75.8%	70.2%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.5%	2.6%	2.7%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

<b>Total Operating Revenue</b>			-	-	-	-	-	-	-	475,672	501,266	525,310
<b>Total Operating Expenditure</b>			-	-	-	-	-	-	-	508,887	536,095	568,309
<b>Operating Performance Surplus/(Deficit)</b>			-	-	-	-	-	-	-	(33,215)	(34,829)	(42,999)
<b>Cash and Cash Equivalents (30 June 2012)</b>										1,899		
<b>Revenue</b>												
% Increase in Total Operating Revenue				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.4%	4.8%
% Increase in Property Rates Revenue				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.7%	5.6%
% Increase in Electricity Revenue				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.7%	5.6%

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% Increase in Property Rates & Services Charges				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.7%	5.6%
<b>Expenditure</b>												
% Increase in Total Operating Expenditure				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.3%	6.0%
% Increase in Employee Costs				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	6.7%	6.6%
% Increase in Electricity Bulk Purchases				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.7%	5.6%
Average Cost Per Budgeted Employee Position (Remuneration)					0	0				336491.22		
Average Cost Per Councillor (Remuneration)					0	0				411227.7085		
R&M % of PPE			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.5%	2.6%	2.7%
Asset Renewal and R&M as a % of PPE			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.0%	3.0%	3.0%
Debt Impairment % of Total Billable Revenue			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	14.8%	14.8%	14.8%
<b>Capital Revenue</b>												
Internally Funded & Other (R'000)			-	-	-	-	-	-	-	13,400	13,400	23,096
Borrowing (R'000)			-	-	-	-	-	-	-	-	-	-
Grant Funding and Other (R'000)			-	-	-	-	-	-	-	47,219	34,403	54,352
Internally Generated funds % of Non Grant Funding			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%	100.0%
Borrowing % of Non Grant Funding			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grant Funding % of Total Funding			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	77.9%	72.0%	70.2%
<b>Capital Expenditure</b>												
Total Capital Programme (R'000)			-	-	-	-	-	-	-	60,619	47,803	77,448
Asset Renewal			-	-	-	-	-	-	-	-	-	-
Asset Renewal % of Total Capital Expenditure			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Cash</b>												
Cash Receipts % of Rate Payer & Other			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	67.8%	81.1%	97.8%
Cash Coverage Ratio			-	-	-	-	-	-	-	0	0	0
<b>Borrowing</b>												
Credit Rating (2009/10)										0		
Capital Charges to Operating			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%
Borrowing Receipts % of Capital Expenditure			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Reserves</b>												
Surplus/(Deficit)			-	-	-	-	-	-	-	101,299	120,721	145,033
<b>Free Services</b>												
Free Basic Services as a % of Equitable Share			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Free Services as a % of Operating Revenue (excl operational transfers)			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>High Level Outcome of Funding Compliance</b>												
Total Operating Revenue			-	-	-	-	-	-	-	475,672	501,266	525,310
Total Operating Expenditure			-	-	-	-	-	-	-	508,887	536,095	568,309
Surplus/(Deficit) Budgeted Operating Statement			-	-	-	-	-	-	-	(33,215)	(34,829)	(42,999)
Surplus/(Deficit) Considering Reserves and Cash Backing			-	-	-	-	-	-	-	101,299	120,721	145,033
<b>MTREF Funded (1) / Unfunded (0)</b>	15	1	1	1	1	1	1	1	1	1	1	1
<b>MTREF Funded ✓ / Unfunded ✗</b>	15	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

- The table shows that the budget for 2017/18 financial year will be funded as per section 16 of MFMA

## 11 . EXPENDITURE ON ALLOCATIONS

### Summary of Expenditure per Sub-Vote

Vote Description R thousand	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
<b>Expenditure by Vote</b>	1									
<b>Vote 1 - Executive and Council</b>		-	-	-	-	-	-	51 677	54 939	58 354
1.1 - Municipal Council								15 418	16 445	17 524
1.2 - Office of the Mayor								9 232	9 799	10 391
1.3 - Office of the Municipal Manager								8 319	8 871	9 452
1.4 - Strategic Planning and Performance Management										
1.5 - Internal Audit and Risk Management								16 635	17 616	18 638
1.6 - Disaster Management								2 073	2 208	2 350
<b>Vote 2 - Budget and Treasury Department</b>		-	-	-	-	-	-	90 697	94 854	100 417
2.1 - Office of the CFO								2 467	2 629	2 799
2.2 - Financial Planning and Reporting								2 823	3 011	3 209
2.3 - Financial Control and Expenditure Management								17 173	18 193	19 256
2.4 - Revenue and Debt Management								58 810	61 524	65 057
2.5 - Supply Chain Management and Stores								6 669	7 091	7 532
2.6 - Asset Management								2 755	2 406	2 564
<b>Vote 3 - Corporate Services</b>		-	-	-	-	-	-	48 624	51 323	54 401
3.1 - Office of the Director								2 545	2 715	2 893
3.2 - Human Resources								16 242	17 214	18 227
3.3 - Information Technology								2 892	2 810	2 987
3.4 - Administration								19 790	21 013	22 290
3.5 - Legal								7 154	7 571	8 004
<b>Vote 4 - Community and Social Services</b>		-	-	-	-	-	-	78 540	83 452	88 591
4.1 - Office of the Director								2 529	2 697	2 872
4.2 - Libraries								3 526	3 756	3 996
4.3 - Parks								20 752	22 032	23 369
4.4 - Cemeteries								1 753	1 860	1 970

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4.5 - Traffic								11 590	12 348	13 144	
4.6 - Licensing								15 092	15 994	16 933	
4.7 - Environment Health								14 050	14 978	15 953	
4.8 - Waste Management								9 247	9 789	10 353	
<b>Vote 5 - Planning and Development</b>		-	-	-	-	-	-	<b>15 494</b>	<b>15 948</b>		<b>17 729</b>
5.1 - Office of the Director								1 915	2 041	2 173	
5.2 - Economic Development								4 439	4 729	5 034	
5.3 - Town Planning								6 384	6 243	7 400	
5.4 - Strategic Planning and Performance Management								2 757	2 935	3 122	
<b>Vote 6 - Technical Services Department</b>		-	-	-	-	-	-	<b>223 855</b>	<b>235 579</b>		<b>248 818</b>
6.1 - Office of the Director								4 991	4 257	4 537	
6.2 - Electrical Services								136 851	144 479	152 409	
6.3 - Building Section								23 607	25 021	26 495	
6.4 - Water Services											
6.5 - Waste Water Management											
6.6 - Roads and Storm Water Services								54 398	57 554	60 835	
6.7 - Project Management Unit								1 063	1 134	1 208	
6.8 - Mechanical Workshop								2 944	3 135	3 335	
<b>Total Expenditure by Vote</b>	2	-	-	-	-	-	-	<b>508 887</b>	<b>536 095</b>	<b>568 309</b>	
<b>Surplus/(Deficit) for the year</b>	2	-	-	-	-	-	-	<b>14 004</b>	<b>1 414</b>	<b>11 353</b>	

## 12 ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY

In the 2017/18 MTREF no allocations will be made by the Municipality to:

- ✚ Other municipalities;
- ✚ Municipal Entities and other external service delivery mechanisms;
- ✚ Any other organs of state; and
- ✚ Any other organisation outside government

### 13 COUNCILLORS AND BOARD MEMBER ALLOWANCE AND EMPLOYEE BENEFITS

#### 13.1 Summary of Councillors and Staff Benefits

LIM334 Ba-Phalaborwa - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	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
		A	B	C	D	E	F	G	H	I
<b><u>Councillors (Political Office Bearers plus Other)</u></b>	1									
Basic Salaries and Wages								10 255	10 943	11 665
Pension and UIF Contributions								43	46	49
Medical Aid Contributions								3 549	3 787	4 037
Motor Vehicle Allowance								957	1 021	1 088
Cellphone Allowance										
Housing Allowances										
Other benefits and allowances										
<b>Sub Total - Councillors</b>		-	-	-	-	-	-	<b>14 804</b>	<b>15 796</b>	<b>16 839</b>
<b>% increase</b>	4		-	-	-	-	-	-	<b>6.7%</b>	<b>6.6%</b>
<b><u>Senior Managers of the Municipality</u></b>	2									
Basic Salaries and Wages								4 078	4 351	4 638
Pension and UIF Contributions								11	12	13
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3							1 484	1 583	1 687
Cellphone Allowance	3							92	98	104
Housing Allowances	3									
Other benefits and allowances	3							838	894	953
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
<b>Sub Total - Senior Managers of Municipality</b>		-	-	-	-	-	-	<b>6 503</b>	<b>6 938</b>	<b>7 396</b>

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<b>% increase</b>	4		-	-	-	-	-	-	<b>6.7%</b>	<b>6.6%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages								85 248	84 975	84 687
Pension and UIF Contributions								16 985	16 985	16 984
Medical Aid Contributions								5 475	5 842	6 228
Overtime								4 603	4 912	5 236
Performance Bonus										
Motor Vehicle Allowance	3							12 084	11 984	11 880
Cellphone Allowance	3							1 313	1 307	1 301
Housing Allowances	3							1 062	1 133	1 208
Other benefits and allowances	3							7 428	7 372	7 313
Payments in lieu of leave										
Long service awards								2 980	3 179	3 389
Post-retirement benefit obligations	6									
<b>Sub Total - Other Municipal Staff</b>		-	-	-	-	-	-	<b>137 179</b>	<b>137 689</b>	<b>138 226</b>
<b>% increase</b>	4		-	-	-	-	-	-	<b>0.4%</b>	<b>0.4%</b>
<b>Total Parent Municipality</b>		-	-	-	-	-	-	<b>158 486</b>	<b>160 424</b>	<b>162 461</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		-	-	-	-	-	-	<b>158 486</b>	<b>160 424</b>	<b>162 461</b>
<b>% increase</b>	4		-	-	-	-	-	-	<b>1.2%</b>	<b>1.3%</b>
<b>TOTAL MANAGERS AND STAFF</b>	5,7	-	-	-	-	-	-	<b>143 682</b>	<b>144 628</b>	<b>145 622</b>

### 13.2 Disclosure of Salaries for Political Office Bearers, Councillors and Senior Managers

LIM334 Ba-Phalaborwa - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
<b>Councillors</b>	3							
Speaker	4		676 241		158 159			834 400
Chief Whip			633 978		144 168			778 145
Executive Mayor			845 304		193 032			1 038 336
Deputy Executive Mayor								-
Executive Committee			700 680		198 460			899 140
Total for all other councillors			10 030 506		1 223 671			11 254 177
<b>Total Councillors</b>	8	-	<b>12 886 708</b>	<b>-</b>	<b>1 917 490</b>			<b>14 804 198</b>
<b>Senior Managers of the Municipality</b>	5							
Municipal Manager (MM)			1 506 393	1 785	373 285			1 881 462
Chief Finance Officer			608 535	1 785	234 270			844 589
Director Community Services			609 009	1 785	233 801			844 595
Director Planning and Economic Development			520 958	1 785	321 852			844 595
Director Technical Services			469 405	1 785	373 400			844 589
Director Corporate Services			994 677	1 785	246 401			1 242 863
<b>Total Senior Managers of the Municipality</b>	8,10	-	<b>4 708 977</b>	<b>10 708</b>	<b>1 783 009</b>	<b>-</b>		<b>6 502 694</b>
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	10	-	<b>17 595 685</b>	<b>10 708</b>	<b>3 700 498</b>	<b>-</b>		<b>21 306 891</b>

## 14. MONTHLY TARGETS FOR REVENUE AND EXPENDITURE

Description	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
<b>Revenue By Source</b>															
Property rates	9 467	9 467	9 467	9 467	9 467	9 467	9 467	9 467	9 467	9 467	9 467	9 467	113 609	120 085	126 810
Service charges - electricity revenue	10 343	10 343	10 343	10 343	10 343	10 343	10 343	10 343	10 343	10 343	10 343	10 343	124 121	131 196	138 543
Service charges - refuse revenue	1 510	1 510	1 510	1 510	1 510	1 510	1 510	1 510	1 510	1 510	1 510	1 510	18 119	19 151	20 224
Rental of facilities and equipment	42	42	42	42	42	42	42	42	42	42	42	42	500	529	558
Interest earned - external investments	45	45	45	45	45	45	45	45	45	45	45	45	538	569	601
Interest earned - outstanding debtors	6 004	6 004	6 004	6 004	6 004	6 004	6 004	6 004	6 004	6 004	6 004	6 004	72 042	72 042	72 042
Fines, penalties and forfeits	38	38	38	38	38	38	38	38	38	38	38	38	451	476	503
Licences and permits	994	994	994	994	994	994	994	994	994	994	994	994	11 922	12 602	13 308
Agency services	225	225	225	225	225	225	225	225	225	225	225	225	2 701	2 855	3 015
Transfers and subsidies	43 312				43 312				43 312				129 937	139 931	147 774
Other revenue	144	144	144	144	144	144	144	144	144	144	144	144	1 732	1 831	1 933
Gains on disposal of PPE													-	-	-
<b>Total Revenue</b>	<b>72 124</b>	<b>28 811</b>	<b>28 811</b>	<b>28 811</b>	<b>72 124</b>	<b>28 811</b>	<b>28 811</b>	<b>28 811</b>	<b>72 124</b>	<b>28 811</b>	<b>28 811</b>	<b>28 811</b>	<b>475 672</b>	<b>501 266</b>	<b>525 310</b>

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<b>(excluding capital transfers and contributions)</b>															
<b>Expenditure By Type</b>															
Employee related costs	11 973	11 973	11 973	11 973	11 973	11 973	11 973	11 973	11 973	11 973	11 973	11 973	143 682	153 308	163 427
Remuneration of councillors	1 234	1 234	1 234	1 234	1 234	1 234	1 234	1 234	1 234	1 234	1 234	1 234	14 804	15 796	16 839
Debt impairment	3 150	3 150	3 150	3 150	3 150	3 150	3 150	3 150	3 150	3 150	3 150	3 150	37 799	39 953	42 191
Depreciation & asset impairment	5 843	5 843	5 843	5 843	5 843	5 843	5 843	5 843	5 843	5 843	5 843	5 843	70 117	74 114	78 264
Finance charges	62	62	62	62	62	62	62	62	62	62	62	62	745	787	831
Bulk purchases	8 180	8 180	8 180	8 180	8 180	8 180	8 180	8 180	8 180	8 180	8 180	8 180	98 163	103 759	109 569
Contracted services	4 044	4 044	4 044	4 044	4 044	4 044	4 044	4 044	4 044	4 044	4 044	3 336	47 819	48 504	52 001
Other expenditure	7 928	7 928	7 928	7 928	7 928	7 928	7 928	7 928	7 928	7 928	7 928	8 546	95 758	99 874	105 187
Loss on disposal of PPE												-	-	-	-
<b>Total Expenditure</b>	<b>42 415</b>	<b>42 415</b>	<b>42 415</b>	<b>42 415</b>	<b>42 415</b>	<b>42 415</b>	<b>42 415</b>	<b>42 415</b>	<b>42 415</b>	<b>42 415</b>	<b>42 415</b>	<b>42 325</b>	<b>508 887</b>	<b>536 095</b>	<b>568 309</b>
<b>Surplus/(Deficit)</b>	<b>29 709</b>	<b>(13 603)</b>	<b>(13 603)</b>	<b>(13 603)</b>	<b>29 709</b>	<b>(13 603)</b>	<b>(13 603)</b>	<b>(13 603)</b>	<b>29 709</b>	<b>(13 603)</b>	<b>(13 603)</b>	<b>(13 514)</b>	<b>(33 215)</b>	<b>(34 829)</b>	<b>(42 999)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	15 740				15 740				15 740			0	47 219	36 243	54 352
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>45 449</b>	<b>(13 603)</b>	<b>(13 603)</b>	<b>(13 603)</b>	<b>45 449</b>	<b>(13 603)</b>	<b>(13 603)</b>	<b>(13 603)</b>	<b>45 449</b>	<b>(13 603)</b>	<b>(13 603)</b>	<b>(13 514)</b>	<b>14 004</b>	<b>1 414</b>	<b>11 353</b>
<b>Surplus/(Deficit)</b>	<b>45 449</b>	<b>(13 603)</b>	<b>(13 603)</b>	<b>(13 603)</b>	<b>45 449</b>	<b>(13 603)</b>	<b>(13 603)</b>	<b>(13 603)</b>	<b>45 449</b>	<b>(13 603)</b>	<b>(13 603)</b>	<b>(13 514)</b>	<b>14 004</b>	<b>1 414</b>	<b>11 353</b>

### Budgeted monthly revenue and expenditure (Standard classification)

LIM334 Ba-Phalaborwa - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	R e f	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
<b>Revenue - Functional</b>	-															
<b>Governance and administration</b>		24,406	24,406	24,406	24,406	24,406	24,406	24,406	24,406	24,406	24,406	24,406	24,406	292,872	310,833	325,495
Finance and administration		24,406	24,406	24,406	24,406	24,406	24,406	24,406	24,406	24,406	24,406	24,406	24,406	292,872	310,833	325,495
<b>Community and public safety</b>		24	24	24	24	24	24	24	24	24	24	24	24	293	310	328
Community and social services		24	24	24	24	24	24	24	24	24	24	24	24	293	310	328
<b>Economic and environmental services</b>		4,715	4,715	4,715	4,715	4,715	4,715	4,715	4,715	4,715	4,715	4,715	4,715	56,579	51,113	54,166
Planning and development		58	58	58	58	58	58	58	58	58	58	58	58	691	731	772
Road transport		4,657	4,657	4,657	4,657	4,657	4,657	4,657	4,657	4,657	4,657	4,657	4,657	55,888	50,382	53,395
<b>Trading services</b>		14,429	14,429	14,429	14,429	14,429	14,429	14,429	14,429	14,429	14,429	14,429	14,429	173,146	175,254	199,673
Energy sources		12,443	12,443	12,443	12,443	12,443	12,443	12,443	12,443	12,443	12,443	12,443	12,443	149,311	150,386	173,733
Waste management		1,986	1,986	1,986	1,986	1,986	1,986	1,986	1,986	1,986	1,986	1,986	1,986	23,835	24,868	25,940
<b>Other</b>														-	-	-
<b>Total Revenue - Functional</b>		43,574	43,574	43,574	43,574	43,574	43,574	43,574	43,574	43,574	43,574	43,574	43,574	522,891	537,509	579,662
<b>Expenditure - Functional</b>	-															
<b>Governance and administration</b>		15,744	15,744	15,744	15,744	15,744	15,744	15,744	15,744	15,744	15,744	15,744	15,744	188,925	198,908	210,822
Executive and council		2,747	2,747	2,747	2,747	2,747	2,747	2,747	2,747	2,747	2,747	2,747	2,747	32,969	35,115	37,366
Finance and administration		11,610	11,610	11,610	11,610	11,610	11,610	11,610	11,610	11,610	11,610	11,610	11,610	139,321	146,177	154,818
Internal audit		1,386	1,386	1,386	1,386	1,386	1,386	1,386	1,386	1,386	1,386	1,386	1,386	16,635	17,616	18,638

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<b>Community and public safety</b>	<b>3,724</b>	<b>3,724</b>	<b>3,724</b>	<b>3,724</b>	<b>3,724</b>	<b>3,724</b>	<b>3,724</b>	<b>3,724</b>	<b>3,724</b>	<b>3,724</b>	<b>3,724</b>	<b>3,724</b>	<b>44,684</b>	<b>47,530</b>	<b>50,510</b>
Community and social services	613	613	613	613	613	613	613	613	613	613	613	613	7,352	7,823	8,316
Sport and recreation	1,729	1,729	1,729	1,729	1,729	1,729	1,729	1,729	1,729	1,729	1,729	1,729	20,752	22,032	23,369
Health	1,382	1,382	1,382	1,382	1,382	1,382	1,382	1,382	1,382	1,382	1,382	1,382	16,580	17,675	18,825
<b>Economic and environmental services</b>	<b>10,765</b>	<b>10,765</b>	<b>10,765</b>	<b>10,765</b>	<b>10,765</b>	<b>10,765</b>	<b>10,765</b>	<b>10,765</b>	<b>10,765</b>	<b>10,765</b>	<b>10,765</b>	<b>10,765</b>	<b>129,179</b>	<b>135,390</b>	<b>144,215</b>
Planning and development	3,347	3,347	3,347	3,347	3,347	3,347	3,347	3,347	3,347	3,347	3,347	3,347	40,164	42,102	45,431
Road transport	7,418	7,418	7,418	7,418	7,418	7,418	7,418	7,418	7,418	7,418	7,418	7,418	89,016	93,288	98,784
<b>Trading services</b>	<b>12,175</b>	<b>12,175</b>	<b>12,175</b>	<b>12,175</b>	<b>12,175</b>	<b>12,175</b>	<b>12,175</b>	<b>12,175</b>	<b>12,175</b>	<b>12,175</b>	<b>12,175</b>	<b>12,175</b>	<b>146,099</b>	<b>154,268</b>	<b>162,762</b>
Energy sources	11,404	11,404	11,404	11,404	11,404	11,404	11,404	11,404	11,404	11,404	11,404	11,404	136,851	144,479	152,409
Waste management	771	771	771	771	771	771	771	771	771	771	771	771	9,247	9,789	10,353
<b>Other</b>													-	-	-
<b>Total Expenditure - Functional</b>	<b>42,407</b>	<b>42,407</b>	<b>42,407</b>	<b>42,407</b>	<b>42,407</b>	<b>42,407</b>	<b>42,407</b>	<b>42,407</b>	<b>42,407</b>	<b>42,407</b>	<b>42,407</b>	<b>42,407</b>	<b>508,887</b>	<b>536,095</b>	<b>568,309</b>
<b>Surplus/(Deficit) before assoc.</b>	<b>1,167</b>	<b>1,167</b>	<b>1,167</b>	<b>1,167</b>	<b>1,167</b>	<b>1,167</b>	<b>1,167</b>	<b>1,167</b>	<b>1,167</b>	<b>1,167</b>	<b>1,167</b>	<b>1,167</b>	<b>14,004</b>	<b>1,414</b>	<b>11,353</b>
Share of surplus/(deficit) of associate													-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>1,167</b>	<b>1,167</b>	<b>1,167</b>	<b>1,167</b>	<b>1,167</b>	<b>1,167</b>	<b>1,167</b>	<b>1,167</b>	<b>1,167</b>	<b>1,167</b>	<b>1,167</b>	<b>14,004</b>	<b>1,414</b>	<b>11,353</b>

## Budgeted monthly cash flow

LIM334 Ba-Phalaborwa - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework			
	R thousand	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
<b>Cash Receipts By Source</b>														1		
Property rates	2,770	3,667	3,586	3,652	4,191	4,780	4,706	4,912	4,451	5,187	5,106	722	47,729	60,139	75,775	
Service charges - electricity revenue	8,033	8,713	8,766	5,991	9,314	8,767	6,433	6,565	7,563	6,944	7,689	6,763	91,540	115,341	145,329	
Service charges - water revenue	4,883	5,485	5,821	4,486	7,375	4,423	5,821	7,375	4,423	5,485	5,821	1,977	63,374	79,852	100,613	
Service charges - sanitation revenue	603	836	794	832	921	759	794	832	836	921	759	1,005	9,891	12,462	15,703	
Service charges - refuse revenue	539	616	556	617	727	576	764	993	881	1,196	994	(41)	8,418	10,607	13,365	
Service charges - other												-				
Rental of facilities and equipment	39	23	56	32	35	16	48	37	23	46	17	12	385	485	611	
Interest earned - external investments	41	154	110	54	7	5	17	16	24	26	23	161	637	803	1,012	
Interest earned - outstanding debtors	200	192	291	226	519	165	226	519	291	226	192	1,167	4,215	5,311	6,691	
Dividends received												-				
Fines, penalties and forfeits	75	38	11	114	20	41	52	37	28	87	32	64	599	754	951	
Licences and permits	453	942	501	962	782	971	672	603	599	710	783	562	8,540	10,760	13,558	
Agency services	142	142	142	142	142	142	142	142	142	142	142	142	1,701	2,143	2,701	
Transfer receipts - operational	43,312				43,312				43,312			-	129,937	139,931	147,774	
Other revenue	144	144	144	144	144	144	144	144	144	144	144	144	1,732			
<b>Cash Receipts by Source</b>	<b>61,235</b>	<b>20,951</b>	<b>20,778</b>	<b>17,253</b>	<b>67,488</b>	<b>20,790</b>	<b>19,818</b>	<b>22,174</b>	<b>62,718</b>	<b>21,113</b>	<b>21,701</b>	<b>12,679</b>	<b>368,699</b>	<b>438,589</b>	<b>524,083</b>	
<b>Other Cash Flows by</b>																

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Source																
Transfer receipts - capital	15,740				15,740				15,740				-	47,219	36,243	54,352
<b>Total Cash Receipts by Source</b>	<b>76,974</b>	<b>20,951</b>	<b>20,778</b>	<b>17,253</b>	<b>83,228</b>	<b>20,790</b>	<b>19,818</b>	<b>22,174</b>	<b>78,458</b>	<b>21,113</b>	<b>21,701</b>	<b>12,679</b>	<b>415,918</b>	<b>474,832</b>	<b>578,435</b>	
<b>Cash Payments by Type</b>																
Employee related costs	11,973	11,973	11,973	11,973	11,973	11,973	11,973	11,973	11,973	11,973	11,973	11,973	143,682	181,039	228,109	
Remuneration of councillors	1,234	1,234	1,234	1,234	1,234	1,234	1,234	1,234	1,234	1,234	1,234	1,234	14,804	18,653	23,503	
Finance charges	62	62	62	62	62	62	62	62	62	62	62	62	745	938	1,182	
Bulk purchases - Electricity	7,347	7,347	7,347	7,347	7,347	7,347	7,347	7,347	7,347	7,347	7,347	8,347	89,163	99,863	122,832	
Contracted services	3,711	3,711	3,711	3,711	3,711	3,711	3,711	3,711	3,711	3,711	3,711	3,711	44,526	56,103	59,245	
Other expenditure	6,262	6,262	6,262	6,262	6,262	6,262	6,262	6,262	6,262	6,262	6,262	6,262	75,140	79,423	83,871	
<b>Cash Payments by Type</b>	<b>30,588</b>	<b>30,588</b>	<b>30,588</b>	<b>30,588</b>	<b>30,588</b>	<b>30,588</b>	<b>30,588</b>	<b>30,588</b>	<b>30,588</b>	<b>30,588</b>	<b>30,588</b>	<b>31,588</b>	<b>368,061</b>	<b>436,020</b>	<b>518,742</b>	
<b>Other Cash Flows/Payments by Type</b>																
Capital assets	3,935	3,935	3,935	3,935	3,935	3,935	3,935	3,935	3,935	3,935	3,935	3,935	47,219	36,243	54,352	
<b>Total Cash Payments by Type</b>	<b>34,523</b>	<b>34,523</b>	<b>34,523</b>	<b>34,523</b>	<b>34,523</b>	<b>34,523</b>	<b>34,523</b>	<b>34,523</b>	<b>34,523</b>	<b>34,523</b>	<b>34,523</b>	<b>35,523</b>	<b>415,280</b>	<b>472,263</b>	<b>573,094</b>	
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>42,451</b>	<b>(13,572)</b>	<b>(13,745)</b>	<b>(17,271)</b>	<b>48,705</b>	<b>(13,734)</b>	<b>(14,705)</b>	<b>(12,349)</b>	<b>43,935</b>	<b>(13,410)</b>	<b>(12,822)</b>	<b>(22,845)</b>	<b>638</b>	<b>2,569</b>	<b>5,341</b>	
Cash/cash equivalents at the month/year begin:	1,261	43,712	30,140	16,395	(876)	47,829	34,095	19,390	7,041	50,976	37,566	24,744	1,261	1,899	4,468	
Cash/cash equivalents at the month/year end:	43,712	30,140	16,395	(876)	47,829	34,095	19,390	7,041	50,976	37,566	24,744	1,899	1,899	4,468	9,809	

## 15 ANNUAL BUDGET AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS

The service delivery and budget implementation plan is tabled by the Mayor after tabling the budget and IDP within 28 working days.

## 16 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

All services to be acquired on contracts are within the MTREF budget allocation. There is no project indicative to spent multi-year and above three years.

### LIM334 Ba-Phalaborwa - 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	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
<b>R thousand</b>	1,3													
<b>Parent Municipality:</b>														
<b><u>Revenue Obligation By Contract</u></b>	2													-
<i>Contract 1</i>														-
<i>Contract 2</i>														-
<b>Total Operating Revenue Implication</b>		-	-	-	-	-	-	-	-	-	-	-	-	-
<b><u>Expenditure Obligation By Contract</u></b>	2													-
<i>Contract 1</i>														-
<i>Contract 2</i>														-
<b>Total Operating Expenditure Implication</b>		-	-	-	-	-	-	-	-	-	-	-	-	-
<b><u>Capital Expenditure Obligation By Contract</u></b>	2													-
<i>Contract 1</i>														-
<i>Contract 2</i>														-
<b>Total Capital Expenditure Implication</b>		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Parent Expenditure Implication</b>		-	-	-	-	-	-	-	-	-	-	-	-	-

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**17 CAPITAL EXPENDITURE DETAILS**



## 17.1 CAPITAL EXPENDITURE ON NEW ASSETS BY ASSET CLASS

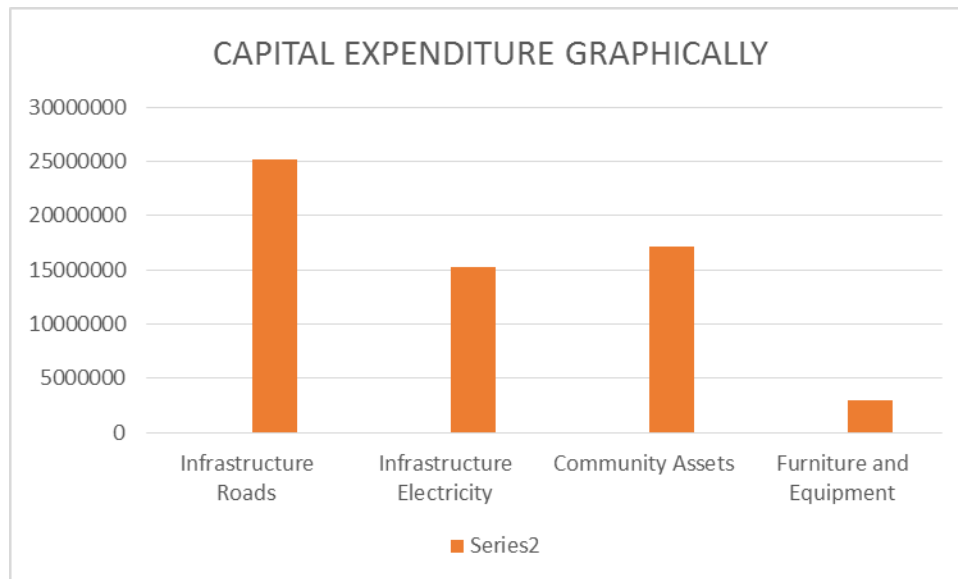
LIM334 Ba-Phalaborwa - Supporting Table SA34a Capital expenditure on new assets by asset class

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
<b>R thousand</b>	<b>1</b>									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
-										
<b>Infrastructure</b>		-	-	-	-	-	-	40,427	43,653	73,298
Roads Infrastructure		-	-	-	-	-	-	25,177	34,403	48,048
<i>Roads</i>								25,177	34,403	48,048
Electrical Infrastructure		-	-	-	-	-	-	15,250	9,250	25,250
<i>Power Plants</i>								15,250	9,250	25,250
<b>Community Assets</b>		-	-	-	-	-	-	17,192	1,150	1,150
Community Facilities		-	-	-	-	-	-	1,150	1,150	1,150
<i>Cemeteries/Crematoria</i>								450	450	450
<i>Police</i>										
<i>Parks</i>										
<i>Public Open Space</i>								700	700	700
Sport and Recreation Facilities		-	-	-	-	-	-	16,042	-	-
<i>Indoor Facilities</i>										
<i>Outdoor Facilities</i>								16,042	-	-
<i>Capital Spares</i>										
<b>Furniture and Office Equipment</b>		-	-	-	-	-	-	3,000	3,000	3,000
Furniture and Office Equipment								3,000	3,000	3,000
<b>Total Capital Expenditure on new assets</b>	<b>1</b>	-	-	-	-	-	-	<b>60,619</b>	<b>47,803</b>	<b>77,448</b>

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## Capital Infrastructure programmes

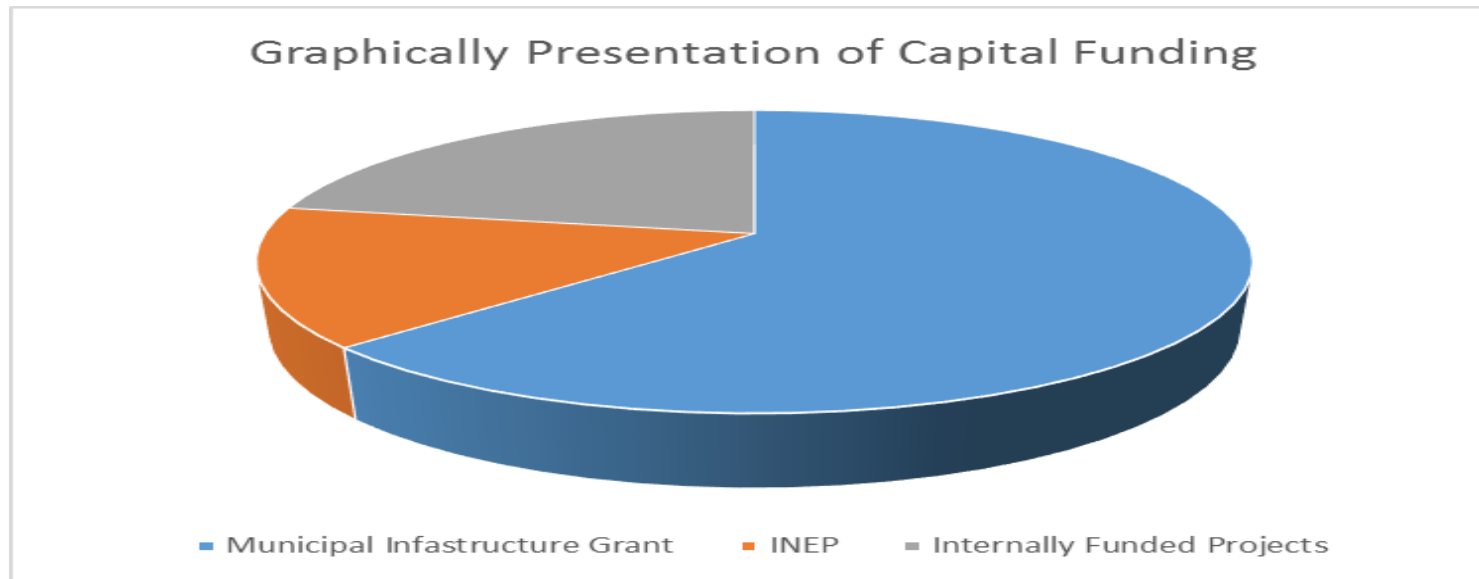
The following graph provides a breakdown of the capital budget in rand value to be spent on infrastructure other assets on capital projects for 2017/18 Financial year.



The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. For 2017/18 financial year the infrastructure- electricity is budgeted for R15,3 million and followed by the infrastructure road transport which is budgeted for R25.2 million for 2017/18 financial year. Community Assets- other is budgeted for R17.2 million for 2017/18 financial year and Furniture and Equipment is budgeted at R3 million

The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the municipality.

### **Funding on Capital Assets budget year 2017/18**



The capital programme is funded from grants and transfers, and internally generated funds from current year surpluses. For 2017/18 financial year, MIG represent the highest funding followed by internally generated funding while INEG is the smallest portion on the MTREF.

## 7.2 DETAILED CAPITAL PROGRAMMES

INEG PROJECTS	
Electrification of Buffer Zone and Kurula	9,000,000
MIG PROJECTS	
Mashishimale Sports Complex	16,042,169
Upgrading of Benfarm	5,916,831
Selwane Sports Complex	5,300,000
Tambo Phase 2	5,500,000
Tshelang Gape to R71	5,460,000
	<b>38,219,000</b>

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INTERNALLY FUNDED PROJECTS	
Ride-on-Mowers	300,000
Push Mowers	150,000
Procurement of additional two functional Patrol/Traffic vehicles fully fitted	400,000
Establish equipped,temporary 24 hour call centre	300,000
Extension 1:Upgrading of Single phase network to phase 2	1,500,000
Upgrading of Selati Substantion to safe capacity of 30MVA	4,000,000
Installation of Quality of Supply instrumentation on electrical Network to comply to NRS048	750,000
Installation of storm water culvert	3,000,000
Furniture and Equipment	500,000
Mayoral Parlour and Chamber	1,000,000
Upgrading of ICT Infrastruction	1,000,000
Revenue Recovery,Installation of meters and Maintenance(AMR)	500,000
	<b>13,400,000</b>
<b>TOTAL CAPITAL</b>	<b>60,619,000</b>

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## 18 LEGISLATION COMPLIANCE STATUS

The budget compilation has taken into account the following legislative documents

- Municipal Finance Management Act (MFMA), Act No.56 of 2003
- Division of Revenue of Act (DoRA) and the Bill 2017
- Budget Regulations and Circulars
- Asset Management Regulations
- Municipal systems Act, 2000
- Minimum Competency Levels of Municipal Finance Officers Regulations
- Local Government: Municipal Property Rates Act(MPRA)
- Municipal Budget and Reporting Regulations (MBRR)
- Municipal Standard Charts of Account(mSCOA)

## 19 OTHER SUPPORTING DOCUMENTS

### 19.1 Supporting details to Budgeted Financial Performance

LIM334 Ba-Phalaborwa - Table A1 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
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	-	-	-	-	-	-	-	113,609	120,085	126,810
Service charges	-	-	-	-	-	-	-	142,239	150,347	158,766
Investment revenue	-	-	-	-	-	-	-	538	569	601
Transfers recognised - operational	-	-	-	-	-	-	-	129,937	139,931	147,774
Other own revenue	-	-	-	-	-	-	-	89,348	90,335	91,359
	-	-	-	-	-	-	-	475,672	501,266	525,310
<b>Total Revenue (excluding capital transfers and contributions)</b>										
Employee costs	-	-	-	-	-	-	-	143,682	153,308	163,427
Remuneration of councillors	-	-	-	-	-	-	-	14,804	15,796	16,839
Depreciation & asset impairment	-	-	-	-	-	-	-	70,117	74,114	78,264
Finance charges	-	-	-	-	-	-	-	745	787	831
Materials and bulk purchases	-	-	-	-	-	-	-	98,163	103,759	109,569
Other expenditure	-	-	-	-	-	-	-	181,376	188,331	199,379
<b>Total Expenditure</b>	-	-	-	-	-	-	-	508,887	536,095	568,309
<b>Surplus/(Deficit)</b>	-	-	-	-	-	-	-	(33,215)	(34,829)	(42,999)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	-	-	-	-	-	-	47,219	36,243	54,352

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Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	-	-	-	-	-	-	-	-	14,004	1,414	11,353
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	-	-	-	-	-	-	-	-	14,004	1,414	11,353
<b><u>Capital expenditure &amp; funds sources</u></b>											
<b>Capital expenditure</b>	-	-	-	-	-	-	-	-	60,619	47,803	77,448
Transfers recognised - capital	-	-	-	-	-	-	-	-	47,219	34,403	54,352
Internally generated funds	-	-	-	-	-	-	-	-	13,400	13,400	23,096
<b>Total sources of capital funds</b>	-	-	-	-	-	-	-	-	60,619	47,803	77,448
<b><u>Financial position</u></b>											
Total current assets	-	-	-	-	-	-	-	-	599,754	599,854	599,954
Total non current assets	-	-	-	-	-	-	-	-	1,070,539	1,070,539	1,070,539
Total current liabilities	-	-	-	-	-	-	-	-	3,060	3,060	3,060
Total non current liabilities	-	-	-	-	-	-	-	-	215,050	215,050	215,050
Community wealth/Equity	-	-	-	-	-	-	-	-	1,452,183	1,452,283	1,452,383
<b><u>Cash flows</u></b>											
Net cash from (used) operating	-	-	-	-	-	-	-	-	47,857	38,812	59,693
Net cash from (used) investing	-	-	-	-	-	-	-	-	(47,219)	(36,243)	(54,352)
<b>Cash/cash equivalents at the year end</b>	-	-	-	-	-	-	-	-	1,899	4,468	9,809
<b><u>Cash backing/surplus reconciliation</u></b>											
Cash and investments available	-	-	-	-	-	-	-	-	3,061	3,161	3,261
Application of cash and investments	-	-	-	-	-	-	-	-	(98,238)	(117,560)	(141,772)
<b>Balance - surplus (shortfall)</b>									101,299	120,721	145,033

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	-	-									
<b>Asset management</b>											
Asset register summary (WDV)	-	-	-	-	-	-	870,237	870,237	870,237	870,237	
Depreciation	-	-	-	-	-	-	70,117	70,117	74,114	78,264	
Repairs and Maintenance	-	-	-	-	-	-	25,407	25,407	26,570	27,778	
<b>Free services</b>											
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-	
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-	
<b>Households below minimum service level</b>											
Water:	-	-	-	-	-	-	-	-	-	-	
Sanitation/sewerage:	6	6	6	6	6	6	6	6	6	6	
Energy:	-	-	-	-	-	-	-	-	-	-	
Refuse:	-	-	-	-	-	-	-	-	-	-	

**b.Matrix Financial Performance**

**LIM334 Ba-Phalaborwa - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)**

Description	Ref	Vote 1 - Executive and Council	Vote 2 - Budget and Treasury Department	Vote 3 - Corporate Services	Vote 4 - Community and Social Services	Vote 5 - Planning and Development	Vote 6 - Technical Services Department	0	0	0	Total
<b>R thousand</b>	1										
<b>Revenue By Source</b>											
Property rates			113,609								113,609
Service charges - electricity revenue							124,121				124,121
Service charges - water revenue											-
Service charges - sanitation revenue											-
Service charges - refuse revenue					18,119						18,119
Service charges - other											-
Rental of facilities and equipment				500							500
Interest earned - external investments			538								538
Interest earned - outstanding debtors			55,135		5,717		11,190				72,042
Dividends received											-
Fines, penalties and forfeits					451						451
Licences and permits					11,922						11,922
Agency services					2,701						2,701
Other revenue			402	151	271	62	846				1,732
Transfers and subsidies			122,537				7,400				129,937
Gains on disposal of PPE											-
<b>Total Revenue (excluding capital transfers and contributions)</b>		-	<b>292,222</b>	<b>651</b>	<b>39,181</b>	<b>62</b>	<b>143,556</b>	-	-	-	<b>475,672</b>
<b>Expenditure By Type</b>											
Employee related costs		18,966	23,549	19,139	43,568	7,834	30,626				143,682
Remuneration of councillors		14,804									14,804
Debt impairment			37,799								37,799
Depreciation & asset impairment					7,448		62,669				70,117
Finance charges			745								745
Bulk purchases							98,163				98,163
Other materials											-
Contracted services		11,932	14,698	6,154	10,427	4,607					47,819
Transfers and subsidies											-

Other expenditure	5,975	13,906	23,330	17,097	3,053	32,397				95,758
Loss on disposal of PPE										-
<b>Total Expenditure</b>	<b>51,677</b>	<b>90,697</b>	<b>48,624</b>	<b>78,540</b>	<b>15,494</b>	<b>223,855</b>	-	-	-	<b>508,887</b>
<b>Surplus/(Deficit)</b>	<b>(51,677)</b>	<b>201,525</b>	<b>(47,973)</b>	<b>(39,360)</b>	<b>(15,431)</b>	<b>(80,298)</b>	-	-	-	<b>(33,215)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)						47,219				47,219
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)										-
Transfers and subsidies - capital (in-kind - all)										-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(51,677)</b>	<b>201,525</b>	<b>(47,973)</b>	<b>(39,360)</b>	<b>(15,431)</b>	<b>(33,079)</b>	-	-	-	<b>14,004</b>

c.Supporting Details to Budgeted Financial Position

LIM334 Ba-Phalaborwa - 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
<b>R thousand</b>											
<b>ASSETS</b>											
<b>Call investment deposits</b>											
Call deposits									1,800	1,900	2,000
Other current investments											
<b>Total Call investment deposits</b>	2	-	-	-	-	-	-	-	<b>1,800</b>	<b>1,900</b>	<b>2,000</b>
<b>Consumer debtors</b>											
Consumer debtors									144,976	144,976	144,976
Less: Provision for debt impairment											
<b>Total Consumer debtors</b>	2	-	-	-	-	-	-	-	<b>144,976</b>	<b>144,976</b>	<b>144,976</b>
<b>Debt impairment provision</b>											
Balance at the beginning of the year											
Contributions to the provision											
Bad debts written off											
<b>Balance at end of year</b>		-	-	-	-	-	-	-	-	-	-
<b>Property, plant and equipment (PPE)</b>											
PPE at cost/valuation (excl. finance leases)									1,025,129	1,025,129	1,025,129
Leases recognised as PPE											
Less: Accumulated depreciation											
<b>Total Property, plant and equipment (PPE)</b>	2	-	-	-	-	-	-	-	<b>1,025,129</b>	<b>1,025,129</b>	<b>1,025,129</b>
<b>LIABILITIES</b>											
<b>Current liabilities - Borrowing</b>											
Short term loans (other than bank overdraft)											
Current portion of long-term liabilities											

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<b>Total Current liabilities - Borrowing</b>		-	-	-	-	-	-	-	-	-	-	
<b>Trade and other payables</b>												
Trade and other creditors												
Unspent conditional transfers												
VAT												
<b>Total Trade and other payables</b>	2	-	-	-	-	-	-	-	-	-	-	
<b>Non current liabilities - Borrowing</b>												
Borrowing	4								147,172	147,172	147,172	
Finance leases (including PPP asset element)												
<b>Total Non current liabilities - Borrowing</b>		-	-	-	-	-	-	-	147,172	147,172	147,172	
<b>Provisions - non-current</b>												
Retirement benefits												
<i>List other major provision items</i>												
Refuse landfill site rehabilitation									67,878	67,878	67,878	
Other												
<b>Total Provisions - non-current</b>		-	-	-	-	-	-	-	67,878	67,878	67,878	
<b>CHANGES IN NET ASSETS</b>												
<b>Accumulated Surplus/(Deficit)</b>												
Accumulated Surplus/(Deficit) - opening balance									-	1,438,268	1,451,841	1,442,504
GRAP adjustments												
Restated balance		-	-	-	-	-	-	-	-	1,438,268	1,451,841	1,442,504
Surplus/(Deficit)		-	-	-	-	-	-	-	-	14,004	1,414	11,353
<b>Accumulated Surplus/(Deficit)</b>	1	-	-	-	-	-	-	-	-	1,452,272	1,453,255	1,453,856
<b>Reserves</b>	-											
<b>Total Reserves</b>	2	-	-	-	-	-	-	-	-	-	-	
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	-	-	-	-	-	-	-	-	1,452,272	1,453,255	1,453,856

d.The municipality has no entities.

e.Reconciliation of transfers, Grant Receipts and Unspent Funds

LIM334 Ba-Phalaborwa - 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
<b>Operating transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year								129,937	139,931	147,774
Current year receipts										
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	<b>129,937</b>	<b>139,931</b>	<b>147,774</b>
Conditions still to be met - transferred to liabilities										
<b>Total operating transfers and grants revenue</b>		-	-	-	-	-	-	<b>129,937</b>	<b>139,931</b>	<b>147,774</b>
<b>Total operating transfers and grants - CTBM</b>	2	-	-	-	-	-	-	-	-	-
<b>Capital transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year								47,219	36,243	54,352
Current year receipts										
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	<b>47,219</b>	<b>36,243</b>	<b>54,352</b>
<b>Total capital transfers and grants revenue</b>		-	-	-	-	-	-	<b>47,219</b>	<b>36,243</b>	<b>54,352</b>
<b>Total capital transfers and grants - CTBM</b>	2	-	-	-	-	-	-	-	-	-
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>		-	-	-	-	-	-	<b>177,156</b>	<b>176,174</b>	<b>202,126</b>
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>		-	-	-	-	-	-	-	-	-

#### **f.Future Financial Implications**

- The municipality has no programmes above the three year budgeting cycle

#### **g.Projects Delayed from Previous Financial Years**

- No project delays from the previous financial year.

## Other supporting tables

LIM334 Ba-Phalaborwa - 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												
Sustain the environment	Environmental sustainability must receive due consideration. Ba-Phalaborwa has scarce water resources, therefore special attention should be given to conservation & management of water resources. Due to the mining activities, water & air pollution should be monitored & assessed continuously & mitigating actions taken to ensure management of pollution. Together with this, a great challenge for Municipality is establishment of new landfill site & closure & rehabilitation of current landfill site. The development of parks should also be addressed under this objective									39,181	41,088	43,069

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Improve financial viability	Weaknesses identified under this objective include financial viability, financial management, audit history, personnel budget, revenue collection and locked finances, maintenance budget, failure to maximise revenue collection. Strategies have been developed to ensure that challenges regarding financial viability are addressed.									292,222	310,145	324,768
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Enhance stakeholder involvement	<p>One of the greatest challenges in municipalities is to involve the community in the activities of the municipality and ensure that the voice of the community is heard. Two programmes where this can be achieved are through public participation and ward committees. It is therefore crucial for the municipality to ensure that ward committees are functional and that the community's voice is heard through public participation. Customer relations management needs to be improved i.e. communication to communities and stakeholders and the customer care desk. Complaints by the community and stakeholders need to be tracked and reported back to them.</p>												
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Facilitate sustainable development	All development should be aligned to the SDF and be according to the LUMS to ensure that growth points are developed. All programmes and projects should be continuously monitored and evaluated to ensure that they contribute to the future growth and achievement of the "bigger picture" envisaged for the municipal area.								190,775	185,522	211,028
Advance good corporate governance	To enhance unqualified institutional management, institutional processes should be improved. Cooperative governance deals with policy implementation, audit, information and communication technology, intergovernmental relations which should be improved upon and strengthen. This will lead to open and transparent decision-making and sound governance practices throughout the municipality								651	688	726

Develop tourism and grow the economy	The best way to alleviate poverty, curb unemployment and address social problems is to ensure that there are enough jobs so that everybody in the community can earn a living. Ba-Phalaborwa has various projects and initiatives to alleviate poverty and stimulate economic growth. Ba-Phalaborwa's strategic location has established it as a developmental and economic node in tourism, mining, agriculture and services. The aim with this objective is to ensure that all community members can participate & share in the growing economy. The Ba Phalaborwa Sustainable Development Initiative will go a long way in ensuring that the poorest communities are included and benefitting through economic growth within the municipal area.								62	66	70
<b>Allocations to other priorities</b>		2									

Total Revenue (excluding capital transfers and contributions)			1	-	-	-	-	-	-	522,891	537,509	579,662
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**LIM334 Ba-Phalaborwa - 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
<b>R thousand</b>												
Sustain the environment	Environmental sustainability must receive due consideration. Ba-Phalaborwa has scarce water resources, therefore special attention should be given to the conservation and management of water resources. Due to the mining activities, water and air pollution should be monitored and assessed continuously and mitigating actions taken to ensure management of pollution. Together with this, a great challenge for the Municipality is the establishment of a new landfill site and the closure and rehabilitation of the current landfill site. The development of parks should also be addressed under this objective									78,540	83,452	88,591
Improve financial viability	Weaknesses identified under this objective include financial viability, financial management, audit history, personnel budget, revenue collection and									90,697	94,854	100,417

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	locked finances, maintenance budget, failure to maximise revenue collection. Strategies have been developed to ensure that challenges regarding financial viability are addressed.											
Enhance stakeholder involvement	One of the greatest challenges in municipalities is to involve the community in the activities of the municipality and ensure that the voice of the community is heard. Two programmes where this can be achieved are through public participation and ward committees. It is therefore crucial for the municipality to ensure that ward committees are functional and that the community's voice is heard through public participation. Customer relations management needs to be improved i.e. communication to communities and stakeholders and the customer care desk. Complaints by the community and stakeholders need to be tracked and reported back to them.									51,677	54,939	58,354
Facilitate sustainable development	All development should be aligned to the SDF and be according to the LUMS to ensure that growth points are developed. All programmes and projects should be continuously monitored and evaluated to ensure that they contribute to the future growth and achievement of the "bigger picture" envisaged for the municipal area.									223,855	235,579	248,818

Advance good corporate governance	To enhance unqualified institutional management, institutional processes should be improved. Cooperative governance deals with policy implementation, audit, information and communication technology, intergovernmental relations which should be improved upon and strengthen. This will lead to open and transparent decision-making and sound governance practices throughout the municipality									48,624	51,323	54,401
Develop tourism and grow the economy	The best way to alleviate poverty, curb unemployment and address social problems is to ensure that there are enough jobs so that everybody in the community can earn a living. Ba-Phalaborwa has various projects and initiatives to alleviate poverty and stimulate economic growth. Ba-Phalaborwa's strategic location has established it as a developmental and economic node in tourism, mining, agriculture and services. The aim with this objective is to ensure that all community members can participate and share in the growing economy. The Ba-Phalaborwa Sustainable Development Initiative will go a long way in ensuring that the poorest communities are included and benefitting through economic growth within the municipal area.									15,494	15,948	17,729
<b>Allocations to other priorities</b>												
<b>Total Expenditure</b>		1	-	-	-	-	-	-	-	<b>508,887</b>	<b>536,095</b>	<b>568,309</b>

LIM334 Ba-Phalaborwa - 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	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>RECEIPTS:</b>	1, 2									
<b><u>Operating Transfers and Grants</u></b>										
<b>National Government:</b>		-	-	-	-	-	-	<b>129,937</b>	<b>139,931</b>	<b>147,774</b>
Local Government Equitable Share								120,392	131,531	139,114
Finance Management								2,145	2,400	2,660
EPWP Incentive								1,000	-	-
Energy Efficiency and Demand Management								5,000	5,000	5,000
Municipal Systems Improvement										
Municipal Infrastructure Grant-Operational								1,400	1,000	1,000
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	5	-	-	-	-	-	-	<b>129,937</b>	<b>139,931</b>	<b>147,774</b>
<b><u>Capital Transfers and Grants</u></b>										
<b>National Government:</b>		-	-	-	-	-	-	<b>47,219</b>	<b>36,243</b>	<b>54,352</b>
Municipal Infrastructure Grant (MIG)								38,219	33,243	35,352
Intergrated National Electrification Programme								9,000	3,000	19,000
<b>Total Capital Transfers and Grants</b>	5	-	-	-	-	-	-	<b>47,219</b>	<b>36,243</b>	<b>54,352</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		-	-	-	-	-	-	<b>177,156</b>	<b>176,174</b>	<b>202,126</b>



LIM334 Ba-Phalaborwa - 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
<b>EXPENDITURE:</b>	1									
-										
<b><u>Operating expenditure of Transfers and Grants</u></b>										
<b>National Government:</b>		-	-	-	-	-	-	129,937	139,931	147,774
Local Government Equitable Share								120,392	131,531	139,114
Finance Management								2,145	2,400	2,660
EPWP Incentive								1,000	-	-
Energy Efficiency and Demand Management								5,000	5,000	5,000
Municipal Systems Improvement										
Municipal Infrastructure Grant-Operational								1,400	1,000	1,000
<b>Total operating expenditure of Transfers and Grants:</b>		-	-	-	-	-	-	129,937	139,931	147,774
<b><u>Capital expenditure of Transfers and Grants</u></b>										
<b>National Government:</b>		-	-	-	-	-	-	47,219	36,243	54,352
Municipal Infrastructure Grant (MIG)								38,219	33,243	35,352
Intergrated National Electrification Programme								9,000	3,000	19,000
<b>Total capital expenditure of Transfers and Grants</b>		-	-	-	-	-	-	47,219	36,243	54,352
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		-	-	-	-	-	-	177,156	176,174	202,126

**LIM334 Ba-Phalaborwa - Supporting Table SA26 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
<b>Revenue by Vote</b>	-															
Vote 2 - Budget and Treasury Department		24,352	24,352	24,352	24,352	24,352	24,352	24,352	24,352	24,352	24,352	24,352	24,352	292,222	310,145	324,768
Vote 3 - Corporate Services		54	54	54	54	54	54	54	54	54	54	54	54	651	688	726
Vote 4 - Community and Social Services		3,265	3,265	3,265	3,265	3,265	3,265	3,265	3,265	3,265	3,265	3,265	3,265	39,181	41,088	43,069
Vote 5 - Planning and Development		5	5	5	5	5	5	5	5	5	5	5	5	62	66	70
Vote 6 - Technical Services Department		15,898	15,898	15,898	15,898	15,898	15,898	15,898	15,898	15,898	15,898	15,898	15,898	190,775	185,522	211,028
-														-	-	-
<b>Total Revenue by Vote</b>		<b>43,574</b>	<b>43,574</b>	<b>43,574</b>	<b>43,574</b>	<b>43,574</b>	<b>43,574</b>	<b>43,574</b>	<b>43,574</b>	<b>43,574</b>	<b>43,574</b>	<b>43,574</b>	<b>43,574</b>	<b>522,891</b>	<b>537,509</b>	<b>579,662</b>
<b>Expenditure by Vote to be appropriated</b>	-															
Vote 1 - Executive and Council		4,306	4,306	4,306	4,306	4,306	4,306	4,306	4,306	4,306	4,306	4,306	4,306	51,677	54,939	58,354
Vote 2 - Budget and Treasury Department		7,461	7,461	7,461	7,461	7,461	7,461	7,461	7,461	7,461	7,461	7,461	7,461	90,697	94,854	100,417
Vote 3 - Corporate Services		4,031	4,031	4,031	4,031	4,031	4,031	4,031	4,031	4,031	4,031	4,031	4,031	48,624	51,323	54,401
Vote 4 - Community and Social Services		6,545	6,545	6,545	6,545	6,545	6,545	6,545	6,545	6,545	6,545	6,545	6,545	78,540	83,452	88,591
Vote 5 - Planning and Development		1,416	1,416	1,416	1,416	1,416	1,416	1,416	1,416	1,416	1,416	1,416	1,416	15,494	15,948	17,729
Vote 6 - Technical Services Department		18,655	18,655	18,655	18,655	18,655	18,655	18,655	18,655	18,655	18,655	18,655	18,655	223,855	235,579	248,818
-														-	-	-
<b>Total Expenditure by Vote</b>		<b>42,415</b>	<b>42,415</b>	<b>42,415</b>	<b>42,415</b>	<b>42,415</b>	<b>42,415</b>	<b>42,415</b>	<b>42,415</b>	<b>42,415</b>	<b>42,415</b>	<b>42,415</b>	<b>42,325</b>	<b>508,887</b>	<b>536,095</b>	<b>568,309</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>1,160</b>	<b>1,160</b>	<b>1,160</b>	<b>1,160</b>	<b>1,160</b>	<b>1,160</b>	<b>1,160</b>	<b>1,160</b>	<b>1,160</b>	<b>1,160</b>	<b>1,160</b>	<b>1,249</b>	<b>14,004</b>	<b>1,414</b>	<b>11,353</b>

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LIM334 Ba-Phalaborwa - Supporting Table SA34c Repairs and maintenance expenditure 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									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
-										
<b>Infrastructure</b>		-	-	-	-	-	-	18,687	19,467	20,277
Roads Infrastructure		-	-	-	-	-	-	4,781	5,054	5,337
<i>Roads</i>		-	-	-	-	-	-	4,781	5,054	5,337
Electrical Infrastructure		-	-	-	-	-	-	11,384	11,748	12,126
<i>Power Plants</i>		-	-	-	-	-	-	6,384	6,748	7,126
<i>HV Substations</i>		-	-	-	-	-	-	5,000	5,000	5,000
Solid Waste Infrastructure		-	-	-	-	-	-	2,521	2,665	2,814
<i>Landfill Sites</i>		-	-	-	-	-	-	2,521	2,665	2,814
<b>Community Assets</b>		-	-	-	-	-	-	3,684	3,894	4,112
Community Facilities		-	-	-	-	-	-	3,684	3,894	4,112
<i>Cemeteries/Crematoria</i>		-	-	-	-	-	-	659	696	735
<i>Public Open Space</i>		-	-	-	-	-	-	1,254	1,325	1,399
<i>Nature Reserves</i>		-	-	-	-	-	-	1,772	1,873	1,977
		1	1	1	1	1	1	1	1	1
<b>Furniture and Office Equipment</b>		-	-	-	-	-	-	2,887	3,051	3,222
Furniture and Office Equipment		-	-	-	-	-	-	2,887	3,051	3,222
<b>Machinery and Equipment</b>		-	-	-	-	-	-	149	157	166
Machinery and Equipment		-	-	-	-	-	-	149	157	166
<b>Total Repairs and Maintenance Expenditure</b>	1	-	-	-	-	-	-	25,407	26,570	27,778

LIM334 Ba-Phalaborwa - Supporting Table SA34d 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
<b>R thousand</b>	<b>1</b>									
<b><u>Depreciation by Asset Class/Sub-class</u></b>										
-										
<b><u>Infrastructure</u></b>		-	-	-	-	-	-	49,877	52,720	55,673
Roads Infrastructure		-	-	-	-	-	-	41,776	44,158	46,630
<i>Roads</i>		-	-	-	-	-	-	41,776	44,158	46,630
Electrical Infrastructure		-	-	-	-	-	-	8,101	8,563	9,042
<i>Power Plants</i>		-	-	-	-	-	-	8,101	8,563	9,042
<b><u>Community Assets</u></b>		-	-	-	-	-	-	7,448	7,873	8,313
Community Facilities		-	-	-	-	-	-	7,448	7,873	8,313
<i>Nature Reserves</i>		-	-	-	-	-	-	7,448	7,873	8,313
<i>Public Ablution Facilities</i>		-	-	-	-	-	-	-	-	-
<b><u>Furniture and Office Equipment</u></b>		-	-	-	-	-	-	12,792	13,521	14,278
Furniture and Office Equipment		-	-	-	-	-	-	12,792	13,521	14,278
<b>Total Depreciation</b>	<b>1</b>	-	-	-	-	-	-	70,117	74,114	78,264

**LIM334 Ba-Phalaborwa - 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
<b>R thousand</b>										
<b>Parent municipality</b>										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank								1,800	1,900	2,000
Deposits - Public Investment Commissioners										
<b>Municipality sub-total</b>	1	-	-	-	-	-	-	<b>1,800</b>	<b>1,900</b>	<b>2,000</b>
<b>Entities sub-total</b>		-	-	-	-	-	-	-	-	-
<b>Consolidated total:</b>		-	-	-	-	-	-	<b>1,800</b>	<b>1,900</b>	<b>2,000</b>

**h.Summary of capital programmes per source**

<b>MIG PROJECTS</b>		<b>2017/18</b>
Mashishimale Sports Complex		16,042,169
Upgrading of Benfarm		5,916,831
Selwane Sports Complex		5,300,000
Tambo Phase 2		5,500,000
Tshelang Gape to R71		5,460,000
<b>TOTAL</b>		<b>38,219,000</b>

<b>ENEG PROJECTS</b>	<b>AMOUNT</b>
Electrification of Buffer Zone and Kurhula	9,000,000
	<b>9,000,000</b>

<b>INTERNALLY FUNDED PROJECTS</b>	<b>2017/18</b>
Ride-on-Mowers	300,000
Push Mowers	150,000
Procurement of additional two functional Patrol/Traffic vehicles fully fitted	400,000
Establish equipped,temporary 24 hour call centre	300,000
Extension 1:Upgrading of Single phase network to phase 2	1,500,000
Upgrading of Selati Substantion to safe capacity of 30MVA	4,000,000
Installation of Quality of Supply instrumentation on electrical Network to comply to NRS048	750,000
Installation of storm water culvert	3,000,000
Furniture and Equipment	500,000
Mayoral Parlour and Chamber	1,000,000
Upgrading of ICT Infrastruction	1,000,000
Revenue Recovery,Installation of meters and Maintenance(AMR)	500,000
<b>TOTAL</b>	<b>13,400,000</b>

**Capital Budget 2017/18**

<b>Capital Expenditure per funding</b>	<b>Budget Year 2015/16</b>
MIG	38,219,000
INEG	9,000,000
Own Funding	13,400,000
<b>Total Capital Expenditure</b>	<b>60,619,000</b>

- The estimated capital programme expenditure for the financial year 2017/18 is amounting to R60,619 million



## MUNICIPAL MANAGER'S QUALITY CERTIFICATION

### QUALITY CERTIFICATE

I **Maite Irene Moakamela**, Acting Municipal manager of **BA-PHALABORWA MUNICIPALITY**, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and regulations made under the act, and that the annual budget and supporting documents made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

**Print Name:** **Moakamela MI**

**Municipal Manager:** **Ba-Phalaborwa Municipality (LIM334)**

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_