

Ba-Phalaborwa Municipality



“Home of Marula and Wildlife Tourism”

ANNUAL BUDGET 2014/15 MTREF

Vision

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



Mission

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

Values

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

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ABBREVIATIONS/ACCRONYMS

CFO	Chief Financial Officer
CPIX	Consumer Price Index
DoRA	Division of Revenue Act
DPLG	Department of Provincial and Local Government
DLGH	Department of Local Government and Housing
EXCO	Executive Committee
GRAP	Generally Recognised Accounting Practice
IDP	Integrated Development Plan
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
MPRA	Municipal Property Rates Act
MTREF	Medium Term Revenue and Expenditure Framework
NERSA	National Electricity Regulation of South Africa
NT	National Treasury
PMS	Performance Management System
PPP	Public-Private Partnerships
SALGA	South African Local Government Association
SDBIP	Service Delivery Budget and Implementation Plan

PART ONE

ANNUAL BUDGET

1. MAYOR'S REPORT

BA- PHALABORWA LOCAL MUNICIPALITY'S BUDGET SPEECH FOR 2014/15

Delivered by Mayor, Cllr. NA Sono

On 31th May 2014

Honourable Speaker, Cllr. MD Maake,
Chief Whip of Council, Cllr. SL Mohlala,
Members of the Executive Committee,
The ANC Regional Leadership present today,
Leaders of Opposition Parties,
Traditional Leaders,
Fellow Cllrs,
Community at large,
Distinguished Guests,
Members of the Media,
Ladies and Gentlemen,

Good Morning/Afternoon,

Honourable Speaker, Ke leboga Modimo yo a tshepegilego ge a sepetse le rena tseleng ye thata yeo re e sepetsego ngwaga ka moka. I furthermore thank, God for giving me the strength to continue discharging my responsibilities. We are gathered here today to table and approve the 2014/15 IDP, Budget and PMS in line with the provisions of the Municipal Finance Management Act, Act 56 of 2003.

Honourable Speaker, we have just emerged from very vibrant elections. The millions of South African voters made us, their public representatives, the custodians of their hopes and dreams as the ruling party to move South Africa forward.

Honourable Speaker, I also wish to reiterate our appreciation to all community members for participating actively in the elections. We must emphasize that the responsibility of voters did not end at the polling stations, we must work together to build a better South Africa.

The next five years will depend on us as public representatives to serve them with dignity and respect, our people have high expectations.

Annual Budget 2014/15

Honourable Speaker, this is the third budget that I present on behalf of this council ever since its inauguration in **June 2011**. The 2014/15 budget was prepared under challenging circumstances. It took a lot of effort and creativity to balance the needs of our communities as captured in the IDP with the current budget. As you are all aware, we are faced with infrastructure challenges ranging from roads, electricity, water and sanitation, only to cite a few examples.

In the preparation for this budget we took into account several factors and challenges that affects our communities. The Budget I am presenting today will address amongst other things the following:

The 2014/15 Budget

Honourable Speaker, for the 2014/15 budget a considerate effort was put to align our strategic objectives with the IDP and Budget. The 2014/15 budget amounts to **R499 Million**. This budget comprises of **R438, 819** Million operational expenditure and **R61, 179** Million capital expenditure.

Total revenue has grown by R26, 700 million for the 2014/15 financial year compared to the 2013/14 Adjustments Budget.

The capital budget for 2014/15 has increased by 26.1 per cent increase compared to the 2013/14 Adjustment Budget.

The increase is due to various projects being added in the 2014/15 financial year to address the issue of service delivery. The total capital expenditure will be funded by grants and subsidies and internally generated funds.

The budget we are tabling today is having a deficit amount totalled to R45 million (Non-cash items _ Depreciation of assets R74, 909 million and debt impairment R31, 558million)

Honourable Speaker, we must put strict measures in place in order to maximize our revenue source. It is therefore, imperative for this municipality to enhance mechanisms that will assist us to educate, persuade and compel our people to do the right thing – **Paying for municipal services**.

Tariffs

Honourable Speaker, it is envisaged that the proposed tariffs will allow the municipality to generate sufficient revenue to sustain its operations. The 2014/15 tariffs has been reviewed and analysis has been conducted to asses affordability level of our community. However, NERSA is governing the electricity tariff increases.

The annexure of tariff book is attached on the budget document to highlight the categories of increases. The municipality has also introduced the Inclining block tariff on electricity. Members of the community are encouraged to allow access into their yards where meters are located to avoid exorbitant charges.

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

2. ANNUAL BUDGET RESOLUTIONS

The Council of Ba-Phalaborwa Local Municipality in its seating on 31 May 2014 resolved as follows with regard to the annual Budget for 2014/15 Medium-Term Revenue and Expenditure Framework:

2.1. Annual Budget for 2014/15 MTREF

Council resolved that the budget and MTREF and its supporting tables of the Ba-Phalaborwa municipality for the financial year 2014/15; be approved as set out in the following tables:

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

2.2. Annual Budget Supporting Tables for 2014/15 MTREF

That the budget of Ba-Phalaborwa municipality for the financial year 2014/15; and indicative figures for the two projected outer years 2015/16 and 2016/17 be approved as set-out in the following supporting tables:

Table MBRR SA1	Supporting details to budgeted financial performance
Table MBRR SA2	Consolidated Matrix Financial performance
Table MBRR SA3	Budgeted financial position
Table MBRR SA7	Measurable performance objective
Table MBRR SA8	Performance indicators and benchmark
Table MBRR SA9	Social, economic and demographic statistics and assumptions
Table MBRR SA10	Funding Measurements
Table MBRR SA11	Property rates summary,
TableMBRSA12&13	Property rates category
Table MBRR SA14	Household bills
Table MBRR SA15	Investment particulars
Table MBRR SA16	Investment particulars by maturity
Table MBRR SA17	Borrowing
Table MBRR SA20	Reconciliation of transfer, grant receipt and unspent funds
Table MBRR SA21	Transfer and grants made by the municipality
Table MBRR SA22	Summary of councillor and staff benefits
Table MBRR SA23	Salaries, allowances & benefits
Table MBRR SA25	Budgeted monthly revenue and expenditure (Standard Item)
Table MBRR SA26	Budgeted monthly revenue and expenditure (Municipal vote)
Table MBRR SA27	Budgeted monthly revenue and expenditure (Standard classification)
Table MBRR SA28	Budgeted monthly capital expenditure(Municipal vote)

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Table MBRR SA29	Budgeted monthly capital expenditure(Standard classification)
Table MBRR SA30	Budgeted monthly cash flow
Table MBRR SA33	Contract having future budgetary implications
Table MBRR SA34	Capital expenditure by asset classification
Table MBRR SA35	Future financial implications of the capital budget
Table MBRR SA36	Detailed capital budget
Table MBRR SA37	Detailed capital projects delayed from previous financial

2.3.Property Rates and other municipal tax

Council resolves that **adopted** property rates and other municipal tax as reflected on Tariff Schedule (Annexure A) are **imposed** for the budget year 2014/15

2.4.Tariffs and charges

Council resolves that the tariffs and charges reflected on Tariff Schedule (Annexure A and B) are **approved** for 2014/15 budget year be adopted for implementation.

2.5.Integrated Development Plan

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

2.6.Credit Control, Debt Collection

Council resolves that the adopted credit control, debt collection and Consumer Care Policies be approved for 2014/15 financial year

2.7. Indigent Policies

Council resolves that the adopted Indigent Household Consumers Subsidy Policy be approved for 2014/15 financial year.

Indigent Support

- 2.7.1. Council resolves to support indigents households **approved** as per adopted indigent household consumer policy
- 2.7.2. Council further resolves that, in the event that the total subsidy in respect of approved indigents exceeds the budgeted amount, the excess amount be re-allocated from the current provision for bad debts to the relevant indigent subsidies, in view of the fact that the current bad debt is adequately provided for and the resolution related to the approval of the Indigent Policy will remain intact.
- 2.7.3. Council resolves that for the 2014/15 financial year the indigents are subsidized as set out in adopted Household Consumer and Subsidy Policy and that the subsidy will consist of the following:
 1. 6 kl of water per indigent household per month, where metered, alternatively the flat rate levied
 2. 50 kw of electricity per indigent household per month, where metered, alternatively the flat rate levied
 3. 100% Free refuse removal from residential stands in accordance with the Tariff Schedule
 4. 100% Free sewer services to residential stands in accordance with the municipality's Tariff Schedule
 5. Payment of Rates and Taxes on a residential property in accordance with the municipality's Property Rates and Tariff Policies
 6. Payment of rental on council-occupied residential property in accordance with the municipality's Tariff Policy

Budget related policies

Council resolves that the following 2014/15 budget related policies be approved:

1. Property Rates Policy
2. Tariff Policy
3. Credit Control Policy
4. Debt Collection Policy
5. Indigent Household Consumer Subsidy policy
6. Supply chain management policy
7. Virement policy
8. Budget policy
9. Petty Cash policy
10. Asset Management Policy
11. Bad Debts Write Off
12. Deposit Policy
13. Cash management and Investment Policy
14. Fleet management Policy
15. Electricity by-laws
16. Land use by-law
17. Electricity supply by-laws
18. Subsistence and travelling policy

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In conclusion, Honorable Speaker, I reiterate my willingness to work together with all political parties, stakeholders and communities to find workable solutions in a range of diverse challenges facing the municipality. I again stand grateful for the thrust bestowed in us by the communities to lead this council.

We have a duty and responsibility to ensure that we stand firm and remain in the centre of our work throughout our term of office and we dare not to disappoint them.

I thank you.

CLLR MD MAAKE

SPEAKER OF BA-PHALABORWA LOCAL MUNICIPALITY COUNCIL

3. EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

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

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

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

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

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

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

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Key areas where savings were realized were on telephone and internet usage, printing, workshops, national travel, accommodation, and catering. The Minister of Finance stated in his 2013 Budget Speech: "The NDP reminds us that South Africa needs to invest in a strong network of economic infrastructure designed to support the country's medium- and long-term economic and social objectives".

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

National Treasury's MFMA Circular No. 64, 66, 67, 70 and 72 were used to guide the compilation of the budget 2014/15 to 2016/17 annual budget and MTREF. The planning of the budget involved consideration of all factors, which had far reaching implications on the annual budget of the municipality.

The 2014/15- 2016/17 budget and medium-term revenue and expenditure framework was prepared on the basis of the following priorities, guidelines and assumptions:

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1. **National priorities**

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

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

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

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

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

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

LIM334 Ba-Phalaborwa - Table A1 Budget Summary

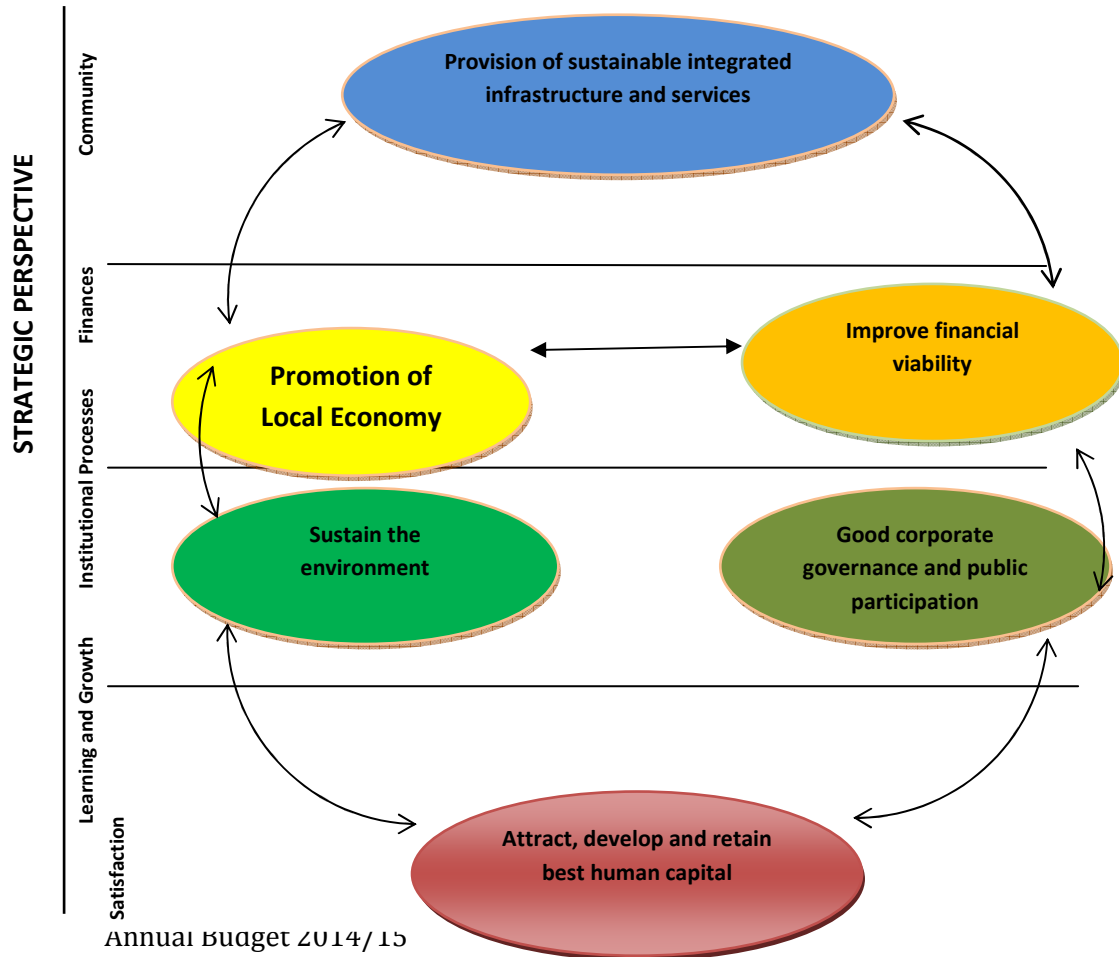
Description	2012/13	Current Year 2013/14		2014/15 Medium Term Revenue & Expenditure Framework			
	R thousands	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Financial Performance							
Other own revenue	190,512	260,636	268,343	267,761	278,270	283,957	
Transfers recognised - operational	65,471	74,154	74,154	88,490	111,786	114,548	
Transfers recognised - capital	32,895	29,333	24,333	37,279	39,248	44,734	
Total Revenue (excluding capital transfers and contributions)	288,879	364,123	366,830	393,530	429,304	443,239	
Employee costs	93,712	111,154	111,750	118,379	125,955	134,017	
Remuneration of councillors	9,052	12,185	11,175	12,855	13,678	14,554	
Depreciation & asset impairment	69,182	76,500	76,500	74,909	75,061	75,812	
Finance charges	226	803	963	848	891	900	
Materials and bulk purchases	53,402	82,060	81,060	82,573	90,989	91,898	
Other expenditure	172,461	187,557	188,981	149,254	154,665	156,212	
Total Expenditure	398,036	470,260	470,430	438,819	461,239	473,392	
Surplus/(Deficit)	(109,157)	(106,137)	(103,600)	(45,289)	(31,935)	(30,152)	
Capital expenditure & funds sources							
Transfers recognised - capital	29,238	29,220	24,220	37,279	39,248	44,734	
Internally generated funds	13,711	31,400	24,310	23,900	37,045	31,425	
Total sources of capital funds	42,949	60,620	48,530	61,179	76,294	76,159	

Total revenue has grown by 7.3 per cent or R26,700 million for the 2014/15 financial year compared to the 2013/14 Adjustments Budget. For the next two coming years, operational revenue will increase by 9.1 and 3.2 per cent respectively.

Total expenditure for the 2014/15 financial year has been appropriated at R439 million and translates into a budgeted deficit of R45 million resulting from non cash items (Depreciation and Debtors impairment). When compared to the 2013/14 Adjustments Budget, total operating expenditure has decreased by 7 per cent in the 2014/15 budget and increases by 4.9 and 2.6 per cent for each of the respective outer years of the MTREF.

The capital budget for 2014/15 has increased by 26.1 per cent increase compared to the 2013/14 Adjustment Budget. The increase is due to various projects being added in the 2014/15 financial year to address the issue of service delivery. The total capital expenditure will be funded by grants and subsidies and internally generated funds.

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



4. ANNUAL BUDGET TABLES

4.1. BUDGET SUMMARY

LIM334 Ba-Phalaborwa - Table A1 Budget Summary

Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Financial Performance										
Property rates	72,123	34,049	60,257	65,100	65,100	65,100	65,100	70,634	76,637	80,404
Service charges	72,361	73,480	79,414	101,515	102,770	102,770	102,770	106,664	107,551	108,626
Investment revenue	168	177	332	250	310	310	310	260	270	273
Transfers recognised - operational	54,769	59,910	65,471	74,154	74,154	74,154	74,154	88,490	111,786	114,548
Other own revenue	39,665	45,313	50,508	93,771	100,163	100,163	100,163	90,204	93,812	94,655
Total Revenue (excluding capital transfers and contributions)	239,086	212,929	255,983	334,790	342,497	342,497	342,497	356,251	390,055	398,506
Employee costs	72,786	92,800	93,712	111,154	111,750	111,750	111,750	118,379	125,955	134,017
Remuneration of councillors	11,540	9,054	9,052	12,185	11,175	11,175	11,175	12,855	13,678	14,554
Depreciation & asset impairment	38,171	74,449	69,182	76,500	76,500	76,500	76,500	74,909	75,061	75,812
Finance charges	811	434	226	803	963	963	963	848	891	900
Materials and bulk purchases	41,106	56,508	53,402	82,060	81,060	81,060	81,060	82,573	90,989	91,898
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	119,388	83,914	172,461	187,557	188,981	188,981	188,981	149,254	154,665	156,212
Total Expenditure	283,802	317,159	398,036	470,260	470,430	470,430	470,430	438,819	461,239	473,392
Surplus/(Deficit)	(44,716)	(104,230)	(142,052)	(135,470)	(127,933)	(127,933)	(127,933)	(82,567)	(71,184)	(74,886)
Transfers recognised - capital	19,913	20,774	32,895	29,333	24,333	24,333	24,333	37,279	39,248	44,734
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(24,803)	(83,457)	(109,157)	(106,137)	(103,600)	(103,600)	(103,600)	(45,289)	(31,935)	(30,152)

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Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(24,803)	(83,457)	(109,157)	(106,137)	(103,600)	(103,600)	(103,600)	(45,289)	(31,935)	(30,152)
<u>Capital expenditure & funds sources</u>										
Capital expenditure	-	-	42,949	60,620	48,530	48,530	48,530	61,179	76,294	76,159
Transfers recognised - capital	-	-	29,238	29,220	24,220	24,220	24,220	37,279	39,248	44,734
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	13,711	31,400	24,310	24,310	24,310	23,900	37,045	31,425
Total sources of capital funds	-	-	42,949	60,620	48,530	48,530	48,530	61,179	76,294	76,159
<u>Financial position</u>										
Total current assets	89,733	159,157	56,845	182,428	182,428	182,428	182,428	171,542	175,132	179,901
Total non current assets	1,148,527	1,120,980	1,057,189	1,231,748	1,231,748	1,231,748	1,231,748	1,284,539	1,360,832	1,436,991
Total current liabilities	208,420	322,232	373,494	9,000	9,000	9,000	9,000	1,500	1,650	1,700
Total non current liabilities	25,650	36,618	33,736	189	189	189	189	230,000	198,000	166,000
Community wealth/Equity	1,004,189	921,286	706,805	1,404,987	1,404,987	1,404,987	1,404,987	1,224,581	1,336,315	1,449,192
<u>Cash flows</u>										
Net cash from (used) operating	67,218	(9,007)	86,016	61,635	39,965	39,965	39,965	51,306	60,563	65,210
Net cash from (used) investing	(76,137)	(114,466)	(42,949)	(60,620)	(38,530)	(38,530)	(38,530)	(51,179)	(60,529)	(64,669)
Net cash from (used) financing	(3,124)	115,031	(941)	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	(12,453)	(20,895)	21,231	4,015	2,572	2,572	2,572	2,227	2,262	2,803
<u>Cash backing/surplus reconciliation</u>										
Cash and investments available	(12,453)	(20,895)	2,066	3,000	3,000	3,000	3,000	3,600	3,800	3,900
Application of cash and investments	109,920	138,686	321,534	(132,827)	(137,028)	(137,028)	(137,028)	(132,579)	(138,121)	(147,613)
Balance - surplus (shortfall)	(122,373)	(159,581)	(319,468)	135,827	140,028	140,028	140,028	136,179	141,921	151,513

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Asset management											
Asset register summary (WDV)	319	227	313	1,231,748	1,231,748	1,231,748	1,284,539	1,284,539	1,360,832	1,436,991	
Depreciation & asset impairment	38,171	74,449	69,182	76,500	76,500	76,500	74,909	74,909	75,061	75,812	
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-	
Repairs and Maintenance	-	-	-	-	-	-	19,291	19,291	19,823	20,021	
Free services											
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-	
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-	
Households below minimum service level											
Water:	0	0	0	0	0	0	0	0	0	0	
Sanitation/sewerage:	7	7	7	6	6	6	6	6	6	6	
Energy:	-	-	-	-	-	-	-	-	-	-	
Refuse:	-	-	-	21	21	21	21	21	21	21	

NOTES

- Total Revenue excluding capital transfers and contributions is estimated at R 356M for 2014/15 FY , R390M and R399M for the year 2015/16 and 2016/17 respectively.
- Total Expenditure is estimated at R439M for 2014/15 FY
- Our budget shows a deficit of R 45M after capital transfers & contributions for 2014/15 FY and of which is as a results of non cash items which are supposed to be included in the budget as per the MBRR(Municipal Budget and Reporting Regulation)
- Our Total Capital expenditure for the year 2014/15 is estimated at R61.1M, which constitute an amounts of R37.2M from transfers recognized- Capital and R 23.9M being funds to be generated internally.

4.2. BUDGETED FINANCIAL PERFORMANCE

LIM334 Ba-Phalaborwa - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand	1									
Revenue - Standard										
Governance and administration		161,681	135,252	170,792	222,410	222,428	222,428	231,995	265,753	273,007
Executive and council		-	-	-	-	-	-	-	-	-
Budget and treasury office		161,497	131,245	170,288	222,102	222,121	222,121	231,665	265,400	272,651
Corporate services		185	4,007	504	308	308	308	330	353	357
Community and public safety		7,215	2,663	4,777	7,889	13,943	13,943	14,186	14,454	14,504
Community and social services		186	2,652	3,906	5,969	11,423	11,423	11,565	11,683	11,705
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		7,028	11	871	1,920	2,520	2,520	2,621	2,771	2,799
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		17,742	20,828	29,895	32,309	27,689	27,689	31,685	35,546	37,102
Planning and development		-	1,825	-	15	395	395	-	-	-
Road transport		17,742	19,004	29,895	32,294	27,294	27,294	31,685	35,546	37,102
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		72,361	76,155	83,414	101,515	102,770	102,770	115,664	113,551	118,626
Electricity		63,807	67,170	74,292	92,002	92,002	92,002	104,327	101,653	106,609
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		8,555	8,985	9,123	9,513	10,768	10,768	11,337	11,898	12,017
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	258,999	234,899	288,879	364,123	366,830	366,830	393,530	429,304	443,239
Expenditure - Standard	-									
Governance and administration		158,650	113,969	194,353	167,814	166,219	166,219	166,186	181,754	187,294
Executive and council		20,349	19,772	25,772	36,456	33,534	33,534	36,507	38,734	40,723
Budget and treasury office		118,603	60,728	144,420	87,659	92,142	92,142	87,451	98,389	100,533
Corporate services		19,698	33,468	24,160	43,699	40,544	40,544	42,227	44,630	46,039
Community and public safety		29,780	32,989	33,767	52,146	53,096	53,096	58,282	61,689	64,364
Community and social services		24,437	24,631	25,244	41,185	42,880	42,880	46,217	48,757	50,958
Sport and recreation		-	-	-	-	-	-	-	-	-

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Public safety		5,343	8,357	8,523	10,961	10,215	10,215	12,066	12,932	13,406
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		40,128	82,837	90,450	119,151	119,574	119,574	101,776	95,723	97,859
Planning and development		5,697	8,180	7,038	11,910	11,505	11,505	17,094	11,004	11,541
Road transport		34,431	74,657	83,412	107,241	108,069	108,069	84,682	84,719	86,318
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		55,244	88,561	79,467	131,149	131,541	131,541	112,575	122,073	123,875
Electricity		52,967	84,387	75,856	125,959	126,269	126,269	107,174	116,421	118,125
Water		-	2,227	-	-	-	-	-	-	-
Waste water management		-	2	-	-	-	-	-	-	-
Waste management		2,277	1,945	3,611	5,190	5,272	5,272	5,401	5,652	5,749
Other	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	283,802	318,356	398,036	470,260	470,430	470,430	438,819	461,239	473,392
Surplus/(Deficit) for the year		(24,803)	(83,457)	(109,157)	(106,137)	(103,600)	(103,600)	(45,289)	(31,935)	(30,152)

NOTES

- Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification.
- Total Revenue by Standard Classification will be R393M for the year 2014/15 and total Expenditure by Standard Classification is estimated at R439M.
- It must be noted that the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4
- The municipality will have a deficit of R45M at the end of the financial year 2014/15, and of which is as a result of non cash items(Debt impairment and Depreciation and Asset impairment)

4.3. BUDGETED FINANCIAL PERFORMANCE BY MUNICIPAL VOTE

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

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue by Vote	1									
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury Department		161,497	131,245	170,288	222,102	222,121	222,121	231,665	265,400	272,651
Vote 3 - Corporate Services		185	4,007	504	308	308	308	330	353	357
Vote 4 - Community and Social Services		15,769	11,648	13,899	17,402	24,711	24,711	25,522	26,352	26,521
Vote 5 - Planning and Development		-	1,825	-	15	395	395	-	-	-
Vote 6 - Technical Services Department		81,548	86,174	104,187	124,296	119,296	119,296	136,012	137,199	143,711
Total Revenue by Vote	2	258,999	234,899	288,879	364,123	366,830	366,830	393,530	429,304	443,239
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive and Council		20,349	19,772	25,772	36,456	33,534	33,534	36,507	38,734	40,723
Vote 2 - Budget and Treasury Department		118,603	60,728	144,420	87,659	92,142	92,142	87,451	98,389	100,533
Vote 3 - Corporate Services		19,698	33,468	24,160	43,699	40,544	40,544	42,227	44,630	46,039
Vote 4 - Community and Social Services		32,057	34,934	37,378	57,336	58,368	58,368	63,683	67,341	70,113
Vote 5 - Planning and Development		5,697	8,180	7,038	11,910	11,505	11,505	17,094	11,004	11,541
Vote 6 - Technical Services Department		87,398	161,274	159,269	233,200	234,338	234,338	191,856	201,140	204,443
Total Expenditure by Vote	2	283,802	318,356	398,036	470,260	470,430	470,430	438,819	461,239	473,392
Surplus/(Deficit) for the year	2	(24,803)	(83,457)	(109,157)	(106,137)	(103,600)	(103,600)	(45,289)	(31,935)	(30,152)

Notes

- Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote.
- This table facilitates the view of the budgeted operating performance in relation to the organisational structure of Ba-phalaborwa municipality, this means it is possible to present the operating surplus or deficit of a vote.
- Total Revenue by Municipal Vote will be R393,5M for the year 2014/15 and total Expenditure by Vote is estimated at R439M.
- And as a results, the municipality will be facing a deficit of R45M at the end of the financial year 2014/15, but shows a surplus if you subtract the non cash items.

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4.4. BUDGETED MUNICIPAL PERFORMANCE REVENUE AND EXPENDITURE

LIM334 Ba-Phalaborwa - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand	1										
Revenue By Source											
Property rates	2	72,123	34,049	60,257	65,100	65,100	65,100	65,100	70,634	76,637	80,404
Service charges - electricity revenue	2	63,807	64,500	70,292	92,002	92,002	92,002	92,002	95,327	95,653	96,609
Service charges - refuse revenue	2	8,555	8,980	9,123	9,513	10,768	10,768	10,768	11,337	11,898	12,017
Rental of facilities and equipment		185	200	295	308	308	308	308	330	353	357
Interest earned - external investments		168	177	332	250	310	310	310	260	270	273
Interest earned - outstanding debtors		14,524	41,117	42,369	84,568	84,568	84,568	84,568	74,644	77,905	78,685
Dividends received					2	2	2	2	3	3	3
Fines		510	426	871	1,900	2,500	2,500	2,500	2,600	2,750	2,778
Licences and permits		6,519	1,482	2,375	5,690	11,185	11,185	11,185	9,021	9,057	9,053
Agency services			560	1,531		-	-	-	2,255	2,327	2,350
Transfers recognised - operational		54,769	59,910	65,471	74,154	74,154	74,154	74,154	88,490	111,786	114,548
Other revenue	2	17,742	1,528	3,068	1,303	1,601	1,601	1,601	1,352	1,416	1,430
Gains on disposal of PPE		186									
Total Revenue (excluding capital transfers and contributions)		239,086	212,929	255,983	334,790	342,497	342,497	342,497	356,251	390,055	398,506
Expenditure By Type											
Employee related costs	2	72,786	92,800	93,712	111,154	111,750	111,750	111,750	118,379	125,955	134,017
Remuneration of councillors		11,540	9,054	9,052	12,185	11,175	11,175	11,175	12,855	13,678	14,554
Debt impairment	3	51,937		108,991	29,913	27,100	27,100	27,100	31,558	33,168	33,499
Depreciation & asset impairment	2	38,171	74,449	69,182	76,500	76,500	76,500	76,500	74,909	75,061	75,812
Finance charges		811	434	226	803	963	963	963	848	891	900
Bulk purchases	2	41,106	56,508	53,402	82,060	81,060	81,060	81,060	82,573	90,989	91,898
Other materials	8										
Contracted services		5,976	17,648	10,096	28,453	42,868	42,868	42,868	45,536	46,851	47,319
Other expenditure	4, 5	59,376	66,358	53,460	129,191	119,013	119,013	119,013	72,160	74,646	75,393
Loss on disposal of PPE		2,099	(92)	(86)							
Total Expenditure		283,802	317,159	398,036	470,260	470,430	470,430	470,430	438,819	461,239	473,392

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Surplus/(Deficit)		(44,716)	(104,230)	(142,052)	(135,470)	(127,933)	(127,933)	(127,933)	(82,567)	(71,184)	(74,886)
Transfers recognised - capital		19,913	20,774	32,895	29,333	24,333	24,333	24,333	37,279	39,248	44,734
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		(24,803)	(83,457)	(109,157)	(106,137)	(103,600)	(103,600)	(103,600)	(45,289)	(31,935)	(30,152)
Taxation											
Surplus/(Deficit) after taxation		(24,803)	(83,457)	(109,157)	(106,137)	(103,600)	(103,600)	(103,600)	(45,289)	(31,935)	(30,152)
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		(24,803)	(83,457)	(109,157)	(106,137)	(103,600)	(103,600)	(103,600)	(45,289)	(31,935)	(30,152)
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		(24,803)	(83,457)	(109,157)	(106,137)	(103,600)	(103,600)	(103,600)	(45,289)	(31,935)	(30,152)

Notes

- Total Revenue (excluding capital transfers and contributions) will be R356 million for 2014/15 financial year and escalates to R390 million for 2015/16 financial year and R399 million for 2016/17 financial year.
- Revenue to be generated from property rate is estimated at R70 million in 2014/15 financial year and increases to R76,6 million in 2015/16.
- Services charges relating to electricity, and refuse removal constitutes the biggest component of the revenue basket for Ba-phalaborwa municipality totaling to R106,7 million for 2014/15 financial year and increasing to R107.6 million for 2015/16 financial year.
- Transfers recognised – operating includes the local government equitable share which shows an increase for the two outer years.
- Total Expenditure is estimated at R470M for 2014/15 FY, and the municipality is anticipating a deficit of R45M at the end of the financial year.

4.5. BUDGETED CAPITAL EXPENDITURE BY VOTE

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

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand	1										
Capital expenditure - Vote											
Single-year expenditure to be appropriated	2										
Vote 1 - Executive and Council		-	-	-	1,900	600	600	600	-	-	-
Vote 2 - Budget and Treasury Department		-	-	-	1,500	1,680	1,680	1,680	-	-	-
Vote 3 - Corporate Services		-	-	3,398	5,400	2,356	2,356	2,356	4,500	4,500	4,500
Vote 4 - Community and Social Services		-	-	1,711	7,000	-	-	-	1,600	1,600	1,600
Vote 5 - Planning and Development		-	-	-	2,700	2,000	2,000	2,000	-	-	-
Vote 6 - Technical Services Department		-	-	37,840	42,120	41,894	41,894	41,894	55,079	70,194	70,059
Capital single-year expenditure sub-total		-	-	42,949	60,620	48,530	48,530	48,530	61,179	76,294	76,159
Total Capital Expenditure - Vote		-	-	42,949	60,620	48,530	48,530	48,530	61,179	76,294	76,159
Capital Expenditure - Standard											
Governance and administration		-	-	3,398	8,800	4,636	4,636	4,636	4,500	4,500	4,500
Executive and council					1,900	600	600	600	-	-	-
Budget and treasury office					1,500	1,680	1,680	1,680	-	-	-
Corporate services				3,398	5,400	2,356	2,356	2,356	4,500	4,500	4,500
Community and public safety		-	-	1,711	7,000	-	-	-	1,600	1,600	1,600
Community and social services				1,711	6,000	-	-	-	1,000	1,000	1,000
Sport and recreation					1,000	-	-	-	-	-	-
Public safety								600	600	600	
Economic and environmental services		-	-	26,169	24,820	23,814	23,814	23,814	27,279	42,694	42,559
Planning and development					2,700	2,000	2,000	2,000	-	-	-
Road transport				26,169	22,120	21,814	21,814	21,814	27,279	42,694	42,559
Environmental protection											
Trading services		-	-	11,672	20,000	20,080	20,080	20,080	27,800	27,500	27,500
Electricity				11,672	20,000	20,080	20,080	20,080	27,800	27,500	27,500
Total Capital Expenditure - Standard	3	-	-	42,949	60,620	48,530	48,530	48,530	61,179	76,294	76,159

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Funded by:											
National Government				29,238	29,220	24,220	24,220	24,220	37,279	39,248	44,734
Provincial Government											
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	-	-	29,238	29,220	24,220	24,220	24,220	37,279	39,248	44,734
Public contributions & donations	5										
Borrowing	6	-	-								
Internally generated funds				13,711	31,400	24,310	24,310	24,310	23,900	37,045	31,425
Total Capital Funding	7	-	-	42,949	60,620	48,530	48,530	48,530	61,179	76,294	76,159

4.6. BUDGETED FINANCIAL POSITION

LIM334 Ba-Phalaborwa - Table A6 Budgeted Financial Position

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
ASSETS											
Current assets											
Cash		2	1,499	2,066	2,500	2,500	2,500	2,500	2,100	2,100	2,100
Call investment deposits	1	3,610	2	–	500	500	500	500	1,500	1,700	1,800
Consumer debtors	1	74,407	152,863	45,372	150,087	150,087	150,087	150,087	158,442	161,832	166,501
Other debtors		3,536	349	4							
Current portion of long-term receivables					20,000	20,000	20,000	20,000	–	–	–
Inventory	2	8,177	4,443	9,403	9,341	9,341	9,341	9,341	9,500	9,500	9,500
Total current assets		89,733	159,157	56,845	182,428	182,428	182,428	182,428	171,542	175,132	179,901
Non current assets											
Long-term receivables											
Investments											
Investment property					6,000	6,000	6,000	6,000	–	–	–
Investment in Associate											
Property, plant and equipment	3	1,148,209	1,120,753	1,056,876	1,222,960	1,222,960	1,222,960	1,222,960	1,284,139	1,360,432	1,436,591
Agricultural					250	250	250	250	–	–	–
Biological		319	227	313	238	238	238	238	400	400	400
Intangible					2,300	2,300	2,300	2,300	–	–	–
Other non-current assets											
Total non current assets		1,148,527	1,120,980	1,057,189	1,231,748	1,231,748	1,231,748	1,231,748	1,284,539	1,360,832	1,436,991
TOTAL ASSETS		1,238,260	1,280,137	1,114,035	1,414,176	1,414,176	1,414,176	1,414,176	1,456,081	1,535,965	1,616,892
LIABILITIES											
Current liabilities											
Bank overdraft	1	16,065	22,397						–	–	–
Borrowing	4	3,434	6,530	–	4,200	4,200	4,200	4,200	–	–	–
Consumer deposits		987	1,231	2,981					1,500	1,650	1,700
Trade and other payables	4	187,934	292,076	370,513	–	–	–	–	–	–	–

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Provisions					4,800	4,800	4,800	4,800			
Total current liabilities		208,420	322,232	373,494	9,000	9,000	9,000	9,000	1,500	1,650	1,700
Non current liabilities											
Borrowing		2,140	4,651	–	189	189	189	189	210,000	180,000	150,000
Provisions		23,510	31,967	33,736	–	–	–	–	20,000	18,000	16,000
Total non current liabilities		25,650	36,618	33,736	189	189	189	189	230,000	198,000	166,000
TOTAL LIABILITIES		234,071	358,851	407,230	9,189	9,189	9,189	9,189	231,500	199,650	167,700
NET ASSETS	5	1,004,189	921,286	706,805	1,404,987	1,404,987	1,404,987	1,404,987	1,224,581	1,336,315	1,449,192
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		1,004,189	921,286	706,805	106,137	106,137	106,137	106,137			
Reserves	4	–	–	–	1,298,850	1,298,850	1,298,850	1,298,850	1,224,581	1,336,315	1,449,192
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5	1,004,189	921,286	706,805	1,404,987	1,404,987	1,404,987	1,404,987	1,224,581	1,336,315	1,449,192

NOTES

- Table 6 is supported by an extensive table of notes (SA3) providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non current;
 - Changes in net assets; and
 - Reserves
- Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position.
- As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end.
- Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt.

4.7. BUDGETED CASH FLOWS

LIM334 Ba-Phalaborwa - Table A7 Budgeted Cash Flows

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		184,130	153,019	205,283	230,440	244,710	244,710	244,710	223,835	237,265	251,501
Government - operating	1	54,769	60,310	64,589	74,154	74,154	74,154	74,154	88,490	111,786	114,548
Government - capital	1	19,913	20,374	33,778	29,333	24,333	24,333	24,333	37,279	39,248	44,734
Interest				42,701	250	311	311	311	4,054	4,297	4,555
Dividends						-					
Payments											
Suppliers and employees		(190,784)	(242,276)	(260,109)	(271,738)	(302,731)	(302,731)	(302,731)	(301,504)	(331,127)	(349,160)
Finance charges		(811)	(434)	(226)	(803)	(812)	(812)	(812)	(848)	(905)	(967)
Transfers and Grants	1					-	-	-			
NET CASH FROM/(USED) OPERATING ACTIVITIES		67,218	(9,007)	86,016	61,635	39,965	39,965	39,965	51,306	60,563	65,210
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		959	244								
Decrease (increase) in non-current debtors			3,734								
Decrease (increase) other non-current receivables		(47,681)	(78,457)								
Decrease (increase) in non-current investments											
Payments											
Capital assets		(29,415)	(39,987)	(42,949)	(60,620)	(38,530)	(38,530)	(38,530)	(51,179)	(60,529)	(64,669)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(76,137)	(114,466)	(42,949)	(60,620)	(38,530)	(38,530)	(38,530)	(51,179)	(60,529)	(64,669)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing			123,037								
Increase (decrease) in consumer deposits											
Payments											
Repayment of borrowing		(3,124)	(8,006)	(941)							
NET CASH FROM/(USED) FINANCING ACTIVITIES		(3,124)	115,031	(941)	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		(12,044)	(8,442)	42,126	1,015	1,435	1,435	1,435	127	35	541
Cash/cash equivalents at the year begin:	2	(409)	(12,453)	(20,895)	3,000	1,137	1,137	1,137	2,100	2,227	2,262
Cash/cash equivalents at the year end:	2	(12,453)	(20,895)	21,231	4,015	2,572	2,572	2,572	2,227	2,262	2,803

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NOTES

- The budgeted cash flow statement is the first measurement in determining if the budget is funded, It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
- Cash and cash equivalents totals R2.2 M as at the end of the 2014/15 financial year and the two outer years

4.8. CASH BACKED RESERVES/ACCUMULATED SURPLUSES

LIM334 Ba-Phalaborwa - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Cash and investments available											
Cash/cash equivalents at the year end	1	(12,453)	(20,895)	21,231	4,015	2,572	2,572	2,572	2,227	2,262	2,803
Other current investments > 90 days		(0)	0	(19,165)	(1,015)	428	428	428	1,373	1,538	1,097
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		(12,453)	(20,895)	2,066	3,000	3,000	3,000	3,000	3,600	3,800	3,900
Application of cash and investments											
Unspent conditional transfers		1,480	2,789	2,511	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	108,440	135,897	319,023	(132,827)	(137,028)	(137,028)	(137,028)	(132,579)	(138,121)	(147,613)
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		109,920	138,686	321,534	(132,827)	(137,028)	(137,028)	(137,028)	(132,579)	(138,121)	(147,613)
Surplus(shortfall)		(122,373)	(159,581)	(319,468)	135,827	140,028	140,028	140,028	136,179	141,921	151,513

NOTES

- As part of the budgeting and planning guidelines that informed the compilation of the 2014/15 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

4.9. ASSET MANAGEMENT

LIM334 Ba-Phalaborwa - Table A9 Asset Management

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
CAPITAL EXPENDITURE										
<u>Total New Assets</u>	1	-	-	42,949	60,620	48,530	48,530	61,179	76,294	76,159
<i>Infrastructure - Road transport</i>		-	-	26,169	17,120	21,040	21,040	22,779	37,894	37,759
<i>Infrastructure - Electricity</i>		-	-	11,672	20,000	20,080	20,080	27,800	27,500	27,500
<i>Infrastructure - Water</i>		-	-	-	-	-	-	-	-	-
<i>Infrastructure - Sanitation</i>		-	-	-	-	-	-	-	-	-
<i>Infrastructure - Other</i>		-	-	-	5,000	774	774	4,500	4,800	4,800
Infrastructure		-	-	37,840	42,120	41,894	41,894	55,079	70,194	70,059
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	5,109	18,500	6,636	6,636	6,100	6,100	6,100
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<u>Total Renewal of Existing Assets</u>	2	-	-	-	-	-	-	-	-	-
<u>Total Capital Expenditure</u>	4									
<i>Infrastructure - Road transport</i>		-	-	26,169	17,120	21,040	21,040	22,779	37,894	37,759
<i>Infrastructure - Electricity</i>		-	-	11,672	20,000	20,080	20,080	27,800	27,500	27,500
<i>Infrastructure - Water</i>		-	-	-	-	-	-	-	-	-
<i>Infrastructure - Sanitation</i>		-	-	-	-	-	-	-	-	-
<i>Infrastructure - Other</i>		-	-	-	5,000	774	774	4,500	4,800	4,800
Infrastructure		-	-	37,840	42,120	41,894	41,894	55,079	70,194	70,059
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		-	-	5,109	18,500	6,636	6,636	6,100	6,100	6,100
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-

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Intangibles		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	-	-	42,949	60,620	48,530	48,530	61,179	76,294	76,159
ASSET REGISTER SUMMARY - PPE (WDV)	5									
<i>Infrastructure - Road transport</i>					1,222,960	1,222,960	1,222,960	1,284,139	1,360,432	1,436,591
<i>Infrastructure - Electricity</i>										
<i>Infrastructure - Water</i>										
<i>Infrastructure - Sanitation</i>										
<i>Infrastructure - Other</i>										
Infrastructure		-	-	-	1,222,960	1,222,960	1,222,960	1,284,139	1,360,432	1,436,591
Community										
Heritage assets										
Investment properties		-	-	-	6,000	6,000	6,000	-	-	-
Other assets										
Agricultural Assets		-	-	-	250	250	250	-	-	-
Biological assets		319	227	313	238	238	238	400	400	400
Intangibles		-	-	-	2,300	2,300	2,300	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	319	227	313	1,231,748	1,231,748	1,231,748	1,284,539	1,360,832	1,436,991
EXPENDITURE OTHER ITEMS										
<u>Depreciation & asset impairment</u>		38,171	74,449	69,182	76,500	76,500	76,500	74,909	75,061	75,812
<u>Repairs and Maintenance by Asset Class</u>	3	-	-	-	-	-	-	19,291	19,823	20,021
<i>Infrastructure - Road transport</i>		-	-	-	-	-	-	5,400	5,430	5,484
<i>Infrastructure - Electricity</i>		-	-	-	-	-	-	4,600	4,650	4,697
<i>Infrastructure - Water</i>		-	-	-	-	-	-	-	-	-
<i>Infrastructure - Sanitation</i>		-	-	-	-	-	-	-	-	-
<i>Infrastructure - Other</i>		-	-	-	-	-	-	1,201	1,251	1,263
Infrastructure		-	-	-	-	-	-	11,201	11,331	11,444
Community		-	-	-	-	-	-	4,480	4,630	4,676
Heritage assets		-	-	-	-	-	-	32	42	42
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	-	-	-	-	-	-	3,578	3,820	3,858
TOTAL EXPENDITURE OTHER ITEMS		38,171	74,449	69,182	76,500	76,500	76,500	94,200	94,884	95,833
<i>Renewal of Existing Assets as % of total capex</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Renewal of Existing Assets as % of deprecn"</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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<i>R&M as a % of PPE</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.5%	1.5%	1.4%
<i>Renewal and R&M as a % of PPE</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.0%	1.0%	1.0%

NOTES

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

4.10. BASIC SERVICE DELIVERY MEASUREMENT

LIM334 Ba-Phalaborwa - Table A10 Basic service delivery measurement

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Household service targets	1									
Water:										
Piped water inside dwelling		12,251	12,251	12,251	15,252	15,252	15,252	15,252	15,252	15,252
Piped water inside yard (but not in dwelling)		17,082	17,082	17,082	18,721	18,721	18,721	18,721	18,721	18,721
Using public tap (at least min.service level)	2	3,812	3,812	3,812	3,812	3,812	3,812	3,812	3,812	3,812
Other water supply (at least min.service level)	4	413	413	413	413	413	413	413	413	413
<i>Minimum Service Level and Above sub-total</i>		33,558	33,558	33,558	38,198	38,198	38,198	38,198	38,198	38,198
Using public tap (< min.service level)	3									
Other water supply (< min.service level)	4	234	234	234	234	234	234	234	234	234
No water supply										
<i>Below Minimum Service Level sub-total</i>		234	234	234	234	234	234	234	234	234
Total number of households	5	33,792	33,792	33,792	38,432	38,432	38,432	38,432	38,432	38,432
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		14,056	14,056	14,056	16,638	16,638	16,638	16,638	16,638	16,638
Flush toilet (with septic tank)		1,090	1,090	1,090	860	860	860	860	860	860
Chemical toilet		-	-	-	424	424	424	424	424	424
Pit toilet (ventilated)		2,868	2,868	2,868	6,718	6,718	6,718	6,718	6,718	6,718
Other toilet provisions (> min.service level)		9,166	9,166	9,166	10,833	10,833	10,833	10,833	10,833	10,833
<i>Minimum Service Level and Above sub-total</i>		27,180	27,180	27,180	35,473	35,473	35,473	35,473	35,473	35,473
Bucket toilet					80	80	80	80	80	80
Other toilet provisions (< min.service level)					864	864	864	864	864	864
No toilet provisions		6,612	6,612	6,612	4,698	4,698	4,698	4,698	4,698	4,698
<i>Below Minimum Service Level sub-total</i>		6,612	6,612	6,612	5,642	5,642	5,642	5,642	5,642	5,642
Total number of households	5	33,792	33,792	33,792	41,115	41,115	41,115	41,115	41,115	41,115
Energy:										
Electricity (at least min.service level)		7,000	7,000	7,000	37,345	37,345	37,345	37,345	37,345	37,345
Electricity - prepaid (min.service level)										
<i>Minimum Service Level and Above sub-total</i>		7,000	7,000	7,000	37,345	37,345	37,345	37,345	37,345	37,345
Electricity (< min.service level)										
Electricity - prepaid (< min. service level)										
Other energy sources										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	7,000	7,000	7,000	37,345	37,345	37,345	37,345	37,345	37,345
Refuse:										
Removed at least once a week					20,066					
<i>Minimum Service Level and Above sub-total</i>		-	-	-	20,066	-	-	-	-	-
Removed less frequently than once a week					257	257	257	257	257	257
Using communal refuse dump					684	684	684	684	684	684
Using own refuse dump					17,849	17,849	17,849	17,849	17,849	17,849

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No rubbish disposal					1,933	1,933	1,933	1,933	1,933	1,933
<i>Below Minimum Service Level sub-total</i>					21,050	21,050	21,050	21,050	21,050	21,050
Total number of households	5	-	-	-	41,116	21,050	21,050	21,050	21,050	21,050
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)					2,356	2,356	2,356	2,356	2,356	2,356
Sanitation (free minimum level service)					2,356	2,356	2,356	2,356	2,356	2,356
Electricity/other energy (50kwh per household per month)					2,356	2,356	2,356	2,356	2,356	2,356
Refuse (removed at least once a week)					2,356	2,356	2,356	2,356	2,356	2,356
Other										
Total revenue cost of free services provided (total social package)		-	-	-	-	-	-	-	-	-

PART TWO

ANNUAL BUDGET SUPPORTING INFORMATION

5. OVERVIEW OF ANNUAL BUDGET

5.1. Schedule of key deadlines relating to budget process

1. Budget and PMS Calendar for 2013-14

The IDP, Budget and PMS calendar presents the activities that will be undertaken by both the District Municipality and Ba-Phalaborwa Municipality during the 2013/14 financial year. The activities will culminate in the adoption of the 2014/15 IDP both Mopani District Municipality and Ba-Phalaborwa Municipality.

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
IDP			
July 2013	Preparatory Phase <ul style="list-style-type: none"> • District IDP Technical Committee Meeting (IDP Framework and Process Plan). • IDP, Budget & PMS Operational Meeting (IDP Framework & Process Plan) • IDP, Budget & PMS Technical Meeting (IDP Framework & Process Plan) • IDP, Budget & PMS Steering Committee Meeting (Framework & Process Plan) • IDP, Budget & PMS Rep Forum (Framework & Process Plan) • Mayor tables IDP/Budget/PMS/MPAC Framework & Process Plan in 	<ul style="list-style-type: none"> • 06/07/2013 • 10/07/2013 • 12/07/2013 • 16/07/2013 • 19/07/2013 • 31/07/2013 	31 July 2013

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Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	(Special Council)		
Budget			
	<ul style="list-style-type: none"> Establish Departmental Budget Committees (include councillors & officials). 	<ul style="list-style-type: none"> 25/07/2013 – 04/09/2013 	
PMS			
	<ul style="list-style-type: none"> Compilation of 2012/13 4th quarterly report Conclude 2013/14 annual performance agreements Submit final approved SDBIP 	<ul style="list-style-type: none"> 01/07/2013 - 15/07/2013 01/07/2013 - 26/07/2013 31/07/2013 	
IDP			
August 2013	Analysis Phase		31 August 2013
	<ul style="list-style-type: none"> Data collection (ward-based planning) Data analysis and interpretation Community Satisfaction Survey 	<ul style="list-style-type: none"> 01/08/2013 – 29/08/2013 01/08/2013 – 31/08/2013 01/08/2013 – 26/09/2013 	
Budget			
	<ul style="list-style-type: none"> 2012/13 internal analysis of financial and non-financial performance. Determine financial position and assess financial capacity against future strategies. 	<ul style="list-style-type: none"> 31/08/2013 	
PMS			
	<ul style="list-style-type: none"> 2013/14 IDP implementation feedback: First Quarter Mayoral 	<ul style="list-style-type: none"> 01/08/2013 – 13/08/2013 	

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Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	Imbizo <ul style="list-style-type: none"> • Make public the 2013/14 SDBIP • Make public 2013/14 annual performance agreements and ensure that copies are submitted to Council and MEC:CoGHSTA • Submission of 2012/13 Departmental Annual Performance Report • Place 2013/14 annual performance agreements on the municipal website. • Individual performance assessments(2012/13 Fourth Quarter) 	<ul style="list-style-type: none"> • 14/08/2013 • 14/08/2013 • 14/08/2013 • 14/08/2013 • 01/08/2013-31/08/2013 	
IDP			
September 2013	Analysis Phase (cont) <ul style="list-style-type: none"> • IDP, Budget & PMS Operational Meeting (Analysis Phase) • IDP, Budget & PMS Technical Meeting (Analysis Phase) • IDP, Budget & PMS Steering Meeting (Analysis Phase) • IDP, Budget & PMS Rep Forum (Analysis Phase) 	<ul style="list-style-type: none"> • 21/09/2013 • 14/09/2013 • 17/09/2013 • 24/09/2013 	
Budget			
	<ul style="list-style-type: none"> • Circulate budget schedules to all departments 	<ul style="list-style-type: none"> • 27/09/2013 – 08/10/2013 	

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	<ul style="list-style-type: none"> Consolidate draft core departments business plans & budgets Review resources frames and financial strategies 	<ul style="list-style-type: none"> 06/10/2013 – 13/10/2013 29/09/2013 – 03/11/2013 	
PMS			
	<ul style="list-style-type: none"> Individual performance assessment report (2012/13 Fourth Quarter) Submission of Final 2012/13 departmental annual reports 	<ul style="list-style-type: none"> 06/09/2013 25/09/2013 	
IDP			
October 2013	Strategies Phase <ul style="list-style-type: none"> Strategic Session IDP/Budget & PMS Operational Meeting (Strategic Plan) 	<ul style="list-style-type: none"> 29/10/2013 – 01/11/2013 29/10/2013 	31 October 2013
Budget			
	<ul style="list-style-type: none"> Commence preparation for the 2014/15 departmental operational plans and service delivery and budget implementation plan aligned to strategic priorities in IDP and inputs from other stakeholders including government and bulk service providers (and NERSA) 	<ul style="list-style-type: none"> 12-15/12/2013 	

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	<ul style="list-style-type: none"> Submission of departmental adjustment budgets Departmental budgets inputs for 2014/15 	<ul style="list-style-type: none"> 15/12/2013 15/12/2013 	
PMS			
	<ul style="list-style-type: none"> Individual performance assessments (2012/13 First Quarter) Continuation of preparations for 2012/13 annual report utilizing financial and non-financial information first reviewed as part of budget and IDP analysis Compilation of 2013/14 first quarter institutional performance report. 	<ul style="list-style-type: none"> 01/10/2013 - 31/10/2013 01/10/2013 - 31/10/2013 01/10/2013 - 31/10/2013 	
IDP			
November 2013	Strategies Phase (cont)		30 November 2013
	<ul style="list-style-type: none"> IDP/Budget & PMS Technical Meeting (Strategic Plan) Advisory Board meeting with Municipal Manager IDP/Budget & PMS Steering Committee (Strategic Plan) IDP/Budget & PMS Rep. Forum (Strategic Plan) 	<ul style="list-style-type: none"> 01/11/2013 07/11/2013 14/11/2013 	
Budget			
	<ul style="list-style-type: none"> Community and stakeholder 	<ul style="list-style-type: none"> 01/11/2013 – 30/11/2013 	

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Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	<p>consultation process, review inputs, financial models, assess impacts on tariffs and charges and consider funding decisions including borrowing. Adjust estimates based on plans and resources. Commence consultation on the proposed tariffs. Check the tariff submission date and align.</p> <ul style="list-style-type: none"> Draft five year Financial Plan 	<ul style="list-style-type: none"> 01/11/2013 – 30/11/2013 	
PMS			
	<ul style="list-style-type: none"> Individual performance assessments report (2013/14 First Quarter) Mayoral Imbizo on first quarter performance 	<ul style="list-style-type: none"> 13/11/2013 11/11/2013-18/11/2013 	
IDP			
December 2013	<p>Projects Phase</p> <ul style="list-style-type: none"> Develop a list of projects Projects prioritisation task team establishment (Projects Phase – Projects Prioritisation) 	<ul style="list-style-type: none"> 20/11/2013 – 02/12/2013 05/12/2013 – 18/12/2013 	
PMS			
	<ul style="list-style-type: none"> Oversight training for MPAC members for probing the 	<ul style="list-style-type: none"> 02/12/2013-13/12/2013 	

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	2012/13 annual report. <ul style="list-style-type: none"> Finalize the draft annual report incorporating financial and non financial information on performance, audit reports and annual financial statements Present draft annual report to Municipal Manager 	<ul style="list-style-type: none"> 14/12/2013 20/12/2013 	
IDP			
January 2014	Projects Phase (cont) <ul style="list-style-type: none"> IDP, Budget & PMS Operational Meeting (projects prioritisation) IDP, Budget & PMS Technical Meeting (projects prioritisation) Advisory Board meeting with Municipal Manager IDP, Budget & PMS Steering meeting (projects prioritisation) IDP, Budget & PMS Representative Forum (project priority list) 	<ul style="list-style-type: none"> 13/01/2014 17/01/2014 21/01/2014 28/01/2014 	31 January 2014
Budget			
	<ul style="list-style-type: none"> Finalise the 2014/15 inputs from bulk resource providers (and NERSA) and agree on proposed price increase. (Align after submission of proposed tariffs) Mid-Year Performance 	<ul style="list-style-type: none"> 01/12/2013 – 09/12/2013 25/01/2014 	

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	<p>Assessment and recommend and adjustment budget, if necessary.</p> <ul style="list-style-type: none"> • Incorporate priorities from the President's State of the Nation Address, National Treasury and SALGA for further budget consideration. • Review all aspects of the 2013/14 budget including any unforeseen and unavoidable expenditure in light of need for an adjustment budget. • Tabling and approval of an adjustments budget (if necessary) 	<ul style="list-style-type: none"> • 22/01/2014– 26/01/2014 • 08/01/2014 – 26/01/2014 • 30/01/2014 	
PMS			
	<ul style="list-style-type: none"> • Compilation of 2012/13 Mid-year report • Mayor tables 2012/13 annual report to council • Make public the 2012/13 annual report and invite comments from local community, submit report to Auditor-General, Provincial Treasury & CoGHSTA • Consider monthly & mid-year reports for the period ended 31 December 2011. • Review implementation of budget and service delivery plan 	<ul style="list-style-type: none"> • 02/01/2014 - 20/01/2014 • 30/01/2014 • 30/01/2014 • 30/01/2014 • 30/01/2014 	

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	<p>(SDBIP), identify problems and amend or recommend appropriate amendments. Submit report to council and make public any amendments to the SDBIP by the end of January 2012</p> <ul style="list-style-type: none"> • Mayor reports to Council the status of next three year budget, 2012/13 annual report (including AFS & audit report) and summarizes overall findings of 2012/13 annual performance report. 	<ul style="list-style-type: none"> • 30/01/2014 	
IDP			
February 2014	<p>Integration Phase</p> <ul style="list-style-type: none"> • Submission of Sector Plans • IDP, Budget & PMS Operational meeting (Sector plans) • IDP, Budget & PMS Technical meeting (Sector plans) • Advisory Board meeting with Municipal Manager • IDP, Budget & PMS Steering meeting (Sector plans) • IDP, Budget & PMS Representative Forum (Sector plans). 	<ul style="list-style-type: none"> • 03/02/2014 – 11/02/2014 • 12/02/2014 • 14/02/2014 • 19/02/2014 • 27/02/2014 	28 February 2014

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
Budget			
	<ul style="list-style-type: none"> Incorporate directives from the National budget and Provincial and National allocations to municipalities into budget. Submit the 2014/15 approved adjustments budget to the Provincial & National Treasury & any other affected organ of state (10 days after approval.) Finalise the 2014/15 detailed operating & capital budgets in the prescribed formats incorporating National and Provincial budget allocations, integrate and align to IDP documentation and draft SDBIP, finalise budget policies including tariff policy. 	<ul style="list-style-type: none"> 02/02/2014 – 28/02/2014 13/02/2014 14/02/2014 	
PMS			
	<ul style="list-style-type: none"> Individual Performance Assessments (2013/14 Second Quarter) Place 2013/14 annual report on the municipal website Mayoral Imbizo 	<ul style="list-style-type: none"> 01/02/2014- 28/02/2014 04/02/2014 04/02/2014 – 15/02/2014 	
IDP			
March 2014	Approval Phase (Draft IDP)		31 March 2014

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	<ul style="list-style-type: none"> • IDP, Budget & PMS operational meeting (Draft 2013/14 IDP, Budget & PMS) • IDP, Budget & PMS Technical meeting (Draft 2013/14 IDP, Budget & PMS) • IDP, Budget & PMS Steering meeting (Draft 2013/14 IDP, Budget & PMS) • IDP, Budget & PMS Representative Forum (Draft 2013/14 IDP, Budget & PMS) • Establishment of IDP, Budget & PMS Public Participation Teams. • Mayor table Draft IDP, Budget & PMS for adoption by Council. • Publication of the IDP, Budget & PMS Public Participation schedule 	<ul style="list-style-type: none"> • 05/03/2014 • 10/03/2014 • 14/03/2014 • 17/03/2014 • 17/03/2014 – 21/03/2014 • 31/03/2014 • 29/03/2014 	
Budget			
	<ul style="list-style-type: none"> • Consolidation of Draft 2014/15 annual budget. • Incorporate changes in prices for bulk resources and finalise tariff proposals for all charges. • Distribute all budget documentation prior to meeting at which budget is to be tabled. • Table in Council the 2014/15 	<ul style="list-style-type: none"> • 04/03/2014 • 14/03/2014 • 18/03/2014 – 22/03/2014 • 28/03/2014 	

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	annual budget & all supporting documents.		
PMS			
	<ul style="list-style-type: none"> • Compile Individual performance assessment report (2013/14 second Quarter) • Council adopts the 2012/13 annual report with the comments of the oversight committee. • Submit draft 2014/15 SDBIP to the Mayor • Submit draft 2014/15 annual performance agreements to the Mayor 	<ul style="list-style-type: none"> • 14/03/2014 • 31/03/2014 • 28/03/2014 • 28/03/2014 	
IDP			
April 2014	Approval Phase (Draft IDP cont)		30 April 2014
	<ul style="list-style-type: none"> • Consultations on tabled Draft 2014/15 IDP, Budget & PMS 	<ul style="list-style-type: none"> • 08/04/2014 – 22/04/2014 	
Budget			
	<ul style="list-style-type: none"> • Make public the 2014/15 tabled annual budget & accompanying budget documentation, invite the community to submit representations and submit to Provincial & National Treasury and other affected organs of state. 	<ul style="list-style-type: none"> • 09/04/2014 – 23/04/2014 	

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	<ul style="list-style-type: none"> • Consultation on tabled budget, publicise and conduct public hearings and meetings within wards. 	<ul style="list-style-type: none"> • 09/04/2014 –23/04/2014 	
PMS			
	<ul style="list-style-type: none"> • Submit the 2012/13 Annual Report & Oversight Report to Provincial Treasury, CoGHSTA, AG and Legislature. • Make public the 2012/13 oversight report • Submission of third quarter departmental performance report • Individual performance assessments (2013/14 Third Quarter) 	<ul style="list-style-type: none"> • 09/04/2014 • 09/04/2014 • 09/04/2014 • 02/04/2014 - 30/4/2014 	
IDP			
May 2014	Approval Phase (Final IDP) <ul style="list-style-type: none"> • IDP, Budget & PMS Operational Teams (Analysis & integration of public comments) • IDP, Budget & PMS Technical meeting (Analysis & integration of public comments) • IDP, Budget & PMS Steering meeting (analysis & integration of public comments) 	<ul style="list-style-type: none"> • 02/05/2014 • 06/05/2014 • 08/05/2014 	31 May 2014

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	<ul style="list-style-type: none"> IDP, Budget & PMS Representative meeting (analysis & integration of public comments) Adjustment of IDP, Budget & PMS in accordance with public comments Exco considers Draft IDP, Budget & PMS Mayor tables Final 2014/15 IDP, Budget & PMS for final approval/adoption 	<ul style="list-style-type: none"> 14/05/2014 14/05/2014 – 19/05/2014 20/05/2014 29/05/2014 	
Budget			
	<ul style="list-style-type: none"> Consider the views of the community and other stakeholders on the 2014/15 budget. Respond to submissions received & if necessary revise the budget and table amendments for council consideration. 	<ul style="list-style-type: none"> 14/05/2014 – 17/05/2014 15/05/2014 – 18/05/2014 	
PMS			
	<ul style="list-style-type: none"> Individual performance assessment report (2013/14 Third Quarter) Approve the 2014/15 SDBIP-final date under legislation 26 July 2014 	<ul style="list-style-type: none"> 01/05/2014-14/05/2014 31/05/2014 	
IDP			

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
June 2014	<ul style="list-style-type: none"> Public Notice on the adoption of IDP, Budget & PMS Summary of IDP & public notice on the final approval Submission of the Final Approved IDP to the MEC for Local Government & Housing 	<ul style="list-style-type: none"> 07/06/2014 11/06/2014 14/06/2014 	30 June 2014
Budget			
	<ul style="list-style-type: none"> Submit approved IDP/Budget to National & Provincial Treasury, CoGHSTA and District (10 working days after approval) 	<ul style="list-style-type: none"> 13/06/2014 	

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

6.1.VISION OF THE MUNICIPALITY

The vision was therefore revised as follows:

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

6.2.FIVE YEAR STRATEGIC FOCUS AREA

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

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

Environmental sustainability: PGDS strategic objective deals with environmental sustainability and climate change. A priority mentioned in the PGDS is that all municipalities have to have environmental management plans. Also mentioned are waste management plans, recycling of waste and water and alternative energy plan. Ba-Phalaborwa plays a leading role in the achievement of this objective as mentioned under NSDP and PGDS priorities.

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

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

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

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

6.3.ALIGNMENT OF IDP WITH NATIONAL AND PROVINCIAL GOVERNMENT

Cluster	PERSPECTIVE	MTSF	COGTA	MTAS	LEGDP (PGDS)	OUTCOME 9	COGTA BUSINESS PLAN 2010/2011	STRATEGIC AGENDA KPA	NATIONAL DEVELOPMENT PLAN	BA-PHALABORWA
Economic	Financial	1. Speed up economic growth and transform the economy to create decent work and sustainable livelihoods.			1. Ensuring more inclusive economic growth, decent work and sustainable livelihoods	3. Implement the community work programme and cooperatives supported	1: Contribute to building a Developmental State in National, Provincial and Local Government that is efficient, effective and responsive (Enhance the municipal contribution to job creation and sustainable livelihoods through Local Economic Development)	Local Economic Development	An economy that will create more jobs An inclusive and integrated rural economy	Promotion of the local economy
Social Infrastructure	Community Satisfaction	5. Improve the health profile of society	5. Fostering Development Partnerships, Social Cohesion and community mobilisation	5. Strengthen partnerships between local government, communities and civil society	4. Access to quality education			Basic Service Delivery	Improving the quality of education, training and innovation	Integrate social development and services for sustainability
Social Infrastructure	Community Satisfaction				5. Improved health care			Basic Service Delivery	Quality health care for all	Integrate social development and services for sustainability
Social Infrastructure	Community Satisfaction	6. Intensify the fight against crime and corruption			6. Fighting crime and corruption			Basic Service Delivery	Fighting corruption	Integrate social development and services for sustainability
Social Infrastructure	Community Satisfaction	7. Building of cohesive, caring and sustainable communities			8. Cohesive and sustained communities			Basic Service Delivery	An inclusive and integrated rural economy Transforming society and uniting the	Integrate social development and services for sustainability

Cluster	PERSPECTIVE	MTSF	COGTA	MTAS	LEGDP (PGDS)	OUTCOME 9	COGTA BUSINESS PLAN 2010/2011	STRATEGIC AGENDA KPA	NATIONAL DEVELOPMENT PLAN	BA-PHALABORWA
									country	
Social Infrastructure	Community Satisfaction		3. Accelerating service delivery and supporting the vulnerable		3. Rural development, food security and land reform			Basic Service Delivery	An inclusive and integrated rural economy	Provision of sustainable integrated infrastructure and services
Technical Infrastructure	Institutional Processes		3. Accelerating service delivery and supporting the vulnerable			2. Improved access to basic services	3. Accelerating service delivery and supporting the vulnerable (Improve the quantity and quality of municipal basic services to the people in the areas of access to water, sanitation, electricity, waste management, roads and disaster management)	Basic Service Delivery	Improving infrastructure	Provision of sustainable integrated infrastructure and services
Technical Infrastructure	Institutional Processes	2. Massive programmes to build economic and social infrastructure		1. Ensure that municipalities meet the basic needs of communities		1. Implement a differentiated approach to municipal financing, planning and support (Outcome 2 and 3)	1: Contribute to building a Developmental State in National, Provincial and Local Government (Implement a differentiated approach to municipal financing, planning and support)	Basic Service Delivery	Reforming public service Improving infrastructure	Provision of sustainable integrated infrastructure and services
Technical Infrastructure	Institutional Processes		3. Accelerating service delivery and		2. Provision of economic and social infrastructure			Basic Service Delivery	Improving infrastructure	Provision of sustainable integrated infrastructure

Cluster	PERSPECTIVE	MTSF	COGTA	MTAS	LEGDP (PGDS)	OUTCOME 9	COGTA BUSINESS PLAN 2010/2011	STRATEGIC AGENDA KPA	NATIONAL DEVELOPMENT PLAN	BA-PHALABORWA
			supporting the vulnerable							and services
Technical Infrastructure	Institutional Processes	3. Comprehensive rural development strategy linked to land and agrarian reform and food security						Basic Service Delivery	Improving infrastructure An inclusive and integrated rural economy	Provision of sustainable integrated infrastructure and services
Technical Infrastructure	Institutional Processes	9. Sustainable resource management and use			9. Sustainable resource management and use			Basic Service Delivery	Transition to a low-carbon economy	Sustain the environment
Governance and Administration	Institutional Processes					6: Improved municipal financial and administrative capacity	2: Strengthen Accountability and Clean Government (Develop a coherent and cohesive system of governance and a more equitable intergovernmental fiscal system)	Municipal Financial Viability and Management	Reforming the public service	Improve financial viability
Governance and Administration	Institutional Processes		4. Improving the Developmental Capability of the Institution of Traditional Leadership.			5. Deepened democracy through a refined ward committee model	3: Accelerating Service Delivery and supporting the Vulnerable (Deepen democracy through a refined ward committee model)	Good Governance and Public Participation	Reforming the public service	Good Corporate governance and Public Participation

Cluster	PERSPECTIVE	MTSF	COGTA	MTAS	LEGDP (PGDS)	OUTCOME 9	COGTA BUSINESS PLAN 2010/2011	STRATEGIC AGENDA KPA	NATIONAL DEVELOPMENT PLAN	BA-PHALABORWA
Governance and Administration	Institutional Processes	3. Comprehensive rural development strategy linked to land and agrarian reform and food security			3. Rural development, food security and land reform	4. Actions supportive of human settlement outcomes	1: Contribute to building a Developmental State in National, Provincial and Local Government that is efficient, effective and responsive (Ensure the development and adoption of reliable and credible integrated Development Plans)	Municipal Transformation and Organisational Development	Reversing the spatial effect of apartheid	Facilitate sustainable development
Governance and Administration	Institutional Processes	10. Building of a developmental state including improving of public services and strengthening democratic institutions	1. Building the Developmental State in Provincial and Local Government that is efficient, effective and responsive	2. Build clean, responsive and accountable local government	10. A developmental state including improvement of public services	7. Single Window of coordination	1: Contribute to building a Developmental State in National, Provincial and Local Government (Create a single window of coordination for the support, monitoring and intervention in municipalities)	Good Governance and Public Participation	Reforming the public service	Good Corporate governance and Public Participation
Governance and Administration	Institutional Processes		2. Strengthen Accountability and Clean Government	3. Improve functionality, performance and professionalism in municipalities	9. Sustainable resource management and use	6. Improved administrative capacity	1: Contribute to building a Developmental State in National, Provincial and Local Government (Develop and strengthen a politically and administratively stable system of municipalities)	Good Governance and Public Participation	Reforming the public service	Good Corporate governance and Public Participation

Cluster	PERSPECTIVE	MTSF	COGTA	MTAS	LEGDP (PGDS)	OUTCOME 9	COGTA BUSINESS PLAN 2010/2011	STRATEGIC AGENDA KPA	NATIONAL DEVELOPMENT PLAN	BA-PHALABORWA
Governance and Administration	Institutional Processes						2: Strengthen Accountability and Clean Government (Build and strengthen the administrative, institutional and financial capabilities of municipalities)	Good Governance and Public Participation Municipal Transformation and Organisational Development	Reforming the public service	Attract, develop and retain best human capital
Governance and Administration	Institutional Processes						2: Strengthen Accountability and Clean Government (Develop a coherent and cohesive system of governance and a more equitable intergovernmental fiscal system)	Good Governance and Public Participation	Reforming the public service	Good Corporate governance and Public Participation
Governance and Administration	Institutional Processes						2: Strengthen Accountability and Clean Government (Restore the institutional integrity of municipalities)	Municipal Transformation and Organisational Development	Reforming the public service	Attract, develop and retain best human capital
Governance and Administration	Institutional Processes			4.Improve national and provincial policy, support and oversight to local government					Reforming the public service	Good Corporate governance and Public Participation

Cluster	PERSPECTIVE	MTSF	COGTA	MTAS	LEGDP (PGDS)	OUTCOME 9	COGTA BUSINESS PLAN 2010/2011	STRATEGIC AGENDA KPA	NATIONAL DEVELOPMENT PLAN	BA-PHALABORWA
Governance and Administration	Institutional Processes	6. Intensify the fight against crime and corruption			6. Fighting crime and corruption		2: Strengthen Accountability and Clean Government (Uproot fraud, corruption, nepotism and all forms of maladministration affecting local government)	Good Governance and Public Participation	Fighting corruption	Advance good corporate governance
Governance and Administration	Institutional Processes	8. Pursuing African advancement and enhanced international cooperation			8. Creation of a better Africa and a better world				Reforming the public service	Advance good corporate governance
Governance and Administration	Learning and Growth	4. Strengthening of skills and human resource base						Municipal Transformation and Organisational Development	Reforming the public service	Attract, develop and retain best human capital

7. MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

7.1. Key Financial Indicators and ratios

LIM334 Ba-Phalaborwa - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	1.4%	2.7%	0.3%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	2.1%	5.5%	0.6%	0.3%	0.4%	0.4%	0.4%	0.3%	0.3%	0.3%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	17.1%	13.5%	10.4%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	0.4	0.5	0.2	20.3	20.3	20.3	20.3	114.4	106.1	105.8
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.4	0.5	0.2	20.3	20.3	20.3	20.3	114.4	106.1	105.8
Liquidity Ratio	Monetary Assets/Current Liabilities	0.0	0.0	0.0	0.3	0.3	0.3	0.3	2.4	2.3	2.3
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		74.2%	51.2%	107.9%	88.5%	91.3%	91.3%	91.3%	83.7%	85.3%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		100.1%	100.1%	107.9%	88.5%	91.3%	91.3%	91.3%	83.7%	85.3%	88.7%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	32.6%	72.0%	17.7%	50.8%	49.7%	49.7%	49.7%	44.5%	41.5%	41.8%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))										
Creditors to Cash and Investments		-1497.3%	-1384.5%	1733.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Other Indicators</u>											

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Electricity Distribution Losses (2)	Total Volume Losses (kW) Total Cost of Losses (Rand '000) % Volume (units purchased and generated less units sold)/units purchased and generated											
Water Distribution Losses (2)	Total Volume Losses (kℓ) Total Cost of Losses (Rand '000) % Volume (units purchased and generated less units sold)/units purchased and generated											
Employee costs	Employee costs/(Total Revenue - capital revenue)	30.4%	43.6%	36.6%	33.2%	32.6%	32.6%	32.6%	33.2%	32.3%	33.6%	
Remuneration	Total remuneration/(Total Revenue - capital revenue)	35.3%	47.8%	0.0%	36.8%	35.9%	35.9%		36.8%	35.8%	37.3%	
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		5.4%	5.1%	5.0%	
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	16.3%	35.2%	27.1%	23.1%	22.6%	22.6%	22.6%	21.3%	19.5%	19.2%	
<u>IDP regulation financial viability indicators</u>	-											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	23.0	3.5	762.0	839.1	839.1	839.1	66.2	62.3	61.1	62.3	
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	53.9%	142.2%	32.4%	101.9%	101.1%	101.1%	101.1%	89.2%	87.7%	87.9%	
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	(0.7)	(1.3)	0.9	0.2	0.1	0.1	0.1	0.1	0.1	0.1	

7.2. Measurable Performance Objectives and Indicators

LIM334 Ba-Phalaborwa - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Technical Services Department										
Roads										
Sub-function- Eradication of Backlogs										
<i>Reduce roads backlogs</i>	kilometer	2.7km	1.8km	2.8km	4.3km	4.3km	4.3km	3.7km	4.1km	0km
Sub-function 2 - Roads Maintained										
<i>Surfaced roads resurfaced/rehabilitated</i>	kilometer	0km	0km	3.0km	4.2km	4.2km	4.2km	2.3km	2.9km	0km
Sub-function 3 - Roads for growth										
<i>New roads to be constructed</i>	kilometer	2.7km	1.8km	2.8km	4.3km	4.3km	4.3km	3.7km	4.1km	0km
Function 2 - Storm Water										
Sub-function 1 - Reduction of backlog										
<i>Stormwater drainage to reduce backlogs</i>	Kilometer	0.02km	0.1km	0.1km	0.1km	0.1km	0.1km	0.07km	0km	0km
Electricity										
Provision of electricity										
<i>Houses electrified to reduce backlogs</i>	Households	0.0%	0.0%	50000.0%	50000.0%	50000.0%	56700.0%	115400.0%	119000.0%	50000.0%
Sub-function 2 - Provide public lighting										
<i>High masts lights per ward</i>	Wards	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2200.0%	3600.0%	3700.0%
Sub-function 3-Maintain Electricity infrastructure										
<i>Electricity repairs and maintenance</i>	% repaired	2000.0%	2000.0%	2000.0%	2000.0%	4000.0%	4000.0%	4000.0%	6000.0%	7000.0%
Function 2 - (name)										
And so on for the rest of the Votes										

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8. OVERVIEW OF BUDGET-RELATED POLICIES

The following policies has been reviewed and adopted with this budget for implementation by July 2014

Tariff Policy

The Tariff Policy was reviewed in line with relevant legislation and adopted with this budget for implementation in July 2014

Property Rates Policy

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

Budget Policy

A budget policy in line with relevant legislation was reviewed and is adopted with this budget for implementation in July 2014.

Asset Management Policy

A policy in line with relevant legislation is reviewed and adopted with this annual budget for implementation in July 2014.

Supply chain management policy

The supply chain management policy in line with relevant legislation was reviewed and is adopted with this budget for implementation in July 2014.

Indigent Household Consumer Policy

The Indigent and household Consumer policy in line with relevant legislation was reviewed and is adopted with this budget for implementation in July 2014. The approved indigent register will be in force as from 1st July 2014.

Credit Control, Debt Collection and Consumer Care Policy

Credit Control and Debt Collection Policy of the municipality was reviewed to take into account relevant legislation and developments in court findings and orders during the year. The policy also covers Consumer Care principles. The policy is adopted with this budget for implementation in July 2014

Investment Policy

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

Supply Chain Management Policy

The Supply Chain Management Policy was reviewed and adopted with this budget for implementation in July 2014. A reviewed policy in line with relevant legislation is adopted with this budget.

9. OVERVIEW OF BUDGET ASSUMPTIONS

OVERVIEW OF THE BUDGET ASSUMPTIONS

External factors

The following factors were taken consideration and assumption when compiling 2014/15 budget to ensure that the budget is meaningful and easy to understand during the calculation of estimated revenues and expenditures:

- Division of Revenue Bill, 2014
- Stronger public- and private- sector investment.
- Domestic outlook
- Population growth
- Risks to the global outlook
- The unwinding global imbalances
- National target in new growth path to create jobs over the next decade
- Sound macroeconomic policy enables the Country to fund social and economic priorities
- Anticipated salary increases
- Demand for services provision on free basic services
- Rates – Tariffs, charges and timing of revenue collection
- Sustainability - Consumer affordability to services municipal services
- Interest rates

Internal factors

KEY FINANCIAL TARGETS

The following assumptions were considered on compilation of 2014/15 budget on revenues: The multi – year budget is underpinned by the following key financial target assumptions:

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

There are several sources of information gathered during the compilation of 2014/15 budget:

- Ba-Phalaborwa Five year financial plan
- Treasury circulars 72, 70, 67,66, 59, 58, 55, 54, 51 and 48
- Statistics SA guidelines on economic indicators
- Financial management system and departmental inputs submission
- Consumer/ Customers surveys on services
- Data collected on consumer over the counter
- Integrated Development plan_ 2014-2019
- Five year financial plan 2014-2019

10. OVERVIEW OF BUDGET FUNDING

10.1. SUMMARY OF REVENUE AND FINANCING ACTIVITIES

LIM334 Ba-Phalaborwa - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description R thousand	2010/11	2011/12	2012/13	Current Year 2013/14		2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue By Source								
Property rates	72,123	34,049	60,257	65,100	65,100	70,634	76,637	80,404
Service charges - electricity revenue	63,807	64,500	70,292	92,002	92,002	95,327	95,653	96,609
Service charges - refuse revenue	8,555	8,980	9,123	9,513	10,768	11,337	11,898	12,017
Rental of facilities and equipment	185	200	295	308	308	330	353	357
Interest earned - external investments	168	177	332	250	310	260	270	273
Interest earned - outstanding debtors	14,524	41,117	42,369	84,568	84,568	74,644	77,905	78,685
Dividends received				2	2	3	3	3
Fines	510	426	871	1,900	2,500	2,600	2,750	2,778
Licences and permits	6,519	1,482	2,375	5,690	11,185	9,021	9,057	9,053
Agency services		560	1,531		-	2,255	2,327	2,350
Transfers recognised - operational	54,769	59,910	65,471	74,154	74,154	88,490	111,786	114,548
Other revenue	17,742	1,528	3,068	1,303	1,601	1,352	1,416	1,430
Transfers recognised - capital	19,913	20,774	32,895	29,333	24,333	37,279	39,248	44,734
Total Revenue	258,813	233,703	288,879	364,123	366,830	393,530	429,304	443,239

- The table above illustrate the summaries of revenue and financing activities. The estimated revenue is at R393,550 million
- Equitable share allocation as per Division of Revenue 2014
- Highlights of operational grants as per Division of Revenue
- Highlights of conditional capital grants as per Division of Revenue

10.2.1 Grants and subsidies as per Division of Revenue 2014

Transfers and grant receipts

Description R thousand	2011/12	2012/13	Current Year 2013/14		2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<u>Operating Transfers and Grants</u>							
National Government:							
Local Government Equitable Share	53,751	61,461	69,433	69,433	83,256	107,603	111,219
Finance Management	1,250	1,500	1,550	1,550	1,600	1,650	1,700
Municipal Systems Improvement	790	800	890	890	934	967	
EPWP Incentive	536	1,000	1,000	1,000	1,212	-	-
Operating Grant: MIG (5% of MIG Grants for PMU)			1,281	1,281	1,488	1,566	1,629
Excess Employees	2,667	-	-	-	-	-	-
<i>DBSA</i>	730	500					
Total Operational Transfers and Grants	59,724	65,261	74,154	74,154	88,490	111,786	114,548
<u>Capital Transfers and Grants</u>							
National Government:							
Municipal Infrastructure Grant (MIG)	17,129	20,778	24,220	24,220	28,279	29,748	30,954
Intergrated National Electrification Grant	4,000	4,000	-	-	9,000	6,000	10,000
Neighbourhood Development Partnership	1,000	9,000	-	-	-	3,500	3,780
<i>DBSA</i>	400	-	-	-	-	-	-
Total Capital Transfers and Grants	22,529	33,778	24,220	24,220	37,279	39,248	44,734
TOTAL RECEIPTS OF TRANSFERS & GRANTS	82,253	99,039	98,374	98,374	125,769	151,034	159,282

- *Equitable share has increase from 2013 Division of Revenue – R69,433 million to R83,256 million in 2014*
- *Financial Management grant also increased from Division of Revenue 2013 from R1,550 million to R1,600 million*
- *Municipal system Improvement grant increase to R934 thousands as per Division of Revenue 2014.*
- *EPWP R1,212 million as per Division of Revenue 2014.*
- *Municipal Infrastructure grant as per Division of Revenue from R25,614 million to R29,767 million in 2014.*
- *ENEG R9,000 million as per Division of Revenue 2014.*

No allocation made on Neighbourhood development partnership grant in 2014, but R3,500 million for 2015 as per Division of Revenue Act.

Allocation of Expenditure per standard item

Description R thousand	2011/12	2012/13	Current Year 2013/14		2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Expenditure By Type							
Employee related costs	92,800	93,712	111,154	111,750	118,379	125,955	134,017
Remuneration of councillors	9,054	9,052	12,185	11,175	12,855	13,678	14,554
Debt impairment		108,991	29,913	27,100	31,558	33,168	33,499
Depreciation & asset impairment	74,449	69,182	76,500	76,500	74,909	75,061	75,812
Finance charges	434	226	803	963	848	891	900
Bulk purchases	56,508	53,402	82,060	81,060	82,573	90,989	91,898
Contracted services	17,648	10,096	28,453	42,868	45,536	46,851	47,319
Other expenditure	66,358	53,460	129,191	119,013	72,160	74,646	75,393
Loss on disposal of PPE	(92)	(86)					
Total Expenditure	317,159	398,036	470,260	470,430	438,819	461,239	473,392

- The estimated expenditure as per standard item is R438,819 million for the financial year 2014/15
- Included on the expenditure per standard item is the depreciation and impairment of assets at an estimated value of R106 million
- Employee related costs for entire staff members exclusive of councillors is estimated at R118,379 million in 2014/15 financial year
- Repairs and maintenance at an estimated value of R19,291 million will be utilised to deal with municipal assets. It is 31.% of the total estimated capital budget of R61 million. National Treasury guides indicate that at least the repairs and maintenance allocation should be 40% of the total capital expenditure budget.

Summary of operating expenditure by standard classification item

Employee Related Costs

The budgeted allocation for employee related costs for the 2014/15 financial year totals R118M which equals 27 per cent of the total operating expenditure. Salary increases have been factored into this budget at a percentage increase of 6.4 per cent for the 2014/15 financial year as per latest circular 72.

The agreement also provides for a 1 per cent increase for the 2014/15 financial year. In this regard, we have provided for a 6.4 per cent (5.4 per cent plus 1 per cent) increase for the 2015/16 budget year. An annual increase of 6.4 per cent has been included in the 2016/17 financial year.

Remuneration of councilors

The cost associated with the remuneration of councilors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). For the 2014/15 financial year the remuneration of councilors will amount to R12, 885 million which is 3 percent of total budgeted expenditure and escalates to R13, 678 million by 2015/16.

Debt impairment

The provision of debt impairment was determined based on an annual collection rate of 46 per cent and the Debt Write-off Policy of the municipality. For the 2014/15 financial year this amount equates to R31,558 million which equates to 7 percent of the total operating expenditure and escalates to R33 million by 2015/16. While this expenditure is considered to be a non-cash flow item, it is informed by the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Depreciation and asset impairment

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Budget appropriations in this regard total R75 million for the 2014/15 financial and equates to 17 per cent of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has taken into account.

Bulk Purchases

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

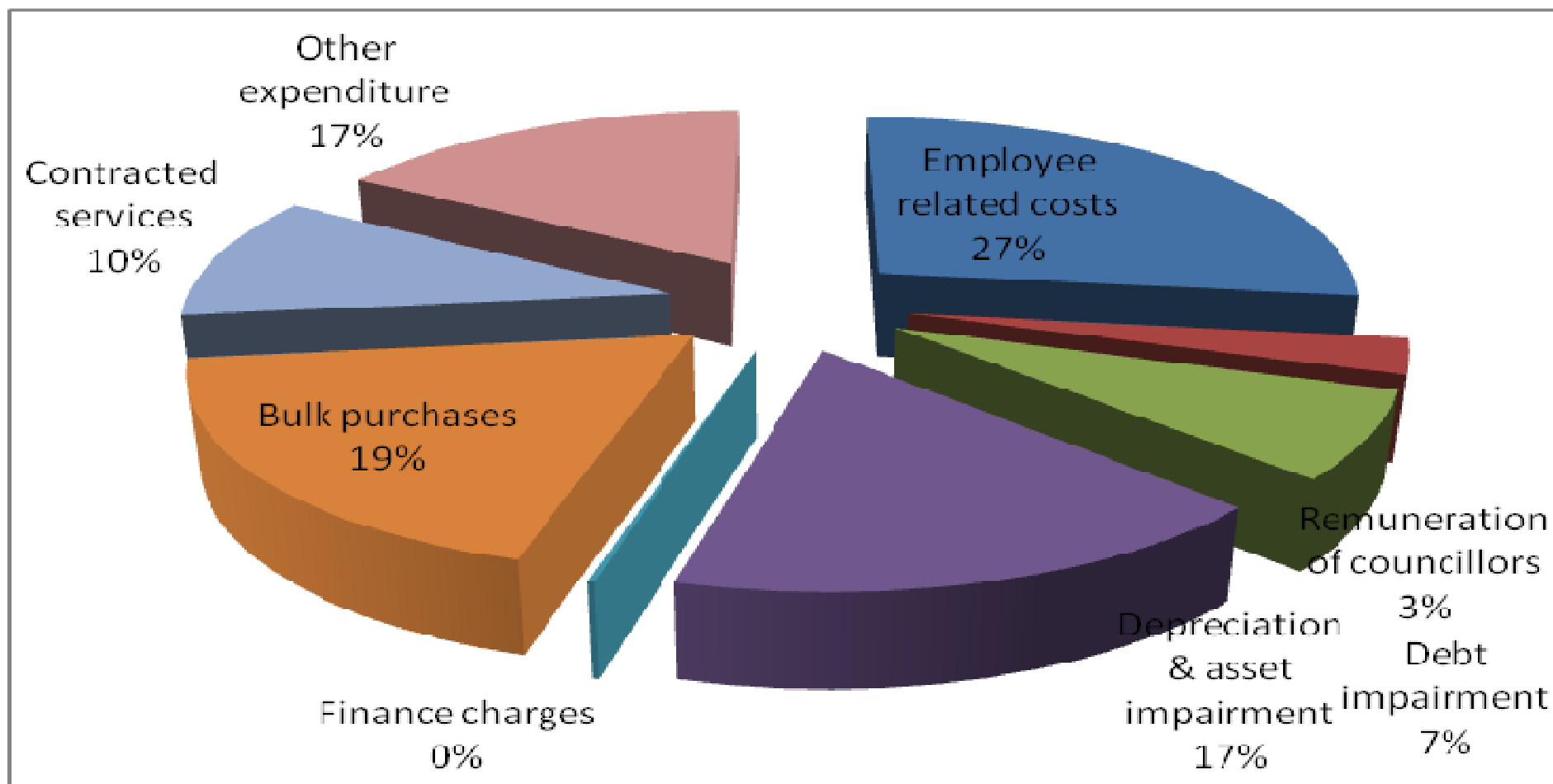
Contracted Services

In the 2014/15 financial year, this group of expenditure totals R45,536 million which equates to 10 percent of the total operating expenditure. For the two outer years, the projection is at R90,989 million and R91,898 million.

Other Expenditure

Other expenditure comprises of various line items relating to the daily operations of the municipality, For 2014/15 financial year is estimated at R74,646 million which equates to 17 percent of total operational budget and it remained the same percentage increase for the two outer years.

The following graph gives a breakdown of the main expenditure categories for the 2014/15 financial year.



10.2.3 ALLOCATION OF MAIN VOTE

Vote Description R thousand	Current Year 2013/14		2014/15 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<u>Expenditure by Vote to be appropriated</u>					
Vote 1 - Executive and Council	36,456	33,534	36,507	38,734	40,723
Vote 2 - Budget and Treasury Department	87,659	92,142	87,451	98,389	100,533
Vote 3 - Corporate Services	43,699	40,544	42,227	44,630	46,039
Vote 4 - Community and Social Services	57,336	58,368	63,683	67,341	70,113
Vote 5 - Planning and Development	11,910	11,505	17,094	11,004	11,541
Vote 6 - Technical Services Department	233,200	234,338	191,856	201,140	204,443
Total Expenditure by Vote	470,260	470,430	438,819	461,239	473,392

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

10.5 FUNDING MEASUREMENT

LIM334 Ba-Phalaborwa Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Funding measures	-	-										
Cash/cash equivalents at the year end - R'000	18(1)b	1	(12,453)	(20,895)	21,231	4,015	2,572	2,572	2,572	2,100	2,100	2,100
Cash + investments at the yr end less applications - R'000	18(1)b	2	(122,373)	(159,581)	(319,468)	135,827	140,028	140,028	140,028	162,043	165,634	170,402
Cash year end/monthly employee/supplier payments	18(1)b	3	(0.7)	(1.3)	0.9	0.2	0.1	0.1	0.1	0.1	0.1	0.1
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	47,860	(9,099)	(109,157)	(29,637)	(27,100)	(27,100)	(27,100)	29,620	43,126	42,659
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(31.6%)	23.9%	13.3%	(5.2%)	(6.0%)	(6.0%)	(0.4%)	(2.1%)	(5.0%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	100.1%	100.1%	107.9%	88.5%	91.3%	91.3%	91.3%	100.0%	100.0%	100.0%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	35.9%	0.0%	77.9%	17.9%	16.1%	16.1%	16.1%	17.8%	18.0%	18.0%
Capital payments % of capital expenditure	18(1)c;19	8	0.0%	0.0%	100.0%	100.0%	79.4%	79.4%	79.4%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	96.6%	(70.4%)	274.8%	0.0%	0.0%	0.0%	(6.8%)	2.1%	2.9%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.4%	2.2%	2.2%	2.1%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

11 . EXPENDITURE ON ALLOCATIONS

Summary of Expenditure per Sub-Vote

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

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand										
Expenditure by Vote	1									
Vote 1 - Executive and Council		20,349	19,772	25,772	36,456	33,534	33,534	36,507	38,734	40,723
1.1 - Municipal Council			10,554	9,557	12,785	12,556	12,556	13,488	14,343	15,225
1.2 - Office of the Mayor			2,810	3,714	7,294	6,190	6,190	7,710	8,136	8,413
1.3 - Office of the Municipal Manager		20,349	3,099	4,758	6,262	5,927	5,927	6,665	7,084	7,475
1.4 - Strategic Planning and Performance Management			736	1,792	3,286	2,301	2,301	3,499	3,718	3,902
1.5 - Internal Audit and Risk Management			1,143	4,617	3,592	3,805	3,805	2,650	2,813	2,942
1.6 - Disaster Management			1,431	1,334	3,237	2,755	2,755	2,495	2,641	2,766
Vote 2 - Budget and Treasury Department		118,603	60,728	144,420	87,659	92,142	92,142	87,451	98,389	100,533
2.1 - Office of the CFO		118,603	21,923	4,799	5,272	6,008	6,008	3,965	4,216	4,448
2.2 - Financial Planning and Reporting			8,565	813	3,199	1,609	1,609	3,404	3,619	3,835
2.3 - Financial Control and Expenditure Management			4,882	18,229	31,946	36,000	36,000	24,260	32,817	33,438
2.4 - Revenue and Debt Management			22,330	117,965	43,907	44,809	44,809	51,880	53,575	54,463
2.5 - Supply Chain Management and Stores			3,029	2,615	3,334	3,716	3,716	3,943	4,163	4,347
Vote 3 - Corporate Services		19,698	33,468	24,160	43,699	40,544	40,544	42,227	44,630	46,039
3.1 - Office of the Director		19,698	2,988	1,012	1,839	1,739	1,739	1,961	2,087	2,193
3.2 - Human Resources			7,028	7,468	12,181	11,626	11,626	13,480	14,233	14,637
3.3 - Information Technology			693	1,148	3,307	2,507	2,507	1,480	1,553	1,599
3.4 - Administration			22,760	14,532	26,371	24,671	24,671	22,278	23,537	24,308
3.4 - Legal								3,029	3,219	3,302

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Vote 4 - Community and Social Services		32,057	34,934	37,378	57,336	58,368	58,368	63,683	67,341	70,113
4.1 - Office of the Director		24,437	1,310	1,756	2,104	2,314	2,314	2,243	2,388	2,520
4.2 - Libraries			2,612	1,996	3,020	2,725	2,725	3,209	3,403	3,574
4.3 - Parks			7,517	8,214	12,777	11,572	11,572	13,454	14,243	14,943
4.4 - Cemeteries			582	265	7,616	1,365	1,365	1,690	1,787	1,846
4.5 - Traffic		5,343	8,357	8,523	10,961	10,215	10,215	12,066	12,932	13,406
4.6 - Licensing			3,270	3,927	4,586	13,854	13,854	13,901	14,495	14,897
4.7 - Environment Health			9,341	9,085	11,081	11,049	11,049	11,719	12,441	13,177
4.8 - Waste Management		2,277	1,945	3,611	5,190	5,272	5,272	5,401	5,652	5,749
Vote 5 - Planning and Development		5,697	8,180	7,038	11,910	11,505	11,505	17,094	11,004	11,541
5.1 - Office of the Director		5,697	1,090	1,037	1,656	1,718	1,718	1,765	1,878	1,968
5.2 - Economic Development			4,522	3,875	4,550	5,003	5,003	12,125	5,714	5,961
5.3 - Town Planning			2,568	2,126	5,704	4,784	4,784	3,204	3,412	3,612
Vote 6 - Technical Services Department		87,398	161,274	159,269	233,200	234,338	234,338	191,856	201,140	204,443
6.1 - Office of the Director			2,078	6,158	4,345	5,458	5,458	4,772	3,785	4,015
6.2 - Electrical Services		52,967	84,387	75,856	125,959	126,269	126,269	107,174	116,421	118,125
6.3 - Building Section			14,436	22,826	22,904	18,939	18,939	18,216	18,563	18,959
6.4 - Water Services			2,227	207		-	-			
6.5 - Waste Water Management			2	0		-	-			
6.6 - Roads and Storm Water Services		34,431	56,399	52,540	77,112	81,032	81,032	58,681	59,166	59,971
6.7 - Project Management Unit			383	649	956	850	850	1,021	1,087	1,147
6.8 - Mechanical Workshop			1,361	1,032	1,924	1,789	1,789	1,992	2,118	2,226
Total Expenditure by Vote	2	283,802	318,356	398,036	470,260	470,430	470,430	438,819	461,239	473,392
Surplus/(Deficit) for the year	2	(24,803)	(83,457)	(109,157)	(106,137)	(103,600)	(103,600)	(45,289)	(31,935)	(30,152)

12 ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITIES

In the 2014/15 MTREF no allocations will be made by the Municipality to:

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

13 COUNCILLORS AND BOARD MEMBER ALLOWANCE AND EMPLOYEE BENEFITS

13.2 Summary of Councillors and Staff Benefits

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

Summary of Employee and Councillor remuneration R thousand	Ref	2010/11	2011/12	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
-	1	A	B	D	E	F	G	H	I
<u>Councillors (Political Office Bearers plus Other)</u>									
Basic Salaries and Wages		5,567	6,177	9,605	8,315	8,315	9,572	10,185	10,836
Pension and UIF Contributions		1,360	21	-	-	-			
Medical Aid Contributions				-	-	-			
Motor Vehicle Allowance			2,061	2,106	2,306	2,306	2,783	2,961	3,150
Cellphone Allowance			448	474	474	474	501	533	567
Other benefits and allowances		4,612	347						
Sub Total - Councillors		11,540	9,054	12,185	11,095	11,095	12,855	13,678	14,554
% increase	4		(21.5%)	-	(8.9%)	-	15.9%	6.4%	6.4%
<u>Senior Managers of the Municipality</u>	2								
Basic Salaries and Wages		3,059	2,091	3,418	3,418	3,418	3,637	3,870	4,117
Pension and UIF Contributions		7	4	10	10	10	10	11	11
Performance Bonus		274		-	-	-	-	-	-
Motor Vehicle Allowance	3	1,399	1,170	2,204	2,204	2,204	2,345	2,495	2,655
Cellphone Allowance	3		51	77	77	77	82	87	93
Housing Allowances	3			-	-	-	-	-	-
Other benefits and allowances	3		675	702	702	702	747	795	846
Payments in lieu of leave			458						
Sub Total - Senior Managers of Municipality		4,740	4,448	6,411	6,411	6,411	6,821	7,258	7,722
% increase	4		(6.1%)	-	-	-	6.4%	6.4%	6.4%

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Other Municipal Staff									
Basic Salaries and Wages		42,821	44,054	64,044	66,492	66,492	68,254	72,622	77,270
Pension and UIF Contributions		11,607	9,606	13,999	13,560	13,560	14,895	15,849	16,863
Medical Aid Contributions			3,224	4,563	4,029	4,029	4,855	5,165	5,496
Overtime		900	2,167	3,594	3,494	3,494	3,824	4,069	4,329
Performance Bonus			-	-	-	-	-	-	-
Motor Vehicle Allowance	3		5,457	10,855	12,143	12,143	11,549	12,288	13,075
Cellphone Allowance	3		537	913	942	942	972	1,034	1,100
Housing Allowances	3	653	617	1,555	1,058	1,058	1,655	1,761	1,873
Other benefits and allowances	3	12,065	18,487	5,221	3,622	3,622	5,555	5,911	6,289
Payments in lieu of leave			4,204						
Long service awards			-						
Post-retirement benefit obligations	6								
Sub Total - Other Municipal Staff		68,046	88,352	104,743	105,340	105,340	111,558	118,698	126,294
% increase	4		29.8%	-	0.6%	-	5.9%	6.4%	6.4%
Total Parent Municipality		84,326	101,854	123,339	122,846	122,846	131,235	139,634	148,570
			20.8%	-	(0.4%)	-	6.8%	6.4%	6.4%
TOTAL SALARY, ALLOWANCES & BENEFITS		84,326	101,854	123,339	122,846	122,846	131,235	139,634	148,570
% increase	4		20.8%	-	(0.4%)	-	6.8%	6.4%	6.4%
TOTAL MANAGERS AND STAFF	5,7	72,786	92,800	111,154	111,750	111,750	118,379	125,955	134,017

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

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

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4		440,554		183,659			624,212
Chief Whip			413,020		181,550			594,570
Executive Mayor			550,693		206,167			756,860
Deputy Executive Mayor			-		-			-
Executive Committee			1,364,222		539,376			1,903,598
Total for all other councillors			7,451,539		1,524,659			8,976,198
Total Councillors	8	-	10,220,029	-	2,635,410			12,855,439
Senior Managers of the Municipality	5							
Municipal Manager (MM)			836,304		570,095			1,406,399
Chief Finance Officer			500,824		783,123			1,283,946
Director Technical Services			632,804		599,782			1,232,586
Director Corporate Services			564,765		425,023			989,788
Director Planning			536,064		379,879			915,943
Director Community Services			564,765		425,023			989,788
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	-	13,855,555	-	5,818,334	-		19,673,889

14. MONTHLY TARGETS FOR REVENUE AND EXPENDITURE

LIM334 Ba-Phalaborwa - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue By Source	-															
Property rates		5,886	5,886	5,886	5,886	5,886	5,886	5,886	5,886	5,886	5,886	5,886	5,886	70,634	76,637	80,404
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		7,944	7,944	7,944	7,944	7,944	7,944	7,944	7,944	7,944	7,944	7,944	7,944	95,327	95,653	96,609
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		945	945	945	945	945	945	945	945	945	945	945	945	11,337	11,898	12,017
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		28	28	28	28	28	28	28	28	28	28	28	28	330	353	357
Interest earned - external investments		22	22	22	22	22	22	22	22	22	22	22	22	260	270	273
Interest earned - outstanding debtors		6,220	6,220	6,220	6,220	6,220	6,220	6,220	6,220	6,220	6,220	6,220	6,220	74,644	77,905	78,685
Dividends received		0	0	0	0	0	0	0	0	0	0	0	0	3	3	3
Fines		217	217	217	217	217	217	217	217	217	217	217	217	2,600	2,750	2,778
Licences and permits		752	752	752	752	752	752	752	752	752	752	752	752	9,021	9,057	9,053
Agency services		188	188	188	188	188	188	188	188	188	188	188	188	2,255	2,327	2,350
Transfers recognised - operational		7,374	7,374	7,374	7,374	7,374	7,374	7,374	7,374	7,374	7,374	7,374	7,374	88,490	111,786	114,548
Other revenue		113	113	113	113	113	113	113	113	113	113	113	113	1,352	1,416	1,430
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		29,688	29,688	29,688	29,688	29,688	29,688	29,688	29,688	29,688	29,688	29,688	29,688	356,251	390,055	398,506

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Expenditure By Type	-																
Employee related costs		9,865	9,865	9,865	9,865	9,865	9,865	9,865	9,865	9,865	9,865	9,865	9,865	118,379	125,955	134,017	
Remuneration of councillors		1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071	12,855	13,678	14,554	
Debt impairment		2,630	2,630	2,630	2,630	2,630	2,630	2,630	2,630	2,630	2,630	2,630	2,630	31,558	33,168	33,499	
Depreciation & asset impairment		6,242	6,242	6,242	6,242	6,242	6,242	6,242	6,242	6,242	6,242	6,242	6,242	74,909	75,061	75,812	
Finance charges		71	71	71	71	71	71	71	71	71	71	71	71	848	891	900	
Bulk purchases		6,881	6,881	6,881	6,881	6,881	6,881	6,881	6,881	6,881	6,881	6,881	6,881	82,573	90,989	91,898	
Other materials		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Contracted services		3,795	3,795	3,795	3,795	3,795	3,795	3,795	3,795	3,795	3,795	3,795	3,795	45,536	46,851	47,319	
Transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other expenditure		6,013	6,013	6,013	6,013	6,013	6,013	6,013	6,013	6,013	6,013	6,013	6,013	72,160	74,646	75,393	
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenditure		36,568	36,568	36,568	36,568	36,568	36,568	36,568	36,568	36,568	36,568	36,568	36,568	438,819	461,239	473,392	
Surplus/(Deficit)		(6,881)	(6,881)	(6,881)	(6,881)	(6,881)	(6,881)	(6,881)	(6,881)	(6,881)	(6,881)	(6,881)	(6,881)	(82,567)	(71,184)	(77,886)	
Transfers recognised - capital		3,107	3,107	3,107	3,107	3,107	3,107	3,107	3,107	3,107	3,107	3,107	3,107	37,279	39,248	44,734	
Surplus/(Deficit) after capital transfers & contributions		(3,774)	(3,774)	(3,774)	(3,774)	(3,774)	(3,774)	(3,774)	(3,774)	(3,774)	(3,774)	(3,774)	(3,774)	(45,289)	(31,935)	(30,152)	
Taxation														-	-	-	
Attributable to minorities														-	-	-	
Share of surplus/ (deficit) of associate														-	-	-	
Surplus/(Deficit)	1	(3,774)	(3,774)	(3,774)	(3,774)	(3,774)	(3,774)	(3,774)	(3,774)	(3,774)	(3,774)	(3,774)	(3,774)	(45,289)	(31,935)	(33,152)	

15. Budgeted monthly revenue and expenditure (Standard classification)

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

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue - Standard	-															
Governance and administration		19,333	19,333	19,333	19,333	19,333	19,333	19,333	19,333	19,333	19,333	19,333	19,333	231,995	265,753	273,007
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Budget and treasury office		19,305	19,305	19,305	19,305	19,305	19,305	19,305	19,305	19,305	19,305	19,305	19,305	231,665	265,400	272,651
Corporate services		28	28	28	28	28	28	28	28	28	28	28	28	330	353	357
Community and public safety		1,182	1,182	1,182	1,182	1,182	1,182	1,182	1,182	1,182	1,182	1,182	1,182	14,186	14,454	14,504
Community and social services		964	964	964	964	964	964	964	964	964	964	964	964	11,565	11,683	11,705
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		218	218	218	218	218	218	218	218	218	218	218	218	2,621	2,771	2,799
Economic and environmental services		2,640	2,640	2,640	2,640	2,640	2,640	2,640	2,640	2,640	2,640	2,640	2,640	31,685	35,546	37,102
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		2,640	2,640	2,640	2,640	2,640	2,640	2,640	2,640	2,640	2,640	2,640	2,640	31,685	35,546	37,102
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services		9,639	9,639	9,639	9,639	9,639	9,639	9,639	9,639	9,639	9,639	9,639	9,639	115,664	113,551	118,626
Electricity		8,694	8,694	8,694	8,694	8,694	8,694	8,694	8,694	8,694	8,694	8,694	8,694	104,327	101,653	106,609
Waste management		945	945	945	945	945	945	945	945	945	945	945	945	11,337	11,898	12,017
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Standard		32,794	32,794	32,794	32,794	32,794	32,794	32,794	32,794	32,794	32,794	32,794	32,794	393,530	429,304	443,239

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Expenditure - Standard	-															
Governance and administration		13,849	13,849	13,849	13,849	13,849	13,849	13,849	13,849	13,849	13,849	13,849	13,849	166,186	181,754	187,294
Executive and council		3,042	3,042	3,042	3,042	3,042	3,042	3,042	3,042	3,042	3,042	3,042	3,042	36,507	38,734	40,723
Budget and treasury office		7,288	7,288	7,288	7,288	7,288	7,288	7,288	7,288	7,288	7,288	7,288	7,288	87,451	98,389	100,533
Corporate services		3,519	3,519	3,519	3,519	3,519	3,519	3,519	3,519	3,519	3,519	3,519	3,519	42,227	44,630	46,039
Community and public safety		4,857	4,857	4,857	4,857	4,857	4,857	4,857	4,857	4,857	4,857	4,857	4,857	58,282	61,689	64,364
Community and social services		3,851	3,851	3,851	3,851	3,851	3,851	3,851	3,851	3,851	3,851	3,851	3,851	46,217	48,757	50,958
Public safety		1,005	1,005	1,005	1,005	1,005	1,005	1,005	1,005	1,005	1,005	1,005	1,005	12,066	12,932	13,406
Economic and environmental services		8,481	8,481	8,481	8,481	8,481	8,481	8,481	8,481	8,481	8,481	8,481	8,481	101,776	95,723	97,859
Planning and development		1,425	1,425	1,425	1,425	1,425	1,425	1,425	1,425	1,425	1,425	1,425	1,425	17,094	11,004	11,541
Road transport		7,057	7,057	7,057	7,057	7,057	7,057	7,057	7,057	7,057	7,057	7,057	7,057	84,682	84,719	86,318
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services		9,381	9,381	9,381	9,381	9,381	9,381	9,381	9,381	9,381	9,381	9,381	9,381	112,575	122,073	123,875
Electricity		8,931	8,931	8,931	8,931	8,931	8,931	8,931	8,931	8,931	8,931	8,931	8,931	107,174	116,421	118,125
Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		450	450	450	450	450	450	450	450	450	450	450	450	5,401	5,652	5,749
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard		36,568	36,568	36,568	36,568	36,568	36,568	36,568	36,568	36,568	36,568	36,568	36,568	438,819	461,239	473,392
Surplus/(Deficit) before assoc.		(3,774)	(3,774)	(3,774)	(3,774)	(3,774)	(3,774)	(3,774)	(3,774)	(3,774)	(3,774)	(3,774)	(3,774)	(45,289)	(31,935)	(30,152)
Share of surplus/ (deficit) of associate														-	-	-
Surplus/(Deficit)	1	(3,774)	(3,774)	(3,774)	(3,774)	(3,774)	(3,774)	(3,774)	(3,774)	(3,774)	(3,774)	(3,774)	(3,774)	(45,289)	(31,935)	(30,152)

14. Budgeted monthly cash flow

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

MONTHLY CASH FLOWS	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16
Cash Receipts By Source													1		
Property rates	3,205	5,502	2,154	2,544	2,725	1,633	2,175	2,548	2,542	2,154	2,544	5,906	35,634	37,772	40,038
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-			
Service charges - electricity revenue	8,600	4,420	3,238	3,209	3,991	3,457	4,834	5,799	7,389	5,834	5,944	3,613	60,327	63,947	67,784
Service charges - water revenue	8,600	4,420	3,238	3,209	3,991	3,457	4,834	5,799	7,389	3,238	3,209	5,799	57,183	60,614	64,251
Service charges - sanitation revenue	5,554	3,991	3,109	3,296	4,573	3,140	4,230	4,366	3,304	3,109	3,296	4,230	46,199	48,971	51,910
Service charges - refuse revenue	432	892	338	290	372	330	443	404	458	452	452	673	5,537	5,869	6,221
Rental of facilities and equipment	19	31	25	35	9	9	15	17	26	9	15	16	225	239	253
Interest earned - external investments	5	14	10	17	46	63	52		29	63	52	60	410	435	461
Interest earned - outstanding debtors	684	342	308	360	342	179	195	344	261	179	195	255	3,644	3,862	4,094
Dividends received	0	0	0	0	0	0	0	0	0	0	0	0	3	3	3
Fines	217	217	217	217	217	217	217	217	217	217	217	217	2,600	2,756	2,921
Licences and permits	1,225	1,113	3,018	710	1,225	310	760	1,835	752	752	752	569	13,021	13,802	14,630
Agency services	188	188	188	188	188	188	188	188	188	188	188	188	2,255	2,390	2,534
Transfer receipts - operational	29,497				29,497				29,497			-	88,490	111,786	114,548
Other revenue	24	16	19	18	260	22	113	16	19	18	153	175	852	903	957
Cash Receipts by Source	58,249	21,146	15,864	14,095	47,435	13,004	18,055	21,532	52,071	16,213	17,016	21,699	316,379	353,347	370,603
Other Cash Flows by Source															
Transfer receipts - capital	12,426				12,426				12,426			-	37,279	39,248	44,734

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Contributions recognised - capital & Contributed assets													-			
Total Cash Receipts by Source	70,675	21,146	15,864	14,095	59,861	13,004	18,055	21,532	64,497	16,213	17,016	21,699	353,657	392,595	415,337	
Cash Payments by Type																
Employee related costs	9,865	9,865	9,865	9,865	9,865	9,865	9,865	9,865	9,865	9,865	9,865	9,865	118,379	126,476	135,127	
Remuneration of councillors	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071	12,855	13,735	14,674	
Finance charges	71	71	71	71	71	71	71	71	71	71	71	71	848	905	967	
Bulk purchases - Electricity	6,881	6,881	6,881	6,881	6,881	6,881	6,881	6,881	6,881	6,881	6,881	6,881	82,573	88,221	94,256	
Contracted services	1,827	3,025	865	4,377	4,353	5,007	4,259	2,706	3,903	2,303	2,409	503	35,536	37,967	39,564	
Other expenditure	5,386	3,253	2,760	13,297	1,824	2,340	2,630	3,454	3,613	6,013	6,013	1,574	52,160	64,727	65,539	
Cash Payments by Type	25,101	24,167	21,512	35,562	24,065	25,234	24,778	24,048	25,405	26,204	26,310	19,965	302,351	332,032	350,128	
Other Cash Flows/Payments by Type																
Capital assets	9,880	3,353	325	1,612	7,823	3,302	2,332	838	3,611	7,823	3,302	6,978	51,179	60,529	64,669	
Total Cash Payments by Type	34,981	27,519	21,838	37,174	31,888	28,536	27,110	24,886	29,016	34,027	29,612	26,943	353,530	392,561	414,796	
NET INCREASE/(DECREASE) IN CASH HELD	35,694	(6,373)	(5,974)	(23,079)	27,973	(15,533)	(9,055)	(3,354)	35,482	(17,814)	(12,597)	(5,244)	127	35	541	
Cash/cash equivalents at the month/year begin:	2,100	37,794	31,421	25,447	2,368	30,341	14,809	5,753	2,400	37,881	20,067	7,471	2,100	2,227	2,262	
Cash/cash equivalents at the month/year end:	37,794	31,421	25,447	2,368	30,341	14,809	5,753	2,400	37,881	20,067	7,471	2,227	2,227	2,262	2,803	

15 ANNUAL BUDGET AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS

The service delivery and budget implementation plan is tabled by the Mayor with this budget and IDP

16 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

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

LIM334 Ba-Phalaborwa - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding Years	Current Year 2013/14	2014/15 Medium Term Revenue & Expenditure Framework			Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Total Contract Value	Estimate
		Total	Original Budget	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate		
Parent Municipality:															
Revenue Obligation By Contract	2														
Contract 1															-
Contract 2															-
Contract 3 etc															-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract	2														
Contract 1															-
Contract 2															-
Contract 3 etc															-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure Obligation By Contract	2														
Contract 1															-
Contract 2															-
Contract 3 etc															-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Parent Expenditure Implication					-			-	-				-		-

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		-	-	-		-	-			-	-	-		
- Entities:														
Revenue Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Entity Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-

17 CAPITAL EXPENDITURE DETAILS

17.1 CAPITAL EXPENDITURE ON NEW ASSETS BY ASSET CLASS

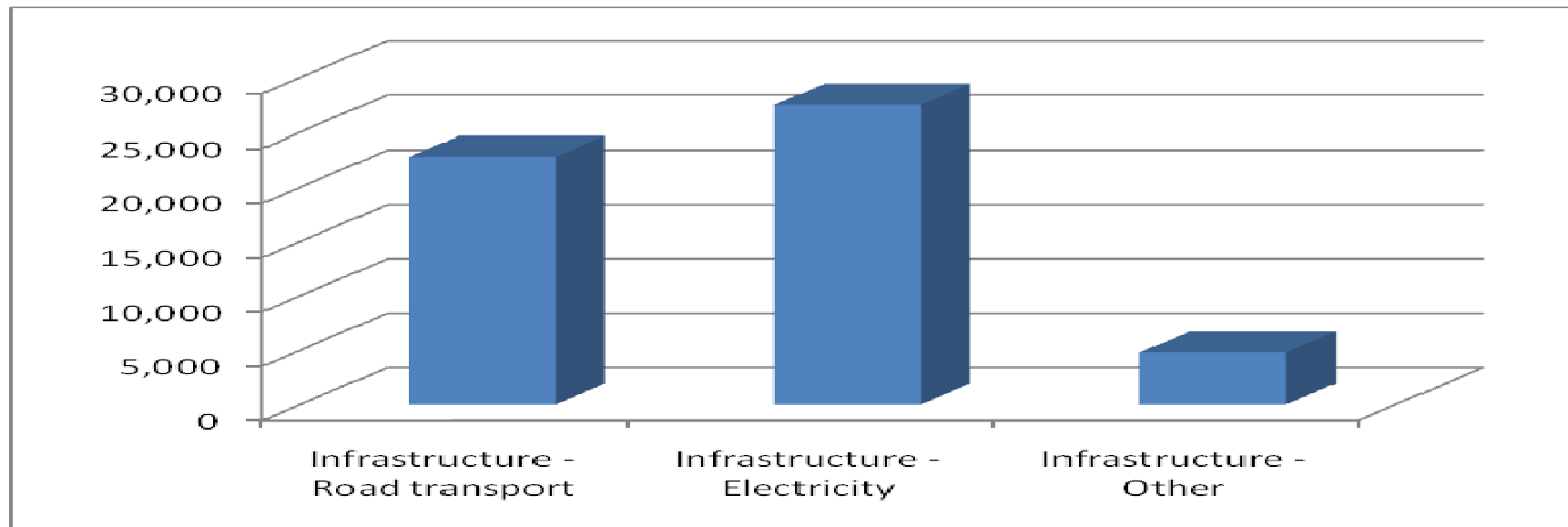
LIM334 Ba-Phalaborwa - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital expenditure on new assets by Asset Class/Sub-class										
-										
Infrastructure		-	-	37,840	42,120	41,894	41,894	55,079	70,194	70,059
Infrastructure - Road transport		-	-	26,169	17,120	21,040	21,040	22,779	37,894	37,759
<i>Roads, Pavements & Bridges</i>				26,169	17,120	21,040	21,040	22,779	37,894	37,759
Infrastructure - Electricity		-	-	11,672	20,000	20,080	20,080	27,800	27,500	27,500
<i>Generation</i>										
<i>Transmission & Reticulation</i>				11,672	20,000	20,080	20,080	27,800	27,500	27,500
<i>Street Lighting</i>										
Infrastructure - Other		-	-	-	5,000	774	774	4,500	4,800	4,800
<i>Other</i>	3				5,000	774	774	4,500	4,800	4,800
Other assets		-	-	5,109	18,500	6,636	6,636	6,100	6,100	6,100
General vehicles										
Plant & equipment										
Computers - hardware/equipment					1,900	556	556	2,000	2,000	2,000
Furniture and other office equipment				3,398	3,500	1,800	1,800	2,500	2,500	2,500
Other				1,711	13,100	4,280	4,280	1,600	1,600	1,600
Total Capital Expenditure on new assets	1	-	-	42,949	60,620	48,530	48,530	61,179	76,294	76,159

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Capital Infrastructure programmes

The following graph provides a breakdown of the capital budget in rand value to be spent on infrastructure capital projects for 2014/15 Financial year.

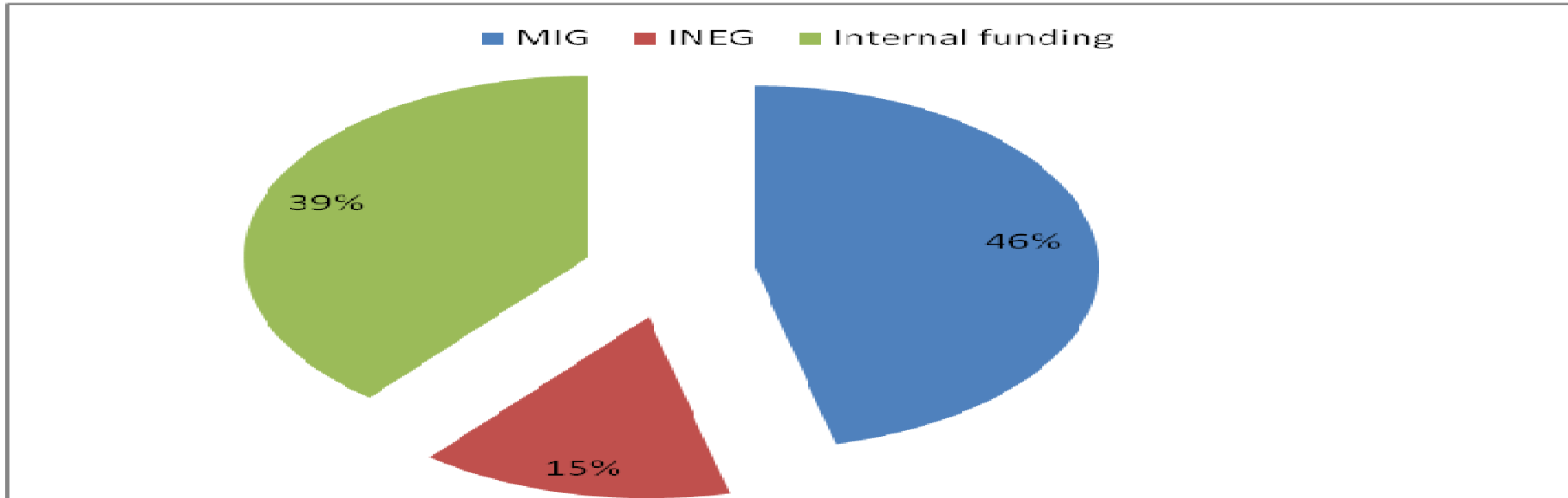


The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.

For 2014/15 financial year the infrastructure- electricity is budgeted for R27,8 million and followed by the infrastructure road transport which is budgeted for R22,8 million for 2014/15 financial year. Infrastructure- other is budgeted for R4.5 million for 2014/15 financial year.

The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.

Funding on Capital Assets budget year 2014/15



The capital programme is funded from grants and transfers, and internally generated funds from current year surpluses. For 2014/15 financial year, internally generated funding totals 39 percent, and MIG totals to 46 percent and INEG at 15 percent over the MTREF.

17.2 DETAILED CAPITAL PROGRAMMES

Name of project	Source of funding	Section	Amount
Electrification	INEG	Electricity	9,000,000
Procurement of additional two functional Patrol/Traffic vehicles fully fitted and operationally ready (Phase 1)	Internal	traffic	600,000
Extension of Municipal Offices Phase 2(Design)	Internal	Building	500,000
New Drivers Licence test and exchange facility Phase 1:	Internal	Licencing	1,000,000
Construction of New 33KV switching room and switch gear at Selati	Internal	Electricity	8,000,000
Centralised Archived Lulekani (Finalization)	Internal	administration	1,000,000
Rehabilitation of streets in PHB(Gerdeland to haarlem, Park & Essenhout street)	Internal	Roads	5,000,000
Office Furniture & Equipments	Internal	administration	1,500,000
Purchase of Cable locater unit panel van	Internal	Electricity	1,000,000
ICT Infrastructure & equipment upgrades	Internal	it	2,000,000
Construction of storm water culverts (Maseke, Makhushane ward2)	Internal	Roads	1,500,000
Honiville to topville street paving	MIG	Roads	1,000,000
Upgrade of 11kV medium voltage cable network in Baphalaborwa town (Phase 1)	Internal	Electricity	1,800,000
Selwane street paving Phase 1	MIG	Roads	1,000,000
Patamedi street paving	MIG	Roads	1,700,000
Upgrading of B1 extension road	MIG	Roads	3,000,000
Upgrading of internal street at foskor	MIG	Roads	4,000,000
Mashishimale multi sport complex	MIG	Building	4,000,000
Tambo street paving	MIG	Roads	5,578,650
Ba-phalaborwa energy saving highmast	MIG	Electricity	8,000,000
			61,178,650

18 LEGISLATION COMPLIANCE STATUS

The budget compilation has taken into account the following legislative documents

- ❖ Municipal Finance Management Act (MFMA), Act No.56 of 2003
- ❖ Division of Revenue of Act (DoRA) and the Bill 2012
- ❖ Budget Regulations and Circulars
- ❖ Asset Management Regulations
- ❖ Municipal systems Act, 2000
- ❖ Minimum Competency Levels of Municipal Finance Officers Regulations
- ❖ Local Government: Municipal Property Rates Act(MPRA)
- ❖ Municipal Budget and Reporting Regulations (MBRR)

19 OTHER SUPPORTING DOCUMENTS

19.1 Supporting details to Budgeted Financial Performance

LIM334 Ba-Phalaborwa - Table A1 Budget Summary

Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousands										
Financial Performance										
Property rates	72,123	34,049	60,257	65,100	65,100	65,100	65,100	70,634	76,637	80,404
Service charges	72,361	73,480	79,414	101,515	102,770	102,770	102,770	106,664	107,551	108,626
Investment revenue	168	177	332	250	310	310	310	260	270	273
Transfers recognised - operational	54,769	59,910	65,471	74,154	74,154	74,154	74,154	88,490	111,786	114,548
Other own revenue	39,665	45,313	50,508	93,771	100,163	100,163	100,163	90,204	93,812	94,655
Total Revenue (excluding capital transfers and contributions)	239,086	212,929	255,983	334,790	342,497	342,497	342,497	356,251	390,055	398,506
Employee costs	72,786	92,800	93,712	111,154	111,750	111,750	111,750	118,379	125,955	134,017
Remuneration of councillors	11,540	9,054	9,052	12,185	11,175	11,175	11,175	12,855	13,678	14,554
Depreciation & asset impairment	38,171	74,449	69,182	76,500	76,500	76,500	76,500	74,909	75,061	75,812
Finance charges	811	434	226	803	963	963	963	848	891	900
Materials and bulk purchases	41,106	56,508	53,402	82,060	81,060	81,060	81,060	82,573	90,989	91,898
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	119,388	83,914	172,461	187,557	188,981	188,981	188,981	149,254	154,665	156,212
Total Expenditure	283,802	317,159	398,036	470,260	470,430	470,430	470,430	438,819	461,239	473,392
Surplus/(Deficit)	(44,716)	(104,230)	(142,052)	(135,470)	(127,933)	(127,933)	(127,933)	(82,567)	(71,184)	(74,886)
Transfers recognised - capital	19,913	20,774	32,895	29,333	24,333	24,333	24,333	37,279	39,248	44,734
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(24,803)	(83,457)	(109,157)	(106,137)	(103,600)	(103,600)	(103,600)	(45,289)	(31,935)	(30,152)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(24,803)	(83,457)	(109,157)	(106,137)	(103,600)	(103,600)	(103,600)	(45,289)	(31,935)	(30,152)
Capital expenditure & funds sources										
Capital expenditure	-	-	42,949	60,620	48,530	48,530	48,530	61,179	76,294	76,159
Transfers recognised - capital	-	-	29,238	29,220	24,220	24,220	24,220	37,279	39,248	44,734
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	13,711	31,400	24,310	24,310	24,310	23,900	37,045	31,425
Total sources of capital funds	-	-	42,949	60,620	48,530	48,530	48,530	61,179	76,294	76,159
Financial position										
Total current assets	89,733	159,157	56,845	182,428	182,428	182,428	182,428	171,542	175,132	179,901
Total non current assets	1,148,527	1,120,980	1,057,189	1,231,748	1,231,748	1,231,748	1,231,748	1,284,539	1,360,832	1,436,991
Total current liabilities	208,420	322,232	373,494	9,000	9,000	9,000	9,000	1,500	1,650	1,700

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Total non current liabilities	25,650	36,618	33,736	189	189	189	189	230,000	198,000	166,000
Community wealth/Equity	1,004,189	921,286	706,805	1,404,987	1,404,987	1,404,987	1,404,987	1,224,581	1,336,315	1,449,192
Cash flows										
Net cash from (used) operating	67,218	(9,007)	86,016	61,635	39,965	39,965	39,965	51,306	60,563	65,210
Net cash from (used) investing	(76,137)	(114,466)	(42,949)	(60,620)	(38,530)	(38,530)	(38,530)	(51,179)	(60,529)	(64,669)
Net cash from (used) financing	(3,124)	115,031	(941)	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	(12,453)	(20,895)	21,231	4,015	2,572	2,572	2,572	2,227	2,262	2,803
Cash backing/surplus reconciliation										
Cash and investments available	(12,453)	(20,895)	2,066	3,000	3,000	3,000	3,000	3,600	3,800	3,900
Application of cash and investments	109,920	138,686	321,534	(132,827)	(137,028)	(137,028)	(137,028)	(132,579)	(138,121)	(147,613)
Balance - surplus (shortfall)	(122,373)	(159,581)	(319,468)	135,827	140,028	140,028	140,028	136,179	141,921	151,513
Asset management										
Asset register summary (WDV)	319	227	313	1,231,748	1,231,748	1,231,748	1,284,539	1,284,539	1,360,832	1,436,991
Depreciation & asset impairment	38,171	74,449	69,182	76,500	76,500	76,500	74,909	74,909	75,061	75,812
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	-	-	-	-	-	-	19,291	19,291	19,823	20,021
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
Households below minimum service level										
Water:	0	0	0	0	0	0	0	0	0	0
Sanitation/sewerage:	7	7	7	6	6	6	6	6	6	6
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	21	21	21	21	21	21	21

b.Matrix Financial Performance

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

Description	Vote 1 - Executive and Council	Vote 2 - Budget and Treasury Department	Vote 3 - Corporate Services	Vote 4 - Community and Social Services	Vote 5 - Planning and Development	Vote 6 - Technical Services Department	Total
R thousand							
Revenue By Source							
Property rates	-	70,634	-	-	-	-	70,634
Service charges - electricity revenue	-	-	-	-	-	95,327	95,327
Service charges - refuse revenue	-	-	-	11,337	-	-	11,337
Rental of facilities and equipment	-	-	330	-	-	-	330
Interest earned - external investments	-	260	-	-	-	-	260
Interest earned - outstanding debtors	-	74,644	-	-	-	-	74,644
Dividends received	-	3	-	-	-	-	3
Fines	-	-	-	2,600	-	-	2,600
Licences and permits	-	-	-	9,021	-	-	9,021
Agency services	-	-	-	2,255	-	-	2,255
Other revenue	-	-	-	-	-	1,352	1,352
Transfers recognised - operational	-	-	-	-	-	88,490	88,490
Total Revenue (excluding capital transfers and contributions)	-	145,540	330	25,212	-	185,169	356,251
Expenditure By Type							
Employee related costs	15,005	20,179	16,753	36,529	7,420	22,493	118,379
Remuneration of councillors	12,855	-	-	-	-	-	12,855
Debt impairment	-	31,558	-	-	-	-	31,558
Depreciation & asset impairment	-	7,500	-	-	-	67,409	74,909
Finance charges	-	848	-	-	-	-	848
Bulk purchases	-	-	-	-	-	82,573	82,573
Contracted services	220	14,398	9,440	13,978	7,500	-	45,536
Other expenditure	8,426	12,968	16,035	13,177	2,174	19,380	72,160
Total Expenditure	36,507	87,451	42,227	63,683	17,094	191,856	438,819
Surplus/(Deficit)	(36,507)	58,088	(41,897)	(38,471)	(17,094)	(6,687)	(82,567)
Transfers recognised - capital						37,279	37,279
Surplus/(Deficit) after capital transfers & contributions	(36,507)	58,088	(41,897)	(38,471)	(17,094)	30,592	(45,289)

c.Supporting Details to Budgeted Financial Position

LIM334 Ba-Phalaborwa - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand											
ASSETS											
Call investment deposits											
Call deposits < 90 days		3,610	2		500	500	500	500	1,500	1,700	1,800
Other current investments > 90 days											
Total Call investment deposits	2	3,610	2	-	500	500	500	500	1,500	1,700	1,800
Consumer debtors											
Consumer debtors		74,407	152,863	45,372	180,000	150,087	150,087	150,087	190,000	195,000	200,000
Less: Provision for debt impairment					(29,913)				(31,558)	(33,168)	(33,499)
Total Consumer debtors	2	74,407	152,863	45,372	150,087	150,087	150,087	150,087	158,442	161,832	166,501
Debt impairment provision											
Balance at the beginning of the year											
Contributions to the provision											
Bad debts written off											
Balance at end of year		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		1,148,209	1,120,753	1,056,876	1,222,960	1,222,960	1,222,960	1,222,960	1,716,894	1,868,249	2,020,219
Leases recognised as PPE											
Less: Accumulated depreciation									432,755	507,816	583,628
Total Property, plant and equipment (PPE)	2	1,148,209	1,120,753	1,056,876	1,222,960	1,222,960	1,222,960	1,222,960	1,284,139	1,360,432	1,436,591
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)											
Current portion of long-term liabilities		3,434	6,530		4,200	4,200	4,200	4,200	-	-	-
Total Current liabilities - Borrowing		3,434	6,530	-	4,200	4,200	4,200	4,200	-	-	-
Trade and other payables											
Trade and other creditors		186,454	289,287	368,002							
Unspent conditional transfers		1,480	2,789	2,511							
VAT											
Total Trade and other payables	2	187,934	292,076	370,513	-	-	-	-	-	-	-

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Non current liabilities - Borrowing											
Borrowing	4	–	4,389		189	189	189	189	210,000	180,000	150,000
Finance leases (including PPP asset element)		2,140	262								
Total Non current liabilities - Borrowing		2,140	4,651	–	189	189	189	189	210,000	180,000	150,000
Provisions - non-current											
Retirement benefits		17,608	23,147								
List other major provision items											
Other		5,902	8,820	33,736					20,000	18,000	16,000
Total Provisions - non-current		23,510	31,967	33,736	–	–	–	–	20,000	18,000	16,000
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		80,233	162,276								
GRAP adjustments		157,596	841,913								
Restated balance		237,830	1,004,189	–	–	–	–	–	–	–	–
Surplus/(Deficit)		(24,803)	(83,457)	(109,157)	(106,137)	(103,600)	(103,600)	(103,600)	(45,289)	(31,935)	(30,152)
Depreciation offsets		72,663	74,357		76,500	76,500	76,500	76,500	74,909	75,061	75,812
Other adjustments											
Accumulated Surplus/(Deficit)	1	285,689	995,090	(109,157)	(29,637)	(27,100)	(27,100)	(27,100)	29,620	43,126	45,659
Reserves	-										
Housing Development Fund											
Other reserves					1,298,850	1,298,850	1,298,850	1,298,850	1,224,581	1,336,315	1,449,192
Revaluation											
Total Reserves	2	–	–	–	1,298,850	1,298,850	1,298,850	1,298,850	1,224,581	1,336,315	1,449,192
TOTAL COMMUNITY WEALTH/EQUITY	2	285,689	995,090	(109,157)	1,269,213	1,271,750	1,271,750	1,271,750	1,254,201	1,379,440	1,494,851

d.The municipality has no entities.

e.Reconciliation of transfers, Grant Receipts and Unspent Funds

LIM334 Ba-Phalaborwa - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		49,355	56,327	64,761	74,154	74,154	74,154	88,490	111,786	114,548
Conditions met - transferred to revenue		49,355	56,327	64,761	74,154	74,154	74,154	88,490	111,786	114,548
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts		4,649	2,667	-	-	-	-	-	-	-
Conditions met - transferred to revenue		4,649	2,667	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts		625	730	500	-	-	-	-	-	-
Conditions met - transferred to revenue		625	730	500	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		54,629	59,724	65,261	74,154	74,154	74,154	88,490	111,786	114,548
Total operating transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		40,242	22,129	33,778	24,220	24,220	24,220	37,279	39,248	44,734
Conditions met - transferred to revenue		40,242	22,129	33,778	24,220	24,220	24,220	37,279	39,248	44,734
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts		-	400	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	400	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		40,242	22,529	33,778	24,220	24,220	24,220	37,279	39,248	44,734
Total capital transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		94,871	82,253	99,039	98,374	98,374	98,374	125,769	151,034	159,282
TOTAL TRANSFERS AND GRANTS - CTBM		-	-	-	-	-	-	-	-	-

f.Future Financial Implications

The municipality has no programmes above the three year budgeting cycle

g.Projects Delayed from Previous Financial Years

No project delays from the previous financial year.

Other supporting tables

LIM334 Ba-Phalaborwa - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand												
Integrate social development and services for sustainability	Programmes to strengthen community empowerment are HIV/Aids, Health, Education, Youth, Gender, Disability, Arts and Culture, Sports and Recreation, Libraries, Indigent Support, Traffic and Licensing, Safety and Security and Disaster management.			15,769	11,648	13,899	17,402	24,711	24,711	25,522	26,352	26,521
Integrate technical and social infrastructure and services for sustainability	Urgent attention needs to be paid to the provision of infrastructure and services (as per the constitutional requirements) to improve the accessibility of services to all communities within the municipal area. This will include basic services, roads, sports fields, community halls, libraries and the provision of cemeteries			81,548	86,174	104,187	124,296	119,296	119,296	136,012	137,199	143,711

Sustain the environment	<p>Environmental sustainability must receive due consideration. Ba-Phalaborwa has scarce water resources, therefore special attention should be given to the conservation and management of water resources. Due to the mining activities, water and air pollution should be monitored and assessed continuously and mitigating actions taken to ensure management of pollution. Together with this, a great challenge for the Municipality is the establishment of a new landfill site and the closure and rehabilitation of the current landfill site. The development of parks should also be addressed under this objective</p>			-								
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Improve financial viability	Weaknesses identified under this objective include financial viability, financial management, audit history, personnel budget, revenue collection and locked finances, maintenance budget, failure to maximise revenue collection. Strategies have been developed to ensure that challenges regarding financial viability are addressed.			161,497	131,245	170,288	222,102	222,121	222,121	231,665	265,400	269,651
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Enhance stakeholder involvement	One of the greatest challenges in municipalities is to involve the community in the activities of the municipality and ensure that the voice of the community is heard. Two programmes where this can be achieved are through public participation and ward committees. It is therefore crucial for the municipality to ensure that ward committees are functional and that the community's voice is heard through public participation. Customer relations management needs to be improved i.e. communication to communities and stakeholders and the customer care desk. Complaints by the community and stakeholders need to be tracked and reported back to them.											
Facilitate sustainable development	All development should be aligned to the SDF and be according to the LUMS to ensure that growth points are developed. All programmes and projects should be continuously monitored and evaluated to ensure that they contribute to the future growth and achievement of the "bigger picture" envisaged for the municipal area.		-	1,825	-	15	395	395	-	-	-	-

Advance good corporate governance	To enhance unqualified institutional management, institutional processes should be improved. Cooperative governance deals with policy implementation, audit, information and communication technology, intergovernmental relations which should be improved upon and strengthen. This will lead to open and transparent decision-making and sound governance practices throughout the municipality			185	4,007	504	308	308	308	330	353	357
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Develop tourism and grow the economy	The best way to alleviate poverty, curb unemployment and address social problems is to ensure that there are enough jobs so that everybody in the community can earn a living. Ba-Phalaborwa has various projects and initiatives to alleviate poverty and stimulate economic growth. Ba-Phalaborwa's strategic location has established it as a developmental and economic node in tourism, mining, agriculture and services. The aim with this objective is to ensure that all community members can participate and share in the growing economy. The Ba-Phalaborwa Sustainable Development Initiative will go a long way in ensuring that the poorest communities are included and benefitting through economic growth within the municipal area.											
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	258,999	234,899	288,879	364,123	366,830	366,830	393,530	429,304	440,239

LIM334 Ba-Phalaborwa - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Integrate social development and services for sustainability	Programmes to strengthen community empowerment are HIV/Aids, Health, Education, Youth, Gender, Disability, Arts and Culture, Sports and Recreation, Libraries, Indigent Support, Traffic and Licensing, Safety and Security and Disaster management.			32,057	17,494	19,813	25,862	34,381	34,381	36,820	38,870	40,146
Integrate technical and social infrastructure and services for sustainability	Urgent attention needs to be paid to the provision of infrastructure and services (as per the constitutional requirements) to improve the accessibility of services to all communities within the municipal area. This will include basic services, roads, sports fields, community halls, libraries and the provision of cemeteries			87,398	161,274	159,269	233,200	234,338	234,338	191,856	201,140	204,443
Sustain the environment	Environmental sustainability must receive due consideration. Ba-Phalaborwa has scarce water resources, therefore special attention should be given to the conservation and			–	17,439	17,564	31,474	23,987	23,987	26,863	28,471	29,967

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	management of water resources. Due to the mining activities, water and air pollution should be monitored and assessed continuously and mitigating actions taken to ensure management of pollution. Together with this, a great challenge for the Municipality is the establishment of a new landfill site and the closure and rehabilitation of the current landfill site. The development of parks should also be addressed under this objective										
Improve financial viability	Weaknesses identified under this objective include financial viability, financial management, audit history, personnel budget, revenue collection and locked finances, maintenance budget, failure to maximise revenue collection. Strategies have been developed to ensure that challenges regarding financial viability are addressed.		118,603	60,728	144,420	87,659	92,142	92,142	87,451	98,389	100,533
Enhance stakeholder involvement	One of the greatest challenges in municipalities is to involve the community in the activities of the municipality and ensure that the voice of the community is heard.		20,349	19,772	25,772	36,456	33,534	33,534	36,507	38,734	40,723

	<p>Two programmes where this can be achieved are through public participation and ward committees. It is therefore crucial for the municipality to ensure that ward committees are functional and that the community's voice is heard through public participation. Customer relations management needs to be improved i.e. communication to communities and stakeholders and the customer care desk. Complaints by the community and stakeholders need to be tracked and reported back to them.</p>											
Facilitate sustainable development	<p>All development should be aligned to the SDF and be according to the LUMS to ensure that growth points are developed. All programmes and projects should be continuously monitored and evaluated to ensure that they contribute to the future growth and achievement of the "bigger picture" envisaged for the municipal area.</p>			5,697	3,658	3,163	7,360	6,502	6,502	4,969	5,290	5,580

Advance good corporate governance	To enhance unqualified institutional management, institutional processes should be improved. Cooperative governance deals with policy implementation, audit, information and communication technology, intergovernmental relations which should be improved upon and strengthen. This will lead to open and transparent decision-making and sound governance practices throughout the municipality		19,698	33,468	24,160	43,699	40,544	40,544	42,227	44,630	46,039
Develop tourism and grow the economy	The best way to alleviate poverty, curb unemployment and address social problems is to ensure that there are enough jobs so that everybody in the community can earn a living. Ba-Phalaborwa has various projects and initiatives to alleviate poverty and stimulate economic growth. Ba-Phalaborwa's strategic location has established it as a developmental and economic node in tourism, mining, agriculture and services. The aim with this objective is to ensure that all community members can participate		-	4,522	3,875	4,550	5,003	5,003	12,125	5,714	5,961

	and share in the growing economy. The Ba-Phalaborwa Sustainable Development Initiative will go a long way in ensuring that the poorest communities are included and benefitting through economic growth within the municipal area.										
Allocations to other priorities											
Total Expenditure	1	283,802	318,356	398,036	470,260	470,430	470,430	438,819			
Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)											

Strategic Objective						Goal	Goal Code	Ref	2010/11			
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget		Adjusted Budget		Full Year Forecast	Budget Year 2014/15	
Integrate social development and services for sustainability	Programmes to strengthen community empowerment are HIV/Aids, Health, Education, Youth, Gender, Disability, Arts and Culture, Sports and Recreation, Libraries, Indigent Support, Traffic and Licensing, Safety and Security and Disaster management.	A	-	-	1,711	1,000	-	-	600	Budget Year +1 2015/16	Budget Year +2 2016/17	
Integrate technical and social infrastructure and services for sustainability	Urgent attention needs to be paid to the provision of infrastructure and services (as per the constitutional requirements) to improve the accessibility of services to all communities within the municipal area. This will include basic services, roads, sports fields, community halls, libraries and the provision of cemeteries	B	-	-	37,840	42,120	41,894	41,894	55,079	600	600	

		C									70,194	70,059
Sustain the environment	Environmental sustainability must receive due consideration. Ba-Phalaborwa has scarce water resources, therefore special attention should be given to the conservation and management of water resources. Due to the mining activities, water and air pollution should be monitored and assessed continuously and mitigating actions taken to ensure management of pollution. Together with this, a great challenge for the Municipality is the establishment of a new landfill site and the closure and rehabilitation of the current landfill site. The development of parks should also be addressed under this objective	D	-	-	-	6,000	-	-	1,000			
		E									1,000	1,000
Improve financial viability	Weaknesses identified under this objective include financial viability, financial	F	-	-	-	1,500	1,680	1,680				

	management, audit history, personnel budget, revenue collection and locked finances, maintenance budget, failure to maximise revenue collection. Strategies have been developed to ensure that challenges regarding financial viability are addressed.	G									
Enhance stakeholder involvement	One of the greatest challenges in municipalities is to involve the community in the activities of the municipality and ensure that the voice of the community is heard. Two programmes where this can be achieved are through public participation and ward committees. It is therefore crucial for the municipality to ensure that ward committees are functional and that the community's voice is heard through public participation. Customer relations management needs to be improved i.e. communication to communities and	H	-	-	-	1,900	600	600			

	stakeholders and the customer care desk. Complaints by the community and stakeholders need to be tracked and reported back to them.	I										
Facilitate sustainable development	All development should be aligned to the SDF and be according to the LUMS to ensure that growth points are developed. All programmes and projects should be continuously monitored and evaluated to ensure that they contribute to the future growth and achievement of the "bigger picture" envisaged for the municipal area.	J	-	-	-	2,700	2,000	2,000				
		K										
Advance good corporate governance	To enhance unqualified institutional management, institutional processes should be improved. Cooperative governance deals with policy implementation, audit, information and communication	L	-	-	3,398	5,400	2,356	2,356	4,500	4,500	4,500	4,500

	<p>technology, intergovernmental relations which should be improved upon and strengthen. This will lead to open and transparent decision-making and sound governance practices throughout the municipality</p>	M									
<p>Develop tourism and grow the economy</p>	<p>The best way to alleviate poverty, curb unemployment and address social problems is to ensure that there are enough jobs so that everybody in the community can earn a living. Ba-Phalaborwa has various projects and initiatives to alleviate poverty and stimulate economic growth. Ba-Phalaborwa's strategic location has established it as a developmental and economic node in tourism, mining, agriculture and services. The aim with this objective is to ensure that all community members can participate and share in the growing economy. The Ba-Phalaborwa Sustainable Development</p>	N									

	Initiative will go a long way in ensuring that the poorest communities are included and benefitting through economic growth within the municipal area.										
Allocations to other priorities		3									
Total Capital Expenditure		1	-	-	42,949	60,620	48,530	48,530	61,179	76,294	76,159

LIM334 Ba-Phalaborwa - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2010/11	2011/12	2012/13	Current Year 2013/14	2014/15 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population						132	132	132	151	151	151	151
Females aged 5 - 14						14	14	14	78	78	78	78
Males aged 5 - 14						23	23	23	73	73	73	73
Females aged 15 - 34						14	14	14	14	14	14	14
Males aged 15 - 34						23	23	23	23	23	23	23
Unemployment						4	4	4	20	20	20	20
		-										

Monthly household income (no. of households)	1, 12											
No income					54,960	54,960	54,960	63,891	63,891	63,891	63,891	63,891
R1 - R1 600					3,678	3,678	3,678	56,476	56,476	56,476	56,476	56,476
R1 601 - R3 200					3,123	3,123	3,123	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												
Poverty profiles (no. of households)												
< R2 060 per household per month	13											
Insert description	2											
Household/demographics (000)												
Number of people in municipal area								151	151	151	151	151
Number of poor people in municipal area								64	64	64	64	64
Number of households in municipal area								41	41	41	41	41
Number of poor households in municipal area												
Definition of poor household (R per month)												
Consumption growth (electricity)												
Consumption growth (water)												
Collection rates	7											
Property tax/service charges												
Rental of facilities & equipment												
Interest - external investments												
Interest - debtors												
Revenue from agency services												

Detail on the provision of municipal services for A10

Total municipal services					2010/11	2011/12	2012/13	Current Year 2013/14	2014/15 Medium Term Revenue & Expenditure Framework	
Ref.		Outcome	Outcome	Outcome	Original Budget			Adjusted Budget		
	Household service targets (000)									
	Water:									
	Piped water inside dwelling	12	12	12	15	15	15	15	15	15
	Piped water inside yard (but not in dwelling)	17	17	17	19	19	19	19	19	19
8	Using public tap (at least min.service level)	4	4	4	3,812	3,812	3,812	3,812	3,812	3,812
10	Other water supply (at least min.service level)	4	4	4	413	413	413	413	413	413
	<i>Minimum Service Level and Above sub-total</i>	37	37	37	4,259	4,259	4,259	4,259	4,259	4,259
9	Using public tap (< min.service level)									
10	Other water supply (< min.service level)	2	2	2	234	234	234	234	234	234
	No water supply				2	2	2	2	2	2
	<i>Below Minimum Service Level sub-total</i>	2	2	2	236	236	236	236	236	236
	Total number of households	39	39	39	4,495	4,495	4,495	4,495	4,495	4,495
	Sanitation/sewerage:									
	Flush toilet (connected to sewerage)	14,056	14,056	14,056	16,638	16,638	16,638	16,638	16,638	16,638
	Flush toilet (with septic tank)	1,090	1,090	1,090	860	860	860	860	860	860

		Chemical toilet	-	-	-	424	424	424	424	424	424
		Pit toilet (ventilated)	2,868	2,868	2,868	6,718	6,718	6,718	6,718	6,718	6,718
		Other toilet provisions (> min.service level)	9,166	9,166	9,166	10,833	10,833	10,833	10,833	10,833	10,833
		<i>Minimum Service Level and Above sub-total</i>	27,180	27,180	27,180	35,473	35,473	35,473	35,473	35,473	35,473
		Bucket toilet				80	80	80	80	80	80
		Other toilet provisions (< min.service level)				864	864	864	864	864	864
		No toilet provisions	6,612	6,612	6,612	4,698	4,698	4,698	4,698	4,698	4,698
		<i>Below Minimum Service Level sub-total</i>	6,612	6,612	6,612	5,642	5,642	5,642	5,642	5,642	5,642
		Total number of households	33,792	33,792	33,792	41,115	41,115	41,115	41,115	41,115	41,115
		<u>Energy:</u>									
		Electricity (at least min.service level)	7,000	7,000	7,000	37,345	37,345	37,345	37,345	37,345	37,345
		Electricity - prepaid (min.service level)									
		<i>Minimum Service Level and Above sub-total</i>	7,000	7,000	7,000	37,345	37,345	37,345	37,345	37,345	37,345
		Electricity (< min.service level)									
		Electricity - prepaid (< min. service level)									
		Other energy sources									
		<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
		Total number of households	7,000	7,000	7,000	37,345	37,345	37,345	37,345	37,345	37,345
		<u>Refuse:</u>									
		Removed at least once a week				20,066	20,066	20,066	20,066	20,066	20,066
		<i>Minimum Service Level and Above sub-total</i>	-	-	-	20,066	20,066	20,066	20,066	20,066	20,066

	Removed less frequently than once a week				257	257	257	257	257	257
	Using communal refuse dump				684	684	684	684	684	684
	Using own refuse dump				17,849	17,849	17,849	17,849	17,849	17,849
	Other rubbish disposal				327	327	327	327	327	327
	No rubbish disposal				1,933	1,933	1,933	1,933	1,933	1,933
	<i>Below Minimum Service Level subtotal</i>	-	-	-	21,050	21,050	21,050	21,050	21,050	21,050
	Total number of households	-	-	-	41,116	41,116	41,116	41,116	41,116	41,116

LIM334 Ba-Phalaborwa - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
RECEIPTS:	1, 2									
<u>Operating Transfers and Grants</u>										
National Government:		49,355	56,327	64,761	74,154	74,154	74,154	88,490	111,786	114,548
Local Government Equitable Share		47,605	53,751	61,461	69,433	69,433	69,433	83,256	107,603	111,219
Finance Management		1,000	1,250	1,500	1,550	1,550	1,550	1,600	1,650	1,700
Municipal Systems Improvement		750	790	800	890	890	890	934	967	
EPWP Incentive			536	1,000	1,000	1,000	1,000	1,212	-	-
Operating Grant: MIG (5% of MIG Grants for PMU)					1,281	1,281	1,281	1,488	1,566	1,629
Provincial Government:		4,649	2,667	-	-	-	-	-	-	-
Excess Employees		4,649	2,667	-	-	-	-	-	-	-
Other grant providers:		625	730	500	-	-	-	-	-	-
DBSA		625	730	500						
Total Operating Transfers and Grants	5	54,629	59,724	65,261	74,154	74,154	74,154	88,490	111,786	114,548
<u>Capital Transfers and Grants</u>										
National Government:		40,242	22,129	33,778	24,220	24,220	24,220	37,279	39,248	44,734
Municipal Infrastructure Grant (MIG)		14,242	17,129	20,778	24,220	24,220	24,220	28,279	29,748	30,954
Intergrated National Electrification Grant		6,000	4,000	4,000	-	-	-	9,000	6,000	10,000
Neighbourhood Development Partnership		20,000	1,000	9,000	-	-	-	-	3,500	3,780
Other grant providers:		-	400	-	-	-	-	-	-	-
DBSA		-	400	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	40,242	22,529	33,778	24,220	24,220	24,220	37,279	39,248	44,734
TOTAL RECEIPTS OF TRANSFERS & GRANTS		94,871	82,253	99,039	98,374	98,374	98,374	125,769	151,034	159,282

LIM334 Ba-Phalaborwa - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
EXPENDITURE:	1									
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		49,355	56,327	64,761	74,154	74,154	74,154	88,490	111,786	114,548
Local Government Equitable Share		47,605	53,751	61,461	69,433	69,433	69,433	83,256	107,603	111,219
Finance Management		1,000	1,250	1,500	1,550	1,550	1,550	1,600	1,650	1,700
Municipal Systems Improvement		750	790	800	890	890	890	934	967	
EPWP Incentive			536	1,000	1,000	1,000	1,000	1,212	-	-
Operating Grant: MIG (5% of MIG Grants for PMU)					1,281	1,281	1,281	1,488	1,566	1,629
Provincial Government:		4,649	2,667	-	-	-	-	-	-	-
Excess Employees		4,649	2,667	-	-	-	-	-	-	-
Other grant providers:		625	730	500	-	-	-	-	-	-
<i>DBSA</i>		625	730	500	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		54,629	59,724	65,261	74,154	74,154	74,154	88,490	111,786	114,548
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		40,242	22,129	32,676	24,220	24,220	24,220	37,279	39,248	44,734
Municipal Infrastructure Grant (MIG)		14,242	17,129	20,778	24,220	24,220	24,220	28,279	29,748	30,954
Intergrated National Electrification Grant		6,000	4,000	3,780	-	-	-	9,000	6,000	10,000
Neighbourhood Development Partnership		20,000	1,000	8,118	-	-	-	-	3,500	3,780
Other grant providers:		-	400	-	-	-	-	-	-	-
<i>DBSA</i>		-	400	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		40,242	22,529	32,676	24,220	24,220	24,220	37,279	39,248	44,734
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		94,871	82,253	97,937	98,374	98,374	98,374	125,769	151,034	159,282

LIM334 Ba-Phalaborwa - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		49,355	56,327	64,761	74,154	74,154	74,154	88,490	111,786	114,548
Conditions met - transferred to revenue		49,355	56,327	64,761	74,154	74,154	74,154	88,490	111,786	114,548
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts		4,649	2,667	-	-	-	-	-	-	-
Conditions met - transferred to revenue		4,649	2,667	-	-	-	-	-	-	-
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts		625	730	500	-	-	-	-	-	-
Conditions met - transferred to revenue		625	730	500	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		54,629	59,724	65,261	74,154	74,154	74,154	88,490	111,786	114,548
Total operating transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		40,242	22,129	33,778	24,220	24,220	24,220	37,279	39,248	44,734
Conditions met - transferred to revenue		40,242	22,129	33,778	24,220	24,220	24,220	37,279	39,248	44,734
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts		-	400	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	400	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		40,242	22,529	33,778	24,220	24,220	24,220	37,279	39,248	44,734
Total capital transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		94,871	82,253	99,039	98,374	98,374	98,374	125,769	151,034	159,282
TOTAL TRANSFERS AND GRANTS - CTBM		-	-	-	-	-	-	-	-	-

LIM334 Ba-Phalaborwa - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue by Vote	-															
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury Department		19,305	19,305	19,305	19,305	19,305	19,305	19,305	19,305	19,305	19,305	19,305	19,305	231,665	265,400	272,651
Vote 3 - Corporate Services		28	28	28	28	28	28	28	28	28	28	28	28	330	353	357
Vote 4 - Community and Social Services		2,127	2,127	2,127	2,127	2,127	2,127	2,127	2,127	2,127	2,127	2,127	2,127	25,522	26,352	26,521
Vote 5 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Technical Services Department		11,334	11,334	11,334	11,334	11,334	11,334	11,334	11,334	11,334	11,334	11,334	11,334	136,012	137,199	143,711
Total Revenue by Vote		32,794	32,794	32,794	32,794	32,794	32,794	32,794	32,794	32,794	32,794	32,794	32,794	393,530	429,304	443,239
Expenditure by Vote to be appropriated	-															
Vote 1 - Executive and Council		3,042	3,042	3,042	3,042	3,042	3,042	3,042	3,042	3,042	3,042	3,042	3,042	36,507	38,734	40,723
Vote 2 - Budget and Treasury Department		7,288	7,288	7,288	7,288	7,288	7,288	7,288	7,288	7,288	7,288	7,288	7,288	87,451	98,389	100,533
Vote 3 - Corporate Services		3,519	3,519	3,519	3,519	3,519	3,519	3,519	3,519	3,519	3,519	3,519	3,519	42,227	44,630	46,039
Vote 4 - Community and Social Services		5,307	5,307	5,307	5,307	5,307	5,307	5,307	5,307	5,307	5,307	5,307	5,307	63,683	67,341	70,113
Vote 5 - Planning and Development		1,425	1,425	1,425	1,425	1,425	1,425	1,425	1,425	1,425	1,425	1,425	1,425	17,094	11,004	11,541
Vote 6 - Technical Services Department		15,988	15,988	15,988	15,988	15,988	15,988	15,988	15,988	15,988	15,988	15,988	15,988	191,856	201,140	204,443
Total Expenditure by Vote		36,568	36,568	36,568	36,568	36,568	36,568	36,568	36,568	36,568	36,568	36,568	36,568	438,819	461,239	473,392
Surplus/(Deficit) before assoc.		(3,774)	(3,774)	(3,774)	(3,774)	(3,774)	(3,774)	(3,774)	(3,774)	(3,774)	(3,774)	(3,774)	(3,774)	(45,289)	(31,935)	(30,152)
Surplus/(Deficit)	1	(3,774)	(3,774)	(3,774)	(3,774)	(3,774)	(3,774)	(3,774)	(3,774)	(3,774)	(3,774)	(3,774)	(3,774)	(45,289)	(31,935)	(30,152)

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LIM334 Ba-Phalaborwa - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Repairs and maintenance expenditure by Asset Class/Sub-class										
- Infrastructure		-	-	-	-	-	-	11,201	11,331	11,444
Infrastructure - Road transport		-	-	-	-	-	-	5,400	5,430	5,484
<i>Roads, Pavements & Bridges</i>								5,400	5,430	5,484
<i>Storm water</i>										
Infrastructure - Electricity		-	-	-	-	-	-	4,600	4,650	4,697
<i>Generation</i>										
<i>Transmission & Reticulation</i>								4,600	4,650	4,697
Infrastructure - Other		-	-	-	-	-	-	1,201	1,251	1,263
<i>Other</i>	3							1,201	1,251	1,263
Community		-	-	-	-	-	-	3,150	3,280	3,313
Parks & gardens								2,600	2,700	2,727
Cemeteries								550	580	586
Heritage assets		-	-	-	-	-	-	32	42	42
Buildings										
Other	9							32	42	42
Other assets		-	-	-	-	-	-	-	-	-
General vehicles										
Specialised vehicles	10							14,364	15,182	15,987
Plant & equipment								14,364	15,182	15,987
Total Repairs and Maintenance Expenditure	1	-	-	-	-	-	-	28,747	29,835	30,786

LIM334 Ba-Phalaborwa - Supporting Table SA34d Depreciation by asset class

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Depreciation by Asset Class/Sub-class										
-										
Infrastructure		-	-	-	-	-	-	62,909	63,061	63,692
Infrastructure - Road transport		-	-	-	-	-	-	48,409	48,561	49,047
<i>Roads, Pavements & Bridges</i>								48,409	48,561	49,047
<i>Storm water</i>										
Infrastructure - Electricity		-	-	-	-	-	-	7,000	7,000	7,070
<i>Generation</i>										
<i>Transmission & Reticulation</i>								7,000	7,000	7,070
<i>Street Lighting</i>										
Infrastructure - Other		-	-	-	-	-	-	7,500	7,500	7,575
<i>Other</i>	3							7,500	7,500	7,575
Other assets		-	-	-	-	-	-	12,000	12,000	12,120
General vehicles										
Specialised vehicles	10	-	-	-	-	-	-	-	-	-
Plant & equipment										
Computers - hardware/equipment										
Furniture and other office equipment								12,000	12,000	12,120
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (<i>list sub-class</i>)										
Total Depreciation	1	-	-	-	-	-	-	74,909	75,061	75,812

LIM334 Ba-Phalaborwa - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2014/15 Medium Term Revenue & Expenditure Framework		
		Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand				
Capital expenditure	1			
Vote 1 - Executive and Council		–	–	–
Vote 2 - Budget and Treasury Department		–	–	–
Vote 3 - Corporate Services		4,500	4,500	4,500
Vote 4 - Community and Social Services		1,600	1,600	1,600
Vote 5 - Planning and Development		–	–	–
Vote 6 - Technical Services Department		55,079	70,194	70,059
Total Capital Expenditure		61,179	76,294	76,159
Future operational costs by vote	2			
Vote 1 - Executive and Council		36,507	38,734	40,723
Vote 2 - Budget and Treasury Department		87,451	98,389	100,533
Vote 3 - Corporate Services		42,227	44,630	46,039
Vote 4 - Community and Social Services		63,683	67,341	70,113
Vote 5 - Planning and Development		17,094	11,004	11,541
Vote 6 - Technical Services Department		191,856	201,140	204,443
Total future operational costs		438,819	461,239	473,392
Future revenue by source	3			
Property rates		70,634	76,637	77,404
Property rates - penalties & collection charges		–	–	–
Service charges - electricity revenue		95,327	95,653	96,609
Service charges - water revenue		–	–	–
Service charges - sanitation revenue		–	–	–
Service charges - refuse revenue		11,337	11,898	12,017
Service charges - other		–	–	–
Rental of facilities and equipment		330	353	357
<i>other revenues sources</i>		215,902	244,763	253,853
Total future revenue		393,530	429,304	440,239
Net Financial Implications		106,467	108,229	109,311

LIM334 Ba-Phalaborwa - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand										
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank					500	500	500	1,500	1,700	1,800
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	-	-	-	500	500	500	1,500	1,700	1,800
Consolidated total:		-	-	-	500	500	500	1,500	1,700	1,800

h.Summary of capital programmes per source

Internal Funding Assets

Internal Funding Assets	Amount
Procurement of additional two functional Patrol/Traffic vehicles fully fitted and operationally ready (Phase 1)	600,000
Extension of Municipal Offices Phase 2(Design)	500,000
New Drivers Licence test and exchange facility Phase 1:	1,000,000
Construction of New 33KV switching room and switch gear at Selati	8,000,000
Centralised Archived Lulekani (Finalization)	1,000,000
Rehabilitation of streets in PHB(Gerdeland to Haarlem, Park & Essenhout)	5,000,000
Office Furniture & Equipments	1,500,000
Purchase of Cable locater unit panel van	1,000,000
ICT Infrastructure & equipment upgrades	2,000,000
Upgrade of 11KV medium voltage cable network in Ba-Phalaborwa town(phase 1)	1,800,000
construction of storm water culverts (Maseke, Makhushaneward 2)	1,500,000
	23,900,000

INEG

Electrification of Malungane, Nyakelang & Tshube	9,000,000
	9,000,000

MIG Projets

Mashishimale multi sport complex	4,000,000
Tambo street paving	5,578,650
Ba-phalaborwa energy saving highmast	8,000,000
Upgrading of internal street at foskor	4,000,000
Selwane street paving Phase 1	1,000,000
Honiville to topville street paving	1,000,000
Patamedi street paving	1,700,000
Upgrading of B1 extension road	3,000,000
	28,278,650

TOTAL CAPITAL EXPENDITURE 2014/15

61,178,650

Summary

MIG	28,278,650
INEG	9,000,000
Internal Funding	23,900,000
Total Capital Expenditure	<u>61,178,650</u>

The estimated capital programme expenditure for the financial year 2014/15 is at R61,178,650

MUNICIPAL MANAGER'S QUALITY CERTIFICATION

QUALITY CERTIFICATE

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

Print Name: **Sebashe S S (Dr)**

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

Signature: _____

Date: _____