

BA-PHALABORWA LOCAL MUNICIPALITY

ADJUSTMENT BUDGET 2016/17 MTREF

February 27

2017

'THE HOME OF MARULA AND WILDLIFE TOURISM'



TABLE OF CONTENT

Part 1: Adjustment budget

Mayor's report.....	Page 4 - 7
Adjustment budget resolution.....	Page 8 - 11
Executive summary.....	Page 12 - 19
Adjustment budget tables.....	Page 20 - 36

Part 2: Supporting documentation

Adjustment to Financial Performance, Financial Position and Performance Indicators.....	Page 37 - 43
Adjustment to budget assumption.....	Page 44
Adjustment to budget funding.....	Page 45
Adjustment to expenditure on allocations and Grant programmes.....	Page 46 - 48
Adjustment to allocations and Grants made by the Municipality.....	Page 48
Adjustment to Councillor Allowances and employees benefits.....	Page 49
Adjustment to Revenue and Expenditure.....	Page 50 -54
Adjustment to Monthly Cash Flow.....	Page 55 - 56
Adjustment to Capital Expenditure.....	Page 57 - 60
Other supporting documents.....	Page 61 - 66
Adjustment to Service Delivery and Budget Implementation Plan.....	Page 67
Municipal Manager's quality certification.....	Page 68

Abbreviations and Acronyms

CPIX	Consumer Price Index
DORA	Division of Revenue Act
CoGTA	Department of Cooperative Governance and Traditional Affairs
EXCO	Executive Committee
DLGH	Department of Local Government and Housing
GRAP	General Recognised Accounting Practice
IDP	Integrated Development Plan
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
INEG	Integrated National Electrification Grant
MPRA	Municipal Property Rates Act
MTREF	Medium Term Revenue and Expenditure Framework
NERSA	National Electricity Regulator of South Africa
NT	National Treasury
PPP	Public-Private Partnership
SALGA	South African Local Government Association
SDBIP	Service Delivery and Budget Implementation Plan

PART ONE

Mayor's speech for tabling of the 2016/17 Adjustment Budget

Honourable Speaker, Cllr. Malatji MM; Chief Whip of Council, Cllr. Hlungwane E; Members of the Executive Committee; Chairperson of MPAC, Cllr. Pilusa K; Honourable Councillors; Traditional Leaders and Representatives of Tribal Authorities; Municipal Manager and the entire Administrative Staff; Ladies and Gentlemen,

Allow me to thank the Honourable Madam Speaker for the opportunity afforded to table this adjustment budget for the financial year 2016/17.

Honourable Speaker, Section 28 of the Municipal Finance Management Act, 2003 (MFMA) allows a municipality to revise its approved budget through an adjustment budget. An adjustment budget amongst other things:-

- Must adjust the revenue and expenditure estimates downwards or upwards if there is material under/ over collection of revenue during the current year;
- May provide for any other expenditure within a prescribed framework;
- May correct errors in the annual budget;
- May, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the Mayor of the municipality;

Honourable Speaker, this adjustment budget is based on the consultative done with the various departments, taking into account expenditure trends for the past six months of the financial year. The adjustment budget prioritised service delivery programmes in line with current challenges we are facing as a municipality such as electricity infrastructure and dilapidated roads infrastructure and inability to collect the revenue in townships around Ba-Phalaborwa Municipality.

The following decisions were made to determine how the approved budget can be adjusted downwards or upwards but still taking into account service delivery issues:

Honourable speaker the total revenue budget is adjusted downwards by R4 Million from R476.9 million to R472.8 million for adjustment budget 2016/17, which is 0.8% of the total approved Budget.

The further breakdown of the municipal revenue per service is illustrated as follows:

- The interest on outstanding debtors has been adjusted downwards by R4 million.
- R108 thousand has been transferred from transfers recognised-operational to transfers recognised-capital (MIG).

Honourable Speaker allow me also to outline the amongst other breakdown projections of the Municipal Revenue per service which remain unadjusted as per adjusted budget 2016/17 namely:

- The Municipal Assessment rates of R 106.8 million,
- Service charges on electricity R116.7 million,
- Service charges on refuse removal R17 million,
- Rental facilities R470 thousand,
- Interest earned on call accounts R406 thousand
- Traffic fines R423 thousand,
- Licence permits R11 million and Agency fees R2.5 million
- And other revenue R1.6 million

Total Operating expenditure budget decreased by R 5.8 million. Total budgeted annual operating Expenditure be adjusted downwards from R476.4 million to R470.5 million for 2016/17 financial year.

The decrease of the total operating expenditure comprised of the following:

- Employee related has been adjusted upwards by R3 million from original budget,
- Remuneration of councillors not adjusted.
- Debt impairment not adjusted.
- Depreciation has been reduced by R1 Million.
- Bulk purchases was not adjusted,
- Finance charges decreased by R800 thousand, (Good control to prevent Fruitless and wasteful expenditure)
- Contracted services reduced by R6.3 million,
- And other expenditure decreased by R1 million, this include the General expenditure which after adjustment amount to R85 million. The amount include Repairs and maintenance of R19 million, Non-Bulk electricity, Legal Fees any other operational expenditure.

Honourable Speaker, the total capital budget has increased from 48.7 million to R49.8 million. The increase on the total capital consist of the Projects funded by Municipal Infrastructure Grants (MIG) which are:

- Ba-Phalaborwa High mast & energy street lights no adjustments
- Mashishimale multi - sport complex upward adjustment of R 2,2 Million
- Selwane sport complex upward adjustments of R663 thousands
- Tambo Street paving upward adjustments of R5, 5 million.
- Upgrading of internal street at Foskor decrease of R3.2 million
- Benfarm Street Paving no adjustments
- Topville to Score Street Paving upward adjustments of 2.9 million
- Tambo street paving phase 2 downward adjustment of R2.5 million
- Tshelang Gape downward adjustment of R2.5 million.

The total capital adjustment budget will increase by R108 thousands which will be funded by transfers recognised-capital (MIG) of an amount of R108 thousands from transfer recognised-operational (MIG)

Projects funded internally

- Upgrading of ICT Infrastructure with an increase of R1million
- The acquisition of furniture and equipment with an increase of R200 thousands

The following amongst others are internal funded capital which were not adjusted and will remain with the Original approved Budget.

- Ba-Phalaborwa High mast & energy street lights
- Erection of fence and guardroom at main
- Revenue recovery installation of prepaid
- Provision of firearm for traffic officer
- Centralised archived Lulekani
- Revamp of chamber & mayoral Palour
- Lulekani Stadium Fancing building
- Building of New 33/11 Switches
- Upgrading of single phase Network in EXT 1

- Installation of remote controlled meter
- Rehabilitation of street in Phalaborwa, Namakgale and Lulekani

In overall the municipality reflect an adjustments budget surplus of R2.4 million.

Honourable Speaker, the municipality will continue with its revenue enhancement strategies and implementation of such strategies to maximise the collection of debt owed by consumers.

1. Adjustment Budget Resolutions

1.1. Adjustment Budget for 2016/17 Medium Term Revenue and Expenditure Framework

Council resolved that the adjustment and MTREF and its supporting tables of the Ba-Phalaborwa Municipality (LIM334) for the financial year 2016/17; be approved as set out following tables:

Table B1	Adjustment budget summary
Table B2	Adjustment budget financial performance – Standard Classification
Table B3	Adjustment budget financial performance – Revenue and Expenditure by Municipal Vote
Table B4	Adjustment budget financial performance – Revenue and Expenditure
Table B5	Adjustment budget Capital Expenditure- Vote
Table B6	Adjustment Budget Financial Position
Table B7	Adjustment Budget Cash Flows
Table B8	Cash backed reserves/accumulated surplus reconciliation
Table B9	Asset Management
Table B10	Basic Service Delivery Measures

2.2 Adjustment permitted in terms of Section 28 (2) of MFMA

Council resolved that the total budgeted annual **Revenue** adjusted downwards from **R476, 9 million** to **R472, 9 million** be approved.

Council resolved the total budgeted annual operating **Expenditure** adjusted downwards from **R476, 4 million** to **R470, 5 million** be approved.

Council resolved that the total budgeted Capital expenditure **increased from R48, 5 million** to **R49, 8 million** be approved

2.3 Adjustment budget supporting tables for 2016/17 MTREF

Council resolved that the adjustment budget of the Ba-Phalaborwa Municipality for the financial year 2016/17, and indicative figures for two outer years 2017/18 and 2018/19 are approved as set out in the following tables

Table SB1	Budgeted financial position
Table SB2	Supporting details to financial position
Table SB3	Adjustment – SDBIP– Performance objectives
Table SB4	Adjustment budget – performance indicators and benchmarks
Table SB5	Adjustment budget – Social, Economic, Demographic statistics and Assumptions
Table SB6	Adjustment budget – Funding Measurement
Table SB7	Adjustment budget – Transfers and Grant Receipts
Table SB8	Adjustment budget – Expenditure on Transfers and Grant Programme
Table SB9	Adjustment budget – Reconciliation of transfers, Grant Receipts and Unspent Funds
Table SB10	Adjustment budget – Transfers and Grant by the Municipality
Table SB11	Adjustment budget – Councillor and Staff benefits
Table SB12	Adjustment budget – Monthly Revenue and Expenditure (Municipal Votes)
Table SB13	Adjustment budget – Monthly Revenue and Expenditure (Standard Classification)
Table SB14	Adjustment budget – Monthly Revenue and Expenditure
Table SB15	Adjustment budget – Monthly Cash flows
Table SB16	Adjustment budget – Monthly Expenditure (Municipal Votes)
Table SB17	Adjustment budget – Monthly Capital expenditure (Standard Classification)
Table SB18a	Adjustment budget – Capital Expenditure on New Assets (Assets Class)
Table SB18b	Adjustment budget – Capital Assets on renewal of existing assets (Assets Class)
Table SB18c	Adjustment budget – Expenditure on Repairs and Maintenance (Assets Class)

2.4. Revised Service Delivery and Budget Implementation Plan (SDBIP)

Council note that the revised SDBIP will be tabled after the adjustment budget has been approved in line with MFMA section 54(1) (c).

2.5. Budget Related Policies

Council resolved that the **Inventory Management Policy 2016/17** be approved

Council resolved that the following budget related policies remain unchanged as approved by council

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. Petty Cash Policy
20. Customer care Policy and Service Standards

I thank you

EXECUTIVE SUMMARY

In accordance with Section 28 of the Municipal Finance Management Act, 56 of 2003, a municipality may revise an approved annual budget through an adjustment budget. In terms of Section 72 (3) of the MFMA, the Accounting Officer must as part of review, make recommendations as to whether an adjustment budget is necessary and recommends revised projections for revenue and expenditure to the extent that this may be necessary.

The section further provides that an adjustment budget may authorise the following:

- a) Provide for any other expenditure within a prescribed framework.
- b) Correct any errors in the annual budget (Budget overstated and under-stated)
- c) Spending of funds that were unspent at the end of the past financial year where under-spending could not reasonably have been foreseen at the time to include correctly projected roll-over amounts when the annual budget for the current year was approved by Council.
- d) Appropriation of projected savings in one vote towards spending under another vote.

Section 72 of MFMA stipulate that the Accounting officer must assess the performance of the municipality during the first half of the financial year and as part of the review, make recommendations as whether the adjustment budget is necessary and recommend the revised projections of revenue and expenditure The municipal mid-year report indicates various favorable and unfavorable variances when compared to the projected Budget 2016/17. As a result there is necessity to table the Adjustment budget 2016/17 financial year in order to adjust Revenue and expenditure per source to be in line with performance trends.

The following table reflects the Approved budget revenue 2016/17, Mid-year performance and the revised budget 2016/17 MTREF

R thousands	Original Budget 2016/17	YTD Movement Revenue	% Achieved
Revenue By Source			
Property rates	106,776	44,835	42%
Service charges - electricity revenue	116,655	50,875	44%
Service charges - refuse revenue	17,029	6,545	38%
Rental of facilities and equipment	470	160	34%
Interest earned - external investments	506	294	58%
Interest earned - outstanding debtors	76,042	10,897	14%
Fines	423	237	56%
Licences and permits	11,205	4,902	44%
Agency services	2,539	659	26%
Transfers recognised - operational	114,153	84,777	74%
Transfers recognised - capital	29,460	17,720	60%
Other revenue	1,628	1,739	107%
Total Revenue	476,885	223,641	47%

Adjustment Amount	Revised Budget 2016/17
–	106,776
–	116,655
–	17,029
–	470
–	506
(4,000)	72,042
–	423
–	11,205
–	2,539
(108)	114,045
108	29,568
–	1,628
(4,000)	472,885

The above table shows the total revenue of R472.9 million for adjustment budget 2016/17, which is 0.8% less compared to the total approved revenue budget of R476.9 million.

- The interest on outstanding debtors as at 31 December was standing at 14% which clearly reflects that the target is not achievable, therefore it has been adjusted downwards by R4 million which is 0.8% of total revenue budgeted.
- R108 thousand has been transferred from transfers recognised-operational to transfers recognised-capital (MIG).

Other revenue items such as property rates and all other municipal service charges were not adjusted since they were on the right target after reviewing the mid-year performance report. Breakdown projections of the Municipal Revenue per service which remained the same as approved budget 2016/17 is illustrated below as follows:

- The Municipal Assessment rates of R 106,8 million,
- Service charges on electricity R116.7 million,
- Service charges on refuse removal R17 million,
- Rental facilities R470 thousand,
- Interest earned on call accounts R506 thousand
- Traffic fines R423 thousand,
- Licence permits R11.2 million and Agency fees R2.5 million
- And other revenue R1.6 million

The following table reflects the Approved Operating expenditure budget 2016/17, Mid-year performance and proposed revised budget

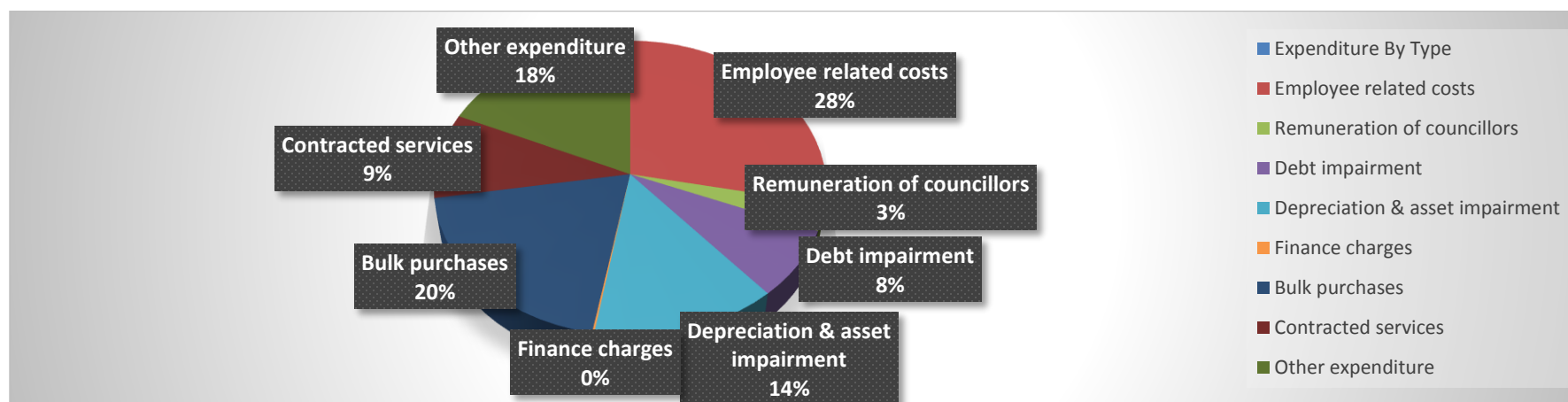
R thousands	Original Budget 2016/17	YTD Movement Op Expenditure	% Achieved	Adjustment Amount	Revised Budget 2016/17
Expenditure By Type					
Employee related costs	129,304	57,611	45%	3,323	132,627
Remuneration of councillors	13,784	6,375	46%	–	13,784
Debt impairment	35,525	–	0%	–	35,525
Depreciation & asset impairment	66,899	29,820	45%	(1,000)	65,899
Finance charges	1,519	270	18%	(800)	719
Bulk purchases	92,259	42,252	46%	–	92,259
Contracted services	50,055	19,941	40%	(6,253)	43,802
Other expenditure	87,009	29,370	34%	(1,095)	85,914
Total Expenditure	476,355	185,639	39%	(5,826)	470,529
Surplus	530	38,001		1,826	2,356

Total Adjusted Operating expenditure budget 2016/17 amount to R470.5 million, which is a decrease of R5,8 million compared to the original budget of R476.4 million.

- Employee related has been adjusted upwards by R3.3 million from original budget, it is now amounting to R132.6 million which constitutes 28% of total operating budget.
- Remuneration of councillors not adjusted, therefore it shall remain R13.8 million. Upper limits of councillors 2016/17 has been considered

- Debt impairment not adjusted, remained R35.5 million
- Depreciation has been reduced by R1 million, taking into account the audited fixed assets register. The adjusted depreciation amount to R65.9 million after adjustment
- Bulk purchases was not adjusted, therefore it shall remain at the estimated amount of R92.3 million
- Finance charges decreased by R800 thousand
- Contracted services reduced by R6.3 million, most operational projects of which the service providers have not yet been appointed this financial year, the budgeted amount has been adjusted downwards from R50.1 million to R43.8 million.
- And other expenditure decreased by R1.1 million, General Expenditure after adjustment amount to R85.9 million. The amount include Repairs and maintenance of R19 million, Non-Bulk electricity, Legal Fees Indigent support (FBS) and all other operational expenditure.

Below is the Adjustment Operational Expenditure budget 2016/17 in terms of percentage



The below table shows the total revenue by vote of R470.1 million for adjustment budget 2016/17, which is 0.8% less compared to the total approved revenue budget of R476.9 million.

- The interest on outstanding debtors as at 31 December was standing on 14% which clearly reflects that the target is not achievable, therefore it has been adjusted downwards by R4 million which is 0.8% of total revenue budgeted.
- Other departments' revenue budget remained unchanged during 2016/17 adjustment budget.

Revenue by Vote R'000	Original Budget 2016/17	YTD Movement Revenue	% Achieved
Vote 1 - Executive and Council	-	-	0%
Vote 2 - Budget and Treasury Department	278,839	136,483	49%
Vote 3 - Corporate Services	612	264	43%
Vote 4 - Community and Social Services	37,168	14,385	39%
Vote 5 - Planning and Development	59	1,369	2335%
Vote 6 - Technical Services Department	160,208	71,135	44%
Total Revenue by Vote	476,885	223,637	47%

Adjustment Amount	Revised Budget 2016/17
-	-
(4,000)	274,839
-	612
-	37,168
-	59
-	160,208
(4,000)	472,885

Expenditure by Vote R'000	Original Budget 2016/17	YTD Movement Op Expenditure	% Achieved
Vote 1 - Executive and Council	48,056	20,777	43%
Vote 2 - Budget and Treasury Department	99,999	21,169	21%
Vote 3 - Corporate Services	46,877	15,853	34%
Vote 4 - Community and Social Services	67,749	25,424	38%
Vote 5 - Planning and Development	11,192	5,368	48%
Vote 6 - Technical Services Department	202,482	95,324	47%
Total Expenditure by Vote	476,355	183,915	39%
Surplus	530	39,722	

Adjustment Amount	Revised Budget 2016/17
2,809	50,864
(16,049)	83,950
(1,580)	45,297
4,921	72,669
1,074	12,266
3,000	205,483
(5,826)	470,529
1,826	2,356

Total Adjusted Operating expenditure budget 2016/17 by vote amount to R470.5 million, which is a decrease of R5.8 million in overall compared to the original budget of R476.4 million.

The municipality reflects an adjustment budget surplus of R2,4 million.

- All municipal grants 2016/17 remained unchanged as per the division of revenue act (DoRA)

Description	2016/17			
	Original Budget 2016/17	Received as at 31 December 2016	Expenditure as at 31 December 2016	Expenditure %
R thousands				
<u>Transfers and Grants</u>				
Equitable Share	110,235	82,676	82,676	100%
Finance Management	1,810	1,810	901	50%
EPWP Incentive	1,000	700	700	100%
Municipal Infrastructure Grant (MIG)	30,568	20,840	18,220	87%
TOTAL EXPENDITURE OF ALL GRANTS	143,613	106,026	102,496	96.7%

Projects funded by Municipal Infrastructure Grants (MIG)

Description R'000	Budget 2016/17	Mid-Year Movement Exl Vat	Mid-Year Movement Incl Vat	Balance	Adjustment Amount	Revised Budget
BA-P/RWA HIGH MAST & ENERGY STRT LIGHTS	2,000	947	1,080	920	–	2,000
MASHISHIMALE MULTI SPORT COMPLEX	3,800	5,237	5,970	(2,170)	2,200	6,000
SELWANE SPORT COMPLEX	3,600	2,124	2,422	1,178	663	4,263
TAMBO STREET PAVING	860	2,987	3,405	(2,545)	2,545	3,405
UPGRADING OF INTERNAL STREET AT FOSKOR	3,200	–	–	3,200	(3,200)	–
BENFARM STREET PAVING	4,000	–	–	4,000	–	4,000
TOPVILLE TO SCORE STREET PAVING	4,000	2,494	2,843	1,157	2,900	6,900
TAMBO STREET PAVING PPHASE 2	4,000	878	1,000	3,000	(2,500)	1,500
TSHELANG GAPE	4,000	877	1,000	3,000	(2,500)	1,500
Total MIG Projects	29,460	15,544	17,720	11,740	108	29,568

Projects funded internally

Description R'000	Budget 2016/17	Mid-Year Movement Exl Vat	Mid-Year Movement Incl Vat	Balance	Adjustment Amount	Revised Budget
BA-P/RWA HIGH MAST & ENERGY STRT LIGHTS	1,600	1,404	1,600	–	–	1,600
ERECTION OF FENCE AND GUARDROOM AT MAIN	500	–	–	500	–	500
REVENUE RECOVERY INSTALLATION OF PREPAID	1,000	–	–	1,000	–	1,000
PROVISION OF FIREARM FOR TRAFIC OFFICERS	500	–	–	500	–	500
UPGRADING OF ICT INFRASTRUCTURE	3,000	64	73	2,927	1,000	4,000
FURNITURE AND EQUIPMENT	500	65	74	426	200	700
CENTRALISED ARCHIVED LULEKANI	300	–	–	300	–	300
REVAMP OF CHAMBER & MAYORAL PARLOUR	300	–	–	300	–	300
LULEKANI STADIUM FANCING	300	–	–	300	–	300
BUILDING OF NEW 33/11 SWITCHES	3,000	2,632	3,000	0	–	3,000
UPGRADING OF SINGLE PHASE NETWK IN EXT1	3,000	–	–	3,000	–	3,000
INSTALLATION OF REMOTE CONTROLLED METERI	2,000	–	–	2,000	–	2,000
REHABILITATION OF STR IN PHB, NAM & LUL	3,000	–	–	3,000	–	3,000
Total Own funded Projects	19,000	4,164	4,747	14,253	1,200	20,200

Total Capital Expenditure 2016/17

48,460	19,708	22,467	25,993	1,308	49,768
---------------	---------------	---------------	---------------	--------------	---------------

- Total budgeted Capital expenditure increased from R48, 7 million to R49, 8 million

ADJUSTMENT BUDGET TABLES

2016/17

2. ADJUSTMENT BUDGET TABLES

2.1. Adjustment Budget Summary

LIM334 Ba-Phalaborwa - Table B1 Adjustments Budget Summary -

Description	Budget Year 2016/17									Budget Year +1 2017/18	Budget Year +2 2018/19
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	1 A1	2 B	3 C	4 D	5 E	6 F	7 G	8 H		
Financial Performance											
Property rates	106,776	-	-	-	-	-	-	-	106,776	113,396	120,086
Service charges	133,683	-	-	-	-	-	-	-	133,683	146,871	161,332
Investment revenue	506	-	-	-	-	-	-	-	506	537	569
Transfers recognised - operational	114,153	-	-	-	-	-	(108)	(108)	114,045	122,840	130,937
Other own revenue	92,307	-	-	-	-	-	(4,000)	(4,000)	88,307	98,500	104,868
Total Revenue (excluding capital transfers and contributions)	447,425	-	-	-	-	-	(4,108)	(4,108)	443,317	482,144	517,792
Employee costs	129,304	-	-	-	-	-	3,323	3,323	132,627	138,614	148,178
Remuneration of councillors	13,784	-	-	-	-	-	-	-	13,784	14,777	15,796
Depreciation & asset impairment	66,899	-	-	-	-	-	(1,000)	(1,000)	65,899	68,906	70,974
Finance charges	1,519	-	-	-	-	-	(800)	(800)	719	1,613	1,708
Materials and bulk purchases	92,259	-	-	-	-	-	-	-	92,259	100,931	110,419
Transfers and grants	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	172,589	-	-	-	-	-	(7,349)	(7,349)	165,240	179,254	189,830
Total Expenditure	476,355	-	-	-	-	-	(5,826)	(5,826)	470,529	504,096	536,906
Surplus/(Deficit)	(28,930)	-	-	-	-	-	1,718	1,718	(27,212)	(21,952)	(19,114)
Transfers recognised - capital	29,460	-	-	-	-	-	108	108	29,568	34,532	37,222
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	530	-	-	-	-	-	1,826	1,826	2,356	12,580	18,108
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	530	-	-	-	-	-	1,826	1,826	2,356	12,580	18,108

Capital expenditure & funds sources												
Capital expenditure	48,460	-	-	-	-	-	1,308	1,308	49,768	49,160	52,160	
Transfers recognised - capital	29,460	-	-	-	-	-	108	108	29,568	34,532	37,222	
Internally generated funds	19,000	-	-	-	-	-	1,200	1,200	20,200	14,628	14,938	
Total sources of capital funds	48,460	-	-	-	-	-	1,308	1,308	49,768	49,160	52,160	
Financial position												
Total current assets	228,925	-	-	-	-	-	370,829	370,829	599,754	228,035	229,711	
Total non current assets	1,068,923	-	-	-	-	-	1,615	1,615	1,070,539	1,132,400	1,196,551	
Total current liabilities	3,060	-	-	-	-	-	65,000	65,000	68,060	3,350	4,302	
Total non current liabilities	43,000	-	-	-	-	-	172,050	172,050	215,050	41,000	37,000	
Community wealth/Equity	1,251,789	-	-	-	-	-	200,394	200,394	1,452,183	1,316,673	1,385,548	
Cash flows												
Net cash from (used) operating	40,309	-	-	-	-	-	(16,303)	(16,303)	24,007	48,458	53,636	
Net cash from (used) investing	(40,160)	-	-	-	-	-	(1,300)	(1,300)	(41,460)	(49,160)	(52,160)	
Net cash from (used) financing	-	-	-	-	-	-	16,300	16,300	16,300	-	-	
Cash/cash equivalents at the year end	1,849	-	-	-	-	-	(588)	(588)	1,261	559	2,035	
Cash backing/surplus reconciliation												
Cash and investments available	3,649	-	-	-	-	-	(588)	(588)	3,061	2,459	4,035	
Application of cash and investments	(72,700)	-	-	-	-	-	46,641	46,641	(26,060)	(72,899)	(73,114)	
Balance - surplus (shortfall)	76,350	-	-	-	-	-	(47,229)	(47,229)	29,120	75,358	77,149	
Asset Management												
Asset register summary (WDV)	1,049,695	-	-	-	-	-	307	307	1,050,002	1,098,855	1,151,015	
Depreciation & asset impairment	66,899	-	-	-	-	-	(1,000)	(1,000)	65,899	68,906	70,974	
Repairs and Maintenance	20,448	-	-	-	-	-	(1,269)	(1,269)	19,179	21,716	22,998	
Free services												
Cost of Free Basic Services provided	2,462	-	-	-	-	-	-	-	2,462	2,462	2,462	
Revenue cost of free services provided	1,510	-	-	-	-	-	-	-	1,510	1,510	1,510	
Households below minimum service level												
Water:	0	-	-	-	-	-	-	-	0	0	0	
Sanitation/sewerage:	6	-	-	-	-	-	-	-	6	6	6	
Energy:	-	-	-	-	-	-	-	-	-	-	-	
Refuse:	21	-	-	-	-	-	-	-	21	21	21	

Total budgeted annual **Revenue** adjusted downwards from **R476, 9 million** to **R472, 9 million**.

Total budgeted annual operating **Expenditure** adjusted downwards from **R476, 4 million** to **R470, 5 million**.

Total budgeted Capital expenditure **increased from R48, 5 million** to **R49, 8 million**.

1.2 Adjustment Budget Financial Performance (Standard Classification)

LIM334 Ba-Phalaborwa - Table B2 Adjustments Budget Financial Performance (standard classification) - 2017/02/28

Standard Description	Ref	Budget Year 2016/17									Budget Year +1 2017/18	Budget Year +2 2018/19
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1, 4	A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
Revenue - Standard												
Budget and treasury office		278,839	-	-	-	-	-	(4,000)	(4,000)	274,839	298,783	317,302
Corporate services		612	-	-	-	-	-	-	-	612	650	688
Community and public safety		14,422	-	-	-	-	-	-	-	14,422	15,316	16,220
Community and social services		14,155	-	-	-	-	-	-	-	14,155	15,032	15,919
Public safety		267	-	-	-	-	-	-	-	267	284	301
Economic and environmental services		32,421	-	-	-	-	-	-	-	32,421	33,631	35,404
Planning and development		59	-	-	-	-	-	-	-	59	62	66
Road transport		32,363	-	-	-	-	-	-	-	32,363	33,569	35,338
Trading services		150,590	-	-	-	-	-	-	-	150,590	168,296	185,400
Electricity		127,845	-	-	-	-	-	-	-	127,845	144,141	159,819
Waste management		22,745	-	-	-	-	-	-	-	22,745	24,156	25,581
Other		-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	476,885	-	-	-	-	-	(4,000)	(4,000)	472,885	516,676	555,014
Expenditure - Standard	-											
Governance and administration		194,932	-	-	-	-	-	(14,821)	(14,821)	180,111	204,479	217,046
Executive and council		48,056	-	-	-	-	-	2,809	2,809	50,864	51,326	54,667
Budget and treasury office		99,999	-	-	-	-	-	(16,049)	(16,049)	83,950	103,183	109,262
Corporate services		46,877	-	-	-	-	-	(1,580)	(1,580)	45,297	49,970	53,117
Community and public safety		59,627	-	-	-	-	-	5,129	5,129	64,756	63,725	67,914
Community and social services		48,993	-	-	-	-	-	4,955	4,955	53,949	52,341	55,762
Public safety		10,634	-	-	-	-	-	174	174	10,808	11,384	12,152
Economic and environmental services		88,811	-	-	-	-	-	5,115	5,115	93,926	91,831	95,950
Planning and development		11,192	-	-	-	-	-	1,074	1,074	12,266	11,950	12,724
Road transport		77,619	-	-	-	-	-	4,041	4,041	81,660	79,881	83,226
Environmental protection		-	-	-	-	-	-	-	-	-	-	-

Trading services		132,985	-	-	-	-	-	(1,249)	(1,249)	131,736	144,060	155,996
Electricity		124,864	-	-	-	-	-	(1,041)	(1,041)	123,823	135,420	146,829
Water		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		8,121	-	-	-	-	-	(208)	(208)	7,913	8,640	9,167
Other		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	476,355	-	-	-	-	-	(5,826)	(5,826)	470,529	504,096	536,906
Surplus/ (Deficit) for the year		530	-	-	-	-	-	1,826	1,826	2,356	12,580	18,108

- The above table illustrates expenditure adjustment budget per municipal vote

1.3 Adjustment Budget Financial Performance (Revenue and Expenditure by Municipal Vote)

LIM334 Ba-Phalaborwa - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 2017/02/28

Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2016/17									Budget Year +1 2017/18	Budget Year +2 2018/19
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		3	4	5	6	7	8	9	10			
		A	A1	B	C	D	E	F	G	H		
R thousands												
Revenue by Vote	1											
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury Department		278,839	-	-	-	-	-	(4,000)	(4,000)	274,839	298,783	317,302
Vote 3 - Corporate Services		612	-	-	-	-	-	-	-	612	650	688
Vote 4 - Community and Social Services		37,168	-	-	-	-	-	-	-	37,168	39,472	41,801
Vote 5 - Planning and Development		59	-	-	-	-	-	-	-	59	62	66
Vote 6 - Technical Services Department		160,208	-	-	-	-	-	-	-	160,208	177,710	195,157
Total Revenue by Vote	2	476,885	-	-	-	-	-	(4,000)	(4,000)	472,885	516,676	555,014
Expenditure by Vote	1											
Vote 1 - Executive and Council		48,056	-	-	-	-	-	2,809	2,809	50,864	51,326	54,667
Vote 2 - Budget and Treasury Department		99,999	-	-	-	-	-	(16,049)	(16,049)	83,950	103,183	109,262
Vote 3 - Corporate Services		46,877	-	-	-	-	-	(1,580)	(1,580)	45,297	49,970	53,117
Vote 4 - Community and Social Services		67,749	-	-	-	-	-	4,921	4,921	72,669	72,365	77,081
Vote 5 - Planning and Development		11,192	-	-	-	-	-	1,074	1,074	12,266	11,950	12,724
Vote 6 - Technical Services Department		202,482	-	-	-	-	-	3,000	3,000	205,483	215,301	230,055
Total Expenditure by Vote	2	476,355	-	-	-	-	-	(5,826)	(5,826)	470,529	504,096	536,906
Surplus/ (Deficit) for the year	2	530	-	-	-	-	-	1,826	1,826	2,356	12,580	18,108

1.4 Budgeted Financial Performance

LIM334 Ba-Phalaborwa - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 2017/02/28

Description	Ref	Budget Year 2016/17									Budget Year +1 2017/18	Budget Year +2 2018/19
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
Revenue By Source												
Property rates	2	106,776	-	-	-	-	-	-	-	106,776	113,396	120,086
Service charges - electricity revenue	2	116,655	-	-	-	-	-	-	-	116,655	128,787	142,181
Service charges - refuse revenue	2	17,029	-	-	-	-	-	-	-	17,029	18,084	19,151
Rental of facilities and equipment		470								470	499	529
Interest earned - external investments		506								506	537	569
Interest earned - outstanding debtors		76,042						(4,000)	(4,000)	72,042	81,227	86,575
Fines		423								423	450	476
Licences and permits		11,205								11,205	11,900	12,602
Agency services		2,539								2,539	2,696	2,855
Transfers recognised - operating		114,153						(108)	(108)	114,045	122,840	130,937
Other revenue	2	1,628	-	-	-	-	-	-	-	1,628	1,729	1,831
Gains on disposal of PPE										-		
Total Revenue (excluding capital transfers and contributions)		447,425	-	-	-	-	-	(4,108)	(4,108)	443,317	482,144	517,792
Expenditure By Type												
Employee related costs	-	129,304	-	-	-	-	-	3,323	3,323	132,627	138,614	148,178
Remuneration of councillors		13,784								13,784	14,777	15,796
Debt impairment		35,525								35,525	37,728	39,954
Depreciation & asset impairment		66,899	-	-	-	-	-	(1,000)	(1,000)	65,899	68,906	70,974
Finance charges		1,519						(800)	(800)	719	1,613	1,708
Bulk purchases		92,259	-	-	-	-	-			92,259	100,931	110,419
Contracted services		50,055	-	-	-	-	-	(6,253)	(6,253)	43,802	50,185	53,146
Other expenditure		87,009	-	-	-	-	-	(1,095)	(1,095)	85,914	91,342	96,731
Loss on disposal of PPE										-		
Total Expenditure		476,355	-	-	-	-	-	(5,826)	(5,826)	470,529	504,096	536,906

Surplus/(Deficit)	(28,930)	-	-	-	-	-	1,718	1,718	(27,212)	(21,952)	(19,114)
Transfers recognised - capital	29,460						108	108	29,568	34,532	37,222
Contributions recognised - capital								-	-		
Contributed assets								-	-		
Surplus/(Deficit) before taxation	530	-	-	-	-	-	1,826	1,826	2,356	12,580	18,108
Taxation								-	-		
Surplus/(Deficit) after taxation	530	-	-	-	-	-	1,826	1,826	2,356	12,580	18,108
Attributable to minorities								-	-		
Surplus/(Deficit) attributable to municipality	530	-	-	-	-	-	1,826	1,826	2,356	12,580	18,108
Share of surplus/ (deficit) of associate								-	-		
Surplus/ (Deficit) for the year	530	-	-	-	-	-	1,826	1,826	2,356	12,580	18,108

1.5 Adjustment Capital Expenditure Budget by Vote and Funding

LIM334 Ba-Phalaborwa - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 2017/02/28

Description	Ref	Budget Year 2016/17									Budget Year +1 2017/18	Budget Year +2 2018/19
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
Single-year expenditure to be adjusted	2											
Vote 1 - Executive and Council		500	-	-	-	-	-	-	-	500	900	900
Vote 2 - Budget and Treasury Department		1,000	-	-	-	-	-	-	-	1,000	1,000	1,000
Vote 3 - Corporate Services		4,900	-	-	-	-	-	1,200	1,200	6,100	2,200	2,200
Vote 6 - Technical Services Department		42,060	-	-	-	-	-	108	108	42,168	45,060	48,060
		-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		48,460	-	-	-	-	-	1,308	1,308	49,768	49,160	52,160
Total Capital Expenditure - Vote		48,460	-	-	-	-	-	1,308	1,308	49,768	49,160	52,160
Capital Expenditure - Standard												
Governance and administration		6,400	-	-	-	-	-	1,200	1,200	7,600	4,100	4,100
Executive and council		500						-	-	500	900	900
Budget and treasury office		1,000						-	-	1,000	1,000	1,000
Corporate services		4,900						1,200	1,200	6,100	2,200	2,200
Economic and environmental services		30,460	-	-	-	-	-	108	108	30,568	31,460	31,460
Road transport		30,460						108	108	30,568	31,460	31,460
Trading services		11,600	-	-	-	-	-	-	-	11,600	13,600	16,600
Electricity		11,600						-	-	11,600	13,600	16,600
Other												
Total Capital Expenditure - Standard	3	48,460	-	-	-	-	-	1,308	1,308	49,768	49,160	52,160
Funded by:												
National Government		29,460						108	108	29,568	34,532	37,222
Internally generated funds		19,000						1,200	1,200	20,200	14,628	14,938
Total Capital Funding		48,460	-	-	-	-	-	1,308	1,308	49,768	49,160	52,160

1.6 Adjustment Budget Financial Position

LIM334 Ba-Phalaborwa - Table B6 Adjustments Budget Financial Position - 2017/02/28

Description	Ref	Budget Year 2016/17									Budget Year +1 2017/18	Budget Year +2 2018/19
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
ASSETS												
Current assets												
Cash		1,849						(588)	(588)	1,261	559	2,035
Call investment deposits	1	1,800	-	-	-	-	-	-	-	1,800	1,900	2,000
Consumer debtors	1	144,976	-	-	-	-	-	-	-	144,976	144,976	144,976
Inventory		80,300						371,417	371,417	451,717	80,600	80,700
Total current assets		228,925	-	-	-	-	-	370,829	370,829	599,754	228,035	229,711
Non current assets												
Investment property		42,999						859	859	43,858	42,999	42,999
Property, plant and equipment	1	1,023,821	-	-	-	-	-	1,308	1,308	1,025,129	1,087,298	1,151,448
Biological		388						(121)	(121)	267	388	388
Intangible		1,715						(430)	(430)	1,285	1,715	1,715
Total non current assets		1,068,923	-	-	-	-	-	1,615	1,615	1,070,539	1,132,400	1,196,551
TOTAL ASSETS		1,297,849	-	-	-	-	-	372,445	372,445	1,670,293	1,360,435	1,426,262
LIABILITIES												
Current liabilities												
Consumer deposits		3,060						-	-	3,060	3,350	4,302
Total current liabilities		3,060	-	-	-	-	-	-	-	3,060	3,350	4,302
Non current liabilities												
Borrowing	1	28,000	-	-	-	-	-	119,172	119,172	147,172	25,000	22,000
Provisions	1	15,000	-	-	-	-	-	52,878	52,878	67,878	16,000	15,000
Total non current liabilities		43,000	-	-	-	-	-	172,050	172,050	215,050	41,000	37,000
TOTAL LIABILITIES		46,060	-	-	-	-	-	172,050	172,050	218,110	44,350	41,302
NET ASSETS	2	1,251,789	-	-	-	-	-	200,394	200,394	1,452,183	,316,085	1,384,960
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		1,251,789	-	-	-	-	-	200,394	200,394	1,452,183	1,316,085	1,384,960
TOTAL COMMUNITY WEALTH/EQUITY		1,251,789	-	-	-	-	-	200,394	200,394	1,452,183	1,316,085	1,384,960

1.7 Adjustment Budget Cash Flows

LIM334 Ba-Phalaborwa - Table B7 Adjustments Budget Cash Flows - 2017/02/28

Description	Ref	Budget Year 2016/17									Budget Year +1 2017/18	Budget Year +2 2018/19
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
R thousands		A	A1	B	C	D	E	F	G	H		
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates, penalties & collection charges		69,404						(22,000)	(22,000)	47,404	73,707	78,056
Service charges		86,894						57,728	57,728	144,622	95,466	104,866
Other revenue		10,572						3,900	3,900	14,472	11,228	11,890
Government - operating	1	114,153						(108)	(108)	114,045	122,840	130,937
Government - capital	1	29,460						108	108	29,568	34,532	37,222
Interest		49,756						(45,905)	(45,905)	3,851	53,147	56,644
Payments												
Suppliers and employees		(318,412)						(10,825)	(10,825)	(329,237)	(340,849)	(364,270)
Finance charges		(1,519)						800	800	(719)	(1,613)	(1,708)
NET CASH FROM/(USED) OPERATING ACTIVITIES		40,309	-	-	-	-	-	(16,303)	(16,303)	24,007	48,458	53,636
CASH FLOWS FROM INVESTING ACTIVITIES												
Payments												
Capital assets		(40,160)						(1,300)	(1,300)	(41,460)	(49,160)	(52,160)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(40,160)	-	-	-	-	-	(1,300)	(1,300)	(41,460)	(49,160)	(52,160)
CASH FLOWS FROM FINANCING ACTIVITIES												
Payments												
Repayment of borrowing								16,300	16,300	16,300		
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	16,300	16,300	16,300	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		149	-	-	-	-	-	(1,303)	(1,303)	(1,153)	(702)	1,476
Cash/cash equivalents at the year begin:	2	1,700						714	714	2,414	1,261	559
Cash/cash equivalents at the year end:	2	1,849						(588)	(588)	1,261	559	2,035

1.8 Cash Backed Reserves /Accumulated Surplus Reconciliation

LIM334 Ba-Phalaborwa - Table B8 Cash backed reserves/accumulated surplus reconciliation - 2017/02/28

Description	Ref	Budget Year 2016/17									Budget Year +1 2017/18	Budget Year +2 2018/19
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
Cash and investments available												
Cash/cash equivalents at the year end	1	1,849	-	-	-	-	-	(588)	(588)	1,261	559	2,035
Other current investments > 90 days		1,800	-	-	-	-	-	(0)	(0)	1,800	1,900	2,000
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		3,649	-	-	-	-	-	(588)	(588)	3,061	2,459	4,035
Applications of cash and investments												
Other working capital requirements	2	(72,700)	-	-	-	-	-	(18,359)	(18,359)	(91,060)	(72,899)	(73,114)
Total Application of cash and investments:		(72,700)	-	-	-	-	-	(18,359)	(18,359)	(91,060)	(72,899)	(73,114)
Surplus(shortfall)		76,350	-	-	-	-	-	17,771	17,771	94,120	75,358	77,149

1.9 Asset Management

LIM334 Ba-Phalaborwa - Table B9 Asset Management - 2017/02/28

Description	Ref	Budget Year 2016/17									Budget Year +1 2017/18	Budget Year +2 2018/19
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
R thousands		A	A1	B	C	D	E	F	G	H		
CAPITAL EXPENDITURE												
Total New Assets to be adjusted	1	48,460	-	-	-	-	-	1,308	1,308	49,768	49,160	52,160
Infrastructure - Road transport		23,060	-	-	-	-	-	(2,755)	(2,755)	20,305	23,660	23,660
Infrastructure - Electricity		12,600	-	-	-	-	-	-	-	12,600	13,600	16,600
Infrastructure - Other		9,200	-	-	-	-	-	2,863	2,863	12,063	7,800	7,800
Infrastructure		44,860	-	-	-	-	-	108	108	44,968	45,060	48,060
Other assets	6	3,600	-	-	-	-	-	1,200	1,200	4,800	4,100	4,100
Infrastructure - Road transport		23,060	-	-	-	-	-	(2,755)	(2,755)	20,305	23,660	23,660
Infrastructure - Electricity		12,600	-	-	-	-	-	-	-	12,600	13,600	16,600
Infrastructure - Other		9,200	-	-	-	-	-	2,863	2,863	12,063	7,800	7,800
Infrastructure		44,860	-	-	-	-	-	108	108	44,968	45,060	48,060
Other assets		3,600	-	-	-	-	-	1,200	1,200	4,800	4,100	4,100
TOTAL CAPITAL EXPENDITURE to be adjusted	2	48,460	-	-	-	-	-	1,308	1,308	49,768	49,160	52,160
ASSET REGISTER SUMMARY - PPE (WDV)	5											
Infrastructure - Road transport		1,004,592							-	1,004,592	1,053,752	1,105,912
Infrastructure		1,004,592	-	-	-	-	-	-	-	1,004,592	1,053,752	1,105,912
Investment properties		42,999	-	-	-	-	-	859	859	43,858	42,999	42,999
Biological assets		388	-	-	-	-	-	(121)	(121)	267	388	388
Intangibles		1,715	-	-	-	-	-	(430)	(430)	1,285	1,715	1,715
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	1,049,695	-	-	-	-	-	307	307	1,050,002	1,098,855	1,151,015

EXPENDITURE OTHER ITEMS												
Depreciation & asset impairment		66,899	-	-	-	-	-	(1,000)	(1,000)	65,899	68,906	70,974
Repairs and Maintenance by asset class	3	20,448	-	-	-	-	-	(1,269)	(1,269)	19,179	21,716	22,998
<i>Infrastructure - Road transport</i>		4,144	-	-	-	-	-	350	350	4,494	4,401	4,660
<i>Infrastructure - Electricity</i>		6,500	-	-	-	-	-	(500)	(500)	6,000	6,903	7,310
<i>Infrastructure - Water</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Infrastructure - Sanitation</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Infrastructure - Other</i>		1,535	-	-	-	-	-	834	834	2,370	1,631	1,727
Infrastructure		12,179	-	-	-	-	-	684	684	12,863	12,934	13,698
Community		4,951	-	-	-	-	-	(1,489)	(1,489)	3,462	5,258	5,569
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets	6	3,318	-	-	-	-	-	(465)	(465)	2,853	3,524	3,731
TOTAL EXPENDITURE OTHER ITEMS to be adjusted		87,348	-	-	-	-	-	(2,269)	(2,269)	85,079	90,623	93,971
<i>Renewal of Existing Assets as % of total capex</i>		0.0%	0.0%							0.0%	0.0%	0.0%
<i>Renewal of Existing Assets as % of deprecn"</i>		0.0%	0.0%							0.0%	0.0%	0.0%
<i>R&M as a % of PPE</i>		1.9%	0.0%							1.8%	2.0%	2.0%
<i>Renewal and R&M as a % of PPE</i>		1.9%	0.0%							1.8%	2.0%	2.0%

1.10 Basic service delivery measurement

LIM334 Ba-Phalaborwa - Table B10 Basic service delivery measurement - 2017/02/28

Description	Ref	Budget Year 2016/17									Budget Year +1 2017/18	Budget Year +2 2018/19
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
Household service targets	1											
Water:												
Piped water inside dwelling		15								0	15	15
Piped water inside yard (but not in dwelling)		19								0	19	19
Using public tap (at least min.service level)	2	3812								4	3812	3812
Other water supply (at least min.service level)		413								0	0	0
<i>Minimum Service Level and Above sub-total</i>		4	-	-	-	-	-	-	-	4	4	4
Using public tap (< min.service level)	3	0								-	0	0
Other water supply (< min.service level)	3,4	234								0	234	234
No water supply		1.5								0	1.5	1.5
<i>Below Minimum Service Level sub-total</i>		0	-	-	-	-	-	-	-	0	0	0
Total number of households	5	4	-	-	-	-	-	-	-	4	4	4
Sanitation/sewerage:												
Flush toilet (connected to sewerage)		16638								16,638	16638	16638
Flush toilet (with septic tank)		860								860	860	860
Chemical toilet		424								424	424	424
Pit toilet (ventilated)		6718								6,718	6718	6718
Other toilet provisions (> min.service level)		10833								10,833	10833	10833
<i>Minimum Service Level and Above sub-total</i>		35,473	-	-	-	-	-	-	-	35,473	35,473	35,473
Bucket toilet		80								80	80	80
Other toilet provisions (< min.service level)		864								864	864	864
No toilet provisions		4698								4,698	4698	4698
<i>Below Minimum Service Level sub-total</i>		5,642	-	-	-	-	-	-	-	5,642	5,642	5,642
Total number of households	5	41,115	-	-	-	-	-	-	-	41,115	41,115	41,115
Energy:												
Electricity (at least min. service level)		37345								37,345	37345	37345
Electricity - prepaid (> min.service level)		0								-	0	0
<i>Minimum Service Level and Above sub-total</i>		37,345	-	-	-	-	-	-	-	37,345	37,345	37,345
Electricity (< min.service level)										-		
Electricity - prepaid (< min. service level)										-		

Other energy sources										-	-		
<i>Below Minimum Servic Level sub-total</i>		-	-	-	-	-	-	-	-	-	-	-	-
Total number of households	5	37,345	-	-	-	-	-	-	-	-	37,345	37,345	37,345
<u>Refuse:</u>													
Removed at least once a week (min.service)		20066								-	20,066	20066	20066
Minimum Service Level and Above sub-total		20,066	-	-	-	-	-	-	-	-	20,066	20,066	20,066
Removed less frequently than once a week		257								-	257	257	257
Using communal refuse dump		684								-	684	684	684
Using own refuse dump		17849								-	17,849	17849	17849
Other rubbish disposal		327								-	327	327	327
No rubbish disposal		1933								-	1,933	1933	1933
<i>Below Minimum Servic Level sub-total</i>		21,050	-	-	-	-	-	-	-	-	21,050	21,050	21,050
Total number of households	5	41,116	-	-	-	-	-	-	-	-	41,116	41,116	41,116
<u>Households receiving Free Basic Service</u>	15												
Water (6 kilolitres per household per month)		0								-	-	0	0
Sanitation (free minimum level service)		0								-	-	0	0
Electricity/other energy (50kwh per household per month)		2204								-	2,204	2204	2204
Refuse (removed at least once a week)		910								-	910	910	910
<u>Cost of Free Basic Services provided (R'000)</u>	16												
Water (6 kilolitres per household per month)		-								-	-	-	-
Sanitation (free sanitation service)		-								-	-	-	-
Electricity/other energy (50kwh per household per month)		1,460								-	1,460	1,460	1,460
Refuse (removed once a week)		1,001								-	1,001	1,001	1,001
Total cost of FBS provided (minimum social package)		2,462	-	-	-	-	-	-	-	-	2,462	2,462	2,462
<u>Revenue cost of free services provided (R'000)</u>	17												
Property rates (R15 000 threshold rebate)										-	-		
Property rates (other exemptions, reductions and rebates)		1,510								-	1,510	1,510	1,510
Total revenue cost of free services provided (total social package)		1,510	-	-	-	-	-	-	-	-	1,510	1,510	1,510

PART TWO

ADJUSTMENT BUDGET

SUPPORTING TABLES

2.1. Supporting details to budgeted financial performance

LIM334 Ba-Phalaborwa - Supporting Table SB1 Supporting detail to 'Budgeted Financial Performance' - 2017/02/28

Description	Ref	Budget Year 2016/17									Budget Year +1 2017/18	Budget Year +2 2018/19
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	6 A1	7 B	8 C	9 D	10 E	11 F	12 G	13 H		
R thousands		A	A1	B	C	D	E	F	G	H		
REVENUE ITEMS												
Property rates												
Total Property Rates		106,776						-	-	106,776	113,396	120,086
Net Property Rates		106,776	-	-	-	-	-	-	-	106,776	113,396	120,086
Service charges - electricity revenue												
Total Service charges - electricity revenue		118,115						-	-	118,115	130,338	143,823
less Revenue Foregone		1,460						-	-	1,460	1,551	1,642
Net Service charges - electricity revenue		116,655	-	-	-	-	-	-	-	116,655	128,787	142,181
Service charges - refuse revenue												
Total refuse removal revenue		18,030						-	-	18,030	19,148	20,278
less Revenue Foregone		1,001						-	-	1,001	1,063	1,126
Net Service charges - refuse revenue		17,029	-	-	-	-	-	-	-	17,029	18,084	19,151
Other Revenue By Source												
Other Revenue		1,628						-	-	1,628	1,729	1,831
Total 'Other' Revenue	1	1,628	-	-	-	-	-	-	-	1,628	1,729	1,831
EXPENDITURE ITEMS												
Employee related costs												
Basic Salaries and Wages		80,062						968	968	81,029	85,826	91,748
Pension and UIF Contributions		15,341						485	485	15,826	16,445	17,580
Medical Aid Contributions		4,992						106	106	5,098	5,351	5,721
Overtime		3,194						1,092	1,092	4,286	3,424	3,660
Motor Vehicle Allowance		12,467						165	165	12,632	13,365	14,287
Cellphone Allowance		1,179						129	129	1,308	1,264	1,351
Housing Allowances		968						21	21	989	1,038	1,109
Other benefits and allowances		7,760						924	924	8,684	8,319	8,893
Long service awards		3,341						(567)	(567)	2,774	3,582	3,829
sub-total		129,304	-	-	-	-	-	3,323	3,323	132,627	138,614	148,178

Total Employee related costs	1	129,304	-	-	-	-	-	3,323	3,323	132,627	138,614	148,178
<u>Depreciation & asset impairment</u>												
Depreciation of Property, Plant & Equipment		66,899						(1,000)	(1,000)	65,899	68,906	70,974
Total Depreciation & asset impairment	1	66,899	-	-	-	-	-	(1,000)	(1,000)	65,899	68,906	70,974
<u>Bulk purchases</u>												
Electricity Bulk Purchases		92,259						-	-	92,259	100,931	110,419
Water Bulk Purchases									-	-		
Total bulk purchases	1	92,259	-	-	-	-	-	-	-	92,259	100,931	110,419
Non-cash transfers and grants									-	-		
Total transfers and grants		-	-	-	-	-	-	-	-	-	-	-
<u>Contracted services</u>												
Contracted Services		50,055						(6,253)	(6,253)	43,802	50,185	53,146
Other	<i>sub-total</i>	50,055	-	-	-	-	-	(6,253)	(6,253)	43,802	50,185	53,146
Total contracted services??		50,055	-	-	-	-	-	(6,253)	(6,253)	43,802	50,185	53,146
<u>Other Expenditure By Type</u>												
General expenses	3,5	87,009						(1,095)	(1,095)	85,914	91,342	96,731
Total Other Expenditure	1	87,009	-	-	-	-	-	(1,095)	(1,095)	85,914	91,342	96,731
<u>Repairs and Maintenance by Expenditure Item</u>												
Employee related costs	14								-	-		
Other materials									-	-		
Contracted Services									-	-		
Other Expenditure		20,448							-	20,448	21,716	22,998
Total Repairs and Maintenance Expenditure	15	20,448	-	-	-	-	-	-	-	20,448	21,716	22,998

2.2. Supporting details to financial position budget

LIM334 Ba-Phalaborwa - Supporting Table SB2 Supporting detail to 'Financial Position Budget' - 2017/02/28

Description	Ref	Budget Year 2016/17								Budget Year +1 2017/18	Budget Year +2 2018/19	
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	4 A1	5 B	6 C	7 D	8 E	9 F	10 G	11 H		
R thousands												
ASSETS												
<u>Call investment deposits</u>												
Call deposits < 90 days		1,800						-	-	1,800	1,900	2,000
Other current investments > 90 days									-	-		
Total Call investment deposits	1	1,800	-	-	-	-	-	-	-	1,800	1,900	2,000
<u>Consumer debtors</u>												
Consumer debtors		144,976							-	144,976	144,976	144,976
Less: provision for debt impairment		-	-	-	-	-	-	-	-	-	-	-
Total Consumer debtors	1	144,976	-	-	-	-	-	-	-	144,976	144,976	144,976
<u>Debt impairment provision</u>												
Balance at the beginning of the year									-	-	-	-
Contributions to the provision									-	-	-	-
Bad debts written off									-	-	-	-
Balance at end of year		-	-	-	-	-	-	-	-	-	-	-
<u>Property, plant & equipment</u>												
PPE at cost/valuation (excl. finance leases)		1,565,153						1,308	1,308	1,566,461	1,662,193	1,760,262
Leases recognised as PPE	2								-	-		
<u>Less: Accumulated depreciation</u>		541,332							-	541,332	574,895	608,814
Total Property, plant & equipment	1	1,023,821	-	-	-	-	-	1,308	1,308	1,025,129	1,087,298	1,151,448
LIABILITIES												
<u>Current liabilities - Borrowing</u>												
Short term loans (other than bank overdraft)									-	-		
Current portion of long-term liabilities									-	-		
Total Current liabilities - Borrowing		-	-	-	-	-	-	-	-	-	-	-

Trade and other payables												
Creditors		-							-	-		
Unspent conditional grants and receipts									-	-		
VAT									-	-		
Total Trade and other payables	1	-	-	-	-	-	-	-	-	-	-	-
Non current liabilities - Borrowing												
Borrowing	3	28,000					119,172	119,172	147,172	25,000	22,000	
Finance leases (including PPP asset element)								-	-			
Total Non current liabilities - Borrowing		28,000	-	-	-	-	119,172	119,172	147,172	25,000	22,000	
Provisions - non current												
Retirement benefits		15,000					52,878	52,878	67,878	16,000	15,000	
List other major items								-	-			
Refuse landfill site rehabilitation								-	-			
Other								-	-			
Total Provisions - non current		15,000	-	-	-	-	52,878	52,878	67,878	16,000	15,000	
CHANGES IN NET ASSETS												
Accumulated surplus/(Deficit)												
Accumulated surplus/(Deficit) - opening balance		1,251,789					200,394	200,394	1,452,183	1,316,085	1,384,960	
Appropriations to Reserves								-	-			
Transfers from Reserves								-	-			
Depreciation offsets								-	-			
Other adjustments								-	-			
Accumulated Surplus/(Deficit)	1	1,251,789	-	-	-	-	200,394	200,394	1,452,183	1,316,085	1,384,960	
Revaluation								-	-			
Total Reserves	2	-	-	-	-	-	-	-	-	-	-	
TOTAL COMMUNITY WEALTH/EQUITY	2	1,251,789	-	-	-	-	200,394	200,394	1,452,183	1,316,085	1,384,960	

2.3 Supporting information to budgeted performance indicators and benchmarks

LIM334 Ba-Phalaborwa - Supporting Table SB4 Adjustments to budgeted performance indicators and benchmarks - 2017/02/28

Description of financial indicator	Basis of calculation	2013/14	2014/15	2015/16	Budget Year 2016/17			Budget Year +1 2017/18	Budget Year +2 2018/19
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Prior Adjusted	Adjusted Budget	Adjusted Budget	Adjusted Budget
<u>Borrowing Management</u>									
Credit Rating	Short term/long term rating								
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	1.9%	0.2%		0.3%	0.0%	-3.3%	0.3%	0.3%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	2.8%	0.3%		0.0%	0.0%	0.0%	0.0%	0.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>									
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	70.6%		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>									
Current Ratio	Current assets/current liabilities	72.6%	50.6%		7481.2%	0.0%	19599.8%	6807.0%	5339.6%
Current Ratio adjusted for aged debtors	Current assets/current liabilities less debtors > 90 days/current liabilities	72.6%	50.6%		7481.2%	0.0%	0.0%	0.0%	0.0%
Liquidity Ratio	Monetary Assets/Current Liabilities	0.0%	0.9%		1.2	0.0	1.0	0.7	0.9
<u>Revenue Management</u>									
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing	100.0%	64.4%						
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		100.0%	93.4%						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	90.6%	32.7%		32.4%	0.0%	32.7%	30.1%	28.0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old				0.0%	0.0%	0.0%	0.0%	0.0%
<u>Creditors Management</u>									
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))								
Creditors to Cash and Investments		-2041.8%	11223.8%		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Other Indicators</u>									
Electricity Distribution Losses (2)	Total Volume Losses (kW)								

Water Distribution Losses (2)	Total Cost of Losses (Rand '000)								
	% Volume (units purchased and generated less units sold)/units purchased and generated								
	Total Volume Losses (kℓ)								
	Total Cost of Losses (Rand '000)								
Employee costs	% Volume (units purchased and generated less units sold)/units purchased and generated								
	Employee costs/(Total Revenue - capital revenue)	31.6%	40.2%		28.9%	0.0%	29.9%	28.7%	28.6%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	35.1%	44.0%						
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	5.8%	0.0%		4.6%	0.0%	4.3%	4.5%	4.4%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	20.5%	19.7%		15.3%	0.0%	15.0%	14.6%	14.0%
IDP regulation financial viability indicators									
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	732.9%	1121.7%		20658.9%	0.0%	20410.9%	21031.7%	22644.4%
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	179.1%	60.9%		32.4%	0.0%	32.7%	30.1%	28.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	-95.8%	11.2%		0.0	0.0	0.0	0.0	0.0

2.4. Statistics in assumptions

LIM334 Ba-Phalaborwa - Supporting Table SB5 Adjustments Budget - social, economic and demographic statistics and assumptions - 2017/02/28

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2013/14	2014/15	2015/16	Budget Year 2016/17	2016/17 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population						150,637	150,637	150,637	150,637	150,637		
Females aged 5 - 14						77,620	77,620	77,620	77,620	77,620		
Males aged 5 - 14						73,016	73,016	73,016	73,016	73,016		
Females aged 15 - 34						13,967	13,967	13,967	13,967	13,967		
Males aged 15 - 34						23,096	23,096	23,096	23,096	23,096		
Unemployment						20,282	20,282	20,282	20,282	20,282		
Monthly Household income (no. of households)	1, 12											
None						63,891	63,891	63,891	63,891	63,891		
R1 - R1 600						56,476	56,476	56,476	56,476	56,476		
R1 601 - R3 200						6,632	6,632	6,632	6,632	6,632		
R3 201 - R6 400						5,268	5,268	5,268	5,268	5,268		
R6 401 - R12 800						5,357	5,357	5,357	5,357	5,357		
R12 801 - R25 600						3,746	3,746	3,746	3,746	3,746		
R25 601 - R51 200						920	920	920	920	920		
R52 201 - R102 400						177	177	177	177	177		
R102 401 - R204 800						64	64	64	64	64		
R204 801 - R409 600						78	78	78	78	78		
R409 601 - R819 200												
> R819 200												

2.5 Adjustment budget – funding measurement

LIM334 Ba-Phalaborwa - Supporting Table SB6 Adjustments Budget - funding measurement - 2017/02/28

Description	Ref	MFMA section	2013/14	2014/15	2015/16	Medium Term Revenue and Expenditure Framework				
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Prior Adjusted	Adjusted Budget	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousands										
Funding measures										
Cash/cash equivalents at the year end - R'000	1	18(1)b	(17,807)	3,246		1,849	–	1,261	559	2,035
Cash + investments at the yr end less applications - R'000	2	18(1)b	(185,126)	(279,693)		76,350	–	94,120	75,358	77,149
Cash year end/monthly employee/supplier payments	3	18(1)b	(0)	0		–	–	–	–	–
Surplus/(Deficit) excluding depreciation offsets: R'000	4	18(1)	(2,529)	(104,977)		530	–	2,356	12,580	18,108
Service charge rev % change - macro CPIX target exclusive	5	18(1)a,(2)	0.019264405	3.2%		0.0%	0.0%	0.0%	2.2%	2.1%
Cash receipts % of Ratepayer & Other revenue	6	18(1)a,(2)	0.0%	0.0%	0.0%	50.1%	0.0%	62.8%	50.3%	50.4%
Debt impairment expense as a % of total billable revenue	7	18(1)a,(2)	1.8%	44.4%		14.7%	0.0%	14.7%	14.5%	14.2%
Capital payments % of capital expenditure	8	18(1)c;19	98.3%	100.2%		82.9%	0.0%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	9	18(1)c	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	10	18(1)a				0.0%	0.0%	0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	11	18(1)a	495.7%	-62.9%					0.0%	0.0%
Long term receivables % change - incr(decr)	12	18(1)a	0.0%	0.0%					0.0%	0.0%
R&M % of Property Plant & Equipment	13	20(1)(vi)	1.7%	0.0%		1.9%	0.0%	1.8%	2.0%	2.0%
Asset renewal % of capital budget	14	20(1)(vi)	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%

2.6 Transfers and Grants received

LIM334 Ba-Phalaborwa - Supporting Table SB7 Adjustments Budget - transfers and grant receipts - 2017/02/28

Description	Ref	Budget Year 2016/17							Budget Year +1 2017/18	Budget Year +2 2018/19
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		7	8	9	10	11	12			
R thousands	A	A1	B	C	D	E	F			
RECEIPTS:	1, 2									
-										
<u>Operating Transfers and Grants</u>										
National Government:		114,153	-	-	-	(108)	(108)	114,045	122,840	130,937
Local Government Equitable Share		110,235					-	110,235	119,502	127,315
Finance Management	3	1,810					-	1,810	2,145	2,400
Municipal Systems Improvement		-					-	-	-	-
EPWP Incentive		1,000					-	1,000	-	-
Operating Grant: MIG (5% of MIG Grants for PMU)		1,108				(108)	(108)	1,000	1,193	1,222
							-	-		
Total Operating Transfers and Grants	6	114,153	-	-	-	(108)	(108)	114,045	122,840	130,937
<u>Capital Transfers and Grants</u>										
National Government:		29,460	-	-	-	108	108	29,568	34,532	37,222
Municipal Infrastructure Grant (MIG)		29,460				108	108	29,568	31,532	33,222
Neighbourhood Development Partnership		-					-	-	3,000	4,000
							-	-		
Total Capital Transfers and Grants	6	29,460	-	-	-	108	108	29,568	34,532	37,222
TOTAL RECEIPTS OF TRANSFERS & GRANTS		143,613	-	-	-	-	-	143,613	157,372	168,159

2.7. Expenditure on transfers and Grants programme

LIM334 Ba-Phalaborwa - Supporting Table SB8 Adjustments Budget - expenditure on transfers and grant programme - 2017/02/28

Description	Ref	Budget Year 2016/17							Budget Year +1 2017/18	Budget Year +2 2018/19
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	2 A1	3 B	4 C	5 D	6 E	7 F		
R thousands										
EXPENDITURE ON TRANSFERS AND GRANT PROGRAM:	1									
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		114,153	-	-	-	(108)	(108)	114,045	122,840	130,937
Local Government Equitable Share		110,235					-	110,235	119,502	127,315
Finance Management		1,810					-	1,810	2,145	2,400
Municipal Systems Improvement		-					-	-	-	-
EPWP Incentive		1,000					-	1,000	-	-
Operating Grant: MIG (5% of MIG Grants for PMU)		1,108				(108)	(108)	1,000	1,193	1,222
							-	-		
Total operating expenditure of Transfers and Grants:		114,153	-	-	-	(108)	(108)	114,045	122,840	130,937
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		29,460	-	-	-	108	108	29,568	34,532	37,222
Municipal Infrastructure Grant (MIG)		29,460				108	108	29,568	31,532	33,222
Neighbourhood Development Partnership							-	-	3,000	4,000
							-	-		
Total capital expenditure of Transfers and Grants		29,460	-	-	-	108	108	29,568	34,532	37,222
Total capital expenditure of Transfers and Grants		143,613	-	-	-	-	-	143,613	157,372	168,159

2.8. Reconciliations of transfers, Grants receipts and unspent funds

LIM334 Ba-Phalaborwa - Supporting Table SB9 Adjustments Budget - reconciliation of transfers, grant receipts, and unspent funds - 2017/02/28

Description	Ref	Budget Year 2016/17						Budget Year +1 2017/18	Budget Year +2 2018/19
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget
		A	2 A1	3 B	4 C	5 D	6 E	7 F	
R thousands									
Operating transfers and grants:									
National Government:									
Balance unspent at beginning of the year							-	-	
Current year receipts		114,153				(108)	(108)	114,045	122,840
Conditions met - transferred to revenue		114,153	-	-	-	(108)	(108)	114,045	122,840
Conditions still to be met - transferred to liabilities							-	-	
Total operating transfers and grants revenue		114,153	-	-	-	(108)	(108)	114,045	122,840
Total operating transfers and grants - CTBM	2	-	-	-	-	-	-	-	-
Capital transfers and grants:									
National Government:									
Balance unspent at beginning of the year							-	-	
Current year receipts		29,460				108	108	29,568	34,532
Conditions met - transferred to revenue		29,460	-	-	-	108	108	29,568	34,532
Conditions still to be met - transferred to liabilities							-	-	
Provincial Government:									
Total capital transfers and grants revenue		29,460	-	-	-	108	108	29,568	34,532
Total capital transfers and grants - CTBM		-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		143,613	-	-	-	-	-	143,613	157,372
TOTAL TRANSFERS AND GRANTS - CTBM		-	-	-	-	-	-	-	-

2.9. Transfers and Grants made by the municipality

Not applicable

2.10. Councillors and staff benefits

LIM334 Ba-Phalaborwa - Supporting Table SB11 Adjustments Budget - councillor and staff benefits - 2017/02/28

Summary of remuneration	Ref	Budget Year 2016/17									% change
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	
R thousands		A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H	
Councillors (Political Office Bearers plus Other)											
Basic Salaries and Wages		9,549						-	-	9,549	0.0%
Motor Vehicle Allowance		3,345						-	-	3,345	0.0%
Cellphone Allowance		891						-	-	891	
Sub Total - Councillors		13,784	-					-	-	13,784	0.0%
% increase			(0)							-	
Senior Managers of the Municipality											
Basic Salaries and Wages		3,797						-	-	3,797	0.0%
Pension and UIF Contributions		11						-	-	11	0.0%
Motor Vehicle Allowance		1,381						-	-	1,381	0.0%
Cellphone Allowance		86						-	-	86	0.0%
Other benefits and allowances		780						-	-	780	
Sub Total - Senior Managers of Municipality		6,055	-	-				-	-	6,055	0.0%
% increase			(0)							-	
Other Municipal Staff											
Basic Salaries and Wages		76,265						968	968	77,232	1.3%
Pension and UIF Contributions		15,330						485	485	15,815	3.2%
Medical Aid Contributions		4,992						106	106	5,098	2.1%
Overtime		3,194						1,092	1,092	4,286	34.2%
Motor Vehicle Allowance		11,086						165	165	11,251	1.5%
Cellphone Allowance		1,094						129	129	1,223	11.8%
Housing Allowances		968						21	21	989	
Other benefits and allowances		6,980						924	924	7,904	
Long service awards		3,341						(567)	(567)	2,774	-17.0%
Post-retirement benefit obligations									-	-	
Sub Total - Other Municipal Staff		123,249	-	-	-	-	-	3,323	3,323	126,573	2.7%
% increase											
Total Parent Municipality		143,088	-	-	-	-	-	3,323	3,323	146,412	2.3%
TOTAL SALARY, ALLOWANCES & BENEFITS		143,088	-	-	-	-	-	3,323	3,323	146,412	2.3%
% increase											
TOTAL MANAGERS AND STAFF		129,304	-	-	-	-	-	3,323	3,323	132,627	2.6%

2.11. Monthly revenues and Expenditure per Municipal vote

LIM334 Ba-Phalaborwa - Supporting Table SB12 Adjustments Budget - monthly revenue and expenditure (municipal vote) - 2017/02/28

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands																
Revenue by Vote																
Executive and Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Budget and Treasury Depa		55,857	9,125	8,192	9,067	8,671	45,571	18,399	18,575	46,584	14,464	16,634	23,700	274,839	298,783	317,302
Corporate Services		55	53	59	39	45	13	15	35	16	11	22	248	612	650	688
Community and Social Servi		1,932	3,663	1,831	2,499	2,126	2,334	2,982	3,980	3,855	4,325	4,299	3,342	37,168	39,472	41,801
Planning and Development		399	447	452	14	57	0	5	5	5	5	5	(1,335)	59	62	66
Technical Services Depar		12,988	13,920	7,975	10,065	9,253	16,934	14,101	14,445	16,307	16,277	13,947	13,996	160,208	177,710	195,157
Total Revenue by Vote		71,231	27,208	18,510	21,684	20,152	64,852	35,502	37,040	66,767	35,082	34,907	39,951	472,885	516,676	555,014
Expenditure by Vote																
Executive and Council		3,226	3,111	3,491	3,408	3,001	4,539	4,500	4,319	5,333	4,325	5,965	5,644	50,864	51,326	54,667
Budget and Treasury Dep		2,762	2,008	4,916	3,288	3,312	4,879	10,917	10,976	9,977	9,934	10,931	10,051	83,950	103,183	109,262
Corporate Services		3,035	2,315	3,096	2,557	2,442	4,132	5,167	5,248	4,549	4,857	3,268	4,632	45,297	49,970	53,117
Community and Social Servi		3,158	3,740	5,279	3,143	3,944	6,160	8,969	7,116	7,219	6,838	7,076	10,029	72,669	72,365	77,081
Planning and Development		549	760	1,079	1,660	583	738	988	959	1,497	1,235	933	1,286	12,266	11,950	12,724
Technical Services Depart		10,468	13,598	16,875	16,254	10,615	22,572	14,264	17,069	17,443	19,074	20,591	26,660	205,483	215,301	230,055
Total Expenditure by Vote		23,198	25,533	34,736	30,311	23,895	43,020	44,804	45,687	46,018	46,263	48,764	58,302	470,529	504,096	536,906
Surplus/ (Deficit)		48,034	1,675	(16,227)	(8,627)	(3,743)	21,832	(9,303)	(8,647)	20,750	(11,182)	(13,856)	(18,351)	2,356	12,580	18,108

2.12 Monthly revenue and expenditure by standard classifications

LIM334 Ba-Phalaborwa - Supporting Table SB13 Adjustments Budget - monthly revenue and expenditure (standard classification) - 2017/02/28

Description - Standard classification	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework	Budget Year +1 2017/18	Budget Year +2 2018/19
		July	August	Sept.	October	November	December	January	February	March	April	May	June			
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget			
R thousands																
Revenue - Standard																
<i>Governance and administration</i>		55,912	9,177	8,251	9,106	8,716	45,584	18,414	18,610	46,600	14,475	16,656	23,948	275,451	299,432	317,990
Budget and treasury office		55,857	9,125	8,192	9,067	8,671	45,571	18,399	18,575	46,584	14,464	16,634	23,700	274,839	298,783	317,302
Corporate services		55	53	59	39	45	13	15	35	16	11	22	248	612	650	688
<i>Community and public safety</i>		336	2,061	512	1,174	819	1,006	563	1,561	1,436	1,905	1,879	1,169	14,422	15,316	16,220
Community and social services		276	2,031	504	1,084	804	974	558	1,556	1,430	1,896	1,876	1,165	14,155	15,032	15,919
Public safety		60	29	8	90	15	32	5	5	6	10	3	3	267	284	301
<i>Economic and environmental se</i>		4,640	6,583	2,032	23	518	6,626	1,305	2,005	5,205	2,415	955	115	32,421	33,631	35,404
Planning and development		399	447	452	14	57	0	5	5	5	5	5	(1,335)	59	62	66
Road transport		4,241	6,136	1,580	9	461	6,626	1,300	2,000	5,200	2,410	950	1,450	32,363	33,569	35,338
<i>Trading services</i>		10,343	9,387	7,715	11,380	10,098	11,636	15,220	14,864	13,526	16,286	15,416	14,719	150,590	168,296	185,400
Electricity		8,747	7,784	6,396	10,055	8,791	10,309	12,801	12,445	11,107	13,867	12,997	12,546	127,845	144,141	159,819
Waste management		1,596	1,603	1,319	1,324	1,307	1,328	2,419	2,419	2,419	2,419	2,419	2,173	22,745	24,156	25,581
<i>Other</i>					-			-	-	-	-	-	-	-	-	-
Total Revenue - Standard		71,231	27,208	18,510	21,684	20,152	64,852	35,502	37,040	66,767	35,082	34,907	39,951	472,885	516,676	555,014
Expenditure - Standard																
<i>Governance and administration</i>		9,024	7,435	11,503	9,253	8,754	13,550	20,584	20,543	19,859	19,116	20,164	20,326	180,111	204,479	217,046

Executive and council		3,226	3,111	3,491	3,408	3,001	4,539	4,500	4,319	5,333	4,325	5,965	5,644	50,864	51,326	54,667
Budget and treasury office		2,762	2,008	4,916	3,288	3,312	4,879	10,917	10,976	9,977	9,934	10,931	10,051	83,950	103,183	109,262
Corporate services		3,035	2,315	3,096	2,557	2,442	4,132	5,167	5,248	4,549	4,857	3,268	4,632	45,297	49,970	53,117
Community and public safety		2,839	3,608	4,514	3,034	3,354	5,142	8,235	6,282	6,243	6,274	6,154	9,074	64,756	63,725	67,914
Community and social services		2,117	2,978	3,807	2,242	2,694	4,460	6,300	5,319	5,333	5,325	5,365	8,008	53,949	52,341	55,762
Public safety		723	630	707	793	661	682	1,935	963	910	949	789	1,066	10,808	11,384	12,152
Economic and environmental se		2,579	7,592	8,328	9,101	7,670	8,473	4,599	5,908	10,415	8,377	8,135	12,748	93,926	91,831	95,950
Planning and development		549	760	1,079	1,660	583	738	988	959	1,497	1,235	933	1,286	12,266	11,950	12,724
Road transport		2,030	6,833	7,250	7,441	7,087	7,736	3,611	4,949	8,918	7,142	7,202	11,461	81,660	79,881	83,226
Trading services		8,756	6,898	10,390	8,922	4,117	15,854	11,386	12,954	9,501	12,496	14,310	16,153	131,736	144,060	155,996
Electricity		8,438	6,766	9,625	8,813	3,528	14,836	10,652	12,120	8,526	11,932	13,389	15,199	123,823	135,420	146,829
Waste management		318	132	765	109	589	1,018	733	834	975	563	922	955	7,913	8,640	9,167
Other													-	-	-	-
Total Expenditure - Standard		23,198	25,533	34,736	30,311	23,895	43,020	44,804	45,687	46,018	46,263	48,764	58,302	470,529	504,096	536,906
Surplus/ (Deficit) 1.		48,034	1,675	(16,227)	(8,627)	(3,743)	21,832	(9,303)	(8,647)	20,750	(11,182)	(13,856)	(18,351)	2,356	12,580	18,108

2.13 Monthly Revenue and Expenditure

LIM334 Ba-Phalaborwa - Supporting Table SB14 Adjustments Budget - monthly revenue and expenditure - 2017/02/28

Description	R e f	Budget Year 2016/17											Medium Term Revenue and Expend iture Frame work			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands																
Revenue By Source																
Property rates		7,681	6,529	7,628	7,678	7,642	7,678	9,917	9,976	9,977	9,934	9,931	12,206	106,776	113,396	120,086
Service charges - electricity reve		8,432	7,466	6,254	9,913	8,650	10,160	10,598	10,950	10,981	11,608	11,163	10,480	116,655	128,787	142,181
Service charges - refuse		1,096	1,095	1,093	1,095	1,075	1,091	1,919	1,919	1,919	1,619	1,619	1,488	17,029	18,084	19,151
Rental of facilities and equipment		31	19	44	26	27	13	31	35	16	31	22	175	470	499	529
Interest earned - external invest		32	122	88	43	5	4	17	13	133	8	9	32	506	537	569
Interest earned - outstanding debt		3,018	3,090	746	1,275	1,310	1,459	9,730	9,438	10,413	9,547	9,203	12,814	72,042	81,227	86,575
Fines		59	30	9	90	16	32	15	35	16	11	22	87	423	450	476
Licences and permits		254	2,011	397	848	621	771	558	1,556	1,430	896	876	988	11,205	11,900	12,602
Agency services		-		99	212	155	193	140	389	107	124	219	901	2,539	2,696	2,855
Transfers recognised - operational		46,014	458	205	439	527	37,133	226	632	27,559	162	632	58	114,045	122,840	130,937
Other revenue		465	539	545	66	124	-	51	97	15	32	12	(319)	1,628	1,729	1,831
Gains on disposal of PPE													-	-	-	-
Total Revenue		67,083	21,359	17,110	21,684	20,152	58,534	33,202	35,040	62,567	33,972	33,707	38,909	443,317	482,144	517,792

Expenditure By Type																
Employee related costs	9,654	9,296	9,623	9,830	9,426	9,782	10,775	10,885	10,935	10,215	11,188	21,017	132,627	138,614	148,178	
Remuneration of councillors	1,163	951	1,049	1,055	1,048	1,108	1,042	1,042	1,044	1,744	1,105	1,433	13,784	14,777	15,796	
Debt impairment	-	-	-	-	-	-	5,550	5,320	5,200	5,960	6,560	6,933	35,525	37,728	39,954	
Depreciation & asset impairment	-	4,945	4,983	4,983	4,983	4,983	6,575	6,575	6,575	6,575	7,575	7,148	65,899	68,906	70,974	
Finance charges	51	50	54	51	46	17	50	54	151	46	115	33	719	1,613	1,708	
Bulk purchases	7,018	5,439	8,772	7,456	1,754	11,813	8,000	8,688	7,500	8,200	8,688	8,930	92,259	100,931	110,419	
Contracted services	1,320	2,247	5,274	3,254	1,851	5,994	4,171	4,171	4,171	4,171	4,171	3,005	43,802	50,185	53,146	
Grants and subsidies			-				-	-	-	-	-	-	-	-	-	
Other expenditure	3,991	2,605	4,982	3,681	4,785	9,325	8,641	8,951	10,441	9,351	9,361	9,800	85,914	91,342	96,731	
Loss on disposal of PPE							-	-	-	-	-	-	-	-	-	
Total Expenditure	23,198	25,533	34,736	30,311	23,895	43,024	44,804	45,687	46,018	46,263	48,764	58,298	470,529	504,096	536,906	
Surplus/(Deficit)	43,885	(4,174)	(17,627)	(8,627)	(3,743)	15,510	(11,603)	(10,647)	16,550	(12,292)	(15,056)	(19,389)	(27,212)	(21,952)	(19,114)	
Transfers recognised - capital	4,149	5,849	1,400			6,322	2,300	2,000	4,200	1,110	1,200	1,038	29,568	34,532	37,222	
Contributions													-	-	-	
Contributed assets													-	-	-	
Surplus/(Deficit) after capital transfers & contributions	48,034	1,675	(16,227)	(8,627)	(3,743)	21,832	(9,303)	(8,647)	20,750	(11,182)	(13,856)	(18,351)	2,356	12,580	18,108	

2.14 Monthly Cash flows

LIM334 Ba-Phalaborwa - Supporting Table SB15 Adjustments Budget - monthly cash flow - 2017/02/28

Monthly cash flows	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands																
Cash Receipts By Source	1															
Property rates		2,199	2,910	2,846	2,899	3,326	5,143	4,846	3,899	4,326	4,910	4,846	5,256	47,404	73,707	78,056
Service charges - electricity		6,375	6,915	6,957	4,755	7,392	6,958	5,105	5,210	6,002	5,511	6,102	8,542	75,826	83,711	92,417
Service charges - water		3,876	4,353	4,619	3,560	5,853	3,511	4,619	5,853	3,511	4,353	4,619	3,950	52,678	-	-
Service charges - sanitation		479	663	630	660	731	602	630	660	663	731	602	797	7,850	-	-
Service charges - refuse		428	489	441	490	577	457	935	963	910	949	789	841	8,269	11,755	12,448
Rental of facilities and equi		31	19	44	26	27	13	38	29	18	36	13	10	305	324	344
Interest earned - external in		32	122	88	43	5	4	13	12	19	21	18	128	506	349	370
Interest - outstanding debtor		159	152	231	179	412	131	179	412	231	179	152	926	3,345	52,797	56,274
Fines		59	30	9	90	16	32	42	29	22	69	26	51	475	292	310
Licences and permits		254	2,011	397	848	621	771	533	634	475	563	622	254	7,983	7,735	8,191
Agency services		-	-	99	212	155	193	19	121	25	28	132	664	1,650	1,752	1,856
Transfer receipts - operational		46,352	2,060	-	-	450	36,745	-	-	28,438	-	-	-	114,045	122,840	130,937
Other revenue		1,698	20	545	66	124	905	19	121	25	28	132	374	4,058	1,124	1,190
Cash Receipts by Source		61,942	19,744	16,908	13,827	19,690	55,464	16,980	17,944	44,667	17,380	18,055	21,793	324,394	356,388	382,393
Other Cash Flows by Source																
Transfers receipts - capital		11,181	-	-	-	-	9,238	-	-	9,149	-	-	-	29,568	34,532	37,222
Total Cash Receipts by Source		73,123	19,744	16,908	13,827	19,690	64,702	16,980	17,944	53,816	17,380	18,055	21,793	353,962	390,920	419,615
Cash Payments by Type																
Employee related costs		9,654	9,296	9,623	9,830	9,426	9,782	10,667	10,466	10,563	10,667	10,125	10,206	120,304	128,614	132,178

Remuneration of councillors	1,163	951	1,049	1,055	1,048	1,108	1,113	1,120	1,150	1,109	1,111	1,806	13,784	14,777	15,796
Finance charges	51	50	54	51	46	17	54	51	46	100	119	78	719	1,613	1,708
Bulk purchases - Electricity	15,149	6,200	10,000	8,500	2,000	13,467	5,167	6,157	6,525	5,990	5,994	2,111	87,259	85,931	97,419
Contracted services	4,067	77	4,909	2,021	2,231	6,324	2,167	3,248	1,549	3,857	3,268	1,339	35,055	42,185	47,146
Other expenditure	6,121	11,438	8,967	3,381	7,570	18,258	3,833	2,153	3,687	3,235	1,987	2,201	72,834	69,342	71,731
Cash Payments by Type	36,205	28,012	34,603	24,839	22,322	48,957	23,000	23,195	23,520	24,957	22,604	17,741	329,956	342,462	365,979
Other Cash Flows/Payments by Type															
Capital assets	4,149	6,668	1,547	-	1,746	6,815	3,000	2,000	3,876	7,038	1,950	2,672	41,460	49,160	52,160
Other Cash Flows/Payments		18,200	(20,383)	(9,957)	(4,048)	9,706	(11,123)	(8,234)	25,784	(11,000)	(8,055)	2,810	(16,300)		
Total Cash Payments by Type	40,354	52,879	15,766	14,881	20,020	65,479	14,877	16,961	53,181	20,995	16,499	23,223	355,116	391,622	418,139
NET INCREASE/(DECREASE) IN CASH HELD	32,769	(33,136)	1,142	(1,054)	(330)	(776)	2,103	983	636	(3,615)	1,555	(1,429)	(1,153)	(702)	1,476
Cash/cash equivalents at the month/year beginning:	2,414	35,183	2,047	3,189	2,135	1,805	1,028	3,131	4,114	4,750	1,135	2,690	2,414	1,261	559
Cash/cash equivalents at the month/year end:	35,183	2,047	3,189	2,135	1,805	1,028	3,131	4,114	4,750	1,135	2,690	1,261	1,261	559	2,035

2.15. Monthly Capital Expenditure by Municipal Vote

LIM334 Ba-Phalaborwa - Supporting Table SB16 Adjustments Budget - monthly capital expenditure
(municipal vote) - 2017/02/28

Description - Municipal Vote	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands																
<u>Single-year expenditure appropriation</u>																
Vote 1 - Executive and Council		-	-	129	-	-	-	-	-	371	-	-	-	500	900	900
Vote 2 - Budget and Treasury De		-	-	-	-	-	-	-	-	600	400	-	-	1,000	1,000	1,000
Vote 3 - Corporate Services		-	7	-	-	61	64	120	340	3,400	630	1,200	278	6,100	2,200	2,200
Vote 4 - Community and Social S		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Planning and Develop		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Technical Services Depar		3,639	7,327	1,228	-	1,470	5,914	2,113	2,000	11,150	3,519	2,061	1,746	42,168	45,060	48,060
Capital single-year expenditure sub-total	3	3,639	7,334	1,357	-	1,532	5,978	2,233	2,340	15,521	4,549	3,261	2,024	49,768	49,160	52,160
Total Capital Expenditure	2	3,639	7,334	1,357	-	1,532	5,978	2,233	2,340	15,521	4,549	3,261	2,024	49,768	49,160	52,160

2.16. Monthly Capital Expenditure by Standard Classification

LIM334 Ba-Phalaborwa - Supporting Table SB18a Adjustments Budget - capital expenditure on new assets by asset class -
2017/02/28

Description	Ref	Budget Year 2016/17									Budget Year +1 2017/18	Budget Year +2 2018/19
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
Capital expenditure on new assets by Asset Class/Sub-class												
-												
Infrastructure		44,860	-	-	-	-	-	108	108	44,968	45,060	48,060
Infrastructure - Road transport		23,060	-	-	-	-	-	(2,755)	(2,755)	20,305	23,660	23,660
<i>Roads, Pavements & Bridges</i>		23,060						(2,755)	(2,755)	20,305	23,660	23,660
Infrastructure - Electricity		12,600	-	-	-	-	-	-	-	12,600	13,600	16,600
<i>Transmission & Reticulation</i>		12,600								12,600	13,600	16,600
Infrastructure - Other		9,200	-	-	-	-	-	2,863	2,863	12,063	7,800	7,800
<i>Other</i>	3	9,200						2,863	2,863	12,063	7,800	7,800
Other assets		3,600	-	-	-	-	-	1,200	1,200	4,800	4,100	4,100
General vehicles												
Specialised vehicles	18	-	-	-	-	-	-	-	-	-	-	-
Plant & equipment		3,600						1,200	1,200	4,800	4,100	4,100
Total Capital Expenditure on new assets to be adjusted	1	48,460	-	-	-	-	-	1,308	1,308	49,768	49,160	52,160

2.17. Adjustments on Capital Expenditure (New Assets)

LIM334 Ba-Phalaborwa - Supporting Table SB18a Adjustments Budget - capital expenditure on new assets by asset class - 2017/02/28

Description	Ref	Budget Year 2016/17									Budget Year +1 2017/18	Budget Year +2 2018/19
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
Capital expenditure on new assets by Asset Class/Sub-class												
-												
Infrastructure		44,860	-	-	-	-	-	108	108	44,968	45,060	48,060
Infrastructure - Road transport		23,060	-	-	-	-	-	(2,755)	(2,755)	20,305	23,660	23,660
<i>Roads, Pavements & Bridges</i>		23,060						(2,755)	(2,755)	20,305	23,660	23,660
Infrastructure - Electricity		12,600	-	-	-	-	-	-	-	12,600	13,600	16,600
<i>Transmission & Reticulation</i>		12,600								12,600	13,600	16,600
Infrastructure - Other		9,200	-	-	-	-	-	2,863	2,863	12,063	7,800	7,800
<i>Other</i>	3	9,200						2,863	2,863	12,063	7,800	7,800
Other assets		3,600	-	-	-	-	-	1,200	1,200	4,800	4,100	4,100
General vehicles									-	-		
Specialised vehicles	18	-	-	-	-	-	-	-	-	-	-	-
Plant & equipment		3,600						1,200	1,200	4,800	4,100	4,100
Total Capital Expenditure on new assets to be adjusted	1	48,460	-	-	-	-	-	1,308	1,308	49,768	49,160	52,160

2.18. Adjustments on Capital Expenditure on renewal of existing assets by asset class

LIM334 Ba-Phalaborwa - Supporting Table SB18b Adjustments Budget - capital expenditure on renewal of existing assets by asset class - 2017/02/28

Description	Ref	Budget Year 2016/17									Budget Year +1 2017/18	Budget Year +2 2018/19
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		7	8	9	10	11	12	13	14			
R thousands	A	A1	B	C	D	E	F	G	H			
Capital expenditure on renewal of existing assets by Asset Class/Sub-class												
-												
Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-	-	-
<i>Roads, Pavements & Bridges</i>												
<i>Storm water</i>												
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-	-	-
<i>Generation</i>												
<i>Transmission & Reticulation</i>												
<i>Street Lighting</i>												
Infrastructure - Water		-	-	-	-	-	-	-	-	-	-	-
<i>Dams & Reservoirs</i>												
<i>Water purification</i>												
<i>Reticulation</i>												
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-	-	-
<i>Reticulation</i>												
<i>Sewerage purification</i>												
Infrastructure - Other		-	-	-	-	-	-	-	-	-	-	-
<i>Refuse</i>												
<i>Transportation</i>	2											
<i>Gas</i>												
<i>Other</i>	3											

2.19. Adjustments on Expenditure on Repairs and Maintenance

LIM334 Ba-Phalaborwa - Supporting Table SB18c Adjustments Budget - expenditure on repairs and maintenance by asset class - 2017/02/28

Description	Ref	Budget Year 2016/17									Budget Year +1 2017/18	Budget Year +2 2018/19
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
R thousands												
Repairs and maintenance expenditure by Asset Class/Sub-class												
-												
Infrastructure		12,179	-	-	-	-	-	684	684	12,863	12,934	13,698
Infrastructure - Road transport		4,144	-	-	-	-	-	350	350	4,494	4,401	4,660
<i>Roads, Pavements & Bridges</i>		4,144	-	-	-	-	-	350	350	4,494	4,401	4,660
Infrastructure - Electricity		6,500	-	-	-	-	-	(500)	(500)	6,000	6,903	7,310
<i>Transmission & Reticulation</i>		6,500	-	-	-	-	-	(500)	(500)	6,000	6,903	7,310
Infrastructure - Other		1,535	-	-	-	-	-	834	834	2,370	1,631	1,727
<i>Other</i>	3	1,535	-	-	-	-	-	834	834	2,370	1,631	1,727
Community		4,951	-	-	-	-	-	(1,489)	(1,489)	3,462	5,258	5,569
Parks & gardens		2,665	-	-	-	-	-	(1,000)	(1,000)	1,665	2,830	2,997
Cemeteries		619	-	-	-	-	-	-	-	619	658	696
Other		1,667	-	-	-	-	-	(489)	(489)	1,178	1,771	1,875
Other assets		3,318	-	-	-	-	-	(465)	(465)	2,853	3,524	3,731
Plant & equipment		640	-	-	-	-	-	(500)	(500)	140	679	719
Furniture and other office equipment		2,678	-	-	-	-	-	36	36	2,714	2,844	3,012
Total Repairs and Maintenance Expenditure to be adjusted	1	20,448	-	-	-	-	-	(1,269)	(1,269)	19,179	21,716	22,998

LIM334 Ba-Phalaborwa - Supporting Table SB18d Adjustments Budget - depreciation by asset class - 2017/02/28

Description	Ref	Budget Year 2016/17									Budget Year +1 2017/18	Budget Year +2 2018/19
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		7 A	8 A1	9 B	10 C	11 D	12 E	13 F	14 G	15 H		
R thousands												
Depreciation by Asset Class/Sub-class												
-												
Infrastructure		58,899	-	-	-	-	-	(1,000)	(1,000)	57,899	60,666	62,486
Infrastructure - Road transport		39,264	-	-	-	-	-	-	-	39,264	40,441	41,655
<i>Roads, Pavements & Bridges</i>		39,264						-	-	39,264	40,441	41,655
<i>Storm water</i>										-		
Infrastructure - Electricity		7,614	-	-	-	-	-	-	-	7,614	7,842	8,077
<i>Transmission & Reticulation</i>		7,614						-	-	7,614	7,842	8,077
<i>Street Lighting</i>										-		
Infrastructure - Other		12,022	-	-	-	-	-	(1,000)	(1,000)	11,022	12,383	12,754
<i>Other</i>	3	12,022						(1,000)	(1,000)	11,022	12,383	12,754
										-		
Community		8,000	-	-	-	-	-	-	-	8,000	8,240	8,487
Parks & gardens		8,000						-	-	8,000	8,240	8,487
Total Depreciation to be adjusted	1	66,899	-	-	-	-	-	(1,000)	(1,000)	65,899	68,906	70,974

2.20. List of Capital Programmes and Projects affected by Adjustment Budget 2016/17

LIM334 Ba-Phalaborwa - Supporting Table SB19 List of capital programmes and projects affected by Adjustments Budget - 2017/02/28

Municipal Vote/Capital project	Program/Project description	Individually Approved Yes/No	Asset Class	Asset Sub-Class	Medium Term Revenue and Expenditure Framework	
					Budget Year 2016/17	
					Original Budget	Adjusted Budget
R thousand		6	4	4		
Parent municipality:						
Corporate Services	UPGRADING OF ICT INFRASTRUCTURE	Yes	Infrastructure - Other	Computers - software & programming	3,000	4,000
Corporate Services	FURNITURE AND EQUIPMENT	Yes	Other Assets	Furniture and other office equipment	500	700
Technical Services	MASHISHIMALE MULTI SPORT COMPLEX	Yes	Infrastructure - Other	Sportsfields & stadiam	3,800	6,000
Technical Services	SELWANE SPORT COMPLEX	Yes	Infrastructure - Other	Sportsfields & stadiam	3,600	4,263
Technical Services	TAMBO STREET PAVING	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	860	3,405
Technical Services	UPGRADING OF INTERNAL STREET AT FOSKOR	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	3,200	-
Technical Services	TOPVILLE TO SCORE STREET PAVING	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	4,000	6,900
Technical Services	TAMBO STREET PAVING PPHASE 2	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	4,000	1,500
Technical Services	TSHELANG GAPE	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	4,000	1,500

3. OVERVIEW OF ADJUSTMENT BUDGET ASSUMPTIONS

The adjustment budget prioritised service delivery programmes in line with current challenges we are facing as a municipality such as electricity infrastructure and dilapidated roads infrastructure.

The following decisions were made to determine how the approved budget can be adjusted down or upwards and still take into account service delivery issues:

- Collection of electricity revenue should be prioritised in Phalaborwa town
 - There must be full continuous implementation of policies such as credit control and debt collection policy
- No corrections made In line with the provisions of Section 28 of MFMA, errors to be submitted for correction as part of adjustment budget.

4. OVERVIEW OF ADJUSTMENT BUDGET FUNDING

4.1.1 Tariff schedule

The tariff schedule for 2016/17 on all services remains unchanged.

4.1.2 Government Grant and Subsidies allocation

5. COUNCILLORS AND SECTION 57 MANAGERS REMUNERATIONS AND ALLOWANCES

5.1. Disclosure on Councillors remunerations

	Budget 2016/17
MAYOR	R 787,061
SPEAKER	R 629,647
CHIEF WHIP	R 590,296
EXCO MEMBERS(PART TIME)	R 652,402
EXCO MEMBERS(FULL TIME COUNCILLORS)	R 2,361,184
CHAIRPERSON MPAC	R 316,632
PART-TIME COUNCILLORS	R 6,661,575
	<u>R 11,998,797</u>

- Total packages are excluding cell phone and subsistence allowances.

5.2. Disclosure on Section 57 Managers remunerations

Table below illustrates Section 57 manager's remunerations

	Budget 2016/17
Municipal Manager	R 1,531,442
Director Corporate Services	R 1,157,228
Chief Financial Officer	R 786,396
Director Community Services	R 786,401
Director Planning and Economic Development	R 786,401
Director Technical Services	R 786,396
	<u>R 5,834,264</u>

- Total packages are excluding cell phone and subsistence allowances.

6 REVISED SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP)

- The SDBIP will be attached once finalised and approved.

7 LEGISLATION COMPLIANCE STATUS

8.1. Compliance to Municipal Finance Management Act (MFMA, 56 of 2003)

The MFMA came into effect on 01 July 2004. This legislation provides for significant changes in the way municipalities in South Africa manage their financial affairs. The legislation not only deals with Financial Management issues but also with general management issues.

MUNICIPAL MANAGER’S QUALITY

QUALITY CERTIFICATE

I **Moakamela MI**, Acting Municipal Manager of **BA-PHALABORWA LOCAL MUNICIPALITY (LIM334)** hereby certify that the adjustment budget and its supporting documentation have been prepared in accordance with the Municipal Finance Management act and the regulations made under the Act, and that the adjustments budget and supporting documentation are consistent with the Integrated Development Plan of the Municipality.

Print Name _____

Municipal Manager of _____ **LIM334**

Signature _____

Date _____