

# BA-PHALABORWA MUNICIPALITY



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

**ANNUAL BUDGET 2016/17 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 DRAFT BUDGET SPEECH FOR 2016/17**

**Delivered by Mayor, Cllr. NA Sono**

**On Thursday, 31 March 2015**

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

Good Morning/Afternoon,

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

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

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Annual Budget 2016/17

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

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

- (a) setting out realistically anticipated revenue for the budget year from each revenue source;
- (b) appropriating expenditure for the budget year under the different votes of the municipality;
- (c) setting out indicative revenue per revenue source and projected expenditure by vote for the two financial years following the budget year;
- (d) setting out—
  - (i) estimated revenue and expenditure by vote for the current year; and
  - (ii) And actual revenue and expenditure by vote for the financial year preceding the current year

Honourable Speaker, We are gathered here today to table and approve the 2016/17 IDP, Budget and PMS in line with the provisions of the Municipal Finance Management Act, Act 56 of 2003

The total projected revenue for budget year 2016/17 amount to **R477** million. The total revenue comprises of own generated revenue amounting to **R333** million for all municipal service charges and total transfers grants amounting to **R144** million as per DORA. Total revenue has grown by **4%** in 2016/17 financial year compared to the 2015/16 Adjustments Budget.



The 2016/17 total operating expenditure budget amounts to **R476 million**

#### **Employee Related Costs**

- The budgeted allocation for employee related costs for the 2016/17 financial year totals **R129 million** which equals 27 per cent of the total operating expenditure. Salary increases have been factored into this budget at a percentage increase of 7.6 per cent for the 2016/17 financial year as per latest circular 79.

#### **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 2016/17 financial year the remuneration of councilors will amount to **R13,8 million**. It equals to 3 per cent of the total operating expenditure.

#### **Debt impairment**

- The provision of debt impairment was determined based on an current collection rate of 46 per cent and the Debt Write-off Policy of the municipality. For the 2016/17 financial year this amount equates to **R35,5 million** which equates to 7 percent of the total operating expenditure and escalates to **R37,7 million** by 2017/18. 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 **R66,9 million** for the 2016/17 financial and equates to 14 per cent of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has taken into account.

### **Bulk Purchases**

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

### **Contracted Services**

- In the 2016/17 financial year, this group of expenditure totals **R50,1 million** which equates to 11 percent of the total operating expenditure. For the two outer years 2017/18 and 2018/19, the projection is at **R50,2 million** and **R53,2 million** respectively.

### **Other Expenditure**

- Other expenditure comprises of various line items relating to the daily operations of the municipality, For 2016/17 financial year is estimated at **R87 million** which equates to 18 percent of total operational budget. The amount include **R20 million** of repairs and maintenance.

### **Finance Charges**

- The finance charges for 2016/17 financial year is estimated to be **R1.5 million** which constitute 0,003 per cent of the total operating expenditure.

The budget we are tabling today is having a surplus amount of **R530 thousands**.

Honourable Speaker, the total capital budget amount to **R44** million in 2016/17 budget year, in terms of budget funding **R14,7** million will be funded from internally generated revenue which constitute **33%** of the capital budget, while the **R29,5** will be funded by National Treasury (MIG) constituting **67%** of the capital budget.

### **Tariffs**

Honourable Speaker, the 2015/16 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.

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

I thank you.

## 2. ANNUAL BUDGET RESOLUTIONS

The Council of Ba-Phalaborwa Local Municipality in its seating on 31 March 2016 resolved as follows with regard to the annual Budget for 2016/17 Medium-Term Revenue and Expenditure Framework:

### 2.1. Annual Budget for 2016/17 MTREF

Council resolved that the budget and MTREF and its supporting tables of the Ba-Phalaborwa municipality for the financial year 2016/17; 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 2016/17 MTREF

That the budget of Ba-Phalaborwa municipality for the financial year 2016/17; and indicative figures for the two projected outer years 2017/18 and 2018/19 be approved as set-out in the following supporting tables:

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

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

### 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 2016/17

### 2.4. Tariffs and charges

Council resolves that the tariffs and charges reflected on Tariff Schedule (Annexure A and B) are **approved** for 2016/17 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 2016/17 financial year

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## 2.7. Indigent Policies

Council resolves that the adopted Indigent Household Consumers Subsidy Policy be approved for 2016/17 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 2016/17 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 2016/17 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

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16. Land use by-law
17. Electricity supply by-laws
18. Subsistence and travelling policy

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**CLLR MD MAAKE**

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

### 3. EXECUTIVE SUMMARY

## EXECUTIVE SUMMARY

### 1. INTRODUCTION

The 2016/2017 budget marks the final year of the Council elected on the 18 May 2011. The 2016/17 financial year gives priority to challenges to the economic slowdown that the country is experiencing the entire world. The municipality was assisted by National Treasury to develop Financial Recovery Plan which will enable the municipality to be financially viable in a long term as prescribed by the plan. This Financial Recovery Plan sets out the outcomes of the analysis and engagements and provides a selection of key strategies to be considered in securing the municipality's ability to meet its financial commitments and obligations to provide sustainable basic services. During this transition, all role-players need to work together to ensure that the municipality continue to perform their functions efficiently and effectively without compromise even though the economy is under pressure. It is particularly important to ensure that implementation of IDP and Budget run smoothly by ensuring that the input on the budget document reflects the financial sustainability of the municipality.

The municipality managed to conduct the valuation roll that started running on the 1 July 2015 which will enable the municipality to collect. The Revenue Billing for the past six months was at **R221 million** of which the target was met. The current operating annual revenue for 2016/17 is estimated to be at **R447 million** from **R421 million** which is **R26 million** increase.

The municipality's tariff for the financial year 2016/17 has taken into account all costs associated to delivery of such services, treasury guidelines in terms of MFMA section 42, Circular 48, 51, 54, 55, 58, 59 , 74, 75 , 78, and 79 together with Nersa guidelines

- Rates- 6.6% increase but rebate applicable where necessary
- Electricity 10.4% increase
- Refuse 6.6% increase
- Other chargeable services at 6.6%

It must be noted that tariff book will outline the increases of all services the municipality is providing to communities.

It must also be noted that the water services tariffs are not highlighted since the District municipality will have to ensure that tariffs in respect of services concerned are approved. The District municipality of Mopani is a water authority as such all water and sanitation related expenses will be budgeted by the authority and Ba-Phalaborwa municipality will continue to assist in delivering the service on an agency basis.

The expenditure estimates for 2016/17 financial year increases as follows:

Employee related costs-increase by	7.49%
Remuneration of councillors-increase by	7.60%
Debt impairment-increase by	6.60%
Depreciation & asset impairment-increase by	2.76%
Finance charges-decrease by	-11.13%
Bulk purchases-increase by	9.40%
Contracted services-decrease by	-3.53%
Other expenditure-decrease by	-1.90%

The total revenue increases from **R458 million** on adjusted budget to **R477 million**.

The total budget for MTREF 2016/17 will be **R477 million** and two outer years respectively **R517 million** and **R555 million**.

The budget funds main strategic focus in terms of the IDP 2016/17 and National priorities. Although the municipality is facing challenges in terms of non payment of services to maximise revenue, the budget prioritizes service delivery programmes in line with National Government priorities.

The National government priority set clear tones to the municipal budget are ought to be:

- Capital investment in larger scale public sector infrastructure projects
- Reduction of cost of doing business through targeted interventions
- Stabilisation of growth in interest payments
- More funds to be spent on infrastructure and social

There were assumptions made in determining the annual budget in ensuring funding of approved programmes geared towards Service delivery backlogs and gaps:

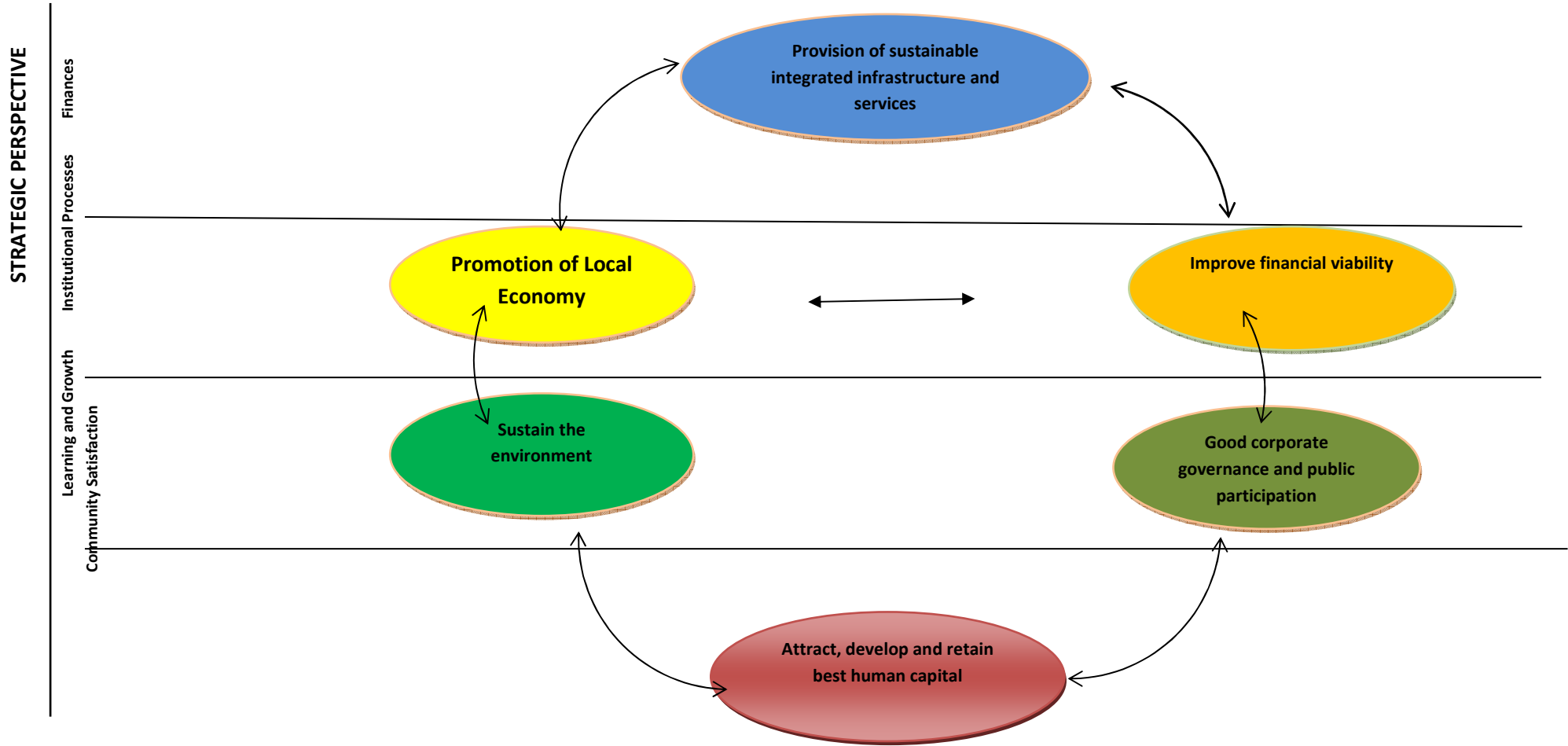
- Dora application in terms of grant funding
- Setting aside funds to fund internal projects that are not funded in the grant
- Allocation of repairs and maintenance to deal with infrastructure for especial revenue generating assets
- Employee related costs taken into account anticipated increase at 7.49%
- Ward committee stipend
- Prioritizations of critical posts to be filled
- LED support through small business

The budget funds the following main strategic focus of the IDP and service delivery turnaround strategy. The graphical presentation below illustrates the municipality's strategic focus for 2016/17 financial year.

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**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	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	60,257	57,239	65,594	124,589	100,165	100,165	100,165	106,776	113,396	120,086
Service charges	79,414	93,504	99,013	117,637	121,640	121,640	121,640	133,683	146,871	161,332
Investment revenue	332	359	277	275	475	475	475	506	537	569
Transfers recognised - operational	65,471	73,626	87,633	113,160	112,660	112,660	112,660	114,153	122,840	130,937
Other own revenue	50,508	73,672	53,897	87,404	86,231	86,231	86,231	92,307	98,500	104,868
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>255,983</b>	<b>298,400</b>	<b>306,414</b>	<b>443,065</b>	<b>421,170</b>	<b>421,170</b>	<b>421,170</b>	<b>447,425</b>	<b>482,144</b>	<b>517,792</b>
Employee costs	93,712	94,192	123,098	122,693	120,297	120,297	120,297	129,304	138,614	148,178
Remuneration of councillors	9,052	10,492	11,790	12,811	12,811	12,811	12,811	13,784	14,777	15,796
Depreciation & asset impairment	69,182	61,010	60,127	70,104	65,104	65,104	65,104	66,899	68,906	70,974
Finance charges	226	128	231	2,109	1,709	1,709	1,709	1,519	1,613	1,708
Materials and bulk purchases	53,402	67,501	65,626	94,332	84,332	84,332	84,332	92,259	100,931	110,419
Other expenditure	172,461	99,144	189,287	167,944	173,909	173,909	173,909	172,589	179,254	189,830
<b>Total Expenditure</b>	<b>398,036</b>	<b>332,466</b>	<b>450,159</b>	<b>469,992</b>	<b>458,162</b>	<b>458,162</b>	<b>458,162</b>	<b>476,355</b>	<b>504,096</b>	<b>536,906</b>
<b>Surplus/(Deficit)</b>	<b>(142,052)</b>	<b>(34,066)</b>	<b>(143,745)</b>	<b>(26,927)</b>	<b>(36,992)</b>	<b>(36,992)</b>	<b>(36,992)</b>	<b>(28,930)</b>	<b>(21,952)</b>	<b>(19,114)</b>
Transfers recognised - capital	32,895	31,537	38,768	36,492	36,992	36,992	36,992	29,460	34,532	37,222
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(109,157)</b>	<b>(2,529)</b>	<b>(104,977)</b>	<b>9,565</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>530</b>	<b>12,580</b>	<b>18,108</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>(109,157)</b>	<b>(2,529)</b>	<b>(104,977)</b>	<b>9,565</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>530</b>	<b>12,580</b>	<b>18,108</b>

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<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>42,949</b>	49,569	35,760	53,792	50,792	50,792	50,792	44,160	49,160	52,160
Transfers recognised - capital										
	<b>29,238</b>	28,439	26,026	36,492	36,992	36,992	36,992	29,460	34,532	37,222
Public contributions & donations	-	9,365	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	<b>13,711</b>	11,766	9,734	17,300	13,800	13,800	13,800	14,700	14,628	14,938
<b>Total sources of capital funds</b>	<b>42,949</b>	49,569	35,760	53,792	50,792	50,792	50,792	44,160	49,160	52,160
<b>Financial position</b>										
Total current assets	<b>56,845</b>	284,875	186,197	184,644	186,644	186,644	186,644	228,925	237,612	248,372
Total non current assets	<b>1,057,189</b>	1,051,575	923,298	1,360,832	1,005,535	1,005,535	1,005,535	1,068,923	1,132,400	1,196,551
Total current liabilities	<b>373,494</b>	392,588	368,045	6,741	287,741	287,741	287,741	3,060	3,350	4,302
Total non current liabilities	<b>33,736</b>	50,157	59,656	198,000	48,000	48,000	48,000	43,000	41,000	37,000
Community wealth/Equity	<b>706,805</b>	893,704	681,794	1,340,735	856,438	856,438	856,438	1,251,789	1,325,662	1,403,620
<b>Cash flows</b>										
Net cash from (used) operating	<b>43,315</b>	88,726	57,365	54,592	40,517	40,517	40,517	40,309	48,458	53,636
Net cash from (used) investing	<b>(42,949)</b>	(102,469)	(35,847)	(53,792)	(41,200)	(41,200)	(41,200)	(40,160)	(49,160)	(52,160)
Net cash from (used) financing	<b>(941)</b>	(6,131)	(495)	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>2,066</b>	(17,807)	3,246	1,612	1,169	1,169	1,169	1,849	1,147	2,623
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	<b>2,066</b>	(17,807)	3,246	3,712	3,312	3,312	3,312	3,649	3,047	4,623
Application of cash and investments	<b>331,722</b>	167,319	282,939	(118,627)	219,620	219,620	219,620	(72,700)	(77,419)	(82,229)
<b>Balance - surplus (shortfall)</b>	<b>(329,656)</b>	(185,126)	(279,693)	122,339	(216,308)	(216,308)	(216,308)	76,349	80,466	86,852
<b>Asset management</b>										
Asset register summary (WDV)	<b>1,160,515</b>	1,051,575	923,298	1,360,432	1,005,535	1,005,535	1,049,695	1,049,695	1,098,855	1,151,015

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Depreciation & asset impairment	69,182	61,010	60,127	70,104	65,104	65,104	66,899	66,899	68,906	70,974
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	-	17,400	-	21,333	23,975	23,975	20,448	20,448	21,716	22,998
<b>Free services</b>										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	1,511	1,511	1,511	1,511
<b>Households below minimum service level</b>										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

## NOTES

- Total Revenue excluding capital transfers and contributions is estimated at R 447 million for 2016/17 financial year , R482 million and R518 million for the year 2016/17 and 2017/18 respectively.
- Total Expenditure is estimated at R476 million for 2016/17 financial year.
- A municipal operating budget shows a surplus of R530 thousand after capital transfers & contributions for 2016/17 financial year.
- Total Capital budget for the financial year 2016/17 is estimated to be R44,2 million, which comprises of R29,5 million funded by MIG and R14,7 million funded internally.

## 4.2. BUDGETED FINANCIAL PERFORMANCE

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

Standard Classification Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>	<b>1</b>									
<b>Revenue - Standard</b>										
<b>Governance and administration</b>		<b>170,792</b>	<b>185,361</b>	<b>194,637</b>	<b>306,962</b>	<b>267,461</b>	<b>267,461</b>	<b>279,451</b>	<b>299,432</b>	<b>317,990</b>
Executive and council		-	-	-	-	-	-	-	-	-
Budget and treasury office		170,288	185,133	193,504	306,613	266,888	266,888	278,839	298,783	317,302
Corporate services		504	228	1,133	349	574	574	612	650	688
<b>Community and public safety</b>		<b>4,777</b>	<b>15,844</b>	<b>14,758</b>	<b>14,980</b>	<b>13,529</b>	<b>13,529</b>	<b>14,422</b>	<b>15,316</b>	<b>16,220</b>
Community and social services		3,906	13,324	5,935	12,213	13,278	13,278	14,155	15,032	15,919
Public safety		871	2,520	8,823	2,767	251	251	267	284	301
<b>Economic and environmental services</b>		<b>29,895</b>	<b>35,228</b>	<b>27,774</b>	<b>32,978</b>	<b>33,033</b>	<b>33,033</b>	<b>32,421</b>	<b>33,631</b>	<b>35,404</b>
Planning and development		-	170	7	-	55	55	59	62	66
Road transport		29,895	35,058	27,767	32,978	32,978	32,978	32,363	33,569	35,338
<b>Trading services</b>		<b>83,414</b>	<b>93,504</b>	<b>108,013</b>	<b>124,637</b>	<b>144,139</b>	<b>144,139</b>	<b>150,590</b>	<b>168,296</b>	<b>185,400</b>
Electricity		74,292	83,082	96,608	112,666	122,802	122,802	127,845	144,141	159,819
Waste management		9,123	10,422	11,405	11,971	21,337	21,337	22,745	24,156	25,581
<b>Other</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Revenue - Standard</b>	<b>2</b>	<b>288,879</b>	<b>329,937</b>	<b>345,182</b>	<b>479,557</b>	<b>458,162</b>	<b>458,162</b>	<b>476,885</b>	<b>516,676</b>	<b>555,014</b>
<b>Expenditure - Standard</b>	<b>-</b>									
<b>Governance and administration</b>		<b>194,353</b>	<b>118,171</b>	<b>197,318</b>	<b>183,063</b>	<b>189,142</b>	<b>189,142</b>	<b>194,932</b>	<b>204,479</b>	<b>217,046</b>
Executive and council		25,772	21,384	48,368	44,222	45,046	45,046	48,056	51,326	54,667
Budget and treasury office		144,420	65,928	93,807	91,301	97,273	97,273	99,999	103,183	109,262
Corporate services		24,160	30,860	55,143	47,540	46,823	46,823	46,877	49,970	53,117
<b>Community and public safety</b>		<b>33,767</b>	<b>34,400</b>	<b>42,251</b>	<b>58,121</b>	<b>56,150</b>	<b>56,150</b>	<b>59,627</b>	<b>63,725</b>	<b>67,914</b>
Community and social services		25,244	21,246	33,365	46,819	46,229	46,229	48,993	52,341	55,762
Public safety		8,523	13,154	8,885	11,303	9,921	9,921	10,634	11,384	12,152
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>90,450</b>	<b>80,758</b>	<b>105,178</b>	<b>97,404</b>	<b>85,500</b>	<b>85,500</b>	<b>88,811</b>	<b>91,831</b>	<b>95,950</b>
Planning and development		7,038	8,249	11,069	17,791	10,721	10,721	11,192	11,950	12,724
Road transport		83,412	72,509	94,109	79,613	74,779	74,779	77,619	79,881	83,226
Environmental protection		-	-	-	-	-	-	-	-	-

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<b>Trading services</b>		<b>79,467</b>	<b>99,136</b>	<b>105,413</b>	<b>131,403</b>	<b>127,370</b>	<b>127,370</b>	<b>132,985</b>	<b>144,060</b>	<b>155,996</b>
Electricity		75,856	91,855	96,600	124,296	119,755	119,755	124,864	135,420	146,829
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		3,611	7,281	8,812	7,107	7,615	7,615	8,121	8,640	9,167
<b>Other</b>	4	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	3	<b>398,036</b>	<b>332,466</b>	<b>450,159</b>	<b>469,992</b>	<b>458,162</b>	<b>458,162</b>	<b>476,355</b>	<b>504,096</b>	<b>536,906</b>
<b>Surplus/(Deficit) for the year</b>		<b>(109,157)</b>	<b>(2,529)</b>	<b>(104,977)</b>	<b>9,565</b>	<b>-</b>	<b>-</b>	<b>530</b>	<b>12,580</b>	<b>18,108</b>

## NOTES

- Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification.
- Total Revenue by Standard Classification amount to R477 million for the financial year 2016/17 and total operating expenditure by Standard Classification is estimated at R476 million.
- It must be noted that the Total Revenue on this table includes capital revenues (Transfers recognised – capital)
- The estimated municipality surplus is R530 thousand for the financial year 2016/17.

#### 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	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>										
<b>Revenue by Vote</b>	1									
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury Department		170,288	185,133	193,504	306,613	266,888	266,888	278,839	298,783	317,302
Vote 3 - Corporate Services		504	228	1,133	349	574	574	612	650	688
Vote 4 - Community and Social Services		13,899	26,267	26,163	26,952	34,866	34,866	37,168	39,472	41,801
Vote 5 - Planning and Development		-	170	7	-	55	55	59	62	66
Vote 6 - Technical Services Department		104,187	118,140	124,375	145,643	155,779	155,779	160,208	177,710	195,157
<b>Total Revenue by Vote</b>	2	<b>288,879</b>	<b>329,937</b>	<b>345,182</b>	<b>479,557</b>	<b>458,162</b>	<b>458,162</b>	<b>476,885</b>	<b>516,676</b>	<b>555,014</b>
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - Executive and Council		25,772	21,384	48,368	44,222	45,046	45,046	48,056	51,326	54,667
Vote 2 - Budget and Treasury Department		144,420	65,928	93,807	91,301	97,273	97,273	99,999	103,183	109,262
Vote 3 - Corporate Services		24,160	30,860	55,143	47,540	46,823	46,823	46,877	49,970	53,117
Vote 4 - Community and Social Services		37,378	41,681	51,063	65,228	63,765	63,765	67,749	72,365	77,081
Vote 5 - Planning and Development		7,038	8,249	11,069	17,791	10,721	10,721	11,192	11,950	12,724
Vote 6 - Technical Services Department		159,269	164,364	190,709	203,909	194,534	194,534	202,482	215,301	230,055
<b>Total Expenditure by Vote</b>	2	<b>398,036</b>	<b>332,466</b>	<b>450,159</b>	<b>469,992</b>	<b>458,162</b>	<b>458,162</b>	<b>476,355</b>	<b>504,096</b>	<b>536,906</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>(109,157)</b>	<b>(2,529)</b>	<b>(104,977)</b>	<b>9,565</b>	<b>-</b>	<b>-</b>	<b>530</b>	<b>12,580</b>	<b>18,108</b>

#### Notes

- o Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote.
- o Total Revenue by Municipal Vote is R477 million for the year 2016/17 and total Expenditure by Vote is estimated to be R476 million
- o And as a results, a municipality surplus amount to R530 thousand for 2016/17 financial year.

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

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

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>	1										
<b>Revenue By Source</b>											
Property rates	2	60,257	57,239	65,594	124,589	100,165	100,165	100,165	106,776	113,396	120,086
Service charges - electricity revenue	2	70,292	83,082	87,608	105,666	105,666	105,666	105,666	116,655	128,787	142,181
Service charges - refuse revenue	2	9,123	10,422	11,405	11,971	15,974	15,974	15,974	17,029	18,084	19,151
Rental of facilities and equipment		295	228	265	346	441	441	441	470	499	529
Interest earned - external investments		332	359	277	275	475	475	475	506	537	569
Interest earned - outstanding debtors		42,369	55,541	29,899	70,973	70,973	70,973	70,973	76,042	81,227	86,575
Dividends received				-	3	-	-	-	-	-	-
Fines		871	2,826	8,823	2,917	381	381	381	423	450	476
Licences and permits		2,375	3,121	2,257	9,399	10,512	10,512	10,512	11,205	11,900	12,602
Agency services		1,531	9,665	5,325	2,381	2,381	2,381	2,381	2,539	2,696	2,855
Transfers recognised - operational		65,471	73,626	87,633	113,160	112,660	112,660	112,660	114,153	122,840	130,937
Other revenue	2	3,068	2,291	7,328	1,385	1,543	1,543	1,543	1,628	1,729	1,831
Gains on disposal of PPE											
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>255,983</b>	<b>298,400</b>	<b>306,414</b>	<b>443,065</b>	<b>421,170</b>	<b>421,170</b>	<b>421,170</b>	<b>447,425</b>	<b>482,144</b>	<b>517,792</b>
<b>Expenditure By Type</b>											
Employee related costs	2	93,712	94,192	123,098	122,693	120,297	120,297	120,297	129,304	138,614	148,178
Remuneration of councillors		9,052	10,492	11,790	12,811	12,811	12,811	12,811	13,784	14,777	15,796
Debt impairment	3	108,991	2,691	73,146	33,326	33,326	33,326	33,326	35,525	37,728	39,954
Depreciation & asset impairment	2	69,182	61,010	60,127	70,104	65,104	65,104	65,104	66,899	68,906	70,974
Finance charges		226	128	231	2,109	1,709	1,709	1,709	1,519	1,613	1,708
Bulk purchases	2	53,402	67,501	65,626	94,332	84,332	84,332	84,332	92,259	100,931	110,419
Contracted services		10,096	26,056	44,545	52,256	51,887	51,887	51,887	50,055	50,185	53,146
Other expenditure	4, 5	53,460	70,427	71,596	82,362	88,697	88,697	88,697	87,009	91,342	96,731
Loss on disposal of PPE		(86)	(30)								
<b>Total Expenditure</b>		<b>398,036</b>	<b>332,466</b>	<b>450,159</b>	<b>469,992</b>	<b>458,162</b>	<b>458,162</b>	<b>458,162</b>	<b>476,355</b>	<b>504,096</b>	<b>536,906</b>
<b>Surplus/(Deficit)</b>		<b>(142,052)</b>	<b>(34,066)</b>	<b>(143,745)</b>	<b>(26,927)</b>	<b>(36,992)</b>	<b>(36,992)</b>	<b>(36,992)</b>	<b>(28,930)</b>	<b>(21,952)</b>	<b>(19,114)</b>

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Transfers recognised - capital		32,895	31,537	38,768	36,492	36,992	36,992	36,992	29,460	34,532	37,222
Share of surplus/ (deficit) of associate	7										
<b>Surplus/(Deficit) for the year</b>		<b>(109,157)</b>	<b>(2,529)</b>	<b>(104,977)</b>	<b>9,565</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>530</b>	<b>12,580</b>	<b>18,108</b>

#### Notes

- o Total Revenue (excluding capital transfers and contributions) is R447 million for 2016/17 financial year and escalates to R482 million for 2017/18 financial year and R518 million for 2018/19 financial year.
- o Revenue to be generated from property rate is estimated at R107 million in 2016/17 financial year and increases to R113 million in 2017/18.
- o Services charges relating to electricity, and refuse removal totaling to R117 million and R17 million respectively for 2016/17 financial year
- o Transfers recognised – operating grants includes the local government equitable share which shows an increase for the two outer years.
- o Total operational expenditure is estimated to be R476 million for 2016/17 FY, and the municipality is anticipating a surplus of R530 thousand.



#### 4.5. BUDGETED CAPITAL EXPENDITURE BY VOTE

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

Vote Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Capital expenditure - Vote</b>											
<b>Single-year expenditure to be appropriated</b>	2										
Vote 1 - Executive and Council		-	-	-	-	-	-	-	900	900	900
Vote 2 - Budget and Treasury Department		-	-	-	-	-	-	-	1,000	1,000	1,000
Vote 3 - Corporate Services		3,398	3,398	2,627	5,700	4,200	4,200	4,200	2,200	2,200	2,200
Vote 4 - Community and Social Services		1,711	8,330	-	-	-	-	-	-	-	-
Vote 5 - Planning and Development		-	6,124	-	-	-	-	-	-	-	-
Vote 6 - Technical Services Department		37,840	31,716	33,133	48,092	46,592	46,592	46,592	40,060	45,060	48,060
<b>Capital single-year expenditure sub-total</b>		<b>42,949</b>	<b>49,569</b>	<b>35,760</b>	<b>53,792</b>	<b>50,792</b>	<b>50,792</b>	<b>50,792</b>	<b>44,160</b>	<b>49,160</b>	<b>52,160</b>
<b>Total Capital Expenditure - Vote</b>		<b>42,949</b>	<b>49,569</b>	<b>35,760</b>	<b>53,792</b>	<b>50,792</b>	<b>50,792</b>	<b>50,792</b>	<b>44,160</b>	<b>49,160</b>	<b>52,160</b>
<b>Capital Expenditure - Standard</b>											
<b>Governance and administration</b>		<b>3,398</b>	<b>3,398</b>	<b>2,627</b>	<b>5,700</b>	<b>4,200</b>	<b>4,200</b>	<b>4,200</b>	<b>4,100</b>	<b>4,100</b>	<b>4,100</b>
Executive and council						-	-	-	900	900	900
Budget and treasury office						-	-	-	1,000	1,000	1,000
Corporate services		3,398	3,398	2,627	5,700	4,200	4,200	4,200	2,200	2,200	2,200
<b>Community and public safety</b>		<b>1,711</b>	<b>8,330</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Community and social services		1,711	8,330	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>26,169</b>	<b>37,840</b>	<b>24,886</b>	<b>35,492</b>	<b>35,992</b>	<b>35,992</b>	<b>35,992</b>	<b>31,460</b>	<b>31,460</b>	<b>31,460</b>
Planning and development			6,124			-	-	-			
Road transport		26,169	31,716	24,886	35,492	35,992	35,992	35,992	31,460	31,460	31,460
Environmental protection						-	-	-			
<b>Trading services</b>		<b>11,672</b>	<b>-</b>	<b>8,247</b>	<b>12,600</b>	<b>10,600</b>	<b>10,600</b>	<b>10,600</b>	<b>8,600</b>	<b>13,600</b>	<b>16,600</b>
Electricity		11,672	-	8,247	12,600	10,600	10,600	10,600	8,600	13,600	16,600
<b>Other</b>						-	-	-			
<b>Total Capital Expenditure - Standard</b>	3	<b>42,949</b>	<b>49,569</b>	<b>35,760</b>	<b>53,792</b>	<b>50,792</b>	<b>50,792</b>	<b>50,792</b>	<b>44,160</b>	<b>49,160</b>	<b>52,160</b>
<b>Funded by:</b>											
National Government		29,238	28,439	26,026	36,492	36,992	36,992	36,992	29,460	34,532	37,222
Provincial Government					-	-	-	-			
District Municipality						-	-	-			
Other transfers and grants						-	-	-			

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Transfers recognised - capital	4	29,238	28,439	26,026	36,492	36,992	36,992	36,992	29,460	34,532	37,222
Public contributions & donations	5		9,365			-	-	-			
Borrowing	6					-	-	-			
Internally generated funds		13,711	11,766	9,734	17,300	13,800	13,800	13,800	14,700	14,628	14,938
<b>Total Capital Funding</b>	<b>7</b>	<b>42,949</b>	<b>49,569</b>	<b>35,760</b>	<b>53,792</b>	<b>50,792</b>	<b>50,792</b>	<b>50,792</b>	<b>44,160</b>	<b>49,160</b>	<b>52,160</b>

## Notes

- Table A5 is a view of Budgeted Capital Expenditure by vote, classification and funding.
- The municipal capital budget is R44,2 million in 2016/17 budget year.

#### 4.6. BUDGETED FINANCIAL POSITION

LIM334 Ba-Phalaborwa - Table A6 Budgeted Financial Position

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>ASSETS</b>											
<b>Current assets</b>											
Cash		2,066	155	3,246	1,612	1,612	1,612	1,612	1,849	1,147	2,623
Call investment deposits	1	–	–	–	1,700	1,700	1,700	1,700	1,800	1,900	2,000
Consumer debtors	1	45,372	110,688	99,985	161,832	102,832	102,832	102,832	144,976	153,965	163,048
Other debtors		4	159,633								
Current portion of long-term receivables				356							
Inventory	2	9,403	14,399	82,611	19,500	80,500	80,500	80,500	80,300	80,600	80,700
<b>Total current assets</b>		<b>56,845</b>	<b>284,875</b>	<b>186,197</b>	<b>184,644</b>	<b>186,644</b>	<b>186,644</b>	<b>186,644</b>	<b>228,925</b>	<b>237,612</b>	<b>248,372</b>
<b>Non current assets</b>											
Long-term receivables						–	–	–	–	–	–
Investments					400	–	–	–	–	–	–
Investment property				42,999		42,999	42,999	42,999	42,999	42,999	42,999
Investment in Associate						–	–	–	–	–	–
Property, plant and equipment	3	1,056,876	1,051,231	878,196	1,360,432	960,432	960,432	960,432	1,023,821	1,087,298	1,151,448
Agricultural						–	–	–	–	–	–
Biological		313	344	388		388	388	388	388	388	388
Intangible				1,715		1,715	1,715	1,715	1,715	1,715	1,715
Other non-current assets						–	–	–	–	–	–
<b>Total non current assets</b>		<b>1,057,189</b>	<b>1,051,575</b>	<b>923,298</b>	<b>1,360,832</b>	<b>1,005,535</b>	<b>1,005,535</b>	<b>1,005,535</b>	<b>1,068,923</b>	<b>1,132,400</b>	<b>1,196,551</b>
<b>TOTAL ASSETS</b>		<b>1,114,035</b>	<b>1,336,450</b>	<b>1,109,496</b>	<b>1,545,477</b>	<b>1,192,179</b>	<b>1,192,179</b>	<b>1,192,179</b>	<b>1,297,849</b>	<b>1,370,012</b>	<b>1,444,922</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	1		17,963								
Borrowing	4	–	–	–	–	–	–	–	–	–	–
Consumer deposits		2,981	3,622	3,738	1,650	3,650	3,650	3,650	3,060	3,350	4,302
Trade and other payables	4	370,513	370,737	364,307	5,091	284,091	284,091	284,091	–	–	–
Provisions			267								
<b>Total current liabilities</b>		<b>373,494</b>	<b>392,588</b>	<b>368,045</b>	<b>6,741</b>	<b>287,741</b>	<b>287,741</b>	<b>287,741</b>	<b>3,060</b>	<b>3,350</b>	<b>4,302</b>

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<b>Non current liabilities</b>											
Borrowing		–	–	38,475	180,000	30,000	30,000	30,000	28,000	25,000	22,000
Provisions		33,736	50,157	21,182	18,000	18,000	18,000	18,000	15,000	16,000	15,000
<b>Total non current liabilities</b>		<b>33,736</b>	<b>50,157</b>	<b>59,656</b>	<b>198,000</b>	<b>48,000</b>	<b>48,000</b>	<b>48,000</b>	<b>43,000</b>	<b>41,000</b>	<b>37,000</b>
<b>TOTAL LIABILITIES</b>		<b>407,230</b>	<b>442,745</b>	<b>427,702</b>	<b>204,741</b>	<b>335,741</b>	<b>335,741</b>	<b>335,741</b>	<b>46,060</b>	<b>44,350</b>	<b>41,302</b>
<b>NET ASSETS</b>	5	<b>706,805</b>	<b>893,704</b>	<b>681,794</b>	<b>1,340,735</b>	<b>856,438</b>	<b>856,438</b>	<b>856,438</b>	<b>1,251,789</b>	<b>1,325,662</b>	<b>1,403,620</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		706,805		627,330		856,438	856,438	856,438	1,251,789	1,325,662	1,403,620
Reserves	4	–	893,704	54,464	1,340,735	–	–	–	–	–	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>706,805</b>	<b>893,704</b>	<b>681,794</b>	<b>1,340,735</b>	<b>856,438</b>	<b>856,438</b>	<b>856,438</b>	<b>1,251,789</b>	<b>1,325,662</b>	<b>1,403,620</b>

## NOTES

- Table 6 is supported by an extensive table of notes (SA3) providing a detailed analysis of the major components of a number of items, including:
  - ✓ Call investments deposits;
  - ✓ Consumer debtors;
  - ✓ Property, plant and equipment;
  - ✓ Trade and other payables;
  - ✓ Provisions non current;
  - ✓ Changes in net assets; and
  - ✓ Reserves
- Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position.
- 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	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates, penalties & collection charges		60,257	57,239	65,594	37,772	44,800	44,800	44,800	69,404	73,707	78,056
Service charges		79,414	93,504	88,228	197,813	137,811	137,811	137,811	86,894	95,466	104,866
Other revenue		22,910	18,131	23,998	16,411	10,512	10,512	10,512	10,572	11,228	11,890
Government - operating	1	64,589	72,873	87,633	113,160	113,160	113,160	113,160	114,153	122,840	130,937
Government - capital	1	33,778	32,291	37,279	36,492	36,492	36,492	36,492	29,460	34,532	37,222
Interest		42,701	55,900	30,176	19,504	4,305	4,305	4,305	49,756	53,147	56,644
Dividends					3	-	-	-	-	-	-
<b>Payments</b>											
Suppliers and employees		(260,109)	(241,084)	(273,972)	(364,453)	(305,165)	(305,165)	(305,165)	(318,412)	(340,849)	(364,270)
Finance charges		(226)	(128)	(1,570)	(2,109)	(1,398)	(1,398)	(1,398)	(1,519)	(1,613)	(1,708)
Transfers and Grants	1				-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>43,315</b>	<b>88,726</b>	<b>57,365</b>	<b>54,592</b>	<b>40,517</b>	<b>40,517</b>	<b>40,517</b>	<b>40,309</b>	<b>48,458</b>	<b>53,636</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE			(53,724)						-	-	-
<b>Payments</b>											
Capital assets		(42,949)	(48,745)	(35,847)	(53,792)	(41,200)	(41,200)	(41,200)	(40,160)	(49,160)	(52,160)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(42,949)</b>	<b>(102,469)</b>	<b>(35,847)</b>	<b>(53,792)</b>	<b>(41,200)</b>	<b>(41,200)</b>	<b>(41,200)</b>	<b>(40,160)</b>	<b>(49,160)</b>	<b>(52,160)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Increase (decrease) in consumer deposits									-	-	-
<b>Payments</b>											
Repayment of borrowing		(941)	(6,131)	(495)					-	-	-

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<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		(941)	(6,131)	(495)	-	-	-	-	-	-	-
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		(575)	(19,874)	21,023	800	(683)	(683)	(683)	149	(702)	1,476
Cash/cash equivalents at the year begin:	2	2,642	2,066	(17,777)	813	1,852	1,852	1,852	1,700	1,849	1,147
Cash/cash equivalents at the year end:	2	2,066	(17,807)	3,246	1,612	1,169	1,169	1,169	1,849	1,147	2,623

## NOTES

- The budgeted cash flow statement is the first measurement in determining if the budget is funded, It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
- Cash and cash equivalents totals R1,8 million as at the end of the 2016/17 financial year and the two outer years R1,1 million and R2,6 million respectively.

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

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

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>											
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	2,066	(17,807)	3,246	1,612	1,169	1,169	1,169	1,849	1,147	2,623
Other current investments > 90 days		(0)	-	-	1,700	2,143	2,143	2,143	1,800	1,900	2,000
Non current assets - Investments	1	-	-	-	400	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>2,066</b>	<b>(17,807)</b>	<b>3,246</b>	<b>3,712</b>	<b>3,312</b>	<b>3,312</b>	<b>3,312</b>	<b>3,649</b>	<b>3,047</b>	<b>4,623</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		2,511	7,141	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	329,211	160,178	282,939	(118,627)	219,620	219,620	219,620	(72,700)	(77,419)	(82,229)
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>331,722</b>	<b>167,319</b>	<b>282,939</b>	<b>(118,627)</b>	<b>219,620</b>	<b>219,620</b>	<b>219,620</b>	<b>(72,700)</b>	<b>(77,419)</b>	<b>(82,229)</b>
<b>Surplus(shortfall)</b>		<b>(329,656)</b>	<b>(185,126)</b>	<b>(279,693)</b>	<b>122,339</b>	<b>(216,308)</b>	<b>(216,308)</b>	<b>(216,308)</b>	<b>76,349</b>	<b>80,466</b>	<b>86,852</b>

#### NOTES

- o As part of the budgeting and planning guidelines that informed the compilation of the 2016/17 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	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>CAPITAL EXPENDITURE</b>										
<b><u>Total New Assets</u></b>	1	42,949	49,569	-	53,792	50,792	50,792	44,160	49,160	52,160
<i>Infrastructure - Road transport</i>		26,169	31,716	-	23,992	28,204	28,204	23,660	23,660	23,660
<i>Infrastructure - Electricity</i>		11,672	-	-	12,600	10,600	10,600	8,600	13,600	16,600
<i>Infrastructure - Other</i>		-	-	-	10,000	6,288	6,288	7,800	7,800	7,800
Infrastructure		37,840	31,716	-	46,592	45,092	45,092	40,060	45,060	48,060
Community		1,711	8,330	-	-	-	-	-	-	-
Other assets	6	3,398	9,523	-	7,200	5,700	5,700	4,100	4,100	4,100
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<b><u>Total Renewal of Existing Assets</u></b>	2	-	-	-	-	-	-	-	-	-
<i>Infrastructure - Road transport</i>		-	-	-	-	-	-	-	-	-
<i>Infrastructure - Electricity</i>		-	-	-	-	-	-	-	-	-
<i>Infrastructure - Water</i>		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<b><u>Total Capital Expenditure</u></b>	4									
<i>Infrastructure - Road transport</i>		26,169	31,716	-	23,992	28,204	28,204	23,660	23,660	23,660
<i>Infrastructure - Electricity</i>		11,672	-	-	12,600	10,600	10,600	8,600	13,600	16,600
<i>Infrastructure - Other</i>		-	-	-	10,000	6,288	6,288	7,800	7,800	7,800
Infrastructure		37,840	31,716	-	46,592	45,092	45,092	40,060	45,060	48,060
Community		1,711	8,330	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-

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Investment properties		-	-	-	-	-	-	-	-	-
Other assets		3,398	9,523	-	7,200	5,700	5,700	4,100	4,100	4,100
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	<b>2</b>	<b>42,949</b>	<b>49,569</b>	<b>-</b>	<b>53,792</b>	<b>50,792</b>	<b>50,792</b>	<b>44,160</b>	<b>49,160</b>	<b>52,160</b>
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>5</b>									
<i>Infrastructure - Road transport</i>		449,391	1,051,231	878,196	1,360,432	960,432	960,432	1,004,592	1,053,752	1,105,912
<i>Infrastructure - Electricity</i>		348,672				-	-			
<i>Infrastructure - Water</i>		241,370				-	-			
<i>Infrastructure - Sanitation</i>		120,000				-	-			
Infrastructure		1,159,432	1,051,231	878,196	1,360,432	960,432	960,432	1,004,592	1,053,752	1,105,912
Community		311								
Investment properties		-	-	42,999	-	42,999	42,999	42,999	42,999	42,999
Other assets		459								
Biological assets		313	344	388	-	388	388	388	388	388
Intangibles		-	-	1,715	-	1,715	1,715	1,715	1,715	1,715
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>5</b>	<b>1,160,515</b>	<b>1,051,575</b>	<b>923,298</b>	<b>1,360,432</b>	<b>1,005,535</b>	<b>1,005,535</b>	<b>1,049,695</b>	<b>1,098,855</b>	<b>1,151,015</b>
<b>EXPENDITURE OTHER ITEMS</b>										
<b><u>Depreciation &amp; asset impairment</u></b>		69,182	61,010	60,127	70,104	65,104	65,104	66,899	68,906	70,974
<b><u>Repairs and Maintenance by Asset Class</u></b>	<b>3</b>	-	17,400	-	21,333	23,975	23,975	20,448	21,716	22,998
<i>Infrastructure - Road transport</i>		-	6,083	-	4,646	3,887	3,887	4,144	4,401	4,660
<i>Infrastructure - Electricity</i>		-	9,834	-	6,970	10,770	10,770	6,500	6,903	7,310
<i>Infrastructure - Other</i>		-	1,092	-	1,690	1,440	1,440	1,535	1,631	1,727
Infrastructure		-	17,009	-	13,306	16,097	16,097	12,179	12,934	13,698
Community		-	-	-	4,890	4,645	4,645	4,951	5,258	5,569
Heritage assets		-	-	-	34	-	-	-	-	-
Other assets	6, 7	-	391	-	3,103	3,233	3,233	3,318	3,524	3,731
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		<b>69,182</b>	<b>78,410</b>	<b>60,127</b>	<b>91,437</b>	<b>89,079</b>	<b>89,079</b>	<b>87,348</b>	<b>90,623</b>	<b>93,971</b>

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<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%
<i>R&amp;M as a % of PPE</i>		0.0%	1.7%	0.0%	1.6%	2.5%	2.5%	2.0%	2.0%	2.0%
<i>Renewal and R&amp;M as a % of PPE</i>		0.0%	2.0%	0.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

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.
- The Repairs and Maintenance is 2% of the total PPE

#### 4.10. BASIC SERVICE DELIVERY MEASUREMENT

LIM334 Ba-Phalaborwa - Table A10 Basic service delivery measurement

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		12	15	15	15	15	15	15	15	15
Piped water inside yard (but not in dwelling)		17	19	19	19	19	19	19	19	19
Using public tap (at least min.service level)	2	4	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	4	413	413	413	413	413	413	413	413
<i>Minimum Service Level and Above sub-total</i>		37	4,259	4,259	4,259	4,259	4,259	4,259	4,259	4,259
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	2	234	234	234	234	234	234	234	234
No water supply		-	2	2	2	2	2	2	2	2
<i>Below Minimum Service Level sub-total</i>		2	236	236	236	236	236	236	236	236
<b>Total number of households</b>	5	<b>39</b>	<b>4,495</b>	<b>4,495</b>	<b>4,495</b>	<b>4,495</b>	<b>4,495</b>	<b>4,495</b>	<b>4,495</b>	<b>4,495</b>
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		14,056	16,638	16,638	16,638	16,638	16,638	16,638	16,638	16,638
Flush toilet (with septic tank)		1,090	860	860	860	860	860	860	860	860
Chemical toilet		-	424	424	424	424	424	424	424	424
Pit toilet (ventilated)		2,868	6,718	6,718	6,718	6,718	6,718	6,718	6,718	6,718
Other toilet provisions (> min.service level)		9,166	10,833	10,833	10,833	10,833	10,833	10,833	10,833	10,833
<i>Minimum Service Level and Above sub-total</i>		27,180	35,473	35,473	35,473	35,473	35,473	35,473	35,473	35,473
Bucket toilet		-	80	80	80	80	80	80	80	80
Other toilet provisions (< min.service level)		-	864	864	864	864	864	864	864	864
No toilet provisions		6,612	4,698	4,698	4,698	4,698	4,698	4,698	4,698	4,698
<i>Below Minimum Service Level sub-total</i>		6,612	5,642	5,642	5,642	5,642	5,642	5,642	5,642	5,642
<b>Total number of households</b>	5	<b>33,792</b>	<b>41,115</b>	<b>41,115</b>	<b>41,115</b>	<b>41,115</b>	<b>41,115</b>	<b>41,115</b>	<b>41,115</b>	<b>41,115</b>
<b>Energy:</b>										
Electricity (at least min.service level)		7,000	37,345	37,345	37,345	37,345	37,345	37,345	37,345	37,345
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-

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	<i>Minimum Service Level and Above sub-total</i>		7,000	37,345	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>		-	-	-	-	-	-	-	-
	<b>Total number of households</b>	5	<b>7,000</b>	<b>37,345</b>	<b>37,345</b>	<b>37,345</b>	<b>37,345</b>	<b>37,345</b>	<b>37,345</b>	<b>37,345</b>
	<b><u>Refuse:</u></b>									
	Removed at least once a week		-	20,066	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	20,066
	Removed less frequently than once a week		-	257	257	257	257	257	257	257
	Using communal refuse dump		-	684	684	684	684	684	684	684
	Using own refuse dump		-	17,849	17,849	17,849	17,849	17,849	17,849	17,849
	Other rubbish disposal		-	327	327	327	327	327	327	327
	No rubbish disposal		-	1,933	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	21,050
	<b>Total number of households</b>	5	<b>-</b>	<b>41,116</b>	<b>41,116</b>	<b>41,116</b>	<b>41,116</b>	<b>41,116</b>	<b>41,116</b>	<b>41,116</b>
	<b><u>Households receiving Free Basic Service</u></b>	7								
	Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-
	Sanitation (free minimum level service)		-	-	-	-	-	-	-	-
	Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-
	Refuse (removed at least once a week)		-	-	-	-	-	-	-	-
	<b><u>Cost of Free Basic Services provided - Formal Settlements (R'000)</u></b>	8								
	Water (6 kilolitres per <b>indigent</b> household per month)		-	-	-	-	-	-	-	-
	Sanitation (free sanitation service to <b>indigent households</b> )		-	-	-	-	-	-	-	-
	Electricity/other energy (50kwh per <b>indigent</b> household per month)		-	-	-	-	-	-	-	-
	Refuse (removed once a week <b>for indigent households</b> )		-	-	-	-	-	-	-	-
	<b><u>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</u></b>		-	-	-	-	-	-	-	-
	<b>Total cost of FBS provided</b>		-	-	-	-	-	-	-	-
	<b><u>Highest level of free service provided per household</u></b>									
	Property rates (R value threshold)									
	Water (kilolitres per household per month)									
	Sanitation (kilolitres per household per month)									
	Sanitation (Rand per household per month)									
	Electricity (kwh per household per month)									
	Refuse (average litres per week)									

<b>Revenue cost of subsidised services provided (R'000)</b>	9										
Property rates (tariff adjustment) ( impermissible values per section 17 of MPRA)											
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		-	-	-	-	-	-	1,510	1,510	1,510	
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-	
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-	
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	1	1	1	
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-	
Municipal Housing - rental rebates											
Housing - top structure subsidies	6										
Other											
<b>Total revenue cost of subsidised services provided</b>		-	-	-	-	-	-	<b>1,511</b>	<b>1,511</b>	<b>1,511</b>	

## NOTES

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

**PART TWO**

**ANNUAL BUDGET SUPPORTING INFORMATION**

## 5. OVERVIEW OF ANNUAL BUDGET

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

#### 1. Budget and PMS Calendar for 2015–16

The IDP, Budget, PMS and MPAC calendar presents the activities that will be undertaken by both the District Municipality and Ba-Phalaborwa Municipality during the 2015/16 financial year.

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
<b>IDP</b>			
July 2015	<b>Preparatory Phase</b> <ul style="list-style-type: none"> <li>• District IDP Technical Committee Meeting (IDP Framework and Process Plan).</li> <li>• IDP, Budget &amp; PMS Operational Meeting (IDP Framework &amp; Process Plan)</li> <li>• IDP, Budget &amp; PMS Technical Meeting (IDP Framework &amp; Process Plan)</li> <li>• IDP, Budget &amp; PMS Steering Committee Meeting (Framework &amp; Process Plan)</li> <li>• IDP, Budget &amp; PMS Rep Forum (Framework &amp; Process Plan)</li> <li>• Mayor tables IDP/Budget/PMS/MPAC</li> </ul>	<ul style="list-style-type: none"> <li>• 06/07/2015</li> <li>• 10/07/2015</li> <li>• 14/07/2015</li> <li>• 20/07/2015</li> <li>• 23/07/2015</li> <li>• 31/07/2015</li> </ul>	31 July 2015

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	Framework & Process Plan in (Special Council)		
<b>Budget</b>			
	<ul style="list-style-type: none"> <li>Establish Departmental Budget Committees (include councillors &amp; officials).</li> </ul>	<ul style="list-style-type: none"> <li>27/07/2015 – 04/09/2015</li> </ul>	
<b>PMS</b>			
	<ul style="list-style-type: none"> <li>Compilation of 2013/14 4<sup>th</sup> quarterly report</li> <li>Conclude 2014/15 annual performance agreements</li> <li>Submit final approved SDBIP</li> </ul>	<ul style="list-style-type: none"> <li>01/07/2015 - 15/07/2015</li> <li>01/07/2015 - 27/07/2015</li> <li>31/07/2015</li> </ul>	
<b>MPAC</b>			
	<ul style="list-style-type: none"> <li>District MPAC Framework and Process Plan.</li> <li>Final Work Programme presented to Council</li> <li>Consideration of SDBIP</li> <li>MPAC and Audit committee Quarterly meeting</li> </ul>	<ul style="list-style-type: none"> <li>06/07/2015</li> <li>31/07/2015</li> <li>31/07/2015</li> <li>31/07/2015</li> </ul>	
<b>IDP</b>			
<b>August 2015</b>	<b>Analysis Phase</b>		<b>31 August 2015</b>
	<ul style="list-style-type: none"> <li>Data collection (ward-based planning)</li> <li>Data analysis and interpretation</li> <li>Community Satisfaction Survey</li> </ul>	<ul style="list-style-type: none"> <li>03/08/2015 – 31/08/2015</li> <li>03/08/2015 – 31/08/2015</li> <li>03/08/2015 – 28/09/2015</li> </ul>	



Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
<b>Budget</b>			
	<ul style="list-style-type: none"> <li>2014/15 internal analysis of financial and non-financial performance. Determine financial position and assess financial capacity against future strategies.</li> </ul>	<ul style="list-style-type: none"> <li>31/08/2015</li> </ul>	
<b>PMS</b>			
	<ul style="list-style-type: none"> <li>2013/14 IDP implementation feedback: Fourth Quarter Mayoral Imbizo</li> <li>Make public the 2014/15 SDBIP</li> <li>Make public 2014/15 annual performance agreements and ensure that copies are submitted to Council and MEC:CoGHSTA</li> <li>Submission of 2013/14 Departmental Annual Performance Report</li> <li>Place 2014/15 annual performance agreements on the municipal website.</li> <li>Individual performance assessments 2013/14 Annual</li> </ul>	<ul style="list-style-type: none"> <li>03/08/2015 – 13/08/2015</li> <li>14/08/2015</li> <li>14/08/2015</li> <li>14/08/2015</li> <li>14/08/2015</li> <li>03/08/2015-31/08/2015</li> </ul>	
<b>MPAC</b>			
	<ul style="list-style-type: none"> <li>Consideration of Annual Performance Agreements versus the final SDBIP</li> <li>Consideration of institutional 4<sup>th</sup></li> </ul>	<ul style="list-style-type: none"> <li>03/08/2015</li> <li>03/08/2015</li> </ul>	

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	quarterly Report. <ul style="list-style-type: none"> <li>Collection of public comments during the mayoral imbizo</li> <li>Consider the 2014/15 IDP/Budget/PMS process plan</li> <li>Probing of 4<sup>th</sup> Quarter performance Report and public hearing.</li> </ul>	<ul style="list-style-type: none"> <li>03/08/2015</li> <li>03/08/2015</li> <li>31/08/2015</li> </ul>	
<b>IDP</b>			
<b>September 2015</b>	<b>Analysis Phase (cont)</b> <ul style="list-style-type: none"> <li>IDP, Budget &amp; PMS Operational Meeting (Analysis Phase)</li> <li>IDP, Budget &amp; PMS Technical Meeting (Analysis Phase)</li> <li>IDP, Budget &amp; PMS Steering Meeting (Analysis Phase)</li> <li>IDP, Budget &amp; PMS Rep Forum (Analysis Phase)</li> </ul>	<ul style="list-style-type: none"> <li>07/09/2015</li> <li>09/09/2015</li> <li>14/09/2015</li> <li>23/09/2015</li> </ul>	
<b>Budget</b>			
	<ul style="list-style-type: none"> <li>Circulate budget schedules to all departments</li> <li>Consolidate draft core departments business plans &amp; budgets</li> <li>Review resources frames and financial strategies</li> </ul>	<ul style="list-style-type: none"> <li>28/09/2015 – 08/10/2015</li> <li>06/10/2015 – 13/10/2015</li> <li>29/09/2015 – 03/11/2015</li> </ul>	
<b>PMS</b>			
	<ul style="list-style-type: none"> <li>Individual performance</li> </ul>	<ul style="list-style-type: none"> <li>07/09/2015</li> </ul>	

Annual Budget 2016/17

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	assessment report 2013/14 Annual <ul style="list-style-type: none"> <li>Submission of Final 2013/14 departmental annual reports</li> </ul>	<ul style="list-style-type: none"> <li>25/09/2015</li> </ul>	
<b>MPAC</b>			
	<ul style="list-style-type: none"> <li>4<sup>th</sup> Quarter Individual Performance Assessment Report</li> </ul>	<ul style="list-style-type: none"> <li>30/09/2015</li> </ul>	
<b>Budget</b>			
October 2015	<ul style="list-style-type: none"> <li>Commence preparation for the 2016/17 departmental operational plans and service delivery and budget implementation plan aligned to strategic priorities in IDP and inputs from other stakeholders including government and bulk service providers (and NERSA)</li> <li>Submission of departmental adjustment budgets</li> <li>Departmental budgets inputs for 2016/17</li> </ul>	<ul style="list-style-type: none"> <li>14-15/12/2015</li> <li>15/12/2015</li> <li>15/12/2015</li> </ul>	
<b>PMS</b>			
	<ul style="list-style-type: none"> <li>Continuation of preparations for 2014/15 annual report utilizing financial and non-financial information first reviewed as part of budget and IDP analysis</li> </ul>	<ul style="list-style-type: none"> <li>01/10/2015 - 30/10/2015</li> </ul>	

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	<ul style="list-style-type: none"> <li>• Compilation of 2013/14 first quarter institutional performance report.</li> </ul>	<ul style="list-style-type: none"> <li>• 01/10/2015 - 30/10/2015</li> </ul>	
<b>MPAC</b>			
	<ul style="list-style-type: none"> <li>• MPAC and Audit committee Quarterly meeting</li> </ul>	<ul style="list-style-type: none"> <li>• 30/10/2015</li> </ul>	
<b>Budget</b>			
<b>November 2015</b>	<ul style="list-style-type: none"> <li>• Community and stakeholder consultation process, review inputs, financial models, assess impacts on tariffs and charges and consider funding decisions including borrowing. Adjust estimates based on plans and resources. Commence consultation on the proposed tariffs. Check the tariff submission date and align.</li> <li>• Draft five year Financial Plan</li> </ul>	<ul style="list-style-type: none"> <li>• 02/11/2015 – 30/11/2015</li> <li>• 02/11/2015 – 30/11/2015</li> </ul>	
<b>PMS</b>			
	<ul style="list-style-type: none"> <li>• Mayoral Imbizo on first quarter performance</li> </ul>	<ul style="list-style-type: none"> <li>• 11/11/2015-18/11/2015</li> </ul>	
<b>MPAC</b>			
	<ul style="list-style-type: none"> <li>• Consideration of Annual Institutional Performance Report</li> <li>• Collection of public comments</li> </ul>	<ul style="list-style-type: none"> <li>• 03/11/2015</li> <li>• 12/11/2015 – 19/11/2015</li> </ul>	

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	during mayoral Imbizo on 1 <sup>st</sup> Quarter performance <ul style="list-style-type: none"> <li>Probe 1<sup>st</sup> Quarter Performance Report and public hearing.</li> <li>MPAC District forum</li> </ul>	<ul style="list-style-type: none"> <li>27/11/2015</li> <li>30/11/2015</li> </ul>	
<b>IDP</b>			
<b>December 2015</b>	<b>Strategies Phase</b>		<b>31 January 2015</b>
	<ul style="list-style-type: none"> <li>Strategic Session</li> </ul>	<ul style="list-style-type: none"> <li>02/12/2015 –07/12/2015</li> </ul>	
<b>PMS</b>			
	<ul style="list-style-type: none"> <li>Oversight training for MPAC members for probing the 2013/14 annual report.</li> <li>Finalize the draft annual report incorporating financial and non financial information on performance, audit reports and annual financial statements</li> <li>Present draft annual report to Municipal Manager</li> </ul>	<ul style="list-style-type: none"> <li>02/12/2015-14/12/2015</li> <li>14/12/2015</li> <li>21/12/2015</li> </ul>	
<b>MPAC</b>			
	<ul style="list-style-type: none"> <li>Develop schedule for considering the 2013/14 Annual Report</li> </ul>	<ul style="list-style-type: none"> <li>01/12/2015</li> </ul>	
<b>IDP</b>			
<b>January 2016</b>	<b>Strategies Phase (cont)</b>		<b>31 January 2016</b>
	<ul style="list-style-type: none"> <li>IDP, Budget &amp; PMS Operational</li> </ul>	<ul style="list-style-type: none"> <li>13/01/2016</li> </ul>	

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	Meeting <ul style="list-style-type: none"> <li>• IDP/Budget &amp; PMS Technical Meeting (Strategic Plan)</li> <li>• Advisory Board meeting with Municipal Manager</li> <li>• IDP/Budget &amp; PMS Steering Committee (Strategic Plan)</li> <li>• IDP/Budget &amp; PMS Rep. Forum (Strategic Plan)</li> </ul>	<ul style="list-style-type: none"> <li>• 18/01/2016</li> <li>• 19/01/2016</li> <li>• 21/01/2016</li> <li>• 29/01/2016</li> </ul>	
<b>Budget</b>			
	<ul style="list-style-type: none"> <li>• Finalise the 2016/17 inputs from bulk resource providers (and NERSA) and agree on proposed price increase. (Align after submission of proposed tariffs)</li> <li>• Mid-Year Performance Assessment and recommend and adjustment budget, if necessary.</li> <li>• Incorporate priorities from the President's State of the Nation Address, National Treasury and SALGA for further budget consideration.</li> <li>• Review all aspects of the 2015/16 budget including any unforeseen and unavoidable expenditure in light of need for an adjustment budget.</li> </ul>	<ul style="list-style-type: none"> <li>• 01/12/2015 – 09/12/2015</li> <li>• 26/01/2016</li> <li>• 22/01/2016– 26/01/2016</li> <li>• 08/01/2016 – 26/01/2016</li> </ul>	

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
<b>PMS</b>			
	<ul style="list-style-type: none"> <li>• Compilation of 2015/16 Mid-year report</li> <li>• Mayor tables 2013/14 annual report to council</li> <li>• Make public the 2013/14 annual report and invite comments from local community, submit report to Auditor-General, Provincial Treasury &amp; CoGHSTA</li> <li>• Consider monthly &amp; mid-year reports for the period ended 31 December 2014.</li> <li>• Review implementation of budget and service delivery plan (SDBIP), identify problems and amend or recommend appropriate amendments. Submit report to council and make public any amendments to the SDBIP by the end of January 2015</li> <li>• Mayor reports to Council the status of next three year budget, 2013/14 annual report (including AFS &amp; audit report) and summarizes overall findings of 2013/14 annual performance</li> </ul>	<ul style="list-style-type: none"> <li>• 04/01/2016 - 20/01/2016</li> <li>• 29/01/2016</li> <li>• 29/01/2016</li> <li>• 29/01/2016</li> <li>• 29/01/2016</li> <li>• 29/01/2016</li> </ul>	

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	report.		
<b>MPAC</b>			
	<ul style="list-style-type: none"> <li>MPAC and Audit committee Quarterly meeting</li> </ul>	<ul style="list-style-type: none"> <li>29/01/2016</li> </ul>	
<b>IDP</b>			
<b>February 2016</b>	<b>Projects and Integration Phase</b> <ul style="list-style-type: none"> <li>Develop a list of project</li> <li>Project prioritisation task team establishment</li> <li>Submission of Sector Plans</li> <li>IDP, Budget &amp; PMS Operational meeting (Projects prioritisation and Sector plans)</li> <li>IDP, Budget &amp; PMS Technical meeting (Projects prioritisation and Sector plans)</li> <li>Advisory Board meeting with Municipal Manager</li> <li>IDP, Budget &amp; PMS Steering meeting (Projects prioritisation and Sector plans)</li> <li>IDP, Budget &amp; PMS Representative Forum (Projects prioritisation and Sector plans).</li> </ul>	<ul style="list-style-type: none"> <li>27/01/2016 – 08/02/2016</li> <li>10/02/2016 – 15/02/2016</li> <li>03/02/2016 – 11/02/2016</li> <li>11/02/2016</li> <li>15/02/2016</li> <li>17/02/2016</li> <li>19/02/2016</li> <li>25/02/2016</li> </ul>	<b>28 February 2016</b>
<b>Budget</b>			



Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	<ul style="list-style-type: none"> <li>Incorporate directives from the National budget and Provincial and National allocations to municipalities into budget.</li> <li>Finalise the draft 2016/17 detailed operating &amp; capital budgets in the prescribed formats incorporating National and Provincial budget allocations, integrate and align to IDP documentation and draft SDBIP, finalise budget policies including tariff policy.</li> <li>Tabling and approval of an adjustments budget (if necessary)</li> </ul>	<ul style="list-style-type: none"> <li>02/02/2016 – 29/02/2016</li> <li>10/03/2016</li> <li>15/02/2016</li> <li>29/02/2016</li> </ul>	
<b>PMS</b>			
	<ul style="list-style-type: none"> <li>Individual Performance Assessments 2014/15 Mid-year</li> <li>Place 2013/14 annual report on the municipal website</li> <li>Mayoral Imbizo</li> </ul>	<ul style="list-style-type: none"> <li>02/02/2016- 29/02/2016</li> <li>04/02/2016</li> <li>04/02/2016 – 16/02/2016</li> </ul>	
<b>MPAC</b>			
	<ul style="list-style-type: none"> <li>Considering the 2013/14 annual report</li> <li>Consider the 2013/14 Mid Year Report</li> <li>Review individual annual</li> </ul>	<ul style="list-style-type: none"> <li>02/02/2016-29/02/2016</li> <li>02/02/2016</li> <li>02/02/2016</li> </ul>	

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	performance report for 2013/14 <ul style="list-style-type: none"> <li>• Technical committee</li> <li>• Scopa Hearing</li> <li>• Visit projects</li> <li>• Public Hearing on Mid Year report</li> <li>• District forum meeting</li> </ul>	<ul style="list-style-type: none"> <li>• 08/02/2016</li> <li>• 11/02/2016               <ul style="list-style-type: none"> <li>• 17-18/02/2016</li> </ul> </li> <li>• 25/02/2016</li> <li>• 29/02/2016</li> </ul>	
<b>IDP</b>			
<b>March 2016</b>	<b>Approval Phase (Draft IDP)</b> <ul style="list-style-type: none"> <li>• IDP, Budget &amp; PMS operational meeting (Draft 2014/15 IDP, Budget &amp; PMS)</li> <li>• IDP, Budget &amp; PMS Technical meeting (Draft 2014/15 IDP, Budget &amp; PMS)</li> <li>• IDP, Budget &amp; PMS Steering meeting (Draft 2014/15 IDP, Budget &amp; PMS)</li> <li>• IDP, Budget &amp; PMS Representative Forum (Draft 2014/15 IDP, Budget &amp; PMS)</li> <li>• Establishment of IDP, Budget &amp; PMS Public Participation Teams.</li> <li>• Mayor table Draft IDP, Budget &amp; PMS for adoption by Council.</li> <li>• Publication of the IDP, Budget &amp; PMS Public Participation</li> </ul>	<ul style="list-style-type: none"> <li>• 07/03/2016</li> <li>• 10/03/2016</li> <li>• 14/03/2016</li> <li>• 17/03/2016</li> <li>• 17/03/2016 – 21/03/2016</li> <li>• 31/03/2016</li> <li>• 29/03/2016</li> </ul>	<b>31 March 2016</b>

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	schedule		
<b>Budget</b>			
	<ul style="list-style-type: none"> <li>• Consolidation of Draft 2016/17 annual budget.</li> <li>• Incorporate changes in prices for bulk resources and finalise tariff proposals for all charges.</li> <li>• Distribute all budget documentation prior to meeting at which budget is to be tabled.</li> <li>• Table in Council the 2016/17 annual budget &amp; all supporting documents.</li> <li>• Submit the 2015/16 approved adjustments budget to the Provincial &amp; National Treasury &amp; any other affected organ of state (10 days after approval.)</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• 04/03/2016</li> <li>• 14/03/2016</li> <li>• 18/03/2016 – 25/03/2016</li> <li>• 31/03/2016</li> <li>• 14/03/2016</li> </ul>	
<b>PMS</b>			
	<ul style="list-style-type: none"> <li>• Compile Individual performance assessment report (2015/16 Mid-Year Quarter)</li> <li>• Council adopts the 2013/14 annual report with the comments of the oversight committee.</li> <li>• Submit draft 2015/16 SDBIP to the Mayor</li> </ul>	<ul style="list-style-type: none"> <li>• 14/03/2016</li> <li>• 31/03/2016</li> <li>• 28/03/2016</li> </ul>	

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	<ul style="list-style-type: none"> <li>Submit draft 2015/16 annual performance agreements to the Mayor</li> </ul>	<ul style="list-style-type: none"> <li>28/03/2016</li> </ul>	
<b>MPAC</b>			
	<ul style="list-style-type: none"> <li>Considering the 2013/14 Annual Report</li> <li>Consider the 2014/13 SDBIP Review against the Adjustments Budgets</li> <li>Review MPAC Work programme</li> <li>Submit Draft MPAC Work programme to council for approval</li> <li>Submit Draft Oversight Report and Annual Report to Council</li> <li>Review the individual performance report for section 57</li> <li>Public Hearing on Annual Report</li> </ul>	<ul style="list-style-type: none"> <li>02/03/2016-16/03/2016</li> <li>02/03/2016-16/03/2016</li> <li>02/03/2016-16/03/2016</li> <li>27/03/2016</li> <li>28/03/2016</li> <li>02/03/2016-31/03/2016</li> </ul>	
<b>IDP</b>			
<b>April 2016</b>	<b>Approval Phase (Draft IDP cont)</b>		<b>30 April 2016</b>
	<ul style="list-style-type: none"> <li>Consultations on tabled Draft 2014/16 IDP, Budget &amp; PMS</li> </ul>	<ul style="list-style-type: none"> <li>06/04/2016 – 25/04/2016</li> </ul>	
<b>Budget</b>			
	<ul style="list-style-type: none"> <li>Make public the 2016/17 tabled annual budget &amp; accompanying budget documentation, invite the community to submit</li> </ul>	<ul style="list-style-type: none"> <li>11/04/2016 – 25/04/2016</li> </ul>	

Annual Budget 2016/17

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	<p>representations and submit to Provincial &amp; National Treasury and other affected organs of state.</p> <ul style="list-style-type: none"> <li>• Consultation on tabled budget, publicise and conduct public hearings and meetings within wards.</li> </ul>	<ul style="list-style-type: none"> <li>• 11/04/2016 –25/04/2016</li> </ul>	
<b>PMS</b>			
	<ul style="list-style-type: none"> <li>• Submit the 2013/14 Annual Report &amp; Oversight Report to Provincial Treasury, CoGHSTA, AG and Legislature.</li> <li>• Make public the 2013/14 oversight report</li> <li>• Submission of third quarter departmental performance report</li> </ul>	<ul style="list-style-type: none"> <li>• 11/04/2016</li> <li>• 11/04/2016</li> <li>• 11/04/2016</li> </ul>	
<b>MPAC</b>			
	<ul style="list-style-type: none"> <li>• Consider the Draft IDP, Budget and PMS</li> <li>• Consider proposed municipal tariffs</li> <li>• Collection of public representations on municipal tariffs and Capital plan</li> <li>• Consider the 2014/15 Draft SDBIP</li> </ul>	<ul style="list-style-type: none"> <li>• 01/04/2016-29/04/2016</li> <li>• 01/04/2016-29/04/2016</li> <li>• 01/04/2016-29/04/2016</li> <li>• 01/04/2016-29/04/2016</li> </ul>	

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	<ul style="list-style-type: none"> <li>• Technical committee meeting</li> <li>• District forum meeting</li> <li>• MPAC and Audit committee Quarterly meeting</li> </ul>	<ul style="list-style-type: none"> <li>• 11/04/2016</li> <li>• 25/4/2016</li> <li>• 29/4/2016</li> </ul>	
<b>IDP</b>			
<b>May 2016</b>	<b>Approval Phase (Final IDP)</b>		<b>31 May 2016</b>
	<ul style="list-style-type: none"> <li>• IDP, Budget &amp; PMS Operational Teams (Analysis &amp; integration of public comments)</li> <li>• IDP, Budget &amp; PMS Technical meeting (Analysis &amp; integration of public comments)</li> <li>• IDP, Budget &amp; PMS Steering meeting (analysis &amp; integration of public comments)</li> <li>• IDP, Budget &amp; PMS Representative meeting (analysis &amp; integration of public comments)</li> <li>• Adjustment of IDP, Budget &amp; PMS in accordance with public comments</li> <li>• Exco considers Draft IDP, Budget &amp; PMS</li> <li>• Mayor tables Final 2016/17 IDP, Budget &amp; PMS for final approval/adoption</li> </ul>	<ul style="list-style-type: none"> <li>• 06/05/2016</li> <li>• 09/05/2016</li> <li>• 12/05/2016</li> <li>• 16/05/2016</li> <li>• 16/05/2016 – 19/05/2016</li> <li>• 30/05/2016</li> <li>• 31/05/2016</li> </ul>	
<b>Budget</b>			

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	<ul style="list-style-type: none"> <li>Consider the views of the community and other stakeholders on the 2016/17 budget.</li> <li>Respond to submissions received &amp; if necessary revise the budget and table amendments for council consideration.</li> </ul>	<ul style="list-style-type: none"> <li>16/05/2016 – 17/05/2016</li> <li>16/05/2016 – 18/05/2016</li> </ul>	
<b>PMS</b>			
	<ul style="list-style-type: none"> <li>Approve the 2015/16 SDBIP-final date under legislation 26 July 2015</li> </ul>	<ul style="list-style-type: none"> <li>31/05/2016</li> </ul>	
<b>MPAC</b>			
	<ul style="list-style-type: none"> <li>Consider the Draft IDP, Budget and PMS</li> <li>Make recommendations to council on municipal tariffs and capital plan</li> <li>Consider third Quarter</li> <li>District wide session.</li> <li>Institutional Performance Report</li> <li>Probing and public hearing on third Quarter Institutional Performance Report.</li> </ul>	<ul style="list-style-type: none"> <li>02/05/2016-20/05/2016</li> <li>11/05/2016-20/05/2016</li> <li>02/05/2016-20/05/2016</li> <li>23-25/05/2016</li> <li>25/05/2016</li> </ul>	
<b>IDP</b>			
<b>June 2016</b>	<ul style="list-style-type: none"> <li>Public Notice on the adoption of IDP, Budget &amp; PMS</li> <li>Summary of IDP &amp; public notice</li> </ul>	<ul style="list-style-type: none"> <li>07/06/2016</li> <li>13/06/2016</li> </ul>	<b>30 June 2016</b>

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Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	on the final approval <ul style="list-style-type: none"> <li>Submission of the Final Approved IDP to the MEC for Local Government &amp; Housing</li> </ul>	<ul style="list-style-type: none"> <li>14/06/2016</li> </ul>	
<b>Budget</b>			
	<ul style="list-style-type: none"> <li>Submit approved IDP/Budget to National &amp; Provincial Treasury, CoGHSTA and District ( 10 working days after approval)</li> </ul>	<ul style="list-style-type: none"> <li>14/06/2016</li> </ul>	
<b>MPAC</b>			
	<ul style="list-style-type: none"> <li>Consider the alignment of final IDP, Budget, PMS and MPAC Work Programme</li> </ul>	<ul style="list-style-type: none"> <li>01/06/2016 – 15/06/2016</li> </ul>	



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

### 6.1.VISION OF THE MUNICIPALITY

The vision was therefore not revised:

*“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	LEGDP (PGDS)	OUTCOME 9	STRATEGIC AGENDA KPA	NATIONAL DEVELOPMENT PLAN	Back-to-Basics	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	Local Economic Development	An economy that will create more jobs  An inclusive and integrated rural economy		Growing economic environment
Social Infrastructure	Community Satisfaction	5. Improve the health profile of society	5. Fostering Development Partnerships, Social Cohesion and community mobilisation	4. Access to quality education		Basic Service Delivery	Improving the quality of education, training and innovation	Basic Services: Creating decent living conditions	Protected environment and enhanced community well-being
Social Infrastructure	Community Satisfaction			5. Improved health care		Basic Service Delivery	Quality health care for all	Basic Services: Creating decent living conditions	Protected environment and enhanced community well-being
Social Infrastructure	Institutional	6. Intensify the fight against crime and corruption		6. Fighting crime and corruption		Good Governance and Public Participation	Fighting corruption	Good governance	Good corporate governance and public

Cluster	PERSPECTIVE	MTSF	COGTA	LEGDP (PGDS)	OUTCOME 9	STRATEGIC AGENDA KPA	NATIONAL DEVELOPMENT PLAN	Back-to-Basics	BA-PHALABORWA
									participation
Social Infrastructure	Community Satisfaction	7. Building of cohesive, caring and sustainable communities		8. Cohesive and sustained communities		Basic Service Delivery	An inclusive and integrated rural economy Transforming society and uniting the country	Basic Services: Creating decent living conditions	Protected environment and enhanced community well-being
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	Basic Services: Creating decent living conditions	Sustainable integrated infrastructure and services
Technical Infrastructure	Institutional Processes		3. Accelerating service delivery and supporting the vulnerable		2. Improved access to basic services	Basic Service Delivery	Improving infrastructure	Basic Services: Creating decent living conditions	Sustainable integrated infrastructure and services
Technical Infrastructure	Institutional Processes	2. Massive programmes to build economic and social infrastructure			1. Implement a differentiated approach to municipal financing, planning and	Basic Service Delivery	Reforming public service  Improving infrastructure	Sound financial management  Building capable institutions and administrations	Sustainable integrated infrastructure and services

Cluster	PERSPECTIVE	MTSF	COGTA	LEGDP (PGDS)	OUTCOME 9	STRATEGIC AGENDA KPA	NATIONAL DEVELOPMENT PLAN	Back-to-Basics	BA-PHALABORWA
					support (Outcome 2 and 3)				
Technical Infrastructure	Institutional Processes		3. Accelerating service delivery and supporting the vulnerable	2. Provision of economic and social infrastructure		Basic Service Delivery	Improving infrastructure	Basic Services: Creating decent living conditions	Sustainable integrated infrastructure and services
Technical Infrastructure	Institutional Processes	3. Comprehensive rural development strategy linked to land and agrarian reform and food security				Basic Service Delivery	Improving infrastructure An inclusive and integrated rural economy	Basic Services: Creating decent living conditions	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	Basic Services: Creating decent living conditions	Protected environment and enhanced community well-being

Cluster	PERSPECTIVE	MTSF	COGTA	LEGDP (PGDS)	OUTCOME 9	STRATEGIC AGENDA KPA	NATIONAL DEVELOPMENT PLAN	Back-to-Basics	BA-PHALABORWA
Governance and Administration	Institutional Processes				6: Improved municipal financial and administrative capacity	Municipal Financial Viability and Management	Reforming the public service	Sound financial management  Building capable institutions and administrations	Improved 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	Good Governance and Public Participation	Reforming the public service	Public participation: Putting people first	Good corporate governance and public participation
Governance and Administration	Institutional Processes	3. Comprehensive rural development strategy linked to land and agrarian reform and food security		3. Rural development, food security and land reform	4. Actions supportive of human settlement outcomes	Municipal Transformation and Organisational Development	Reversing the spatial effect of apartheid	Basic Services: Creating decent living conditions	Sustainable integrated infrastructure and services

Cluster	PERSPECTIVE	MTSF	COGTA	LEGDP (PGDS)	OUTCOME 9	STRATEGIC AGENDA KPA	NATIONAL DEVELOPMENT PLAN	Back-to-Basics	BA-PHALABORWA
Governance and Administration	Institutional Processes	10. Building of a developmental state including improving of public services and strengthening democratic institutions	1. Building the Developmental State in Provincial and Local Government that is efficient, effective and responsive	10. A developmental state including improvement of public services	7. Single Window of coordination	Good Governance and Public Participation	Reforming the public service	Building capable institutions and administrations	Sustainable integrated infrastructure and services
Governance and Administration	Institutional Processes		2. Strengthen Accountability and Clean Government	9. Sustainable resource management and use	6. Improved administrative capacity	Good Governance and Public Participation	Reforming the public service	Good governance	Skilled, competent and innovative workforce
Governance and Administration	Institutional Processes	6. Intensify the fight against crime and corruption		6. Fighting crime and corruption		Good Governance and Public Participation	Fighting corruption	Good governance	Good corporate governance and public participation
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	Good governance	Good corporate governance and public participation

Cluster	PERSPECTIVE	MTSF	COGTA	LEGDP (PGDS)	OUTCOME 9	STRATEGIC AGENDA KPA	NATIONAL DEVELOPMENT PLAN	Back-to-Basics	BA-PHALABORWA
Governance and Administration	Learning and Growth	4. Strengthening of skills and human resource base				Municipal Transformation and Organisational Development	Reforming the public service	Building capable institutions and administrations	Skilled, competent and innovative workforce



## 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	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b><u>Borrowing Management</u></b>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.3%	1.9%	0.2%	0.4%	0.4%	0.4%	0.4%	0.3%	0.3%	0.3%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.6%	2.8%	0.3%	0.6%	0.6%	0.6%	0.6%	0.5%	0.4%	0.4%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Safety of Capital</u></b>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	70.6%	13.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Liquidity</u></b>											
Current Ratio	Current assets/current liabilities	0.2	0.7	0.5	27.4	0.6	0.6	0.6	74.8	70.9	57.7
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.2	0.7	0.5	27.4	0.6	0.6	0.6	74.8	70.9	57.7
Liquidity Ratio	Monetary Assets/Current Liabilities	0.0	0.0	0.0	0.5	0.0	0.0	0.0	1.2	0.9	1.1
<b><u>Revenue Management</u></b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		100.0%	100.0%	93.4%	97.3%	82.3%	82.3%	82.3%	65.0%	65.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		100.0%	100.0%	93.4%	97.3%	82.3%	82.3%	82.3%	65.0%	65.0%	65.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	17.7%	90.6%	32.7%	36.5%	24.4%	24.4%	24.4%	32.4%	31.9%	31.5%

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Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<b>Creditors Management</b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))										
Creditors to Cash and Investments		17808.1%	-2041.8%	11223.8%	315.8%	24308.9%	24308.9%	24308.9%	0.0%	0.0%	0.0%
<b>Other Indicators</b>											
	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)	0.19									
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated										
	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)										
Water Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	36.6%	31.6%	40.2%	27.7%	28.6%	28.6%	28.6%	28.9%	28.7%	28.6%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	40.1%	35.1%	0.0%	30.6%	31.6%	31.6%		32.0%	31.8%	31.7%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	5.8%	0.0%	4.8%	5.7%	5.7%		4.6%	4.5%	4.4%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	27.1%	20.5%	19.7%	16.3%	15.9%	15.9%	15.9%	15.3%	14.6%	14.0%
<b>IDP regulation financial viability indicators</b>	-										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	3.1	7.3	11.2	76.6	76.6	76.6	6.2	6.3	6.3	6.8

ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	32.4%	179.1%	60.9%	66.7%	46.3%	46.3%	46.3%	60.2%	59.0%	57.8%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.1	(1.0)	0.1	0.1	0.0	0.0	0.0	0.1	0.0	0.1

## 7.2. Measurable Performance Objectives and Indicators

LIM334 Ba-Phalaborwa - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Vote 1 - vote name</b>										
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description		2.8km	4.3km		4.1km	4.1km	4.1km			
Sub-function 2 - (name)										
Insert measure/s description		3.0km	4.2km		2.9km	2.9km	2.9km			
Sub-function 3 - (name)										
Insert measure/s description		2.8km	4.3km		4.1km	4.1km	4.1km			
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description		0.1km	0.1km		0km	0km	0km			
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
<b>Vote 2 - vote name</b>										
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description		50000.0%	50000.0%		119000.0%	119000.0%	119000.0%			
Sub-function 2 - (name)										
Insert measure/s description		0.0%	0.0%		3600.0%	3600.0%	3600.0%			

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<b>Sub-function 3 - (name)</b>										
<i>Insert measure/s description</i>		2000.0%	2000.0%		6000.0%	6000.0%	6000.0%			
<b>Function 2 - (name)</b>										
<b>Sub-function 1 - (name)</b>										
<i>Insert measure/s description</i>										
<b>Sub-function 2 - (name)</b>										
<i>Insert measure/s description</i>										
<b>Sub-function 3 - (name)</b>										
<i>Insert measure/s description</i>										
<b>Vote 3 - vote name</b>										
<b>Function 1 - (name)</b>										
<b>Sub-function 1 - (name)</b>										
<i>Insert measure/s description</i>										
<b>Sub-function 2 - (name)</b>										
<i>Insert measure/s description</i>										
<b>Sub-function 3 - (name)</b>										
<i>Insert measure/s description</i>										
<b>Function 2 - (name)</b>										
<b>Sub-function 1 - (name)</b>										
<i>Insert measure/s description</i>										
<b>Sub-function 2 - (name)</b>										
<i>Insert measure/s description</i>										
<b>Sub-function 3 - (name)</b>										
<i>Insert measure/s description</i>										
<b>And so on for the rest of the Votes</b>										

## **8. OVERVIEW OF BUDGET-RELATED POLICIES**

The following policies has been reviewed and adopted with this budget for implementation by July 2016

### **Tariff Policy**

- The Tariff Policy was reviewed in line with relevant legislation and adopted with this budget for implementation in July 2016

### **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 2016.

### **Asset Management Policy**

- A policy in line with relevant legislation is reviewed and adopted with this annual budget for implementation in July 2016.

### **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 2016.

### **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 2016. The approved indigent register will be in force as from 1<sup>st</sup> July 2016.

### **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 2016

### **Investment Policy**

- The municipality was reviewing an Investment Policy to ensure proper cash management and investment in line with relevant legislation and the policy and is adopted with this budget for implementation. The policy will be implemented after adopting procedure manuals for implementation in July 2016.

### **Virement Policy**

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

### **Petty Cash Policy**

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

### **Bad Debt Write Off**

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

### **Deposit Policy**

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

### **Fleet Management Policy**

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

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

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

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

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



### **Subsistence and Traveling Policy**

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

## 9. OVERVIEW OF BUDGET ASSUMPTIONS

### OVERVIEW OF THE BUDGET ASSUMPTIONS

#### External factors

The following factors were taken consideration and assumption when compiling 2016/17 budget to ensure that the budget is meaningful and easy to understand during the calculation of estimated revenues and expenditures:

- Division of Revenue Bill, 2016
- 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 2016/17 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 2016/17 budget:**

- Ba-Phalaborwa Five year financial plan
- Financial Recovery Plan
- Division of revenue bill
- MSCOA circulars
- Treasury circulars 80, 79, 78, 75, 74, 72, 70, 67,66, 59, 58, 55, 54, 51 and 48
- Statistics SA guidelines on economic indicators
- Financial management system and departmental budget inputs submitted
- Consumer/ Customers surveys on services
- Data collected on consumer over the counter
- Integrated Development plan 2016-2021
- Five year financial plan 2016-2021

## 10. OVERVIEW OF BUDGET FUNDING

### 10.1. REVENUE AND FINANCING ACTIVITIES

Vote Description	Ref	2016/17 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Present value
<b>R thousand</b>								
<b>Future revenue by source</b>	3							
Property rates		106,776	113,396	120,086	127,291	134,929	143,024	151,606
Property rates - penalties & collection charges		-	-	-	-	-	-	-
Service charges - electricity revenue		116,655	128,787	142,181	150,712	159,754	169,340	179,500
Service charges - water revenue		-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-
Service charges - refuse revenue		17,029	18,084	19,151	20,301	21,519	22,810	24,178
Service charges - other		-	-	-	-	-	-	-
Rental of facilities and equipment		470	499	529	560	594	629	667
Grants		143,613	157,372	168,159	178,249	188,943	200,280	212,297
Other Revenue		92,343	92,343	92,343	97,884	103,757	109,982	116,581
<b>Total future revenue</b>		<b>476,885</b>	<b>510,481</b>	<b>542,449</b>	<b>574,996</b>	<b>609,495</b>	<b>646,065</b>	<b>684,829</b>

- The table above illustrate the summaries of revenue and financing activities. The estimated revenue is at R477 million
- Equitable share allocation as per Division of Revenue 2016
- 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 2016

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

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>RECEIPTS:</b>	1, 2									
<b><u>Operating Transfers and Grants</u></b>										
<b>National Government:</b>		<b>64,761</b>	<b>74,154</b>	<b>88,490</b>	<b>113,160</b>	<b>112,660</b>	<b>112,660</b>	<b>114,153</b>	<b>122,840</b>	<b>130,937</b>
Local Government Equitable Share		61,461	69,433	83,256	107,805	107,805	107,805	110,235	119,502	127,315
Finance Management		1,500	1,550	1,600	1,675	1,675	1,675	1,810	2,145	2,400
Municipal Systems Improvement		800	890	934	940	940	940	-	-	-
EPWP Incentive		1,000	1,000	1,212	1,188	1,188	1,188	1,000	-	-
Operating Grant: MIG (5% of MIG Grants for PMU)			1,281	1,488	1,552	1,052	1,052	1,108	1,193	1,222
<b>Other grant providers:</b>		<b>500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
DBSA		500								
<b>Total Operating Transfers and Grants</b>	5	<b>65,261</b>	<b>74,154</b>	<b>88,490</b>	<b>113,160</b>	<b>112,660</b>	<b>112,660</b>	<b>114,153</b>	<b>122,840</b>	<b>130,937</b>
<b><u>Capital Transfers and Grants</u></b>										
<b>National Government:</b>		<b>33,778</b>	<b>38,151</b>	<b>37,279</b>	<b>36,492</b>	<b>36,492</b>	<b>36,492</b>	<b>29,460</b>	<b>34,532</b>	<b>37,222</b>
Municipal Infrastructure Grant (MIG)		20,778	38,151	28,279	29,492	29,492	29,492	29,460	31,532	33,222
INEG		4,000		9,000	7,000	7,000	7,000	-	3,000	4,000
Neighbourhood Development Partnership		9,000		-						
<b>Total Capital Transfers and Grants</b>	5	<b>33,778</b>	<b>38,151</b>	<b>37,279</b>	<b>36,492</b>	<b>36,492</b>	<b>36,492</b>	<b>29,460</b>	<b>34,532</b>	<b>37,222</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		<b>99,039</b>	<b>112,305</b>	<b>125,769</b>	<b>149,652</b>	<b>149,152</b>	<b>149,152</b>	<b>143,613</b>	<b>157,372</b>	<b>168,159</b>

- o Equitable share has increase from 2015 Division of Revenue – R107,8 million to R110, million in 2016
- o Financial Management grant also increased from Division of Revenue 2016 from R1,8 million to R1,8 million

- No Municipal system Improvement grant allocation as per Division of Revenue 2016.
- Municipal Infrastructure grant as per Division of Revenue is R30,6 million in 2016.
- EPWP R1 million as per Division of Revenue 2016.

## Allocation of Expenditure per standard item

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

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>	1										
<b>Expenditure By Type</b>	-										
Employee related costs	2	93,712	94,192	123,098	122,693	120,297	120,297	120,297	129,304	138,614	148,178
Remuneration of councillors		9,052	10,492	11,790	12,811	12,811	12,811	12,811	13,784	14,777	15,796
Debt impairment	3	108,991	2,691	73,146	33,326	33,326	33,326	33,326	35,525	37,728	39,954
Depreciation & asset impairment	2	69,182	61,010	60,127	70,104	65,104	65,104	65,104	66,899	68,906	70,974
Finance charges		226	128	231	2,109	1,709	1,709	1,709	1,519	1,613	1,708
Bulk purchases	2	53,402	67,501	65,626	94,332	84,332	84,332	84,332	92,259	100,931	110,419
Other materials	8										
Contracted services		10,096	26,056	44,545	52,256	51,887	51,887	51,887	50,055	50,185	53,146
Transfers and grants		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	53,460	70,427	71,596	82,362	88,697	88,697	88,697	87,009	91,342	96,731
Loss on disposal of PPE		(86)	(30)								
<b>Total Expenditure</b>		<b>398,036</b>	<b>332,466</b>	<b>450,159</b>	<b>469,992</b>	<b>458,162</b>	<b>458,162</b>	<b>458,162</b>	<b>476,355</b>	<b>504,096</b>	<b>536,906</b>

- o The estimated operational expenditure as per standard item is R477 million for the financial year 2016/17
- o Included on the expenditure per standard item is the depreciation and impairment of assets at an estimated value of R102,4 million
- o Employee related costs for entire staff members exclusive of councillors is estimated at R129,3 million in 2016/17 financial year
- o Repairs and maintenance at an estimated value of R20,5 million will be utilised to maintain municipal assets. It is 46.3% of the total estimated capital budget of R44,2 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 2016/17 financial year totals R129,3 million which equals 27 per cent of the total operating expenditure. Salary increases have been factored into this budget at a percentage increase of 7.6 per cent for the 2016/17 financial year as per latest circular 79.

### **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 2016/17 financial year the remuneration of councilors will amount to R13,8 million. It equals to 3 per cent of the total operating expenditure.

### **Debt impairment**

- The provision of debt impairment was determined based on an current collection rate of 46 per cent and the Debt Write-off Policy of the municipality. For the 2016/17 financial year this amount equates to R35,5 million which equates to 7 percent of the total operating expenditure and escalates to R37,7 million by 2017/18. 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**

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Annual Budget 2016/17

- Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Budget appropriations in this regard total R66,9 million for the 2016/17 financial and equates to 14 per cent of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has taken into account.

#### **Bulk Purchases**

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

#### **Contracted Services**

- In the 2016/17 financial year, this group of expenditure totals R50,1 million which equates to 11 percent of the total operating expenditure. For the two outer years, the projection is at R50,2 million and R53,2 million.

#### **Other Expenditure**

- Other expenditure comprises of various line items relating to the daily operations of the municipality, For 2016/17 financial year is estimated at R87 million which equates to 18 percent of total operational budget. The amount include R20 million of repairs and maintenance.

#### **Finance Charges**

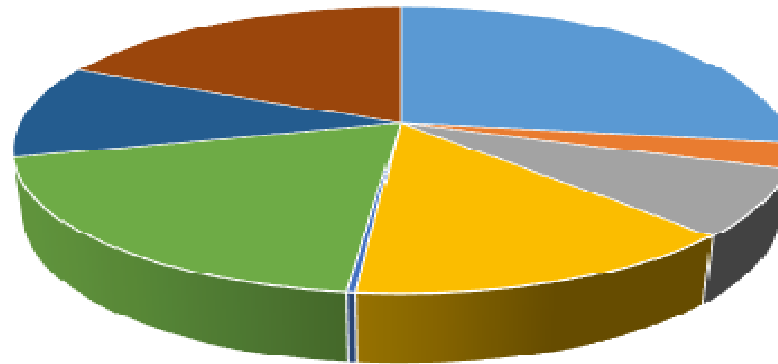
- The finance charges for 2016/17 financial year is estimated to be R1.5 million which constitute 0,003 per cent of the total operating expenditure.

**The following graph gives a breakdown of the main expenditure categories for the 2016/17 financial year.**

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Annual Budget 2016/17

## Operational Expenditure 2016/17



- Employee related costs
- Remuneration of councillors
- Debt impairment
- Depreciation & asset impairment
- Finance charges
- Bulk purchases
- Contracted services
- Other expenditure

## 10.2.2 ALLOCATION OF MAIN VOTE

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

Vote Description R thousand	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - Executive and Council		25,772	21,384	48,368	44,222	45,046	45,046	48,056	51,326	54,667
Vote 2 - Budget and Treasury Department		144,420	65,928	93,807	91,301	97,273	97,273	99,999	103,183	109,262
Vote 3 - Corporate Services		24,160	30,860	55,143	47,540	46,823	46,823	46,877	49,970	53,117
Vote 4 - Community and Social Services		37,378	41,681	51,063	65,228	63,765	63,765	67,749	72,365	77,081
Vote 5 - Planning and Development		7,038	8,249	11,069	17,791	10,721	10,721	11,192	11,950	12,724
Vote 6 - Technical Services Department		159,269	164,364	190,709	203,909	194,534	194,534	202,482	215,301	230,055
<b>Total Expenditure by Vote</b>	2	<b>398,036</b>	<b>332,466</b>	<b>450,159</b>	<b>469,992</b>	<b>458,162</b>	<b>458,162</b>	<b>476,355</b>	<b>504,096</b>	<b>536,906</b>

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

## 10.5 FUNDING MEASUREMENT

### LIM334 Ba-Phalaborwa Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Funding measures</b>	-	-										
Cash/cash equivalents at the year end - R'000	18(1)b	1	2,066	(17,807)	3,246	1,612	1,169	1,169	1,169	1,849	1,147	2,623
Cash + investments at the yr end less applications - R'000	18(1)b	2	(329,656)	(185,126)	(279,693)	122,339	(216,308)	(216,308)	(216,308)	76,349	80,466	86,852
Cash year end/monthly employee/supplier payments	18(1)b	3	0.1	(1.0)	0.1	0.1	0.0	0.0	0.0	0.1	0.0	0.1
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(39,975)	(2,529)	(104,977)	9,565	-	-	-	530	12,580	18,108
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	1.9%	3.2%	41.2%	(14.4%)	(6.0%)	(6.0%)	2.4%	2.2%	2.1%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	85.5%	75.3%	81.4%	76.4%	62.7%	62.7%	62.7%	50.1%	50.3%	50.4%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	78.0%	1.8%	44.4%	13.8%	15.0%	15.0%	15.0%	14.8%	14.5%	14.2%
Capital payments % of capital expenditure	18(1)c;19	8	100.0%	98.3%	100.2%	100.0%	81.1%	81.1%	81.1%	90.9%	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								100.0%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	495.7%	(62.9%)	61.3%	(36.5%)	0.0%	0.0%	41.0%	6.2%	5.9%
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%	1.7%	0.0%	1.6%	2.5%	2.5%	2.1%	2.0%	2.0%	2.0%
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	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>										
<b>Expenditure by Vote</b>	1									
<b>Vote 1 - Executive and Council</b>		<b>25,772</b>	<b>21,384</b>	<b>48,368</b>	<b>44,222</b>	<b>45,046</b>	<b>45,046</b>	<b>48,056</b>	<b>51,326</b>	<b>54,667</b>
1.1 - Municipal Council		9,557	7,930	17,936	13,214	13,239	13,239	14,331	15,357	16,411
1.2 - Office of the Mayor		3,714	3,081	6,970	5,853	6,460	6,460	6,724	7,174	7,632
1.3 - Office of the Municipal Manager		4,758	3,948	8,930	5,952	6,290	6,290	6,739	7,220	7,713
1.4 - Strategic Planning and Performance Management		1,792	1,486	3,362	2,106	1,956	1,956	1,725	1,844	1,966
1.5 - Internal Audit and Risk Management		4,617	3,831	8,666	14,615	15,208	15,208	16,583	17,641	18,713
1.6 - Disaster Management		1,334	1,107	2,504	2,481	1,893	1,893	1,954	2,091	2,231
<b>Vote 2 - Budget and Treasury Department</b>		<b>144,420</b>	<b>65,928</b>	<b>93,807</b>	<b>91,301</b>	<b>97,273</b>	<b>97,273</b>	<b>99,999</b>	<b>103,183</b>	<b>109,262</b>
2.1 - Office of the CFO		4,799	2,191	3,117	4,926	2,648	2,648	2,804	3,003	3,208
2.2 - Financial Planning and Reporting		813	371	528	2,453	2,445	2,445	2,630	2,819	3,012
2.3 - Financial Control and Expenditure Management		18,229	8,321	11,840	24,221	29,471	29,471	27,828	29,340	30,877
2.4 - Revenue and Debt Management		117,965	53,851	76,623	54,103	57,221	57,221	60,901	61,784	65,515
2.5 - Supply Chain Management and Stores		2,615	1,194	1,698	5,598	5,488	5,488	5,835	6,238	6,650
<b>Vote 3 - Corporate Services</b>		<b>24,160</b>	<b>30,860</b>	<b>55,143</b>	<b>47,540</b>	<b>46,823</b>	<b>46,823</b>	<b>46,877</b>	<b>49,970</b>	<b>53,117</b>
3.1 - Office of the Director		1,012	1,293	2,310	2,627	2,306	2,306	2,466	2,642	2,823
3.2 - Human Resources		7,468	9,539	17,046	16,153	15,490	15,490	15,333	16,326	17,335
3.3 - Information Technology		1,148	1,466	2,620	2,529	2,300	2,300	2,467	2,637	2,810
3.4 - Administration		14,532	18,562	25,878	19,390	19,890	19,890	19,411	20,710	22,035
3.5 - Legal				7,289	6,843	6,838	6,838	7,200	7,654	8,114
<b>Vote 4 - Community and Social Services</b>		<b>37,378</b>	<b>41,681</b>	<b>51,063</b>	<b>65,228</b>	<b>63,765</b>	<b>63,765</b>	<b>67,749</b>	<b>72,365</b>	<b>77,081</b>
4.1 - Office of the Director		1,756	1,478	1,679	3,558	2,724	2,724	2,914	3,121	3,332
4.2 - Libraries		1,996	1,680	2,100	3,055	2,868	2,868	3,494	3,740	3,993
4.3 - Parks		8,214	6,913	7,400	12,644	12,920	12,920	13,319	14,235	15,170

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4.4 - Cemeteries		265	223	345	1,535	1,555	1,555	1,652	1,760	1,870
4.5 - Traffic		8,523	13,154	8,885	11,303	9,921	9,921	10,634	11,384	12,152
4.6 - Licensing		3,927	3,305	13,829	13,456	13,461	13,461	14,030	14,938	15,860
4.7 - Environment Health		9,085	7,646	8,012	12,571	12,701	12,701	13,584	14,547	15,535
4.8 - Waste Management		3,611	7,281	8,812	7,107	7,615	7,615	8,121	8,640	9,167
<b>Vote 5 - Planning and Development</b>		<b>7,038</b>	<b>8,249</b>	<b>11,069</b>	<b>17,791</b>	<b>10,721</b>	<b>10,721</b>	<b>11,192</b>	<b>11,950</b>	<b>12,724</b>
5.1 - Office of the Director		1,037	1,215	1,631	1,560	1,301	1,301	1,381	1,479	1,579
5.2 - Economic Development		3,875	4,542	6,095	12,983	7,007	7,007	7,217	7,692	8,176
5.3 - Town Planning		2,126	2,492	3,344	3,248	2,413	2,413	2,594	2,779	2,969
<b>Vote 6 - Technical Services Department</b>		<b>159,269</b>	<b>164,364</b>	<b>190,709</b>	<b>203,909</b>	<b>194,534</b>	<b>194,534</b>	<b>202,482</b>	<b>215,301</b>	<b>230,055</b>
6.1 - Office of the Director		6,158	3,807	2,456	2,687	3,292	3,292	3,120	2,271	2,427
6.2 - Electrical Services		75,856	91,855	96,600	124,296	119,755	119,755	124,864	135,420	146,829
6.3 - Building Section		22,826	26,448	31,460	20,853	19,535	19,535	20,447	21,385	22,347
6.4 - Water Services		207								
6.5 - Waste Water Management		0								
6.6 - Roads and Storm Water Services		52,540	39,058	56,525	52,599	48,599	48,599	50,474	52,394	54,364
6.7 - Project Management Unit		649	702	1,010	1,147	1,113	1,113	1,180	1,265	1,351
6.8 - Mechanical Workshop		1,032	2,494	2,658	2,327	2,239	2,239	2,398	2,565	2,737
<b>Total Expenditure by Vote</b>	<b>2</b>	<b>398,036</b>	<b>332,466</b>	<b>450,159</b>	<b>469,992</b>	<b>458,162</b>	<b>458,162</b>	<b>476,355</b>	<b>504,096</b>	<b>536,906</b>

## 12 ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY

In the 2016/17 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	Ref	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand							
-	1	D	E	F	G	H	I
<b><u>Councillors (Political Office Bearers plus Other)</u></b>							
Basic Salaries and Wages		8,874	8,874	8,874	9,549	10,236	10,943
Motor Vehicle Allowance		3,109	3,109	3,109	3,345	3,586	3,833
Cellphone Allowance		828	828	828	891	955	1,021
<b>Sub Total - Councillors</b>		<b>12,811</b>	<b>12,811</b>	<b>12,811</b>	<b>13,784</b>	<b>14,777</b>	<b>15,796</b>
% increase	4	-	-	-	7.6%	7.2%	6.9%
<b><u>Senior Managers of the Municipality</u></b>	2						
Basic Salaries and Wages		3,797	3,797	3,797	3,797	3,797	3,797
Pension and UIF Contributions		11	11	11	11	11	11
Motor Vehicle Allowance	3	2,448	1,381	1,381	1,381	1,381	1,381
Cellphone Allowance	3	86	86	86	86	86	86
Other benefits and allowances	3	780	780	780	780	780	780
<b>Sub Total - Senior Managers of Municipality</b>		<b>7,121</b>	<b>6,055</b>	<b>6,055</b>	<b>6,055</b>	<b>6,055</b>	<b>6,055</b>
% increase	4	-	(15.0%)	-	-	-	-
<b><u>Other Municipal Staff</u></b>							
Basic Salaries and Wages		73,101	73,396	73,396	76,265	82,029	87,951
Pension and UIF Contributions		14,153	14,320	14,320	15,330	16,435	17,569
Medical Aid Contributions		4,567	4,672	4,672	4,992	5,351	5,721
Overtime		4,153	2,965	2,965	3,194	3,424	3,660

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Motor Vehicle Allowance	3	12,974	13,091	13,091	11,086	11,984	12,906
Cellphone Allowance	3	1,044	1,009	1,009	1,094	1,179	1,266
Housing Allowances	3	913	898	898	968	1,038	1,109
Other benefits and allowances	3	4,004	4,607	4,607	6,980	7,539	8,113
Long service awards		662	(716)	(716)	3,341	3,582	3,829
Post-retirement benefit obligations	6	–	–	–			
<b>Sub Total - Other Municipal Staff</b>		<b>115,571</b>	<b>114,242</b>	<b>114,242</b>	<b>123,249</b>	<b>132,559</b>	<b>142,124</b>
% increase	4	–	(1.1%)	–	7.9%	7.6%	7.2%
<b>Total Parent Municipality</b>		<b>135,503</b>	<b>133,108</b>	<b>133,108</b>	<b>143,088</b>	<b>153,391</b>	<b>163,975</b>
		–	(1.8%)	–	7.5%	7.2%	6.9%
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>135,503</b>	<b>133,108</b>	<b>133,108</b>	<b>143,088</b>	<b>153,391</b>	<b>163,975</b>
% increase	4	–	(1.8%)	–	7.5%	7.2%	6.9%
<b>TOTAL MANAGERS AND STAFF</b>	5,7	<b>122,693</b>	<b>120,297</b>	<b>120,297</b>	<b>129,304</b>	<b>138,614</b>	<b>148,178</b>

### 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	Allowances	Total Package
Rand per annum					2.
<b><u>Councillors</u></b>	3				
Speaker	4		629,647	157,412	787,059
Chief Whip			590,296	147,574	737,870
Executive Mayor			787,061	196,765	983,826
Deputy Executive Mayor			-	-	-
Executive Committee			3,541,776	885,444	4,427,220
Total for all other councillors			5,930,900	917,294	6,848,194
<b>Total Councillors</b>	8	-	<b>11,479,680</b>	<b>2,304,489</b>	<b>13,784,169</b>
<b><u>Senior Managers of the Municipality</u></b>	5				
Municipal Manager (MM)			1,084,906	361,635.25	1,446,541
Chief Finance Officer			604,636	201,545.25	806,181
Director Coporate Services			1,037,540	345,846.50	1,383,386
Director Community Services			604,636	201,545.25	806,181
Director Planning and Development			604,636	201,545.25	806,181
Director Technical Services			604,636	201,545.25	806,181
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	10	-	<b>16,020,668</b>	<b>3,818,152</b>	<b>19,838,820</b>

#### 14. MONTHLY TARGETS FOR REVENUE AND EXPENDITURE

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

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Revenue By Source</b>	-															
Property rates		8,898	8,898	8,898	8,898	8,898	8,898	8,898	8,898	8,898	8,898	8,898	8,898	106,776	113,396	120,086
Service charges - electricity revenue		9,721	9,721	9,721	9,721	9,721	9,721	9,721	9,721	9,721	9,721	9,721	9,721	116,655	128,787	142,181
Service charges - refuse revenue		1,419	1,419	1,419	1,419	1,419	1,419	1,419	1,419	1,419	1,419	1,419	1,419	17,029	18,084	19,151
Rental of facilities and equipment		39	39	39	39	39	39	39	39	39	39	39	39	470	499	529
Interest earned - external investments		42	42	42	42	42	42	42	42	42	42	42	42	506	537	569
Interest earned - outstanding debtors		6,337	6,337	6,337	6,337	6,337	6,337	6,337	6,337	6,337	6,337	6,337	6,337	76,042	81,227	86,575
Fines		35	35	35	35	35	35	35	35	35	35	35	35	423	450	476
Licences and permits		934	934	934	934	934	934	934	934	934	934	934	934	11,205	11,900	12,602
Agency services		212	212	212	212	212	212	212	212	212	212	212	212	2,539	2,696	2,855
Transfers recognised - operational		9,513	9,513	9,513	9,513	9,513	9,513	9,513	9,513	9,513	9,513	9,513	9,513	114,153	122,840	130,937
Other revenue		136	136	136	136	136	136	136	136	136	136	136	136	1,628	1,729	1,831
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>37,285</b>	<b>37,285</b>	<b>37,285</b>	<b>37,285</b>	<b>37,285</b>	<b>37,285</b>	<b>37,285</b>	<b>37,285</b>	<b>37,285</b>	<b>37,285</b>	<b>37,285</b>	<b>37,285</b>	<b>447,425</b>	<b>482,144</b>	<b>517,792</b>
<b>Expenditure By Type</b>	-															
Employee related costs		10,775	10,775	10,775	10,775	10,775	10,775	10,775	10,775	10,775	10,775	10,775	10,775	129,304	138,614	148,178
Remuneration of councillors		1,149	1,149	1,149	1,149	1,149	1,149	1,149	1,149	1,149	1,149	1,149	1,149	13,784	14,777	15,796
Debt impairment		2,960	2,960	2,960	2,960	2,960	2,960	2,960	2,960	2,960	2,960	2,960	2,960	35,525	37,728	39,954
Depreciation & asset impairment		5,575	5,575	5,575	5,575	5,575	5,575	5,575	5,575	5,575	5,575	5,575	5,575	66,899	68,906	70,974

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Finance charges		127	127	127	127	127	127	127	127	127	127	127	127	1,519	1,613	1,708
Bulk purchases		7,688	7,688	7,688	7,688	7,688	7,688	7,688	7,688	7,688	7,688	7,688	7,688	92,259	100,931	110,419
Contracted services		4,171	4,171	4,171	4,171	4,171	4,171	4,171	4,171	4,171	4,171	4,171	4,171	50,055	50,185	53,146
Other expenditure		7,251	7,251	7,251	7,251	7,251	7,251	7,251	7,251	7,251	7,251	7,251	7,251	87,009	91,342	96,731
<b>Total Expenditure</b>		<b>39,696</b>	<b>39,696</b>	<b>39,696</b>	<b>39,696</b>	<b>39,696</b>	<b>39,696</b>	<b>39,696</b>	<b>39,696</b>	<b>39,696</b>	<b>39,696</b>	<b>39,696</b>	<b>39,696</b>	<b>476,355</b>	<b>504,096</b>	<b>536,906</b>
<b>Surplus/(Deficit)</b>		<b>(2,411)</b>	<b>(2,411)</b>	<b>(2,411)</b>	<b>(2,411)</b>	<b>(2,411)</b>	<b>(2,411)</b>	<b>(2,411)</b>	<b>(2,411)</b>	<b>(2,411)</b>	<b>(2,411)</b>	<b>(2,411)</b>	<b>(2,411)</b>	<b>(28,930)</b>	<b>(21,952)</b>	<b>(19,114)</b>
Transfers recognised - capital		2,455	2,455	2,455	2,455	2,455	2,455	2,455	2,455	2,455	2,455	2,455	2,455	29,460	34,532	37,222
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>530</b>	<b>12,580</b>	<b>18,108</b>

### 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 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Revenue - Standard</b>	-															
<b>Governance and administration</b>		23,288	23,288	23,288	23,288	23,288	23,288	23,288	23,288	23,288	23,288	23,288	23,288	279,451	299,432	317,990
Budget and treasury office		23,237	23,237	23,237	23,237	23,237	23,237	23,237	23,237	23,237	23,237	23,237	23,237	278,839	298,783	317,302
Corporate services		51	51	51	51	51	51	51	51	51	51	51	51	612	650	688
<b>Community and public safety</b>		1,202	1,202	1,202	1,202	1,202	1,202	1,202	1,202	1,202	1,202	1,202	1,202	14,422	15,316	16,220
Community and social services		1,180	1,180	1,180	1,180	1,180	1,180	1,180	1,180	1,180	1,180	1,180	1,180	14,155	15,032	15,919
Public safety		22	22	22	22	22	22	22	22	22	22	22	22	267	284	301
<b>Economic and environmental services</b>		2,702	2,702	2,702	2,702	2,702	2,702	2,702	2,702	2,702	2,702	2,702	2,702	32,421	33,631	35,404
Planning and development		5	5	5	5	5	5	5	5	5	5	5	5	59	62	66
Road transport		2,697	2,697	2,697	2,697	2,697	2,697	2,697	2,697	2,697	2,697	2,697	2,697	32,363	33,569	35,338
<b>Trading services</b>		12,549	12,549	12,549	12,549	12,549	12,549	12,549	12,549	12,549	12,549	12,549	12,549	150,590	168,296	185,400
Electricity		10,654	10,654	10,654	10,654	10,654	10,654	10,654	10,654	10,654	10,654	10,654	10,654	127,845	144,141	159,819
Waste management		1,895	1,895	1,895	1,895	1,895	1,895	1,895	1,895	1,895	1,895	1,895	1,895	22,745	24,156	25,581
<b>Total Revenue - Standard</b>		39,740	39,740	39,740	39,740	39,740	39,740	39,740	39,740	39,740	39,740	39,740	39,740	476,885	516,676	555,014
			51,579	51,579	51,579	51,579	51,579	51,579	51,579	51,579	51,579	51,579	51,579			
<b>Expenditure - Standard</b>	-															
<b>Governance and administration</b>		16,244	16,244	16,244	16,244	16,244	16,244	16,244	16,244	16,244	16,244	16,244	16,244	194,932	204,479	217,046
Executive and council		4,005	4,005	4,005	4,005	4,005	4,005	4,005	4,005	4,005	4,005	4,005	4,005	48,056	51,326	54,667
Budget and treasury office							8,333						8,333			109,262

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		8,333	8,333	8,333	8,333		8,333	8,333	8,333	8,333		8,333		99,999	103,183	
Corporate services		3,906	3,906	3,906	3,906	3,906	3,906	3,906	3,906	3,906	3,906	3,906	3,906	46,877	49,970	53,117
<b>Community and public safety</b>		<b>4,969</b>	<b>4,969</b>	<b>4,969</b>	<b>4,969</b>	<b>4,969</b>	<b>4,969</b>	<b>4,969</b>	<b>4,969</b>	<b>4,969</b>	<b>4,969</b>	<b>4,969</b>	<b>4,969</b>	<b>59,627</b>	<b>63,725</b>	<b>67,914</b>
Community and social services		4,083	4,083	4,083	4,083	4,083	4,083	4,083	4,083	4,083	4,083	4,083	4,083	48,993	52,341	55,762
Public safety		886	886	886	886	886	886	886	886	886	886	886	886	10,634	11,384	12,152
<b>Economic and environmental services</b>		<b>7,401</b>	<b>7,401</b>	<b>7,401</b>	<b>7,401</b>	<b>7,401</b>	<b>7,401</b>	<b>7,401</b>	<b>7,401</b>	<b>7,401</b>	<b>7,401</b>	<b>7,401</b>	<b>7,401</b>	<b>88,811</b>	<b>91,831</b>	<b>95,950</b>
Planning and development		933	933	933	933	933	933	933	933	933	933	933	933	11,192	11,950	12,724
Road transport		6,468	6,468	6,468	6,468	6,468	6,468	6,468	6,468	6,468	6,468	6,468	6,468	77,619	79,881	83,226
<b>Trading services</b>		<b>11,082</b>	<b>11,082</b>	<b>11,082</b>	<b>11,082</b>	<b>11,082</b>	<b>11,082</b>	<b>11,082</b>	<b>11,082</b>	<b>11,082</b>	<b>11,082</b>	<b>11,082</b>	<b>11,082</b>	<b>132,985</b>	<b>144,060</b>	<b>155,996</b>
Electricity		10,405	10,405	10,405	10,405	10,405	10,405	10,405	10,405	10,405	10,405	10,405	10,405	124,864	135,420	146,829
Waste management		677	677	677	677	677	677	677	677	677	677	677	677	8,121	8,640	9,167
<b>Other</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditure - Standard</b>		<b>39,696</b>	<b>39,696</b>	<b>39,696</b>	<b>39,696</b>	<b>39,696</b>	<b>39,696</b>	<b>39,696</b>	<b>39,696</b>	<b>39,696</b>	<b>39,696</b>	<b>39,696</b>	<b>39,696</b>	<b>476,355</b>	<b>504,096</b>	<b>536,906</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>44</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>530</b>	<b>12,580</b>	<b>18,108</b>
Share of surplus/ (deficit) of associate														-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>530</b>	<b>12,580</b>	<b>18,108</b>

#### 14. Budgeted monthly cash flow

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

MONTHLY CASH FLOWS	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18
<b>Cash Receipts By Source</b>													1		
Property rates	5,784	5,784	5,784	5,784	5,784	5,784	5,784	5,784	5,784	5,784	5,784	5,784	69,404	73,707	78,056
Service charges - electricity revenue	6,319	6,319	6,319	6,319	6,319	6,319	6,319	6,319	6,319	6,319	6,319	6,319	75,826	83,711	92,417
Service charges - refuse revenue	922	922	922	922	922	922	922	922	922	922	922	922	11,069	11,755	12,448
Rental of facilities and equipment	25	25	25	25	25	25	25	25	25	25	25	25	305	324	344
Interest earned - external investments	27	27	27	27	27	27	27	27	27	27	27	27	329	349	370
Interest earned - outstanding debtors	4,119	4,119	4,119	4,119	4,119	4,119	4,119	4,119	4,119	4,119	4,119	4,119	49,427	52,797	56,274
Fines	23	23	23	23	23	23	23	23	23	23	23	23	275	292	310
Licences and permits	607	607	607	607	607	607	607	607	607	607	607	607	7,283	7,735	8,191
Agency services	138	138	138	138	138	138	138	138	138	138	138	138	1,650	1,752	1,856
Transfer receipts - operational	38,051	-	-	-	38,051	-	-	-	38,051	-	-	-	114,153	122,840	130,937
Other revenue	88	88	88	88	88	88	88	88	88	88	88	88	1,058	1,124	1,190
<b>Cash Receipts by Source</b>	<b>56,103</b>	<b>18,052</b>	<b>18,052</b>	<b>18,052</b>	<b>56,103</b>	<b>18,052</b>	<b>18,052</b>	<b>18,052</b>	<b>56,103</b>	<b>18,052</b>	<b>18,052</b>	<b>18,052</b>	<b>330,780</b>	<b>356,388</b>	<b>382,393</b>
<b>Other Cash Flows by Source</b>															
Transfer receipts - capital	9,820	-	-	-	9,820	-	-	-	9,820	-	-	-	29,460	34,532	37,222
<b>Total Cash Receipts by Source</b>	<b>65,923</b>	<b>18,052</b>	<b>18,052</b>	<b>18,052</b>	<b>65,923</b>	<b>18,052</b>	<b>18,052</b>	<b>18,052</b>	<b>65,923</b>	<b>18,052</b>	<b>18,052</b>	<b>18,052</b>	<b>360,240</b>	<b>390,920</b>	<b>419,615</b>

Annual Budget 2016/17



<b>Cash Payments by Type</b>																
Employee related costs	10,442	10,442	10,442	10,442	10,442	10,442	10,442	10,442	10,442	10,442	10,442	10,442	125,304	128,614	132,178	
Remuneration of councillors	1,149	1,149	1,149	1,149	1,149	1,149	1,149	1,149	1,149	1,149	1,149	1,149	13,784	14,777	15,796	
Finance charges	127	127	127	127	127	127	127	127	127	127	127	127	1,519	1,613	1,708	
Bulk purchases - Electricity	6,855	6,855	6,855	6,855	6,855	6,855	6,855	6,855	6,855	6,855	6,855	6,855	82,259	85,931	97,419	
Contracted services	3,338	3,338	3,338	3,338	3,338	3,338	3,338	3,338	3,338	3,338	3,338	3,338	40,055	42,185	47,146	
Other expenditure	4,751	4,751	4,751	4,751	4,751	4,751	4,751	4,751	4,751	4,751	4,751	4,751	57,009	69,342	71,731	
<b>Cash Payments by Type</b>	<b>26,661</b>	<b>26,661</b>	<b>26,661</b>	<b>26,661</b>	<b>26,661</b>	<b>26,661</b>	<b>26,661</b>	<b>26,661</b>	<b>26,661</b>	<b>26,661</b>	<b>26,661</b>	<b>26,661</b>	<b>319,931</b>	<b>342,462</b>	<b>365,979</b>	
<b>Other Cash Flows/Payments by Type</b>																
Capital assets	3,347	3,347	3,347	3,347	3,347	3,347	3,347	3,347	3,347	3,347	3,347	3,347	40,160	49,160	52,160	
Repayment of borrowing													-			
Other Cash Flows/Payments													-			
<b>Total Cash Payments by Type</b>	<b>30,008</b>	<b>30,008</b>	<b>30,008</b>	<b>30,008</b>	<b>30,008</b>	<b>30,008</b>	<b>30,008</b>	<b>30,008</b>	<b>30,008</b>	<b>30,008</b>	<b>30,008</b>	<b>30,008</b>	<b>360,091</b>	<b>391,622</b>	<b>418,139</b>	
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>35,916</b>	<b>(11,955)</b>	<b>(11,955)</b>	<b>(11,955)</b>	<b>35,916</b>	<b>(11,955)</b>	<b>(11,955)</b>	<b>(11,955)</b>	<b>35,916</b>	<b>(11,955)</b>	<b>(11,955)</b>	<b>(11,955)</b>	<b>149</b>	<b>(702)</b>	<b>1,476</b>	
Cash/cash equivalents at the month/year begin:	1,700	37,616	25,660	13,705	1,750	37,665	25,710	13,755	1,799	37,715	25,760	13,805	1,700	1,849	1,147	
Cash/cash equivalents at the month/year end:	37,616	25,660	13,705	1,750	37,665	25,710	13,755	1,799	37,715	25,760	13,805	1,849	1,849	1,147	2,623	

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

The service delivery and budget implementation plan is to approved

## 16 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

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

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

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

**17 CAPITAL EXPENDITURE DETAILS**

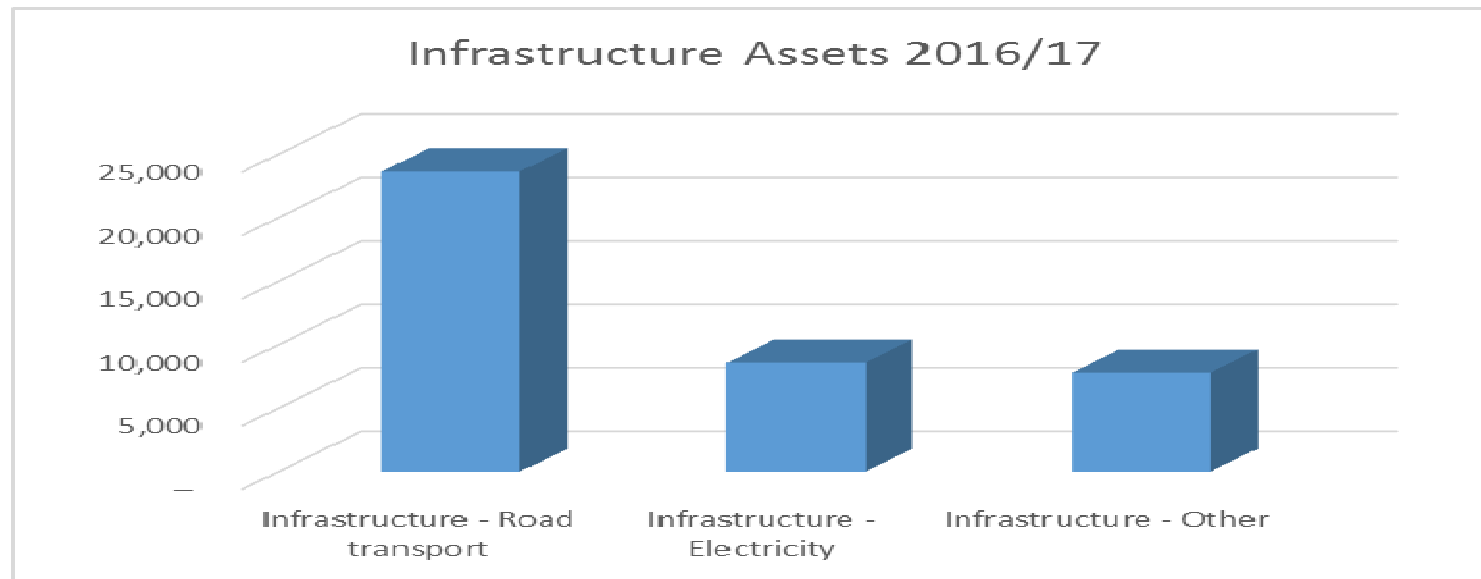
## 17.1 CAPITAL EXPENDITURE ON NEW ASSETS BY ASSET CLASS

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

Description	Ref	2012/13	2013/14	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>	<b>1</b>								
<b><u>Capital expenditure on new assets by Asset Class/Sub-class</u></b>									
<b>- Infrastructure</b>		<b>37,840</b>	<b>31,716</b>	<b>46,592</b>	<b>45,092</b>	<b>45,092</b>	<b>40,060</b>	<b>45,060</b>	<b>48,060</b>
Infrastructure - Road transport		26,169	31,716	23,992	28,204	28,204	23,660	23,660	23,660
<i>Roads, Pavements &amp; Bridges</i>		26,169	31,716	23,992	28,204	28,204	23,660	23,660	23,660
<i>Storm water</i>					-	-			
Infrastructure - Electricity		11,672	-	12,600	10,600	10,600	8,600	13,600	16,600
<i>Generation</i>					-	-			
<i>Transmission &amp; Reticulation</i>		11,672		12,600	10,600	10,600	8,600	13,600	16,600
<i>Street Lighting</i>					-	-			
Infrastructure - Other		-	-	10,000	6,288	6,288	7,800	7,800	7,800
<i>Other</i>				10,000	6,288	6,288	7,800	7,800	7,800
<b><u>Community</u></b>		<b>1,711</b>	<b>8,330</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Parks & gardens									
Other		1,711	8,330						
<b><u>Other assets</u></b>		<b>3,398</b>	<b>9,523</b>	<b>7,200</b>	<b>5,700</b>	<b>5,700</b>	<b>4,100</b>	<b>4,100</b>	<b>4,100</b>
General vehicles									
Specialised vehicles		-	-	-	-	-	-	-	-
Plant & equipment				7,200	5,700	5,700	4,100	4,100	4,100
Furniture and other office equipment		3,398	3,398		-	-			
Other			6,124		-	-			
<b><u>Agricultural assets</u></b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure on new assets</b>	<b>1</b>	<b>42,949</b>	<b>49,569</b>	<b>53,792</b>	<b>50,792</b>	<b>50,792</b>	<b>44,160</b>	<b>49,160</b>	<b>52,160</b>

## Capital Infrastructure programmes

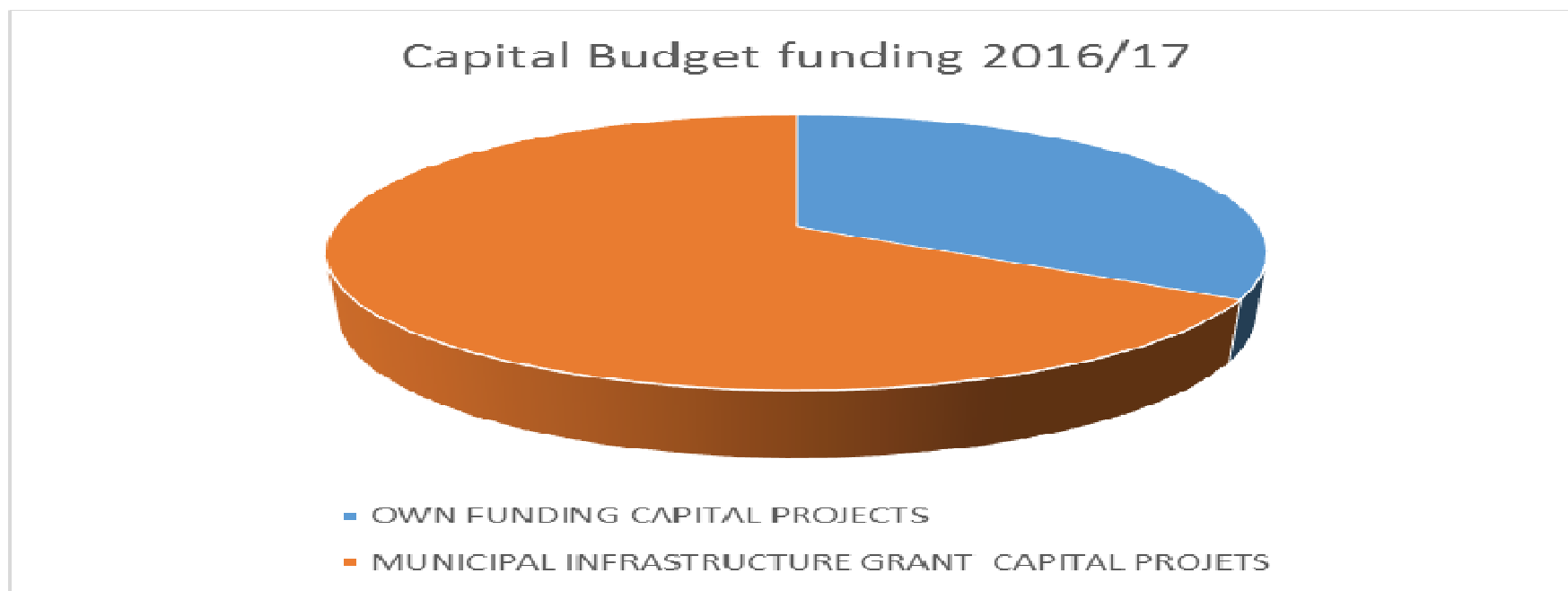
The following graph provides a breakdown of the capital budget in rand value to be spent on infrastructure capital projects for 2016/17 Financial year.



The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. For 2016/17 financial year the infrastructure- road transport is budgeted for R23,660 million and followed by the infrastructure electricity which is budgeted for R8,600 million, Infrastructure- other is budgeted for R7,800 million for 2016/17 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.

### **Funding on Capital Assets budget year 2016/17**



The capital programme is funded from MIG and internally generated funds. For 2016/17 financial year, MIG totals to 67 percent and internally generated funding totals 33 percent over the MTREF.

## 17.2 DETAILED CAPITAL PROGRAMMES

DESCRIPTION	2016/17 BUDGET	FUNDING
PROCUREMENT AND INSTALLATION OF GUARDROOMS AND THEIR ELECTRIFICATION	R400,000	INTERNAL
ERECTION OF FENCE AND GUARDROOM AT MAIN OFFICE	R500,000	INTERNAL
REVENUE RECOVERY, INSTALLATION OF PREPAID METERS AND MAINTENANCE (ARM)	R1,000,000	INTERNAL
PROVISION OF FIREARM FOR TRAFIC OFFICERS	R800,000	INTERNAL
FURNITURE AND EQUIPMENT	R500,000	INTERNAL
CENTRALISED ARCHIVED LULEKANI	R300,000	INTERNAL
LULEKANI STADIUM FANCING	R300,000	INTERNAL
REVAMP OF CHAMBER & MAYORAL PARLOUR	R300,000	INTERNAL
UPGRADING OF SINGLE PHASE NETWK IN EXT1	R3,000,000	INTERNAL
INSTALLATION OF REMOTE CONTROLLED METERING AND SWITCHGEAR TO ENABLE FAST LOCATION OF FAULTS AND PROPER MANAGENT OF ELECTRICAL NETWORK	R2,000,000	INTERNAL
REHABILITATION OF STR IN PHB, NAM & LUL	R3,000,000	INTERNAL
BAPHALABORWA HIGH MAST	R3,600,000	MIG/INTERNAL
MASHISHIMALE MULTI SPORT COMPLEX	R3,800,000	MIG
SELWANE SPORT COMPLEX	R3,000,000	MIG
NAMAKGALE CEMETERY FENCING OLD & NEW	R1,000,000	INTERNAL
TAMBO STREET PAVING	R2,061,944	MIG
TAMBO STREET PAVING PPHASE 2	R2,000,000	MIG
TSHELANG GAPE	R3,000,000	MIG
UPGRADING OF INTERNAL STREET AT FOSKOR	R5,954,246	MIG
UPGRADING OF B1 EXTENSION ROAD	R643,810	MIG
BENFARM STREET PAVING	R3,000,000	MIG
TOPVILLE TO SCORE STREET PAVING	R4,000,000	MIG
	<b>R 44,160,000</b>	



## 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 2016
- 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 - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
<b>REVENUE ITEMS:</b>											
<b>Property rates</b>											
Total Property Rates	6	60,257	57,239	65,594	124,589	100,165	100,165	101,675	108,286	114,906	121,596
<i>less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)</i>								1,510	1,510	1,510	1,510
<b>Net Property Rates</b>		<b>60,257</b>	<b>57,239</b>	<b>65,594</b>	<b>124,589</b>	<b>100,165</b>	<b>100,165</b>	<b>100,165</b>	<b>106,776</b>	<b>113,396</b>	<b>120,086</b>
<b>Service charges - electricity revenue</b>											
Total Service charges - electricity revenue	6	70,292	83,082	87,608	105,666	105,666	105,666	105,666	116,655	128,788	142,181
<i>less Revenue Foregone (in excess of 50 kwh per indigent household per month)</i>								1	1	1	1
<i>less Cost of Free Basis Services (50 kwh per indigent household per month)</i>		-	-	-	-	-	-	-	-	-	-
<b>Net Service charges - electricity revenue</b>		<b>70,292</b>	<b>83,082</b>	<b>87,608</b>	<b>105,666</b>	<b>105,666</b>	<b>105,666</b>	<b>105,666</b>	<b>116,655</b>	<b>128,787</b>	<b>142,181</b>
<b>Net Service charges - sanitation revenue</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Service charges - refuse revenue</b>											
Total refuse removal revenue	6	9,123	10,422	11,405	11,971	15,974	15,974	15,974	17,029	18,084	19,151
Total landfill revenue											
<i>less Revenue Foregone (in excess of one removal a week to indigent households)</i>											

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<i>less Cost of Free Basis Services (removed once a week to indigent households)</i>		-	-	-	-	-	-	-	-	-	-
<b>Net Service charges - refuse revenue</b>		<b>9,123</b>	<b>10,422</b>	<b>11,405</b>	<b>11,971</b>	<b>15,974</b>	<b>15,974</b>	<b>15,974</b>	<b>17,029</b>	<b>18,084</b>	<b>19,151</b>
<b>Other Revenue by source</b>											
<i>Fuel Levy</i>											
<i>Other Revenue</i>		3,068	2,291	7,328	1,385	1,543	1,543	1,543	1,628	1,729	1,831
<b>Total 'Other' Revenue</b>	1	<b>3,068</b>	<b>2,291</b>	<b>7,328</b>	<b>1,385</b>	<b>1,543</b>	<b>1,543</b>	<b>1,543</b>	<b>1,628</b>	<b>1,729</b>	<b>1,831</b>
<b>EXPENDITURE ITEMS:</b>											
<b>Employee related costs</b>											
Basic Salaries and Wages	2	50,484	58,949	74,357	74,112	72,407	72,407	72,407	80,062	85,826	91,748
Pension and UIF Contributions		11,912	11,876	14,225	14,179	14,346	14,346	14,346	15,341	16,445	17,580
Medical Aid Contributions		3,081	2,670	4,587	4,572	4,677	4,677	4,677	4,992	5,351	5,721
Overtime		3,480	3,220	4,170	4,157	2,968	2,968	2,968	3,194	3,424	3,660
Performance Bonus		-	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		12,959	14,359	12,577	12,536	13,587	13,587	13,587	12,467	13,365	14,287
Cellphone Allowance		670	776	1,135	1,131	1,096	1,096	1,096	1,179	1,264	1,351
Housing Allowances		619	637	917	914	900	900	900	968	1,038	1,109
Other benefits and allowances		7,255	475	6,631	6,609	7,212	7,212	7,212	7,760	8,319	8,893
Payments in lieu of leave		-	-	-	-	-	-	-	-	-	-
Long service awards		3,251	1,230	4,498	4,483	3,105	3,105	3,105	3,341	3,582	3,829
Post-retirement benefit obligations	4	-	-	-	-	-	-	-	-	-	-
<b>sub-total</b>	5	<b>93,712</b>	<b>94,192</b>	<b>123,098</b>	<b>122,693</b>	<b>120,297</b>	<b>120,297</b>	<b>120,297</b>	<b>129,304</b>	<b>138,614</b>	<b>148,178</b>
<u>Less: Employees costs capitalised to PPE</u>											
<b>Total Employee related costs</b>	1	<b>93,712</b>	<b>94,192</b>	<b>123,098</b>	<b>122,693</b>	<b>120,297</b>	<b>120,297</b>	<b>120,297</b>	<b>129,304</b>	<b>138,614</b>	<b>148,178</b>
<b>Depreciation &amp; asset impairment</b>											
Depreciation of Property, Plant & Equipment	10	69,182	61,010	60,127	70,104	65,104	65,104	65,104	66,899	68,906	70,974
Depreciation resulting from revaluation of PPE											
<b>Total Depreciation &amp; asset impairment</b>	1	<b>69,182</b>	<b>61,010</b>	<b>60,127</b>	<b>70,104</b>	<b>65,104</b>	<b>65,104</b>	<b>65,104</b>	<b>66,899</b>	<b>68,906</b>	<b>70,974</b>
<b>Bulk purchases</b>											
Electricity Bulk Purchases		53,402	67,501	65,626	94,332	84,332	84,332	84,332	92,259	100,931	110,419
Water Bulk Purchases											

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<b>Total bulk purchases</b>	1	<b>53,402</b>	<b>67,501</b>	<b>65,626</b>	<b>94,332</b>	<b>84,332</b>	<b>84,332</b>	<b>84,332</b>	<b>92,259</b>	<b>100,931</b>	<b>110,419</b>
<b>Contracted services</b>											
<i>List services provided by contract</i>		10,096	26,056	44,545	52,256	51,887	51,887	51,887	50,055	50,185	53,146
<b>sub-total</b>	1	<b>10,096</b>	<b>26,056</b>	<b>44,545</b>	<b>52,256</b>	<b>51,887</b>	<b>51,887</b>	<b>51,887</b>	<b>50,055</b>	<b>50,185</b>	<b>53,146</b>
<b>Allocations to organs of state:</b>											
<b>Other Expenditure By Type</b>	-										
General expenses	3	53,460	70,427	71,596	82,362	88,697	88,697	88,697	87,009	91,342	96,731
<b>Total 'Other' Expenditure</b>	1	<b>53,460</b>	<b>70,427</b>	<b>71,596</b>	<b>82,362</b>	<b>88,697</b>	<b>88,697</b>	<b>88,697</b>	<b>87,009</b>	<b>91,342</b>	<b>96,731</b>
<b>Repairs and Maintenance by Expenditure Item</b>											
Other Expenditure	8	12,435	17,400		21,333	23,975	23,975	23,975	20,448	21,716	22,998
<b>Total Repairs and Maintenance Expenditure</b>	9	<b>12,435</b>	<b>17,400</b>	<b>-</b>	<b>21,333</b>	<b>23,975</b>	<b>23,975</b>	<b>23,975</b>	<b>20,448</b>	<b>21,716</b>	<b>22,998</b>

## b.Matrix Financial Performance

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

Description	Ref	Vote 1 - Executive and Council	Vote 2 - Budget and Treasury Department	Vote 3 - Corporate Services	Vote 4 - Community and Social Services	Vote 5 - Planning and Development	Vote 6 - Technical Services Department	Total
<b>R thousand</b>	1							
<b>Revenue By Source</b>								
Property rates		-	106,776	-	-	-	-	106,776
Service charges - electricity revenue		-	-	-	-	-	116,655	116,655
Service charges - refuse revenue		-	-	-	17,029	-	-	17,029
Rental of facilities and equipment		-	-	470	-	-	-	470
Interest earned - external investments		-	506	-	-	-	-	506
Interest earned - outstanding debtors		-	59,135	-	5,717	-	11,190	76,042
Fines		-	-	-	423	-	-	423
Licences and permits		-	-	-	11,205	-	-	11,205
Agency services		-	-	-	2,539	-	-	2,539
Other revenue		-	378	142	255	59	795	1,628
Transfers recognised - operational		-	112,045	-	-	-	2,108	114,153
Gains on disposal of PPE		-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		-	<b>278,839</b>	<b>612</b>	<b>37,168</b>	<b>59</b>	<b>130,748</b>	<b>447,425</b>
<b>Expenditure By Type</b>								
Employee related costs		15,357	21,408	18,611	41,606	6,398	25,924	129,304
Remuneration of councillors		13,784						13,784
Debt impairment			35,525					35,525
Depreciation & asset impairment			8,000				58,899	66,899
Finance charges			1,519					1,519
Bulk purchases							92,259	92,259
Contracted services		12,371	19,910	4,246	9,800	3,728	-	50,055
Other expenditure		6,566	13,636	24,020	16,320	1,067	25,400	87,009
<b>Total Expenditure</b>		<b>48,078</b>	<b>99,999</b>	<b>46,877</b>	<b>67,726</b>	<b>11,192</b>	<b>202,482</b>	<b>476,355</b>
<b>Surplus/(Deficit)</b>		<b>(48,078)</b>	<b>178,840</b>	<b>(46,265)</b>	<b>(30,558)</b>	<b>(11,134)</b>	<b>(71,735)</b>	<b>(28,930)</b>
Transfers recognised - capital								-
Contributions recognised - capital							29,460	29,460
Contributed assets								-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(48,078)</b>	<b>178,840</b>	<b>(46,265)</b>	<b>(30,558)</b>	<b>(11,134)</b>	<b>(42,275)</b>	<b>530</b>

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c.Supporting Details to Budgeted Financial Position

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

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>											
<b>ASSETS</b>											
<u>Call investment deposits</u>											
Call deposits < 90 days					1,700	1,700	1,700	1,700	1,800	1,900	2,000
Other current investments > 90 days						-	-	-			
<b>Total Call investment deposits</b>	2	-	-	-	<b>1,700</b>	<b>1,700</b>	<b>1,700</b>	<b>1,700</b>	<b>1,800</b>	<b>1,900</b>	<b>2,000</b>
<u>Consumer debtors</u>											
Consumer debtors		45,372	110,688	99,985	195,000	136,000	136,000	136,000	144,976	153,965	163,048
Less: Provision for debt impairment					(33,168)	(33,168)	(33,168)	(33,168)			
<b>Total Consumer debtors</b>	2	<b>45,372</b>	<b>110,688</b>	<b>99,985</b>	<b>161,832</b>	<b>102,832</b>	<b>102,832</b>	<b>102,832</b>	<b>144,976</b>	<b>153,965</b>	<b>163,048</b>
<u>Debt impairment provision</u>											
Balance at the beginning of the year						-	-	-			
Contributions to the provision					33,168	33,168	33,168	33,168			
Bad debts written off						-	-	-			
<b>Balance at end of year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>33,168</b>	<b>33,168</b>	<b>33,168</b>	<b>33,168</b>	<b>-</b>	<b>-</b>	<b>-</b>
<u>Property, plant and equipment (PPE)</u>											
PPE at cost/valuation (excl. finance leases)		1,056,876	1,051,231	878,196	1,868,249	1,468,249	1,468,249	1,468,249	1,565,153	1,662,193	1,760,262
Less: Accumulated depreciation					507,816	507,816	507,816	507,816	541,332	574,895	608,814
<b>Total Property, plant and equipment (PPE)</b>	2	<b>1,056,876</b>	<b>1,051,231</b>	<b>878,196</b>	<b>1,360,432</b>	<b>960,432</b>	<b>960,432</b>	<b>960,432</b>	<b>1,023,821</b>	<b>1,087,298</b>	<b>1,151,448</b>
<b>LIABILITIES</b>											
<u>Current liabilities - Borrowing</u>											

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Short term loans (other than bank overdraft)											
Current portion of long-term liabilities											
<b>Total Current liabilities - Borrowing</b>		-	-	-	-	-	-	-	-	-	-
<b>Trade and other payables</b>											
Trade and other creditors		368,002	363,596	364,307	5,091	284,091	284,091	284,091			
Unspent conditional transfers		2,511	7,141		-	-	-	-			
VAT						-	-	-			
<b>Total Trade and other payables</b>	2	<b>370,513</b>	<b>370,737</b>	<b>364,307</b>	<b>5,091</b>	<b>284,091</b>	<b>284,091</b>	<b>284,091</b>	-	-	-
<b>Non current liabilities - Borrowing</b>											
Borrowing	4			38,475	180,000	30,000	30,000	30,000	28,000	25,000	22,000
Finance leases (including PPP asset element)						-	-	-			
<b>Total Non current liabilities - Borrowing</b>		-	-	<b>38,475</b>	<b>180,000</b>	<b>30,000</b>	<b>30,000</b>	<b>30,000</b>	<b>28,000</b>	<b>25,000</b>	<b>22,000</b>
<b>Provisions - non-current</b>											
Retirement benefits				21,182	18,000	18,000	18,000	18,000	15,000	16,000	15,000
List other major provision items											
Refuse landfill site rehabilitation		33,736	50,157								
Other											
<b>Total Provisions - non-current</b>		<b>33,736</b>	<b>50,157</b>	<b>21,182</b>	<b>18,000</b>	<b>18,000</b>	<b>18,000</b>	<b>18,000</b>	<b>15,000</b>	<b>16,000</b>	<b>15,000</b>
<b>CHANGES IN NET ASSETS</b>											
<b>Accumulated Surplus/(Deficit)</b>											
Accumulated Surplus/(Deficit) - opening balance					(9,565)	856,438	856,438	856,438	1,251,259	1,313,082	1,385,513
GRAP adjustments											
Restated balance		-	-	-	(9,565)	856,438	856,438	856,438	1,251,259	1,313,082	1,385,513
Surplus/(Deficit)		(109,157)	(2,529)	(104,977)	9,565	-	-	-	530	12,580	18,108
Depreciation offsets		69,182									
Other adjustments											
<b>Accumulated Surplus/(Deficit)</b>	1	<b>(39,975)</b>	<b>(2,529)</b>	<b>(104,977)</b>	<b>-</b>	<b>856,438</b>	<b>856,438</b>	<b>856,438</b>	<b>1,251,789</b>	<b>1,325,662</b>	<b>1,403,620</b>
<b>Reserves</b>											
Other reserves				54,464		-	-	-			

Annual Budget 2016/17

Revaluation			893,704		1,340,735						
<b>Total Reserves</b>	2	-	<b>893,704</b>	<b>54,464</b>	<b>1,340,735</b>	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>(39,975)</b>	<b>891,175</b>	<b>(50,513)</b>	<b>1,340,735</b>	<b>856,438</b>	<b>856,438</b>	<b>856,438</b>	<b>1,251,789</b>	<b>1,325,662</b>	<b>1,403,620</b>

**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	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>										
<b>Operating transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year										
Current year receipts		64,761	73,626	88,490	113,160	112,660	112,660	114,153	122,840	130,937
<b>Conditions met - transferred to revenue</b>		<b>64,761</b>	<b>73,626</b>	<b>88,490</b>	<b>113,160</b>	<b>112,660</b>	<b>112,660</b>	<b>114,153</b>	<b>122,840</b>	<b>130,937</b>
Conditions still to be met - transferred to liabilities										
Conditions still to be met - transferred to liabilities										
<b>Total operating transfers and grants revenue</b>		<b>64,761</b>	<b>73,626</b>	<b>88,490</b>	<b>113,160</b>	<b>112,660</b>	<b>112,660</b>	<b>114,153</b>	<b>122,840</b>	<b>130,937</b>
<b>Total operating transfers and grants - CTBM</b>	2	-	-	-	-	-	-	-	-	-
<b>Capital transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year										
Current year receipts		33,778	38,151	37,279	36,492	36,992	36,992	29,460	34,532	37,222
<b>Conditions met - transferred to revenue</b>		<b>33,778</b>	<b>38,151</b>	<b>37,279</b>	<b>36,492</b>	<b>36,992</b>	<b>36,992</b>	<b>29,460</b>	<b>34,532</b>	<b>37,222</b>
Conditions still to be met - transferred to liabilities										
Conditions still to be met - transferred to liabilities										
<b>Total capital transfers and grants revenue</b>		<b>33,778</b>	<b>38,151</b>	<b>37,279</b>	<b>36,492</b>	<b>36,992</b>	<b>36,992</b>	<b>29,460</b>	<b>34,532</b>	<b>37,222</b>
<b>Total capital transfers and grants - CTBM</b>	2	-	-	-	-	-	-	-	-	-
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>		<b>98,539</b>	<b>111,778</b>	<b>125,769</b>	<b>149,652</b>	<b>149,652</b>	<b>149,652</b>	<b>143,613</b>	<b>157,372</b>	<b>168,159</b>
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>		-	-	-	-	-	-	-	-	-

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

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

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

- No project delays from the previous financial year.

## Other supporting tables

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

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>										
<b>RECEIPTS:</b>	1, 2									
<u>Operating Transfers and Grants</u>										
<b>National Government:</b>		<b>64,761</b>	<b>74,154</b>	<b>88,490</b>	<b>113,160</b>	<b>112,660</b>	<b>112,660</b>	<b>114,153</b>	<b>122,840</b>	<b>130,937</b>
Local Government Equitable Share		61,461	69,433	83,256	107,805	107,805	107,805	110,235	119,502	127,315
Finance Management		1,500	1,550	1,600	1,675	1,675	1,675	1,810	2,145	2,400
Municipal Systems Improvement		800	890	934	940	940	940	-	-	-
EPWP Incentive		1,000	1,000	1,212	1,188	1,188	1,188	1,000	-	-
Operating Grant: MIG (5% of MIG Grants for PMU)			1,281	1,488	1,552	1,052	1,052	1,108	1,193	1,222
<b>Other grant providers:</b>		<b>500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>DBSA</i>		500								
<b>Total Operating Transfers and Grants</b>	5	<b>65,261</b>	<b>74,154</b>	<b>88,490</b>	<b>113,160</b>	<b>112,660</b>	<b>112,660</b>	<b>114,153</b>	<b>122,840</b>	<b>130,937</b>
<u>Capital Transfers and Grants</u>										
<b>National Government:</b>		<b>33,778</b>	<b>38,151</b>	<b>37,279</b>	<b>36,492</b>	<b>36,492</b>	<b>36,492</b>	<b>29,460</b>	<b>34,532</b>	<b>37,222</b>
Municipal Infrastructure Grant (MIG)		20,778	38,151	28,279	29,492	29,492	29,492	29,460	31,532	33,222
INEG		4,000		9,000	7,000	7,000	7,000	-	3,000	4,000
Neighbourhood Development Partnership		9,000		-						
<b>Total Capital Transfers and Grants</b>	5	<b>33,778</b>	<b>38,151</b>	<b>37,279</b>	<b>36,492</b>	<b>36,492</b>	<b>36,492</b>	<b>29,460</b>	<b>34,532</b>	<b>37,222</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		<b>99,039</b>	<b>112,305</b>	<b>125,769</b>	<b>149,652</b>	<b>149,152</b>	<b>149,152</b>	<b>143,613</b>	<b>157,372</b>	<b>168,159</b>

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

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Revenue by Vote</b>	-															
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury Department		23,237	23,237	23,237	23,237	23,237	23,237	23,237	23,237	23,237	23,237	23,237	23,237	278,839	298,783	317,302
Vote 3 - Corporate Services		51	51	51	51	51	51	51	51	51	51	51	51	612	650	688
Vote 4 - Community and Social Services		3,097	3,097	3,097	3,097	3,097	3,097	3,097	3,097	3,097	3,097	3,097	3,097	37,168	39,472	41,801
Vote 5 - Planning and Development		5	5	5	5	5	5	5	5	5	5	5	5	59	62	66
Vote 6 - Technical Services Department		13,351	13,351	13,351	13,351	13,351	13,351	13,351	13,351	13,351	13,351	13,351	13,351	160,208	177,710	195,157
<b>Total Revenue by Vote</b>		<b>39,740</b>	<b>39,740</b>	<b>39,740</b>	<b>39,740</b>	<b>39,740</b>	<b>39,740</b>	<b>39,740</b>	<b>39,740</b>	<b>39,740</b>	<b>39,740</b>	<b>39,740</b>	<b>39,740</b>	<b>476,885</b>	<b>516,676</b>	<b>555,014</b>
<b>Expenditure by Vote to be appropriated</b>	-															
Vote 1 - Executive and Council		4,005	4,005	4,005	4,005	4,005	4,005	4,005	4,005	4,005	4,005	4,005	4,005	48,056	51,326	54,667
Vote 2 - Budget and Treasury Department		8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	99,999	103,183	109,262
Vote 3 - Corporate Services		3,906	3,906	3,906	3,906	3,906	3,906	3,906	3,906	3,906	3,906	3,906	3,906	46,877	49,970	53,117
Vote 4 - Community and Social Services		5,646	5,646	5,646	5,646	5,646	5,646	5,646	5,646	5,646	5,646	5,646	5,646	67,749	72,365	77,081
Vote 5 - Planning and Development		933	933	933	933	933	933	933	933	933	933	933	933	11,192	11,950	12,724
Vote 6 - Technical Services Department		16,874	16,874	16,874	16,874	16,874	16,874	16,874	16,874	16,874	16,874	16,874	16,874	202,482	215,301	230,055
0														-	-	-
<b>Total Expenditure by Vote</b>		<b>39,696</b>	<b>39,696</b>	<b>39,696</b>	<b>39,696</b>	<b>39,696</b>	<b>39,696</b>	<b>39,696</b>	<b>39,696</b>	<b>39,696</b>	<b>39,696</b>	<b>39,696</b>	<b>39,696</b>	<b>476,355</b>	<b>504,096</b>	<b>536,906</b>
<b>Surplus/(Deficit)</b>	1	<b>44</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>530</b>	<b>12,580</b>	<b>18,108</b>

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

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>	<b>1</b>									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	17,009	-	13,306	16,097	16,097	12,179	12,934	13,698
Infrastructure - Road transport		-	6,083	-	4,646	3,887	3,887	4,144	4,401	4,660
<i>Roads, Pavements &amp; Bridges</i>			6,083		4,646	3,887	3,887	4,144	4,401	4,660
<i>Storm water</i>						-	-			
Infrastructure - Electricity		-	9,834	-	6,970	10,770	10,770	6,500	6,903	7,310
<i>Generation</i>						-	-			
<i>Transmission &amp; Reticulation</i>			9,834		6,970	10,770	10,770	6,500	6,903	7,310
Infrastructure - Other		-	1,092	-	1,690	1,440	1,440	1,535	1,631	1,727
<i>Other</i>	3		1,092		1,690	1,440	1,440	1,535	1,631	1,727
<b>Community</b>		-	-	-	4,890	4,645	4,645	4,951	5,258	5,569
Parks & gardens					2,746	2,500	2,500	2,665	2,830	2,997
Cemeteries					581	581	581	619	658	696
Other					1,564	1,564	1,564	1,667	1,771	1,875
<b>Heritage assets</b>		-	-	-	34	-	-	-	-	-
Buildings						-	-			
Other	9				34	-	-			
<b>Other assets</b>		-	391	-	3,103	3,233	3,233	3,318	3,524	3,731
General vehicles						-	-			
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment						600	600	640	679	719
Computers - hardware/equipment						-	-			
Furniture and other office equipment			391		3,103	2,633	2,633	2,678	2,844	3,012
<b>Total Repairs and Maintenance Expenditure</b>	<b>1</b>	<b>-</b>	<b>17,400</b>	<b>-</b>	<b>21,333</b>	<b>23,975</b>	<b>23,975</b>	<b>20,448</b>	<b>21,716</b>	<b>22,998</b>

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

Description	Ref	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>	<b>1</b>						
<b><u>Depreciation by Asset Class/Sub-class</u></b>							
-							
<b><u>Infrastructure</u></b>		<b>57,432</b>	<b>53,432</b>	<b>53,432</b>	<b>58,899</b>	<b>60,666</b>	<b>62,486</b>
Infrastructure - Road transport		42,120	38,120	38,120	39,264	40,441	41,655
<i>Roads, Pavements &amp; Bridges</i>		42,120	38,120	38,120	39,264	40,441	41,655
<i>Storm water</i>		-	-	-	-	-	-
Infrastructure - Electricity		7,392	7,392	7,392	7,614	7,842	8,077
<i>Generation</i>		-	-	-	-	-	-
<i>Transmission &amp; Reticulation</i>		7,392	7,392	7,392	7,614	7,842	8,077
<i>Street Lighting</i>		-	-	-	-	-	-
Infrastructure - Other		7,920	7,920	7,920	12,022	12,383	12,754
<i>Other</i>	3	7,920	7,920	7,920	12,022	12,383	12,754
<b><u>Community</u></b>		<b>12,672</b>	<b>11,672</b>	<b>11,672</b>	<b>8,000</b>	<b>8,240</b>	<b>8,487</b>
Parks & gardens		12,672	11,672	11,672	8,000	8,240	8,487
<b>Total Depreciation</b>	<b>1</b>	<b>70,104</b>	<b>65,104</b>	<b>65,104</b>	<b>66,899</b>	<b>68,906</b>	<b>70,974</b>

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

Investment type	Ref	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>							
<b>Parent municipality</b>							
Securities - National Government							
Listed Corporate Bonds							
Deposits - Bank		1,700	1,700	1,700	1,800	1,900	2,000
Deposits - Public Investment Commissioners							
<b>Entities sub-total</b>		-	-	-	-	-	-
<b>Consolidated total:</b>		<b>1,700</b>	<b>1,700</b>	<b>1,700</b>	<b>1,800</b>	<b>1,900</b>	<b>2,000</b>

h.Summary of capital programmes per source

**Capital Budget 2015/16**

**OWN FUNDING PROJECTS**

DESCRIPTION	2016/17 BUDGET	2016/17 BUDGET	2016/17 BUDGET
PROCUREMENT AND INSTALLATION OF GUARDROOMS AND THEIR ELECTRIFICATION	R400,000	0	0
ERECTION OF FENCE AND GUARDROOM AT MAIN OFFICE	R500,000	0	0
REVENUE RECOVERY, INSTALLATION OF PREPAID METERS AND MAINTENANCE (ARM)	R1,000,000	0	0
PROVISION OF FIREARM FOR TRAFIC OFFICERS	R800,000	0	0
FURNITURE AND EQUIPMENT	R500,000	0	0
CENTRALISED ARCHIVED LULEKANI	R300,000	0	0
LULEKANI STADIUM FANCING	R300,000	0	0
REVAMP OF CHAMBER & MAYORAL PARLOUR	R300,000	0	0
UPGRADING OF SINGLE PHASE NETWK IN EXT1	R3,000,000	0	0
INSTALLATION OF REMOTE CONTROLLED METERING AND SWITCHGEAR TO ENABLE FAST LOCATION OF FAULTS AND PROPER MANAGENT OF ELECTRICAL NETWORK	R2,000,000	0	0
REHABILITATION OF STR IN PHB, NAM & LUL	R3,000,000	0	0
NAMAKGALE CEMETERY FENCING OLD & NEW	R1,000,000	0	0
BAPHALABORWA HIGH MAST	R1,600,000	0	0
OWN FUNDING PROJECTS FOR OUTER YEARS	0	R14,628,000	R14,938,000
<b>TOTAL</b>	<b>R14,700,000</b>	<b>R14,628,000</b>	<b>R14,938,000</b>



**MIG PROJECTS**

<b>DESCRIPTION</b>	<b>2016/17 BUDGET</b>	<b>2017/18 BUDGET</b>	<b>2018/19 BUDGET</b>
BAPHALABORWA HIGH MAST	R2,000,000	-	-
MASHISHIMALE MULTI SPORT COMPLEX	R3,800,000	-	-
SELWANE SPORT COMPLEX	R3,000,000	-	-
TAMBO STREET PAVING	R2,061,944	-	-
TAMBO STREET PAVING PPHASE 2	R2,000,000	-	-
TSHELANG GAPE	R3,000,000	-	-
UPGRADING OF INTERNAL STREET AT FOSKOR	R5,954,246	-	-
UPGRADING OF B1 EXTENSION ROAD	R643,810	-	-
BENFARM STREET PAVING	R3,000,000	-	-
TOPVILLE TO SCORE STREET PAVING	R4,000,000	-	-
CONSTRUCTION OF LIBRARY IN MASHISHIMALE	-	1,000,000	2,222,000
REFURBISHMENT OF NAMAKGALE STADIUM	-	5,000,000	4,000,000
UPGRADING OF INTERNAL STREETS FROM GRAVEL TO TAR ZONE B	-	4,000,000	4,000,000
UPGRADING OF INTERNAL STREETS FROM GRAVEL TO TAR ZONE C	-	4,532,000	3,000,000
UPGRADING OF INTERNAL STREETS FROM GRAVEL TO WARD 2	-	4,000,000	3,000,000
UPGRADING OF INTERNAL STREETS FROM GRAVEL TO WARD 9	-	6,000,000	6,000,000
NEW LANDFILL SITE	-	4,000,000	8,000,000
UPGRADING OF A ROAD FROM LULEKANI CEMETERY TO MATIKO	-	6,000,000	7,000,000
	<b>R29,460,000</b>	<b>34,532,000</b>	<b>37,222,000</b>

<b>PROJECTS</b>	<b>2016/17 BUDGET</b>	<b>2017/18 BUDGET</b>	<b>2017/18 BUDGET</b>
OWN FUNDING CAPITAL PROJECTS	R14,700,000	14,628,000	14,938,000
MUNICIPAL INFRASTRUCTURE GRANT CAPITAL PROJETS	R29,460,000	34,532,000	37,222,000
<b>TOTAL</b>	<b>R44,160,000</b>	<b>49,160,000</b>	<b>52,160,000</b>

- The estimated capital programme expenditure for the financial year 2016/17 is amounting to R44,2 million

## 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:** \_\_\_\_\_