

BA-PHALABORWA MUNICIPALITY



“Home of Marula and Wildlife Tourism”

ANNUAL BUDGET 2015/16 MTREF

Vision

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



Mission

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

Values

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

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ABBREVIATIONS/ACCRONYMS

CFO	Chief Financial Officer
CPIX	Consumer Price Index
DoRA	Division of Revenue Act
DPLG	Department of Provincial and Local Government
DLGH	Department of Local Government and Housing
EXCO	Executive Committee
GRAP	Generally Recognised Accounting Practice
IDP	Integrated Development Plan
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
MPRA	Municipal Property Rates Act
MTREF	Medium Term Revenue and Expenditure Framework

NERSA	National Electricity Regulation of South Africa
NT	National Treasury
PMS	Performance Management System
PPP	Public-Private Partnerships
SALGA	South African Local Government Association
SDBIP	Service Delivery Budget and Implementation Plan

PART ONE

ANNUAL BUDGET

1. MAYOR'S REPORT

BA- PHALABORWA LOCAL MUNICIPALITY'S BUDGET SPEECH FOR 2015/16

Delivered by Mayor, Cllr. NA Sono

On Thursday, 28 May 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 Afternoon,

I have the honour to present the last budget of our term of office as this Council, in line with the provisions of Section 16 of the Municipal Finance Management Act, 2003.

Honourable members of Council and fellow residents of the entire Ba-Phalaborwa municipal area present here today, it is indeed encouraging and strengthening to note that over the past four years this current Council managed to deliver water, electricity, roads and many more essential services to our communities. In the implementation and delivery of all these services, we were able to provide temporary employment opportunities to our people.

Honourable Speaker, though we were able to register a huge progress in terms of provision of services to our people, but it is worth mentioning that there is still hard work ahead in the provision of the needs of our people as envisaged in the Freedom Charter. We only hope that the next incoming Council will take it from where we left and continue moving forward.

Honourable members, unemployment still remains as our single economic and social challenge. It is therefore imperative that in whatever we do as government we continue to prioritise measures aimed at generating employment opportunities. In this regard the EPWP and CWP as budgeted by the municipality and COGTA respectively will also be used to create temporary work opportunities to our communities.

Just like in the past financial year Honourable Speaker, the 2015/16 Budget is channelled to address challenges relating to roads, electricity, storm water culvert only cite a few examples of those.

Honourable Speaker, for the 2015/16 budget a considerate effort was put to align our strategic objectives with the IDP and Budget. The total projected revenue for budget year 2015/16 is **R479, 557** million. The total revenue comprises of own generated revenue which amount to **R329,905** million for all municipal service charges and total transfers grants amounting **R149, 652** as per DORA. Total revenue has grown by **24%** for the 2015/16 financial year compared to the 2014/15 Adjustments Budget.

The 2015/16 total expenditure budget amounts to **R523, 784 million**. This total budget comprises of operational expenditure budget of **R469, 992** million and capital budget of **R53, 792** million.

- The budgeted allocation for employee related costs for the 2015/16 financial year totals **R122,693** million which equals **26%** of the total operating expenditure. Salary increases have been factored into this budget at a percentage increase of **4.4%** for the 2015/16 financial year as per latest circular 75.
- The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). For the 2015/16 financial year the remuneration will amount to **R12,811** million. It is equal to **3%** of the operating expenditure.
- In the 2015/16 financial year, contracted service totals **R52,256** million which equates to **11%** of the total operating expenditure.
- The provision of debt impairment was determined based on a current collection rate of 45 per cent and the Debt Write-off Policy of the municipality. For the 2015/16 financial year this amount equates to **R33,326** million which equates to **7%** of the total operating expenditure.
- Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Budget appropriations in this regard total **R70,104** million for the 2015/16 financial and equates to **15%** of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has taken into account.
- Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses and are equal to **18%** of the operating expenditure.
- The finance charges for 2015/16 financial year is estimated to be **R2,1** million which constitute **0,4%** of the total operating expenditure.

- Other expenditure comprises of various line items relating to the daily operations of the municipality, For 2015/16 financial year is estimated at **R82, 362** million which equates to **18%** of total operational budget. The amount include **R21** million of repairs and maintenance.

The budget we are tabling today is having a surplus amount totalled to **R9, 6** million.

Honourable Speaker, as I've already indicated that the total capital budget is **R53, 792** million, in terms of budget funding **R17, 300** million will be funded from internally generated revenue which constitute **32%** of the capital budget, while the **R36, 492** will be funded by National Treasury constituting **68%** of the capital budget.

Tariffs

Honourable Speaker, it is envisaged that the proposed tariffs will allow the municipality to generate sufficient revenue to sustain its operations. The 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. The municipality has also introduced the Inclining block tariff on electricity. Members of the community are encouraged to allow access into their yards where meters are located to avoid exorbitant charges.

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

Honourable Speaker, I therefore present the following resolutions before Council as follows:

2. ANNUAL BUDGET RESOLUTIONS

The Council of Ba-Phalaborwa Local Municipality in its seating on 28th May 2015 resolved as follows with regard to the annual Budget for 2015/16 Medium-Term Revenue and Expenditure Framework:

2.1. Annual Budget for 2015/16 MTREF

Council resolved that the budget and MTREF and its supporting tables of the Ba-Phalaborwa municipality for the financial year 2015/16; 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 2015/16 MTREF

That the budget of Ba-Phalaborwa municipality for the financial year 2015/16; and indicative figures for the two projected outer years 2016/17 and 2017/18 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 2015/16

2.4. Tariffs and charges

Council resolves that the tariffs and charges reflected on Tariff Schedule (Annexure A and B) are **approved** for 2015/16 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 2015/16 financial year

2.7. Indigent Policies

Council resolves that the adopted Indigent Household Consumers Subsidy Policy be approved for 2015/16 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 2015/16 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 2015/16 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. Ba-Phalaborwa Service Standards

Honourable Speaker, I thank you.

CLLR MD MAAKE

SPEAKER OF BA-PHALABORWA LOCAL MUNICIPALITY COUNCIL

3. EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

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

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

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

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

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

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

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

designed to support the county's medium- and long-term economic and social objectives".In his budget speech for 2015, he further continued to say we have agreed on a National Development Plan. But there is still hard work ahead in its implementation.

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

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

National Treasury's MFMA Circular No. 64, 66 ,67,70, 72, 74 and 75 were used to guide the compilation of the budget 2015/16 to 2017/18 annual budget and MTREF.The planning of the budget involved consideration of all factors, which had far reaching implications on the annual budget of the municipality.

The 2015/16 - 2016/17 budget and medium-term revenue and expenditure framework was prepared on the basis of the following priorities, guidelines and assumptions:

1. National priorities

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

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

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

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

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

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

Projected Revenue

	2011/12	2012/13	2013/14	Current Year 2014/15			Projections		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjustment	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source									
Own generated revenue	153,019	190,512	224,774	267,761	-	267,761	329,905	342,677	359,103
Transfers recognised – operational	60,864	65,471	73,626	88,490	-	88,490	113,160	115,290	115,663
Transfers recognised – capital	46,837	29,238	28,439	37,279	-	37,279	36,492	37,560	42,159
Total Revenue (Including Capital Transfers and Contributions)	260,720	285,221	326,839	393,530	-	393,530	479,557	495,527	516,925

The total projected revenue for budget year 2015/16 is R479, 557 million. The budgeted financing activities breakdown are as follows:

- Own generated revenue amount to R329,905 million.
- Operational transfers grants as per DoRA is R113,160 million
- And capital transfers grants of R36,492 million

Total revenue has grown by 22 per cent for the 2015/16 financial year compared to the 2014/15 Adjustments Budget. For the next two coming years, operational revenue will increase by 3 and 4 per cent respectively.

Operational Budget

Description	2011/12	2012/13	2013/14	Current Year 2014/15			Projections		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjustment	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Expenditure By Type									
Employee related costs	92 800	93 712	94 192	118 379	117 516	117 516	122 693	128 398	134 689
Remuneration of councillors	9 054	9 052	10 492	12 855	12 085	12 085	12 811	13 579	14 394
Debt impairment	–	108 991	2 691	31 558	31 558	31 558	33 326	34 925	36 986
Depreciation & asset impairment	74 449	69 182	61 010	74 909	74 909	74 909	70 104	73 469	77 804
Finance charges	434	226	128	848	2 048	2 048	2 109	2 211	2 341
Bulk purchases	56 508	53 402	67 501	82 573	82 573	82 573	94 332	95 000	96 000
Contracted services	17 648	10 096	26 056	45 536	49 485	49 485	52 256	54 765	57 996
Other expenditure	66 174	53 460	70 427	72 160	77 003	77 003	82 362	86 267	91 298
Loss on disposal of PPE	–	(86)	(30)	–	–	–	–	–	–
Total Expenditure	317 067	398 036	332 466	438 819	447 178	447 178	469 992	488 614	511 507
Surplus/(Deficit)	(82 811)	(109 157)	(2 529)	(45 289)	(53 648)	(53 648)	9565	6914	5418

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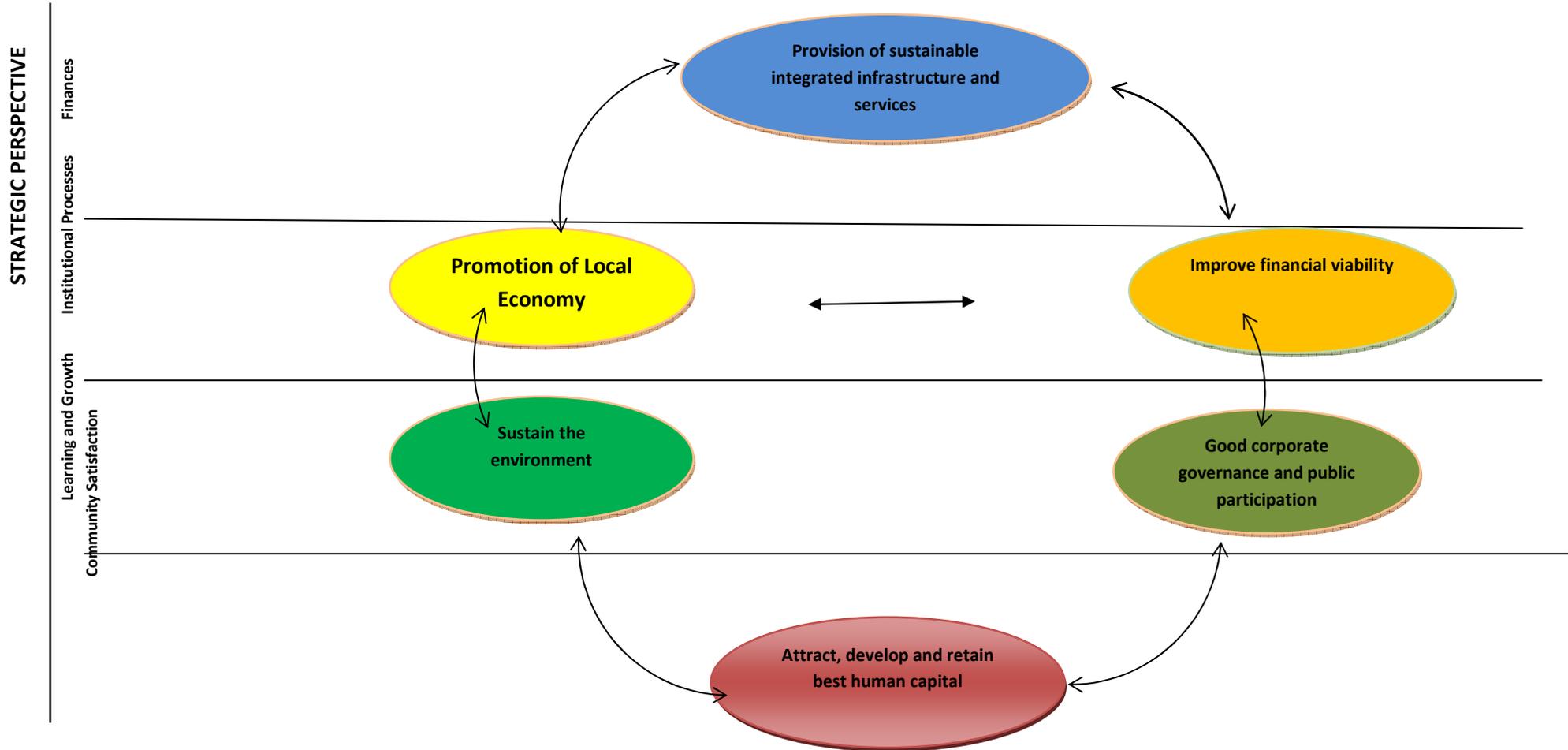
Total expenditure for the 2015/16 financial year amount to R469 million and a surplus of R9,6 million is anticipated. When compared to the 2014/15 Adjustments Budget, total operating expenditure has increased by 5 per cent in the 2015/16 budget and increased by 4 and 5 per cent for each of the respective outer years of the MTREF.

Capital Budget

Capital Expenditure per funding	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
MIG	29,492	30,560	32,159
INEG	7,000	7,000	10,000
Own Funding	17,300	17,300	17,300
Total Capital Expenditure	53,792	54,860	59,459

The capital budget for 2015/16 amounts to **R53,792** million. It is projected to increase by 2 and 8 per cent for each of the respective outer years. The total capital expenditure will be funded by grants & subsidies and internally generated funds.

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



4. ANNUAL BUDGET TABLES

4.1. BUDGET SUMMARY

LIM334 Ba-Phalaborwa - Table A1 Budget Summary

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands										
Financial Performance										
Property rates	34 049	60 257	57 239	70 634	70 634	70 634	70 634	124 589	130 569	138 273
Service charges	73 480	79 414	93 504	106 664	106 664	106 664	106 664	117 637	123 284	130 557
Investment revenue	177	332	359	260	260	260	260	275	288	305
Transfers recognised - operational	60 864	65 471	73 626	88 490	88 490	88 490	88 490	113 160	115 290	115 663
Other own revenue	45 313	50 508	73 672	90 204	90 204	90 204	90 204	87 404	88 537	89 968
Total Revenue (excluding capital transfers and contributions)	213 883	255 983	298 400	356 251	356 251	356 251	356 251	443 065	457 967	474 766
Employee costs	92 800	93 712	94 192	118 379	117 516	117 516	117 516	122 693	128 398	134 689
Remuneration of councillors	9 054	9 052	10 492	12 855	12 085	12 085	12 085	12 811	13 579	14 394
Depreciation & asset impairment	74 449	69 182	61 010	74 909	74 909	74 909	74 909	70 104	73 469	77 804
Finance charges	434	226	128	848	2 048	2 048	2 048	2 109	2 211	2 341
Materials and bulk purchases	56 508	53 402	67 501	82 573	82 573	82 573	82 573	94 332	95 000	96 000
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	83 822	172 461	99 144	149 254	158 047	158 047	158 047	167 944	175 957	186 279
Total Expenditure	317 067	398 036	332 466	438 819	447 178	447 178	447 178	469 992	488 614	511 507
Surplus/(Deficit)	(103 185)	(142 052)	(34 066)	(82 567)	(90 926)	(90 926)	(90 926)	(26 927)	(30 646)	(36 741)
Transfers recognised - capital	20 374	32 895	31 537	37 279	37 279	37 279	37 279	36 492	37 560	42 159
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(82 811)	(109 157)	(2 529)	(45 289)	(53 648)	(53 648)	(53 648)	9 565	6 914	5 418
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(82 811)	(109 157)	(2 529)	(45 289)	(53 648)	(53 648)	(53 648)	9 565	6 914	5 418
Capital expenditure & funds sources										
Capital expenditure	46 837	42 949	49 569	61 179	54 279	54 279	54 279	53 792	54 860	59 459
Transfers recognised - capital	46 837	29 238	28 439	37 279	37 279	37 279	37 279	36 492	37 560	42 159
Public contributions & donations	-	-	9 365	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-

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Internally generated funds	-	13 711	11 766	23 900	17 000	17 000	17 000	17 300	17 300	17 300
Total sources of capital funds	46 837	42 949	49 569	61 179	54 279	54 279	54 279	53 792	54 860	59 459
Financial position										
Total current assets	159 157	56 845	284 875	171 542	169 932	169 932	169 932	184 644	160 722	168 967
Total non current assets	1 120 753	1 057 189	1 051 575	1 284 539	1 277 639	1 277 639	1 277 639	1 360 832	1 436 991	1 513 131
Total current liabilities	322 232	373 494	392 588	1 500	1 500	1 500	1 500	6 741	7 005	7 283
Total non current liabilities	36 618	33 736	50 157	230 000	230 000	230 000	230 000	198 000	166 000	144 000
Community wealth/Equity	921 060	706 805	893 704	1 224 581	1 216 071	1 216 071	1 216 071	1 340 735	1 424 709	1 530 815
Cash flows										
Net cash from (used) operating	25 939	43 315	88 726	51 306	27 501	27 501	27 501	54 592	59 337	60 987
Net cash from (used) investing	(39 987)	(42 949)	(102 469)	(51 179)	(47 179)	(47 179)	(47 179)	(53 792)	(54 860)	(59 459)
Net cash from (used) financing	11 113	(941)	(6 131)	-	20 000	20 000	20 000	-	-	-
Cash/cash equivalents at the year end	2 642	2 066	(17 807)	2 227	813	813	813	1 612	6 089	7 617
Cash backing/surplus reconciliation										
Cash and investments available	(20 895)	2 066	(17 807)	3 600	1 990	1 990	1 990	3 312	7 889	9 467
Application of cash and investments	257 944	356 136	301 790	(41 837)	(41 837)	(41 837)	(41 837)	(13 453)	(10 288)	(10 918)
Balance - surplus (shortfall)	(278 839)	(354 070)	(319 597)	45 437	43 827	43 827	43 827	16 765	18 177	20 385
Asset management										
Asset register summary (WDV)	65 337	1 160 515	1 051 575	1 284 539	1 277 639	1 277 639	1 360 832	1 360 832	1 436 991	1 513 131
Depreciation & asset impairment	74 449	69 182	61 010	74 909	74 909	74 909	70 104	70 104	73 469	77 804
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	-	-	17 400	19 291	20 202	20 202	21 333	21 333	22 357	23 676
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
Households below minimum service level										
Water:	0	0	0	0	0	0	0	0	0	0
Sanitation/sewerage:	7	7	6	6	6	6	6	6	6	6
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	21	21	21	21	21	21	21	21

NOTES

- Total Revenue excluding capital transfers and contributions is estimated at R 443 million for 2015/16 financial year , R458 million and R475 million for the year 2016/17 and 2017/18 respectively.
- Total Expenditure is estimated at R469 million for 2015/16 financial year.
- A municipal operating budget shows a surplus of R 9,6 million after capital transfers & contributions for 2015/16 financial year.
- Total Capital budget for the financial year 2015/16 is estimated to be R53,792 million, which comprises of R36,4 million from Capital transfers Grants and R 17,3 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	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1									
Revenue - Standard										
Governance and administration		137 732	170 792	185 361	231 995	231 995	231 995	306 962	316 595	325 063
Executive and council		34 049	-	-	-	-	-	-	-	-
Budget and treasury office		100 857	170 288	185 133	231 665	231 665	231 665	306 613	316 229	324 676
Corporate services		2 826	504	228	330	330	330	349	365	387
Community and public safety		1 908	4 777	15 844	14 186	14 186	14 186	14 980	15 699	16 626
Community and social services		1 908	3 906	13 324	11 565	11 565	11 565	12 213	12 799	13 554
Public safety		-	871	2 520	2 621	2 621	2 621	2 767	2 900	3 071
Economic and environmental services		18 765	29 895	35 228	31 685	31 685	31 685	32 978	32 949	34 679
Planning and development		-	-	170	-	-	-	-	-	-
Road transport		18 765	29 895	35 058	31 685	31 685	31 685	32 978	32 949	34 679
Trading services		75 851	83 414	93 504	115 664	115 664	115 664	124 637	130 284	140 557
Electricity		66 871	74 292	83 082	104 327	104 327	104 327	112 666	117 738	127 271
Waste management		8 980	9 123	10 422	11 337	11 337	11 337	11 971	12 546	13 286
Total Revenue - Standard	2	234 257	288 879	329 937	393 530	393 530	393 530	479 557	495 527	516 925
Expenditure - Standard	-									
Governance and administration		158 268	194 353	118 171	166 186	172 928	172 928	183 063	191 878	202 610
Executive and council		19 932	25 772	21 384	36 507	41 970	41 970	44 222	46 479	49 102
Budget and treasury office		112 591	144 420	65 928	87 451	86 700	86 700	91 301	95 650	101 061
Corporate services		25 745	24 160	30 860	42 227	44 257	44 257	47 540	49 749	52 447
Community and public safety		38 706	33 767	34 400	58 282	55 451	55 451	58 121	60 854	64 049
Community and social services		30 841	25 244	21 246	46 217	44 655	44 655	46 819	49 022	51 607
Public safety		7 865	8 523	13 154	12 066	10 796	10 796	11 303	11 832	12 442
Economic and environmental services		46 650	90 450	80 758	101 776	100 996	100 996	97 404	102 048	107 843
Planning and development		7 073	7 038	8 249	17 094	16 934	16 934	17 791	18 634	19 650
Road transport		39 578	83 412	72 509	84 682	84 062	84 062	79 613	83 414	88 193
Trading services		73 443	79 467	99 136	112 575	117 803	117 803	131 403	133 834	137 006
Electricity		70 866	75 856	91 855	107 174	111 063	111 063	124 296	126 387	129 129
Waste management		2 577	3 611	7 281	5 401	6 740	6 740	7 107	7 447	7 876
Total Expenditure - Standard	3	317 067	398 036	332 466	438 819	447 178	447 178	469 992	488 614	511 507
Surplus/(Deficit) for the year		(82 811)	(109 157)	(2 529)	(45 289)	(53 648)	(53 648)	9 565	6 914	5 418

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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 R479 million for the financial year 2015/16 and total operating expenditure by Standard Classification is estimated at R469 million.
- It must be noted that the Total Revenue on this table includes capital revenues (Transfers recognised – capital)
- The estimated municipality surplus is R9,6 million for the financial year 2015/16.

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	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote	1									
Executive and Council		34 049	–	–	–	–	–	–	–	–
Budget and Treasury Department		100 857	170 288	185 133	231 665	231 665	231 665	306 613	316 229	324 676
Corporate Services		2 826	504	228	330	330	330	349	365	387
Community and Social Services		10 888	13 899	26 267	25 522	25 522	25 522	26 952	28 245	29 912
Planning and Development		–	–	170	–	–	–	–	–	–
Technical Services Department		85 637	104 187	118 140	136 012	136 012	136 012	145 643	150 687	161 950
Total Revenue by Vote	2	234 257	288 879	329 937	393 530	393 530	393 530	479 557	495 527	516 925
Expenditure by Vote to be appropriated	1									
Executive and Council		19 932	25 772	21 384	36 507	41 970	41 970	44 222	46 479	49 102
Budget and Treasury Department		112 591	144 420	65 928	87 451	86 700	86 700	91 301	95 650	101 061
Corporate Services		25 745	24 160	30 860	42 227	44 257	44 257	47 540	49 749	52 447
Community and Social Services		41 284	37 378	34 400	63 683	62 191	62 191	65 228	68 301	71 925
Planning and Development		7 073	7 038	8 249	17 094	16 934	16 934	17 791	18 634	19 650
Technical Services Department		110 443	159 269	164 364	191 856	195 125	195 125	203 909	209 801	217 322
Total Expenditure by Vote	2	317 067	398 036	332 466	438 819	447 178	447 178	469 992	488 614	511 507
Surplus/(Deficit) for the year	2	(82 811)	(109 157)	(2 529)	(45 289)	(53 648)	(53 648)	9 565	6 914	5 418

Notes

- Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote.
- Total Revenue by Municipal Vote is R479 million for the year 2015/16 and total Expenditure by Vote is estimated to be R469 million
- And as a results, a municipality surplus amount to R9,6 million for 2015/16 financial year.

4.4. BUDGETED MUNICIPAL PERFORMANCE REVENUE AND EXPENDITURE

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

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1										
Revenue By Source											
Property rates	2	34 049	60 257	57 239	70 634	70 634	70 634	70 634	124 589	130 569	138 273
Service charges - electricity revenue	2	64 500	70 292	83 082	95 327	95 327	95 327	95 327	105 666	110 738	117 271
Service charges - refuse revenue	2	8 980	9 123	10 422	11 337	11 337	11 337	11 337	11 971	12 546	13 286
Rental of facilities and equipment		200	295	228	330	330	330	330	346	362	384
Interest earned - external investments		177	332	359	260	260	260	260	275	288	305
Interest earned - outstanding debtors		41 117	42 369	55 541	74 644	74 644	74 644	74 644	70 973	71 316	71 732
Dividends received					3	3	3	3	3	3	3
Fines		426	871	2 826	2 600	2 600	2 600	2 600	2 917	3 057	3 238
Licences and permits		1 482	2 375	3 121	9 021	9 021	9 021	9 021	9 399	9 850	10 432
Agency services		560	1 531	9 665	2 255	2 255	2 255	2 255	2 381	2 496	2 643
Transfers recognised - operational		60 864	65 471	73 626	88 490	88 490	88 490	88 490	113 160	115 290	115 663
Other revenue	2	1 528	3 068	2 291	1 352	1 352	1 352	1 352	1 385	1 452	1 537
Total Revenue (excluding capital transfers and contributions)		213 883	255 983	298 400	356 251	356 251	356 251	356 251	443 065	457 967	474 766
Expenditure By Type											
Employee related costs	2	92 800	93 712	94 192	118 379	117 516	117 516	117 516	122 693	128 398	134 689
Remuneration of councillors		9 054	9 052	10 492	12 855	12 085	12 085	12 085	12 811	13 579	14 394
Debt impairment	3	-	108 991	2 691	31 558	31 558	31 558	31 558	33 326	34 925	36 986
Depreciation & asset impairment	2	74 449	69 182	61 010	74 909	74 909	74 909	74 909	70 104	73 469	77 804
Finance charges		434	226	128	848	2 048	2 048	2 048	2 109	2 211	2 341
Bulk purchases	2	56 508	53 402	67 501	82 573	82 573	82 573	82 573	94 332	95 000	96 000
Contracted services		17 648	10 096	26 056	45 536	49 485	49 485	49 485	52 256	54 765	57 996
Transfers and grants		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	66 174	53 460	70 427	72 160	77 003	77 003	77 003	82 362	86 267	91 298
Loss on disposal of PPE			(86)	(30)							
Total Expenditure		317 067	398 036	332 466	438 819	447 178	447 178	447 178	469 992	488 614	511 507

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Surplus/(Deficit)		(103 185)	(142 052)	(34 066)	(82 567)	(90 926)	(90 926)	(90 926)	(26 927)	(30 646)	(36 741)
Transfers recognised - capital		20 374	32 895	31 537	37 279	37 279	37 279	37 279	36 492	37 560	42 159
		(82 811)	(109 157)	(2 529)	(45 289)	(53 648)	(53 648)	(53 648)	9 565	6 914	5 418
Surplus/(Deficit) after capital transfers & contributions											
Taxation											
Surplus/(Deficit) after taxation		(82 811)	(109 157)	(2 529)	(45 289)	(53 648)	(53 648)	(53 648)	9 565	6 914	5 418
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		(82 811)	(109 157)	(2 529)	(45 289)	(53 648)	(53 648)	(53 648)	9 565	6 914	5 418
Surplus/(Deficit) for the year		(82 811)	(109 157)	(2 529)	(45 289)	(53 648)	(53 648)	(53 648)	9 565	6 914	5 418

Notes

- Total Revenue (excluding capital transfers and contributions) is R443 million for 2015/16 financial year and escalates to R458 million for 2016/17 financial year and R475 million for 2017/18 financial year.
- Revenue to be generated from property rate is estimated at R125 million in 2015/16 financial year and increases to R131 million in 2016/17.
- Services charges relating to electricity, and refuse removal totaling to R106 million and R11 million respectively for 2015/16 financial year
- Transfers recognised – operating grants includes the local government equitable share which shows an increase for the two outer years.
- Total operational expenditure is estimated to be R469 million for 2015/16 FY, and the municipality is anticipating a surplus of R9,6 million.

4.5. BUDGETED CAPITAL EXPENDITURE BY VOTE

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

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1										
Capital expenditure - Vote											
Single-year expenditure to be appropriated	2										
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury Department		4,258	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		12,621	3,398	3,398	4,500	3,700	3,700	3,700	5,700	5,700	5,700
Vote 4 - Community and Social Services		-	1,711	8,330	1,600	-	-	-	-	-	-
Vote 5 - Planning and Development		-	-	6,124	-	-	-	-	-	-	-
Vote 6 - Technical Services Department		29,958	37,840	31,716	55,079	50,579	50,579	50,579	48,092	49,160	53,759
0		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		46,837	42,949	49,569	61,179	54,279	54,279	54,279	53,792	54,860	59,459
Total Capital Expenditure - Vote		46,837	42,949	49,569	61,179	54,279	54,279	54,279	53,792	54,860	59,459
Capital Expenditure - Standard											
Governance and administration		16,879	3,398	3,398	4,500	3,700	3,700	3,700	5,700	5,700	5,700
Budget and treasury office		4,258	-	-	-	-	-	-	-	-	-
Corporate services		12,621	3,398	3,398	4,500	3,700	3,700	3,700	5,700	5,700	5,700
Community and public safety		-	1,711	8,330	1,600	-	-	-	-	-	-
Community and social services		-	1,711	8,330	1,000	-	-	-	-	-	-
Public safety		-	-	600	-	-	-	-	-	-	-
Economic and environmental services		20,235	26,169	37,840	27,279	27,079	27,079	27,079	35,492	36,560	38,159
Planning and development		-	-	6,124	-	-	-	-	-	-	-
Road transport		20,235	26,169	31,716	27,279	27,079	27,079	27,079	35,492	36,560	38,159
Trading services		9,723	11,672	-	27,800	23,500	23,500	23,500	12,600	12,600	15,600
Electricity		9,723	11,672	-	27,800	23,500	23,500	23,500	12,600	12,600	15,600
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	46,837	42,949	49,569	61,179	54,279	54,279	54,279	53,792	54,860	59,459
Funded by:											
National Government		46,837	29,238	28,439	37,279	37,279	37,279	37,279	36,492	37,560	42,159

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Provincial Government											
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	46,837	29,238	28,439	37,279	37,279	37,279	37,279	36,492	37,560	42,159
Public contributions & donations	5			9,365		-	-	-			
Borrowing	6					-	-	-			
Internally generated funds			13,711	11,766	23,900	17,000	17,000	17,000	17,300	17,300	17,300
Total Capital Funding	7	46,837	42,949	49,569	61,179	54,279	54,279	54,279	53,792	54,860	59,459

Notes

- Table A5 is a view of Budgeted Capital Expenditure by vote, classification and funding.
- The Technical department budget is budgeted at R48 million of the total R53,792 million capital budget as a service delivery department to improve peoples lives.

4.6. BUDGETED FINANCIAL POSITION

LIM334 Ba-Phalaborwa - Table A6 Budgeted Financial Position

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
ASSETS											
Current assets											
Cash		1 499	2 066	155	2 100	490	490	490	1 612	6 089	7 617
Call investment deposits	1	2	-	-	1 500	1 500	1 500	1 500	1 700	1 800	1 850
Consumer debtors	1	152 863	45 372	110 688	158 442	158 442	158 442	158 442	161 832	133 333	140 000
Other debtors		349	4	159 633							
Inventory	2	4 443	9 403	14 399	9 500	9 500	9 500	9 500	19 500	19 500	19 500
Total current assets		159 157	56 845	284 875	171 542	169 932	169 932	169 932	184 644	160 722	168 967
Non current assets											
Property, plant and equipment	3	1 120 753	1 056 876	1 051 231	1 284 139	1 277 239	1 277 239	1 277 239	1 360 432	1 436 591	1 512 731
Biological			313	344	400	400	400	400	400	400	400
Total non current assets		1 120 753	1 057 189	1 051 575	1 284 539	1 277 639	1 277 639	1 277 639	1 360 832	1 436 991	1 513 131
TOTAL ASSETS		1 279 910	1 114 035	1 336 450	1 456 081	1 447 571	1 447 571	1 447 571	1 545 477	1 597 713	1 682 098
LIABILITIES											
Current liabilities											
Bank overdraft	1	22 397		17 963							
Borrowing	4	6 530	-	-	-	-	-	-	-	-	-
Consumer deposits		1 231	2 981	3 622	1 500	1 500	1 500	1 500	1 650	1 700	1 750
Trade and other payables	4	292 076	370 513	370 737	-	-	-	-	5 091	5 305	5 533
Provisions				267							
Total current liabilities		322 232	373 494	392 588	1 500	1 500	1 500	1 500	6 741	7 005	7 283
Non current liabilities											
Borrowing		4 651	-	-	210 000	210 000	210 000	210 000	180 000	150 000	130 000
Provisions		31 967	33 736	50 157	20 000	20 000	20 000	20 000	18 000	16 000	14 000
Total non current liabilities		36 618	33 736	50 157	230 000	230 000	230 000	230 000	198 000	166 000	144 000
TOTAL LIABILITIES		358 851	407 230	442 745	231 500	231 500	231 500	231 500	204 741	173 005	151 283
NET ASSETS	5	921 060	706 805	893 704	1 224 581	1 216 071	1 216 071	1 216 071	1 340 735	1 424 709	1 530 815

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COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		921 060	706 805								
Reserves	4	-	-	893 704	1 224 581	1 216 071	1 216 071	1 216 071	1 340 735	1 424 709	1 530 815
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5	921 060	706 805	893 704	1 224 581	1 216 071	1 216 071	1 216 071	1 340 735	1 424 709	1 530 815

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	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges		34,049	60,257	57,239	70,634	70,634	70,634	70,634	37,772	40,038	42,160
Service charges		73,480	79,414	93,504	106,664	106,664	106,664	106,664	197,813	208,623	220,235
Other revenue		3,642	22,910	18,131	46,535	21,789	21,789	21,789	16,411	17,302	18,230
Government - operating	1	60,864	64,589	72,873	88,490	88,490	88,490	88,490	113,160	115,290	115,663
Government - capital	1	20,374	33,778	32,291	37,279	37,279	37,279	37,279	36,492	37,560	42,159
Interest		41,295	42,701	55,900	4,054	5,353	5,353	5,353	19,504	19,775	20,104
Dividends					2	3	3	3	3	3	3
Payments											
Suppliers and employees		(207,329)	(260,109)	(241,084)	(301,504)	(300,663)	(300,663)	(300,663)	(364,453)	(377,043)	(395,226)
Finance charges		(434)	(226)	(128)	(848)	(2,048)	(2,048)	(2,048)	(2,109)	(2,211)	(2,341)
Transfers and Grants	1					-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		25,939	43,315	88,726	51,306	27,501	27,501	27,501	54,592	59,337	60,987
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Decrease (increase) other non-current receivables				(53,724)					-	-	-
Payments											
Capital assets		(39,987)	(42,949)	(48,745)	(51,179)	(47,179)	(47,179)	(47,179)	(53,792)	(54,860)	(59,459)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(39,987)	(42,949)	(102,469)	(51,179)	(47,179)	(47,179)	(47,179)	(53,792)	(54,860)	(59,459)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-

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Borrowing long term/refinancing		6,189							-	-	-
Increase (decrease) in consumer deposits		5,508							-	-	-
Payments											
Repayment of borrowing		(583)	(941)	(6,131)		20,000	20,000	20,000	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		11,113	(941)	(6,131)	-	20,000	20,000	20,000	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		(2,935)	(575)	(19,874)	127	323	323	323	800	4,477	1,528
Cash/cash equivalents at the year begin:	2	5,576	2,642	2,066	2,100	490	490	490	813	1,612	6,089
Cash/cash equivalents at the year end:	2	2,642	2,066	(17,807)	2,227	813	813	813	1,612	6,089	7,617

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 R1,612 as at the end of the 2015/16 financial year and the two outer years R6 million and R7 million respectively.

4.8. CASH BACKED RESERVES/ACCUMULATED SURPLUSES

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

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash and investments available											
Cash/cash equivalents at the year end	1	2 642	2 066	(17 807)	2 227	813	813	813	1 612	6 089	7 617
Other current investments > 90 days		(23 537)	(0)	-	1 373	1 177	1 177	1 177	1 700	1 800	1 850
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		(20 895)	2 066	(17 807)	3 600	1 990	1 990	1 990	3 312	7 889	9 467
Application of cash and investments											
Unspent conditional transfers		2 789	2 511	7 141	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	255 155	353 625	294 649	(41 837)	(41 837)	(41 837)	(41 837)	(13 453)	(10 288)	(10 918)
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		257 944	356 136	301 790	(41 837)	(41 837)	(41 837)	(41 837)	(13 453)	(10 288)	(10 918)
Surplus(shortfall)		(278 839)	(354 070)	(319 597)	45 437	43 827	43 827	43 827	16 765	18 177	20 385

NOTES

- As part of the budgeting and planning guidelines that informed the compilation of the 2015/16 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	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CAPITAL EXPENDITURE										
Total New Assets	1	46 837	42 949	49 569	61 179	54 279	54 279	53 792	54 860	59 459
Infrastructure - Road transport		20 235	26 169	31 716	22 779	18 479	18 479	23 992	25 060	26 659
Infrastructure - Electricity		9 723	11 672	-	27 800	24 300	24 300	12 600	12 600	15 600
Infrastructure - Other		2 674	-	-	4 500	7 800	7 800	10 000	10 000	10 000
Infrastructure		32 632	37 840	31 716	55 079	50 579	50 579	46 592	47 660	52 259
Community		1 584	1 711	8 330	-	-	-	-	-	-
Other assets	6	12 621	3 398	9 523	6 100	3 700	3 700	7 200	7 200	7 200
Intangibles		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4									
Infrastructure - Road transport		20 235	26 169	31 716	22 779	18 479	18 479	23 992	25 060	26 659
Infrastructure - Electricity		9 723	11 672	-	27 800	24 300	24 300	12 600	12 600	15 600
Infrastructure - Other		2 674	-	-	4 500	7 800	7 800	10 000	10 000	10 000
Infrastructure		32 632	37 840	31 716	55 079	50 579	50 579	46 592	47 660	52 259
Community		1 584	1 711	8 330	-	-	-	-	-	-
Other assets		12 621	3 398	9 523	6 100	3 700	3 700	7 200	7 200	7 200
Intangibles		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	46 837	42 949	49 569	61 179	54 279	54 279	53 792	54 860	59 459
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Infrastructure - Road transport		24 435	449 391	1 051 231	1 284 139	1 277 239	1 277 239	1 360 432	1 436 591	1 512 731
Infrastructure - Electricity		14 223	348 672							
Infrastructure - Water		6 200	241 370							
Infrastructure - Sanitation		2 100	120 000							
Infrastructure - Other		4 174								
Infrastructure		51 132	1 159 432	1 051 231	1 284 139	1 277 239	1 277 239	1 360 432	1 436 591	1 512 731

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Community Heritage assets		1 584	311							
Other assets		12 621	459							
Biological assets		–	313	344	400	400	400	400	400	400
Intangibles		–	–	–	–	–	–	–	–	–
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	65 337	1 160 515	1 051 575	1 284 539	1 277 639	1 277 639	1 360 832	1 436 991	1 513 131
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		74 449	69 182	61 010	74 909	74 909	74 909	70 104	73 469	77 804
Repairs and Maintenance by Asset Class	3	–	–	17 400	19 291	20 202	20 202	21 333	22 357	23 676
<i>Infrastructure - Road transport</i>		–	–	6 083	5 400	4 400	4 400	4 646	4 869	5 157
<i>Infrastructure - Electricity</i>		–	–	9 834	4 600	6 600	6 600	6 970	7 304	7 735
<i>Infrastructure - Other</i>		–	–	1 092	1 201	1 601	1 601	1 690	1 771	1 876
Infrastructure		–	–	17 009	11 201	12 601	12 601	13 306	13 945	14 768
Community		–	–	–	4 480	4 631	4 631	4 890	5 125	5 427
Heritage assets		–	–	–	32	32	32	34	35	38
Other assets	6, 7	–	–	391	3 578	2 938	2 938	3 103	3 252	3 443
TOTAL EXPENDITURE OTHER ITEMS		74 449	69 182	78 410	94 200	95 111	95 111	91 437	95 826	101 480
<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&M as a % of PPE</i>		0.0%	0.0%	1.7%	1.5%	1.6%	1.6%	1.6%	1.6%	1.6%
<i>Renewal and R&M as a % of PPE</i>		0.0%	0.0%	2.0%	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.

4.10. BASIC SERVICE DELIVERY MEASUREMENT

LIM334 Ba-Phalaborwa - Table A10 Basic service delivery measurement

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Household service targets	1									
Water:										
Piped water inside dwelling		12,251	12,251	15,252	15,252	15,252	15,252	15,252	15,252	15,252
Piped water inside yard (but not in dwelling)		17,082	17,082	18,721	18,721	18,721	18,721	18,721	18,721	18,721
Using public tap (at least min.service level)	2	3,812	3,812	3,812	3,812	3,812	3,812	3,812	3,812	3,812
Other water supply (at least min.service level)	4	413	413							
<i>Minimum Service Level and Above sub-total</i>		33,558	33,558	37,785	37,785	37,785	37,785	37,785	37,785	37,785
Using public tap (< min.service level)	3									
Other water supply (< min.service level)	4	234	234	234	234	234	234	234	234	234
No water supply										
<i>Below Minimum Service Level sub-total</i>		234	234	234	234	234	234	234	234	234
Total number of households	5	33,792	33,792	38,019	38,019	38,019	38,019	38,019	38,019	38,019
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		14,056	14,056	16,638	16,638	16,638	16,638	16,638	16,638	16,638
Flush toilet (with septic tank)		1,090	1,090	860	860	860	860	860	860	860
Chemical toilet		-	-	424	424	424	424	424	424	424
Pit toilet (ventilated)		2,868	2,868	6,718	6,718	6,718	6,718	6,718	6,718	6,718
Other toilet provisions (> min.service level)		9,166	9,166	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	27,180	35,473	35,473	35,473	35,473	35,473	35,473	35,473
Bucket toilet				80	80	80	80	80	80	80
Other toilet provisions (< min.service level)				864	864	864	864	864	864	864
No toilet provisions		6,612	6,612	4,698	4,698	4,698	4,698	4,698	4,698	4,698
<i>Below Minimum Service Level sub-total</i>		6,612	6,612	5,642	5,642	5,642	5,642	5,642	5,642	5,642
Total number of households	5	33,792	33,792	41,115	41,115	41,115	41,115	41,115	41,115	41,115
Energy:										
Electricity (at least min.service level)		7,000	7,000	37,345	37,345	37,345	37,345	37,345	37,345	37,345
Electricity - prepaid (min.service level)										
<i>Minimum Service Level and Above sub-total</i>		7,000	7,000	37,345	37,345	37,345	37,345	37,345	37,345	37,345
Electricity (< min.service level)										

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Electricity - prepaid (< min. service level)										
Other energy sources										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	7,000	7,000	37,345	37,345	37,345	37,345	37,345	37,345	37,345
<u>Refuse:</u>										
Removed at least once a week										
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
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
Total number of households	5	-	-	21,050	21,050	21,050	21,050	21,050	21,050	21,050
<u>Households receiving Free Basic Service</u>	7									
Water (6 kilolitres per household per month)				2,356	2,356	2,356	2,356	2,356	2,356	2,356
Sanitation (free minimum level service)				2,356	2,356	2,356	2,356	2,356	2,356	2,356
Electricity/other energy (50kwh per household per month)				2,356	2,356	2,356	2,356	2,356	2,356	2,356
Refuse (removed at least once a week)				2,356	2,356	2,356	2,356	2,356	2,356	2,356
Property rates (R15 000 threshold rebate)										
Total revenue cost of free services provided (total social package)		-	-	-	-	-	-	-	-	-

NOTES

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

PART TWO

ANNUAL BUDGET SUPPORTING INFORMATION

5. OVERVIEW OF ANNUAL BUDGET

5.1. Schedule of key deadlines relating to budget process

1. Budget and PMS Calendar for 2014–15

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 2014/15 financial year.

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
IDP			
July 2014	Preparatory Phase <ul style="list-style-type: none"> • District IDP Technical Committee Meeting (IDP Framework and Process Plan). • IDP, Budget & PMS Operational Meeting (IDP Framework & Process Plan) • IDP, Budget & PMS Technical Meeting (IDP Framework & Process Plan) • IDP, Budget & PMS Steering Committee Meeting (Framework & Process Plan) 	<ul style="list-style-type: none"> • 04/07/2014 • 10/07/2014 • 14/07/2014 • 18/07/2014 • 23/07/2014 	31 July 2014

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	<ul style="list-style-type: none"> IDP, Budget & PMS Rep Forum (Framework & Process Plan) Mayor tables IDP/Budget/PMS/MPAC Framework & Process Plan in (Special Council) 	<ul style="list-style-type: none"> 31/07/2014 	
Budget			
	<ul style="list-style-type: none"> Establish Departmental Budget Committees (include councillors & officials). 	<ul style="list-style-type: none"> 25/07/2014 – 04/09/2014 	
PMS			
	<ul style="list-style-type: none"> Compilation of 2013/14 4th quarter report Conclude 2014/15 annual performance agreements Submit final approved SDBIP 	<ul style="list-style-type: none"> 01/07/2014 – 15/07/2014 01/07/2014 – 25/07/2014 31/07/2014 	
MPAC			
	<ul style="list-style-type: none"> District MPAC Framework and Process Plan. Final Work Programme presented to Council Consideration of SDBIP MPAC and Audit committee Quarterly meeting 	<ul style="list-style-type: none"> 04/07/2014 31/07/2014 31/07/2014 31/07/2014 	

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
IDP			
August 2014	Analysis Phase <ul style="list-style-type: none"> • Data collection (ward-based planning) • Data analysis and interpretation • Community Satisfaction Survey 	<ul style="list-style-type: none"> • 01/08/2014 – 29/08/2014 • 01/08/2014 – 31/08/2014 • 01/08/2014 – 26/09/2014 	31 August 2014
Budget			
	<ul style="list-style-type: none"> • 2013/14 internal analysis of financial and non-financial performance. Determine financial position and assess financial capacity against future strategies. 	<ul style="list-style-type: none"> • 31/08/2014 	
PMS			
	<ul style="list-style-type: none"> • 2013/14 IDP implementation feedback: Fourth Quarter Mayoral Imbizo • Make public the 2014/15 SDBIP • Make public 2014/15 annual performance agreements and ensure that copies are submitted to Council and 	<ul style="list-style-type: none"> • 01/08/2014 – 13/08/2014 • 14/08/2014 • 14/08/2014 • 14/08/2014 	

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	MEC:CoGHSTA <ul style="list-style-type: none"> • Submission of 2013/14 Annual Performance Report • Place 2014/15 annual performance agreements on the municipal website. • Individual performance assessments 2013/14 Annual 	<ul style="list-style-type: none"> • 14/08/2014 • 01/08/2014-31/08/2014 	
MPAC			
	<ul style="list-style-type: none"> • Consideration of Annual Performance Agreements versus the final SDBIP • Consideration of institutional 4th quarterly Report. • Collection of public comments during the mayoral imbizo • Consider the 2014/15 IDP/Budget/PMS process plan • Probing of 4th Quarter performance Report and public hearing. 	<ul style="list-style-type: none"> • 01/08/2014 • 01/08/2014 • 01/08/2014 • 01/08/2014 • 29/08/2014 	
IDP			
September 2014	Analysis Phase (cont)		

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	<ul style="list-style-type: none"> IDP, Budget & PMS Operational Meeting (Analysis Phase) IDP, Budget & PMS Technical Meeting (Analysis Phase) IDP, Budget & PMS Steering Meeting (Analysis Phase) IDP, Budget & PMS Rep Forum (Analysis Phase) 	<ul style="list-style-type: none"> 05/09/2014 09/09/2014 12/09/2014 23/09/2014 	
Budget			
	<ul style="list-style-type: none"> Circulate budget schedules to all departments Consolidate draft core departments business plans & budgets Review resources frames and financial strategies 	<ul style="list-style-type: none"> 27/09/2014 – 08/10/2014 06/10/2014 – 13/10/2014 29/09/2014 – 03/11/2014 	
PMS			
	<ul style="list-style-type: none"> Individual performance assessment report 2013/14 Annual Submission of Final 2013/14 departmental Annual reports 	<ul style="list-style-type: none"> 05/09/2014 25/09/2014 	

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
MPAC			
	<ul style="list-style-type: none"> 4th Quarter Individual Performance Assessment Report 	<ul style="list-style-type: none"> 30/09/2014 	
Budget			
October 2014	<ul style="list-style-type: none"> Commence preparation for the 2015/16 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) Submission of departmental adjustment budgets Departmental budgets inputs for 2015/16 	<ul style="list-style-type: none"> 12-15/12/2014 15/12/2014 15/12/2014 	
PMS			
	<ul style="list-style-type: none"> Continuation of preparations for 2014/15 annual report utilizing financial and non-financial information first reviewed as part of budget 	<ul style="list-style-type: none"> 01/10/2014 - 31/10/2014 	

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	<ul style="list-style-type: none"> and IDP analysis • Compilation of 2014/15 first quarter institutional performance report. 	<ul style="list-style-type: none"> • 01/10/2014 - 31/10/2014 	
MPAC			
	<ul style="list-style-type: none"> • MPAC and Audit committee Quarterly meeting 	<ul style="list-style-type: none"> • 31/10/2014 	
Budget			
November 2014	<ul style="list-style-type: none"> • 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. • Draft five year Financial Plan 	<ul style="list-style-type: none"> • 01/11/2014 - 30/11/2014 • 01/11/2014 - 30/11/2014 	
PMS			
	<ul style="list-style-type: none"> • Mayoral Imbizo on first 	<ul style="list-style-type: none"> • 11/11/2014-18/11/2014 	

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	quarter performance		
MPAC			
	<ul style="list-style-type: none"> • Consideration of Annual Institutional Performance Report • Collection of public comments during mayoral Imbizo on 1st Quarter performance • Probe 1st Quarter Performance Report and public hearing. • MPAC District forum 	<ul style="list-style-type: none"> • 03/11/2014 • 12/11/2014 – 19/11/2014 • 27/11/2014 • 28/11/2014 	
IDP			
December 2014	Strategies Phase		31 January 2014
	<ul style="list-style-type: none"> • Strategic Session 	<ul style="list-style-type: none"> • 02/12/2014 – 05/12/2014 	
PMS			
	<ul style="list-style-type: none"> • Oversight training for MPAC members for probing the 2013/14 annual report. • Finalize the draft annual report incorporating financial and non financial information on performance, audit reports and annual financial statements 	<ul style="list-style-type: none"> • 02/12/2014–13/12/2014 • 14/12/2014 • 20/12/2014 	

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	<ul style="list-style-type: none"> Present draft annual report to Municipal Manager 		
MPAC			
	<ul style="list-style-type: none"> Develop schedule for considering the 2013/14 Annual Report 	<ul style="list-style-type: none"> 01/12/2014 	
IDP			
January 2015	Strategies Phase (cont) <ul style="list-style-type: none"> IDP, Budget & PMS Operational Meeting IDP/Budget & PMS Technical Meeting (Strategic Plan) Advisory Board meeting with Municipal Manager IDP/Budget & PMS Steering Committee (Strategic Plan) IDP/Budget & PMS Rep. Forum (Strategic Plan) 	<ul style="list-style-type: none"> 13/01/2015 16/01/2015 19/01/2015 21/01/2015 29/01/2015 	31 January 2015
Budget			
	<ul style="list-style-type: none"> Finalise the 2015/16 inputs from bulk resource providers (and NERSA) and agree on proposed price increase. (Align after submission of 	<ul style="list-style-type: none"> 01/12/2015 – 09/12/2015 	

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	<p>proposed tariffs)</p> <ul style="list-style-type: none"> • Mid-Year Performance Assessment and recommend and adjustment budget, if necessary. • Incorporate priorities from the President's State of the Nation Address, National Treasury and SALGA for further budget consideration. • Review all aspects of the 2014/15 budget including any unforeseen and unavoidable expenditure in light of need for an adjustment budget. 	<ul style="list-style-type: none"> • 26/01/2015 • 22/01/2015– 26/01/2015 • 08/01/2015 – 26/01/2015 	
PMS			
	<ul style="list-style-type: none"> • Compilation of 2014/15 Mid-year report • Mayor tables 2013/14 annual report to council • Make public the 2013/14 annual report and invite comments from local community, submit report to Auditor-General, Provincial 	<ul style="list-style-type: none"> • 02/01/2015 - 20/01/2015 • 29/01/2015 • 30/01/2015 	

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	<p>Treasury & CoGHSTA</p> <ul style="list-style-type: none"> • Consider monthly & mid-year reports for the period ended 31 December 2014. • 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 • Mayor reports to Council the status of next three year budget, 2013/14 annual report (including AFS & audit report) and summarizes overall findings of 2013/14 annual performance report. 	<ul style="list-style-type: none"> • 30/01/2015 • 30/01/2015 • 30/01/2015 	
MPAC			
	<ul style="list-style-type: none"> • MPAC and Audit committee 	<ul style="list-style-type: none"> • 30/01/2015 	

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	Quarterly meeting		
IDP			
February 2015	Projects and Integration Phase <ul style="list-style-type: none"> • Develop a list of project • Project prioritisation task team establishment • Submission of Sector Plans • IDP, Budget & PMS Operational meeting (Projects prioritisation and Sector plans) • IDP, Budget & PMS Technical meeting (Projects prioritisation and Sector plans) • Advisory Board meeting with Municipal Manager • IDP, Budget & PMS Steering meeting (Projects prioritisation and Sector plans) • IDP, Budget & PMS Representative Forum (Projects prioritisation and Sector plans). 	<ul style="list-style-type: none"> • 27/01/2015 – 07/02/2015 • 10/02/2015 – 14/02/2015 • 03/02/2015 – 11/02/2015 • 11/02/2015 • 13/02/2015 • 17/02/2015 • 19/02/2015 • 25/02/2015 	28 February 2015

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
Budget			
	<ul style="list-style-type: none"> Incorporate directives from the National budget and Provincial and National allocations to municipalities into budget. Mid-Year budget and Performance Assessment (Treasury Visits) Finalise the 2015/16 detailed operating & capital budgets in the prescribed formats incorporating National and Provincial budget allocations, integrate and align to IDP documentation and draft SDBIP, finalise budget policies including tariff policy. Tabling and approval of an adjustments budget (if necessary) 	<ul style="list-style-type: none"> 02/02/2015 – 28/02/2015 01/02/2015 – 31/03/2015 12/02/2015 13/02/2015 	
PMS			
	<ul style="list-style-type: none"> Individual Performance Assessments 2014/15 Mid-year Place 2013/14 annual report 	<ul style="list-style-type: none"> 02/02/2015- 28/02/2015 04/02/2015 	

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	<ul style="list-style-type: none"> on the municipal website • Mayoral Imbizo 	<ul style="list-style-type: none"> • 04/02/2015 – 16/02/2015 	
MPAC			
	<ul style="list-style-type: none"> • Considering the 2013/14 annual report • Consider the 2014/15 Mid Year Report • Review individual annual performance report for 2013/14 • Technical committee • Scopa Hearing • Visit projects • Public Hearing on Mid Year report (2014/15) • District forum meeting 	<ul style="list-style-type: none"> • 02/02/2015–27/02/2015 • 02/02/2015 • 02/02/2015 • 06/02/2015 • 11/02/2015 <ul style="list-style-type: none"> • 17–18/02/2015 • 25/02/2015 • 27/02/2015 	
IDP			
March 2015	Approval Phase (Draft IDP)		31 March 2015
	<ul style="list-style-type: none"> • IDP, Budget & PMS operational meeting (Draft 2014/15 IDP, Budget & PMS) • IDP, Budget & PMS Technical meeting (Draft 	<ul style="list-style-type: none"> • 05/03/2015 • 10/03/2015 	

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	2014/15 IDP, Budget & PMS) <ul style="list-style-type: none"> • IDP, Budget & PMS Steering meeting (Draft 2014/15 IDP, Budget & PMS) • IDP, Budget & PMS Representative Forum (Draft 2014/15 IDP, Budget & PMS) • Establishment of IDP, Budget & PMS Public Participation Teams. • Mayor table Draft IDP, Budget & PMS for adoption by Council. • Publication of the IDP, Budget & PMS Public Participation schedule 	<ul style="list-style-type: none"> • 13/03/2015 • 17/03/2014 • 17/03/2014 – 21/03/2014 • 31/03/2014 • 29/03/2014 	
Budget			
	<ul style="list-style-type: none"> • Consolidation of Draft 2014/15 annual budget. • Incorporate changes in prices for bulk resources and finalise tariff proposals for all charges. 	<ul style="list-style-type: none"> • 04/03/2015 • 13/03/2015 	

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	<ul style="list-style-type: none"> • Adoption of the reviewed Draft rates policy and Draft Property rates by -laws • Distribute all budget documentation prior to meeting at which budget is to be tabled. • Table in Council the 2015/16 annual budget & all supporting documents. • Submit the 2015/16 approved adjustments budget to the Provincial & National Treasury & any other affected organ of state (10 days after approval.) 	<ul style="list-style-type: none"> • 18/03/2015 – 22/03/2015 • 27/03/2015 • 28/03/2015 • 12/03/2015 	
PMS			
	<ul style="list-style-type: none"> • Compile Individual performance assessment report (2014/15 Mid -Year) • Council adopts the 2013/14 annual report with the comments of the oversight committee. 	<ul style="list-style-type: none"> • 13/03/2015 • 31/03/2015 	

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	<ul style="list-style-type: none"> • Submit draft 2015/16 SDBIP to the Mayor • Submit draft 2015/16 annual performance agreements to the Mayor 	<ul style="list-style-type: none"> • 27/03/2015 • 27/03/2015 	
MPAC			
	<ul style="list-style-type: none"> • Considering the 2013/14 Annual Report • Consider the 2014/15 SDBIP Review against the Adjustments Budgets • Review MPAC Work programme • Submit Draft MPAC Work programme to council for approval • Submit Draft Oversight Report and Annual Report to Council • Review the individual performance report for section 57 • Public Hearing on Annual Report 	<ul style="list-style-type: none"> • 02/03/2014-16/03/2015 • 02/03/2014-16/03/2015 • 02/03/2015-16/03/2015 • 27/03/2015 • 27/03/2015 • 02/03/2015-31/03/2015 	
IDP			
April 2015	Approval Phase (Draft IDP cont)		30 April 2015

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	<ul style="list-style-type: none"> Budget and Benchmark Assessments (Treasury visits) Consultations on tabled Draft 2015/16 IDP, Budget & PMS 	<ul style="list-style-type: none"> 01/04/2015 – 31/05/2015 06/04/2015 – 24/04/2015 	
Budget			
	<ul style="list-style-type: none"> Make public the 2015/16 tabled annual budget & accompanying budget documentation, invite the community to submit representations and submit to Provincial & National Treasury and other affected organs of state. Consultation on tabled budget, publicise and conduct public hearings and meetings within wards. Consultation with the public on the tabled Draft Rates Policy and Property rates by law 	<ul style="list-style-type: none"> 09/04/2015 – 23/04/2015 09/04/2015 – 23/04/2015 01/04/2015 – 23/04/2015 	
PMS			

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	<ul style="list-style-type: none"> • Submit the 2013/14 Annual Report & Oversight Report to Provincial Treasury, CoGHSTA, AG and Legislature. • Make public the 2013/14 oversight report • Submission of third quarter performance report 	<ul style="list-style-type: none"> • 09/04/2015 • 09/04/2015 • 09/04/2015 	
MPAC			
	<ul style="list-style-type: none"> • Consider the Draft IDP, Budget and PMS • Consider proposed municipal tariffs • Collection of public representations on municipal tariffs and Capital plan • Consider the 2015/16 Draft SDBIP • Technical committee meeting • District forum meeting • MPAC and Audit committee Quarterly meeting 	<ul style="list-style-type: none"> • 01/04/2015-30/04/2015 • 01/04/2015-30/04/2015 • 01/04/2015-30/04/2015 • 01/04/2015-30/04/2015 • 09/04/2015 • 23/4/2015 • 30/4/2015 	
IDP			

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
May 2015	Approval Phase (Final IDP) <ul style="list-style-type: none"> • IDP, Budget & PMS Operational Teams (Analysis & integration of public comments) • IDP, Budget & PMS Technical meeting (Analysis & integration of public comments) • IDP, Budget & PMS Steering meeting (analysis & integration of public comments) • IDP, Budget & PMS Representative meeting (analysis & integration of public comments) • Adjustment of IDP, Budget & PMS in accordance with public comments • Exco considers Draft IDP, Budget & PMS • Mayor tables Final 2015/16 IDP, Budget & PMS for final 	<ul style="list-style-type: none"> • 06/05/2015 • 08/05/2015 • 12/05/2015 • 15/05/2015 • 15/05/2015 – 19/05/2015 • 28/05/2014 • 31/05/2014 	31 May 2015

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	approval/adoption		
Budget			
	<ul style="list-style-type: none"> Consider the views of the community and other stakeholders on the 2015/16 budget. Respond to submissions received & if necessary revise the budget and table amendments for council consideration. Mayor tables Final 2015/16 Rates policy and Property rates by-law 	<ul style="list-style-type: none"> 14/05/2015 – 17/05/2015 15/05/2015 – 18/05/2015 <p>31/05/2015</p>	
PMS			
	<ul style="list-style-type: none"> Approve the 2015/16 SDBIP-final date under legislation 26 July 2015 	<ul style="list-style-type: none"> 31/05/2015 	
MPAC			
	<ul style="list-style-type: none"> Consider the Draft IDP, Budget and PMS Make recommendations to council on municipal tariffs and capital plan 	<ul style="list-style-type: none"> 01/05/2015–20/05/2015 11/05/2015–20/05/2015 	

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	<ul style="list-style-type: none"> Consider third Quarter District wide session. Institutional Performance Report Probing and public hearing on third Quarter Institutional Performance Report. 	<ul style="list-style-type: none"> 01/05/2015–20/05/2015 20–22/05/2015 25/05/2015 	
IDP			
June 2014	<ul style="list-style-type: none"> Public Notice on the adoption of IDP, Budget & PMS Summary of IDP & public notice on the final approval Submission of the Final Approved IDP to the MEC for Local Government & Housing 	<ul style="list-style-type: none"> 07/06/2015 11/06/2015 14/06/2015 	30 June 2015
Budget			
	<ul style="list-style-type: none"> Submit approved IDP/Budget to National & Provincial Treasury, CoGHSTA and District (10 working days after approval) 	<ul style="list-style-type: none"> 12/06/2015 	
MPAC			
	<ul style="list-style-type: none"> Consider the alignment of final IDP, Budget, PMS and MPAC Work Programme 	<ul style="list-style-type: none"> 01/06/2015 – 15/06/2015 	

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

6.1. VISION OF THE MUNICIPALITY

The vision was therefore revised as follows:

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

6.2. FIVE YEAR STRATEGIC FOCUS AREA

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

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

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

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

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

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

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

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

6.3.ALIGNMENT OF IDP WITH NATIONAL AND PROVINCIAL GOVERNMENT

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

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

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

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

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

Cluster	PERSPECTIVE	MTSF	COGTA	MTAS	LEGDP (PGDS)	OUTCOME 9	COGTA BUSINESS PLAN 2010/2011	STRATEGIC AGENDA KPA	NATIONAL DEVELOPMENT PLAN	BA-PHALABORWA
Governance and Administration	Institutional Processes		2. Strengthen Accountability and Clean Government	3. Improve functionality, performance and professionalism in municipalities	9. Sustainable resource management and use	6. Improved administrative capacity	1: Contribute to building a Developmental State in National, Provincial and Local Government (Develop and strengthen a politically and administratively stable system of municipalities)	Good Governance and Public Participation	Reforming the public service	Good Corporate governance and Public Participation
Governance and Administration	Institutional Processes						2: Strengthen Accountability and Clean Government (Build and strengthen the administrative, institutional and financial capabilities of municipalities)	Good Governance and Public Participation Municipal Transformation and Organisational Development	Reforming the public service	Attract, develop and retain best human capital
Governance and Administration	Institutional Processes						2: Strengthen Accountability and Clean Government (Develop a coherent and cohesive system of governance and a more equitable intergovernmental fiscal system)	Good Governance and Public Participation	Reforming the public service	Good Corporate governance and Public Participation

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

Cluster	PERSPECTIVE	MTSF	COGTA	MTAS	LEGDP (PGDS)	OUTCOME 9	COGTA BUSINESS PLAN 2010/2011	STRATEGIC AGENDA KPA	NATIONAL DEVELOPMENT PLAN	BA-PHALABORWA
on		base						Development		human capital

7. MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

7.1. Key Financial Indicators and ratios

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

Description of financial indicator	Basis of calculation	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<u>Borrowing Management</u>											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.3%	0.3%	1.9%	0.2%	-4.0%	-4.0%	-4.0%	0.4%	0.5%	0.5%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.7%	0.6%	2.8%	0.3%	-6.7%	-6.7%	-6.7%	0.6%	0.6%	0.7%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	17.1%	17.3%	17.3%	17.3%	13.5%	10.6%	8.5%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	0.5	0.2	0.7	114.4	113.3	113.3	113.3	112.2	92.2	93.4
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.5	0.2	0.7	114.4	113.3	113.3	113.3	112.2	92.2	93.4
Liquidity Ratio	Monetary Assets/Current Liabilities	0.0	0.0	0.0	2.4	1.3	1.3	1.3	2.3	2.3	2.3
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		22.3%	31.7%	1.6%	26.4%	26.4%	26.4%	26.4%	11.5%	11.7%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		22.3%	31.7%	25.5%	26.4%	26.4%	26.4%	26.4%	11.5%	11.7%	11.8%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	71.6%	17.7%	90.6%	44.5%	44.5%	44.5%	44.5%	36.5%	29.1%	29.5%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										

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Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))										
Creditors to Cash and Investments		10951.0%	17808.1%	-2041.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW)	0.04	0.19								
	Total Cost of Losses (Rand '000)	2,068									
	% Volume (units purchased and generated less units sold)/units purchased and generated										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	43.4%	36.6%	31.6%	33.2%	33.0%	33.0%	33.0%	27.7%	28.0%	28.4%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	47.6%	40.1%	35.1%	36.8%	36.4%	36.4%		30.6%	31.0%	31.4%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	0.0%	5.8%	5.4%	5.7%	5.7%		4.8%	4.9%	5.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	35.0%	27.1%	20.5%	21.3%	21.6%	21.6%	21.6%	16.3%	16.5%	16.9%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	3.5	3.1	55.5	(18.3)	(18.3)	(18.3)	13.7	16.7	17.0	17.9
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	142.2%	32.4%	179.1%	89.2%	89.2%	89.2%	89.2%	66.7%	52.4%	52.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.2	0.1	(1.0)	0.1	0.0	0.0	0.0	0.1	0.2	0.2

7.2. Measurable Performance Objectives and Indicators

LIM334 Ba-Phalaborwa - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Vote 1 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
<i>Insert measure/s description</i>		1.8km	2.8km	4.3km	3.7km	3.7km	3.7km	4.1km	0km	0km
Sub-function 2 - (name)										
<i>Insert measure/s description</i>		0km	3.0km	4.2km	2.3km	2.3km	2.3km	2.9km	0km	0km
Sub-function 3 - (name)										
<i>Insert measure/s description</i>		1.8km	2.8km	4.3km	3.7km	3.7km	3.7km	4.1km	0km	0km
Function 2 - (name)										
Sub-function 1 - (name)										
<i>Insert measure/s description</i>		0.1km	0.1km	0.1km	0.07km	0.07km	0.07km	0km	0km	0km
Vote 2 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
<i>Insert measure/s description</i>		0.0%	50000.0%	50000.0%	115400.0%	115400.0%	115400.0%	119000.0%	50000.0%	50000.0%
Sub-function 2 - (name)										
<i>Insert measure/s description</i>		0.0%	0.0%	0.0%	2200.0%	2200.0%	2200.0%	3600.0%	3700.0%	3700.0%
Sub-function 3 - (name)										
<i>Insert measure/s description</i>		2000.0%	2000.0%	2000.0%	4000.0%	4000.0%	4000.0%	6000.0%	7000.0%	7000.0%
Function 2 - (name)										

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8. OVERVIEW OF BUDGET-RELATED POLICIES

The following policies has been reviewed and adopted with this budget for implementation by July 2015

Tariff Policy

- The Tariff Policy was reviewed in line with relevant legislation and adopted with this budget for implementation in July 2015

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 2015.

Asset Management Policy

- A policy in line with relevant legislation is reviewed and adopted with this annual budget for implementation in July 2015.

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 2015.

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 2015. The approved indigent register will be in force as from 1st July 2015.

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 2015

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 2015.

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 2015/16 budget to ensure that the budget is meaningful and easy to understand during the calculation of estimated revenues and expenditures:

- Division of Revenue Bill, 2015
- 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 2015/16 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 2015/16 budget:

- Ba-Phalaborwa Five year financial plan
- Treasury circulars 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_ 2015-2020
- Five year financial plan 2015-2020

10. OVERVIEW OF BUDGET FUNDING

10.1. REVENUE AND FINANCING ACTIVITIES

Financial Performance (Revenue By Source and Expenditure By Type)

Description	2011/12	2012/13	2013/14	Current Year 2014/15			Projections		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjustement	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source									
Property rates	34,049	60,257	57,239	70,634	-	70,634	124,589	130,569	138,273
Service charges - electricity revenue	64,500	70,292	83,082	95,327	-	95,327	105,666	110,738	117,271
Service charges - refuse revenue	8,980	9,123	10,422	11,337	-	11,337	11,971	12,546	13,286
Rental of facilities and equipment	200	295	228	330	-	330	346	362	384
Interest earned - external investments	177	332	359	260	-	260	275	288	305
Interest earned - outstanding debtors	41,117	42,369	55,541	74,643	-	74,643	70,973	71,316	71,732
Dividends received	-	-	-	2	-	2	3	3	3
Fines	426	871	2,826	2,600	-	2,600	2,917	3,057	3,238
Licences and permits	1,482	2,375	3,121	9,021	-	9,021	9,399	9,850	10,432
Agency services	560	1,531	9,665	2,255	-	2,255	2,381	2,496	2,643
Transfers recognised - operational	60,864	65,471	73,626	88,490	-	88,490	113,160	115,290	115,663
Transfers recognised - capital	46,837	29,238	28,439	37,279	-	37,279	36,492	37,560	42,159
Other revenue	1,528	3,068	2,291	1,352	-	1,352	1,385	1,452	1,537
Total Revenue	260,720	285,221	326,839	393,530	-	393,530	479,557	495,527	516,925

- The table above illustrate the summaries of revenue and financing activities. The estimated revenue is at R479,557 million
- Equitable share allocation as per Division of Revenue 2015
- Highlights of operational grants as per Division of Revenue
- Highlights of conditional capital grants as per Division of Revenue

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10.2.1 Grants and subsidies as per Division of Revenue 2015

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

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
RECEIPTS:	1, 2									
- Operating Transfers and Grants										
National Government:		56 327	64 761	74 154	88 490	88 490	88 490	113 160	115 290	115 663
Local Government Equitable Share		53 751	61 461	69 433	83 256	83 256	83 256	107 805	110 912	110 792
Finance Management		1 250	1 500	1 550	1 600	1 600	1 600	1 675	1 810	2 145
Municipal Systems Improvement		790	800	890	934	934	934	940	960	1 033
EPWP Incentive		536	1 000	1 000	1 212	1 212	1 212	1 188	-	-
Operating Grant: MIG (5% of MIG Grants for PMU)				1 281	1 488	1 488	1 488	1 552	1 608	1 693
Provincial Government:		2 667	-	-	-	-	-	-	-	-
Excess Employees		2 667	-	-	-	-	-	-	-	-
Other grant providers:		730	500	-	-	-	-	-	-	-
DBSA		730	500	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	59 724	65 261	74 154	88 490	88 490	88 490	113 160	115 290	115 663
Capital Transfers and Grants										
National Government:		22 129	33 778	38 151	37 279	37 279	37 279	36 492	37 560	42 159
Municipal Infrastructure Grant (MIG)		17 129	20 778	38 151	28 279	28 279	28 279	29 492	30 560	32 159
Intergrated National Electrification Grant		4 000	4 000		9 000	9 000	9 000	7 000	7 000	10 000
Neighbourhood Development Partnership		1 000	9 000		-	-	-	-	-	-
Other grant providers:		-	400	-	-	-	-	-	-	-
DBSA			400							
Total Capital Transfers and Grants	5	22 129	34 178	38 151	37 279	37 279	37 279	36 492	37 560	42 159
TOTAL RECEIPTS OF TRANSFERS & GRANTS		81 853	99 439	112 305	125 769	125 769	125 769	149 652	152 850	157 822

- Equitable share has increase from 2014 Division of Revenue – R83,256 million to R107,805 million in 2015
- Financial Management grant also increased from Division of Revenue 2015 from R1,600 million to R1,675 million
- Municipal system Improvement grant increase to R940 thousands as per Division of Revenue 2015.
- Municipal Infrastructure grant as per Division of Revenue is R31,044 million in 2015.
- ENEG R7,000 million as per Division of Revenue 2015.
- EPWP R1,188 million as per Division of Revenue 2015.

Allocation of Expenditure per standard item

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1										
<u>Revenue By Source</u> <u>Expenditure By Type</u>											
Employee related costs	2	92 800	93 712	94 192	118 379	117 516	117 516	117 516	122 693	128 398	134 689
Remuneration of councillors		9 054	9 052	10 492	12 855	12 085	12 085	12 085	12 811	13 579	14 394
Debt impairment	3	–	108 991	2 691	31 558	31 558	31 558	31 558	33 326	34 925	36 986
Depreciation & asset impairment	2	74 449	69 182	61 010	74 909	74 909	74 909	74 909	70 104	73 469	77 804
Finance charges		434	226	128	848	2 048	2 048	2 048	2 109	2 211	2 341
Bulk purchases	2	56 508	53 402	67 501	82 573	82 573	82 573	82 573	94 332	95 000	96 000
Contracted services		17 648	10 096	26 056	45 536	49 485	49 485	49 485	52 256	54 765	57 996
Other expenditure	4, 5	66 174	53 460	70 427	72 160	77 003	77 003	77 003	82 362	86 267	91 298
Loss on disposal of PPE			(86)	(30)							
Total Expenditure		317,067	398,036	332,466	438,819	447,178	447,178	447,178	469,992	488,614	511,507

- The estimated operational expenditure as per standard item is R469,992 million for the financial year 2015/16
- Included on the expenditure per standard item is the depreciation and impairment of assets at an estimated value of R103, 430 million
- Employee related costs for entire staff members exclusive of councillors is estimated at R122,693 million in 2015/16 financial year
- Repairs and maintenance at an estimated value of R21,333 million will be utilised to maintain municipal assets. It is 39.7% of the total estimated capital budget of R53,792 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 2015/16 financial year totals R122,693 million which equals 26 per cent of the total operating expenditure. Salary increases have been factored into this budget at a percentage increase of 4.4 per cent for the 2015/16 financial year as per latest circular 75.

The agreement also provides for an additional increase of 0.25 per cent increase for the 2016/17 financial year. In this regard, we have provided for a 4.65 per cent (4.4 per cent plus 0,25 per cent) increase for the 2016/17 budget year. An annual increase of 4.90 per cent has been included in the 2017/18 financial year.

Remuneration of councilors

- The cost associated with the remuneration of councilors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). For the 2015/16 financial year the remuneration of councilors will amount to R12, 811 million. It is equal to 3 per cent of the operating expenditure.

Debt impairment

- The provision of debt impairment was determined based on an currentl collection rate of 45 per cent and the Debt Write-off Policy of the municipality. For the 2015/16 financial year this amount equates to R33,326 million which equates to 7 percent of the total operating expenditure and escalates to R34,925 million by 2016/17. While this expenditure is considered to be a non-cash flow item, it is informed by the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues and equals to 7 per cent of the operating expenditure.

Depreciation and asset impairment

- Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Budget appropriations in this regard total R70,104 million for the 2015/16 financial and equates to 15 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 20 per cent of the operating expenditure.

Contracted Services

- In the 2015/16 financial year, this group of expenditure totals R52,256 million which equates to 11 percent of the total operating expenditure. For the two outer years, the projection is at R54,765 million and R57,996 million.

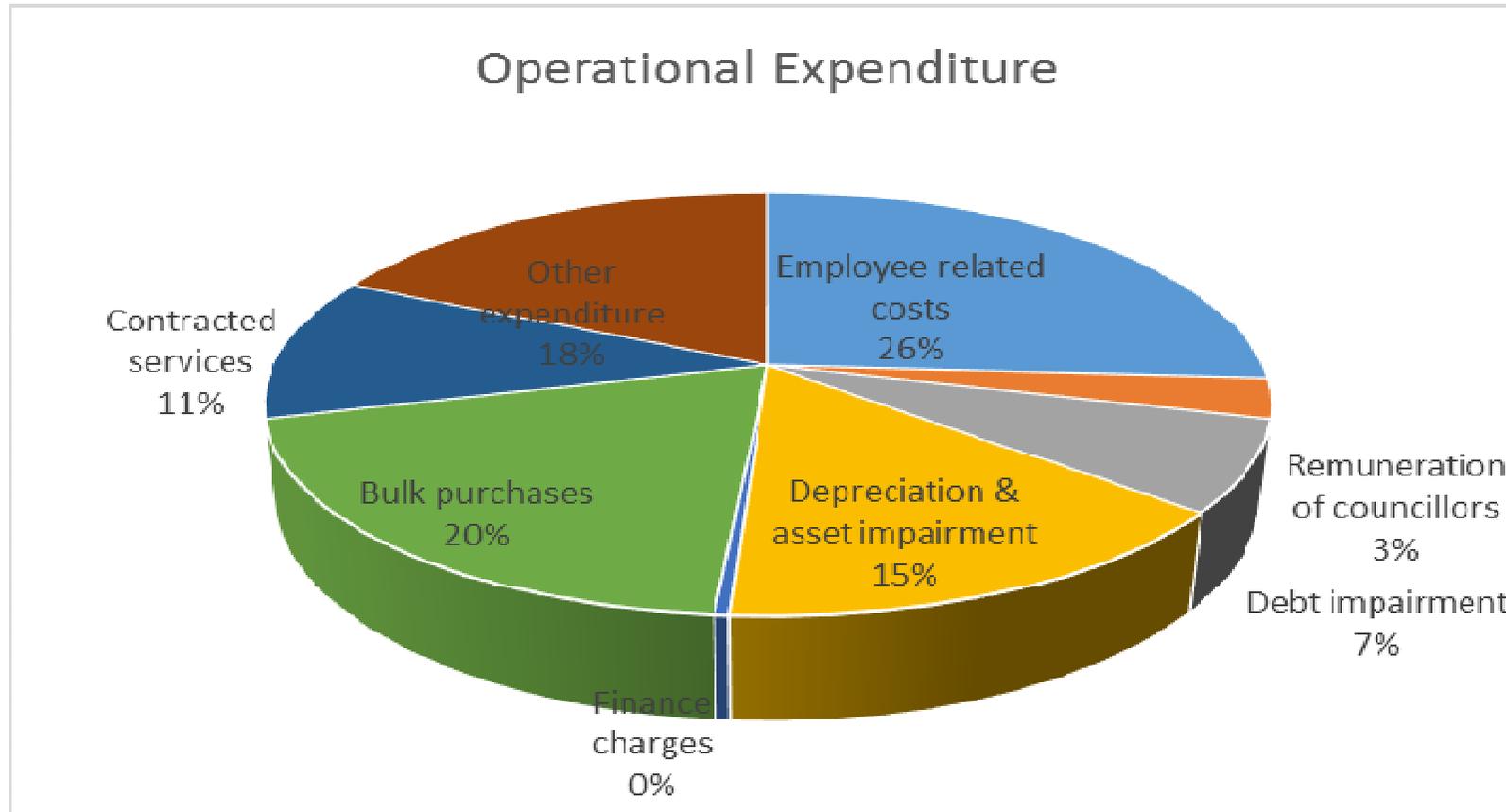
Other Expenditure

- Other expenditure comprises of various line items relating to the daily operations of the municipality, For 2015/16 financial year is estimated at R82,362 million which equates to 18 percent of total operational budget. The amount include R21 million of repairs and maintenance.

Finance Charges

- The finance charges for 2015/16 financial year is estimated to be R2,1 million which constitute 0 per cent of the total operating expenditure.

The following graph gives a breakdown of the main expenditure categories for the 2015/16 financial year.



10.2.2 ALLOCATION OF MAIN VOTE

Vote Description R thousand	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<u>Expenditure by Vote to be appropriated</u>	1									
Vote 1 - Executive and Council		19,932	25,772	21,384	36,507	35,725	35,725	44,222	46,479	49,102
Vote 2 - Budget and Treasury Department		112,591	144,420	65,928	87,451	89,488	89,488	91,301	95,650	101,061
Vote 3 - Corporate Services		25,745	24,160	30,860	42,227	44,257	44,257	47,540	49,749	52,447
Vote 4 - Community and Social Services		41,284	37,378	34,400	63,683	65,648	65,648	65,228	68,301	71,925
Vote 5 - Planning and Development		7,073	7,038	80,758	17,094	16,934	16,934	17,791	18,634	19,650
Vote 6 - Technical Services Department		110,443	159,269	99,136	191,856	195,125	195,125	203,909	209,801	217,332
Total Expenditure by Vote	2	317,067	398,036	332,466	438,819	447,178	447,178	469,992	488,614	511,507
Surplus/(Deficit) for the year	2	(82,811)	(109,157)	(2,529)	(45,289)	(53,648)	(53,648)	9,565	6,914	5,418

- 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	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Funding measures	-	-										
Cash/cash equivalents at the year end - R'000	18(1)b	1	2,642	2,066	(17,807)	2,227	813	813	813	1,612	6,089	7,617
Cash + investments at the yr end less applications - R'000	18(1)b	2	(278,839)	(354,070)	(319,597)	45,437	43,827	43,827	43,827	22,344	19,492	20,401
Cash year end/monthly employee/supplier payments	18(1)b	3	0.2	0.1	(1.0)	0.1	0.0	0.0	0.0	0.1	0.2	0.2
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(8,453)	(39,975)	(2,529)	29,620	(53,648)	(53,648)	(53,648)	9,565	6,914	5,418
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	23.9%	1.9%	11.6%	(6.0%)	(6.0%)	(6.0%)	30.6%	(1.2%)	(0.1%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	22.3%	31.7%	25.5%	26.4%	26.4%	26.4%	26.4%	11.5%	11.7%	11.8%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	0.0%	77.9%	1.8%	17.8%	17.8%	17.8%	17.8%	13.7%	13.7%	13.7%
Capital payments % of capital expenditure	18(1)c;19	8	85.4%	100.0%	98.3%	83.7%	86.9%	86.9%	86.9%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								99.1%	95.4%	93.5%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	(70.4%)	495.7%	(41.4%)	0.0%	0.0%	0.0%	2.1%	(17.6%)	5.0%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	0.0%	0.0%	1.7%	1.5%	1.6%	1.6%	1.7%	1.6%	1.6%	1.6%
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	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Expenditure by Vote	1									
Executive and Council		19,932	25,772	21,384	36,507	41,970	41,970	44,222	46,479	49,102
Municipal Council		10,554	9,557		13,488	12,468	12,468	13,214	14,002	14,842
Office of the Mayor		2,810	3,714		7,710	5,564	5,564	5,853	6,131	6,473
Office of the Municipal Manager		3,099	4,758	21,384	6,665	5,693	5,693	5,952	6,230	6,544
Strategic Planning and Performance Management		736	1,792		3,499	2,007	2,007	2,106	2,205	2,323
Internal Audit and Risk Management		1,143	4,617		2,650	13,871	13,871	14,615	15,313	16,186
Disaster Management		1,591	1,334		2,495	2,368	2,368	2,481	2,598	2,734
Budget and Treasury Department		112,591	144,420	65,928	87,451	86,700	86,700	91,301	95,650	101,061
Office of the CFO		21,923	4,799	65,928	3,965	4,713	4,713	4,926	5,156	5,413
Financial Planning and Reporting		8,565	813		3,404	2,348	2,348	2,453	2,567	2,695
Financial Control and Expenditure Management		56,745	18,229		24,260	22,983	22,983	24,221	25,377	26,829
Revenue and Debt Management		22,330	117,965		51,880	51,314	51,314	54,103	56,689	59,956
Supply Chain Management and Stores		3,029	2,615		3,943	5,343	5,343	5,598	5,862	6,168
									-	-
Corporate Services		25,745	24,160	30,860	42,227	44,257	44,257	47,540	49,749	52,447
Office of the Director		2,988	1,012	30,860	1,961	2,511	2,511	2,627	2,750	2,889
Human Resources		7,028	7,468		13,480	14,392	14,392	16,153	16,874	17,769
Information Technology		693	1,148		1,480	2,412	2,412	2,529	2,648	2,788
Administration		15,036	14,532		22,278	18,454	18,454	19,390	20,308	21,417
Legal					3,029	6,488	6,488	6,843	7,170	7,585
Community and Social Services		41,284	37,378	34,400	63,683	62,191	62,191	65,228	68,301	71,925
Office of the Director		1,310	1,756	34,400	2,243	3,404	3,404	3,558	3,723	3,909

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Libraries		2,612	1,996		3,209	2,920	2,920	3,055	3,198	3,362
Parks		7,517	8,214		13,454	12,065	12,065	12,644	13,238	13,932
Cemeteries		582	265		1,690	1,459	1,459	1,535	1,608	1,697
Traffic		7,865	8,523		12,066	10,796	10,796	11,303	11,832	12,442
Licensing		9,480	3,927		13,901	12,780	12,780	13,456	14,096	14,892
Environment Health		9,341	9,085		11,719	12,027	12,027	12,571	13,158	13,816
Waste Management		2,577	3,611		5,401	6,740	6,740	7,107	7,447	7,876
Planning and Development		7,073	7,038	80,758	17,094	16,934	16,934	17,791	18,634	19,650
Office of the Director		1,090	1,037	80,758	1,765	1,491	1,491	1,560	1,633	1,717
Economic Development		3,415	3,875		12,125	12,336	12,336	12,983	13,601	14,364
Town Planning		2,568	2,126		3,204	3,108	3,108	3,248	3,399	3,569
Technical Services Department		110,443	159,269	99,136	191,856	195,125	195,125	203,909	209,801	217,322
Office of the Director		2,078	6,158	99,136	4,772	2,558	2,558	2,687	2,814	2,967
Electrical Services		70,866	75,856		107,174	111,063	111,063	124,296	126,387	129,129
Building Section		14,436	22,826		18,216	19,807	19,807	20,853	21,846	23,077
Water Services			207			-	-			
Waste Water Management			0			-	-			
Roads and Storm Water Services		21,319	52,540		58,681	58,379	58,379	52,599	55,118	58,325
Project Management Unit		383	649		1,021	1,097	1,097	1,147	1,200	1,260
Mechanical Workshop		1,361	1,032	-	1,992	2,223	2,223	2,327	2,437	2,563
Total Expenditure by Vote	2	317,067	398,036	332,466	438,819	447,178	447,178	469,992	488,614	511,507
Surplus/(Deficit) for the year	2	(82,811)	(109,157)	(2,529)	(45,289)	(53,648)	(53,648)	9,565	6,914	5,418

12 ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY

In the 2015/16 MTREF no allocations will be made by the Municipality to:

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

13 COUNCILLORS AND BOARD MEMBER ALLOWANCE AND EMPLOYEE BENEFITS

13.2 Summary of Councillors and Staff Benefits

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

Summary of Employee and Councillor remuneration R thousand	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
		A	B	C	D	E	F	G	H	I
<u>Councillors (Political Office Bearers plus Other)</u>	1									
Basic Salaries and Wages		6,177	6,222	10,492	9,572	8,372	8,372	8,874	9,407	9,971
Pension and UIF Contributions		21				-	-			
Motor Vehicle Allowance		2,061	1,993		2,783	2,933	2,933	3,109	3,295	3,493
Cellphone Allowance		448	432		501	781	781	828	877	930
Housing Allowances						-	-			
Other benefits and allowances		347	406			-	-			
Sub Total - Councillors		9,054	9,052	10,492	12,855	12,085	12,085	12,811	13,579	14,394
% increase	4		(0.0%)	15.9%	22.5%	(6.0%)	-	6.0%	6.0%	6.0%
<u>Senior Managers of the Municipality</u>	2									
Basic Salaries and Wages		2,091	3,130		3,637	3,637	3,637	3,797	3,974	4,168
Pension and UIF Contributions		4			10	10	10	11	11	12
Motor Vehicle Allowance	3	1,170			2,345	2,345	2,345	2,448	2,562	2,687
Cellphone Allowance	3	51			82	82	82	86	90	94
Other benefits and allowances	3	675	2,747		747	747	747	780	816	856
Payments in lieu of leave		458				-	-	-	-	-
Sub Total - Senior Managers of Municipality		4,448	5,877	-	6,821	6,821	6,821	7,121	7,452	7,818
% increase	4		32.1%	(100.0%)	-	-	-	4.4%	4.7%	4.9%
<u>Other Municipal Staff</u>										
Basic Salaries and Wages		44,054	56,328	94,192	68,254	70,020	70,020	73,101	76,500	80,249
Pension and UIF Contributions		9,606	11,912		14,895	13,551	13,551	14,153	14,812	15,537
Medical Aid Contributions		3,224	3,081		4,855	4,375	4,375	4,567	4,780	5,014
Overtime		2,167	3,480		3,824	3,978	3,978	4,153	4,346	4,559
Performance Bonus		-			-	-	-	-	-	-
Motor Vehicle Allowance	3	5,457	8,059		11,549	12,427	12,427	12,974	13,577	14,242
Cellphone Allowance	3	537	657		972	1,000	1,000	1,044	1,093	1,147

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Housing Allowances	3	617	619		1,655	874	874	913	955	1,002
Other benefits and allowances	3	18,487	447		5,555	3,835	3,835	4,004	4,190	4,396
Payments in lieu of leave		4,204				-	-	-	-	-
Long service awards		-	3,251			634	634	662	693	727
Post-retirement benefit obligations	6					-	-	-	-	-
Sub Total - Other Municipal Staff		88,352	87,835	94,192	111,558	110,694	110,694	115,571	120,945	126,872
% increase	4		(0.6%)	7.2%	18.4%	(0.8%)	-	4.4%	4.7%	4.9%
Total Parent Municipality		101,854	102,764	104,684	131,235	129,601	129,601	135,503	141,977	149,083
			0.9%	1.9%	25.4%	(1.2%)	-	4.6%	4.8%	5.0%
TOTAL SALARY, ALLOWANCES & BENEFITS		101,854	102,764	104,684	131,235	129,601	129,601	135,503	141,977	149,083
% increase	4		0.9%	1.9%	25.4%	(1.2%)	-	4.6%	4.8%	5.0%
TOTAL MANAGERS AND STAFF	5,7	92,800	93,712	94,192	118,379	117,516	117,516	122,693	128,398	134,689

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

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

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4		474,474		180,278			654,751
Chief Whip			444,820		170,393			615,213
Executive Mayor			593,093		219,818			812,911
Executive Committee			2,668,920		1,022,361			3,691,281
Total for all other councillors			4,349,248		2,687,161			7,036,409
Total Councillors	8	-	8,530,555	-	4,280,010			12,810,565
Senior Managers of the Municipality	5							
Municipal Manager (MM)			875,109	1,785	666,513			1,543,407
Chief Finance Officer			870,646	1,785	350,227			1,222,657
Director Technical Services			662,624	1,785	521,471			1,185,880
Director Corporate Services			661,272	1,785	319,212			982,269
Director Planning and Development			531,051	1,785	456,221			989,057
Director Community Services			876,686	1,785	319,568			1,198,038
Total Senior Managers of the Municipality	8,10	-	4,477,389	10,708	2,633,212	-		7,121,308
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	-	13,007,944	10,708	6,913,222	-		19,931,874

14. MONTHLY TARGETS FOR REVENUE AND EXPENDITURE

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

Description	R e f	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source	-															
Property rates		10,382	10,382	10,382	10,382	10,382	10,382	10,382	10,382	10,382	10,382	10,382	10,382	124,589	130,569	138,273
Service charges - electricity revenue		8,805	8,805	8,805	8,805	8,805	8,805	8,805	8,805	8,805	8,805	8,805	8,805	105,666	110,738	117,271
Service charges - refuse revenue		998	998	998	998	998	998	998	998	998	998	998	998	11,971	12,546	13,286
Rental of facilities and equipment		29	29	29	29	29	29	29	29	29	29	29	29	346	362	384
Interest earned - external investments		23	23	23	23	23	23	23	23	23	23	23	23	275	288	305
Interest earned - outstanding debtors		5,914	5,914	5,914	5,914	5,914	5,914	5,914	5,914	5,914	5,914	5,914	5,914	70,973	71,316	71,732
Dividends received		0	0	0	0	0	0	0	0	0	0	0	0	3	3	3
Fines		243	243	243	243	243	243	243	243	243	243	243	243	2,917	3,057	3,238
Licences and permits		783	783	783	783	783	783	783	783	783	783	783	783	9,399	9,850	10,432
Agency services		198	198	198	198	198	198	198	198	198	198	198	198	2,381	2,496	2,643
Transfers recognised - operational		9,430	9,430	9,430	9,430	9,430	9,430	9,430	9,430	9,430	9,430	9,430	9,430	113,160	115,290	115,663
Other revenue		115	115	115	115	115	115	115	115	115	115	115	115	1,385	1,452	1,537
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		36,922	36,922	36,922	36,922	36,922	36,922	36,922	36,922	36,922	36,922	36,922	36,922	443,065	457,967	474,766
Expenditure By Type	-															
Employee related costs		10,224	10,224	10,224	10,224	10,224	10,224	10,224	10,224	10,224	10,224	10,224	10,224	122,693	128,398	134,689
Remuneration of councillors		1,068	1,068	1,068	1,068	1,068	1,068	1,068	1,068	1,068	1,068	1,068	1,068	12,811	13,579	14,394

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Debt impairment		2,777	2,777	2,777	2,777	2,777	2,777	2,777	2,777	2,777	2,777	2,777	2,777	33,326	34,925	36,986
Depreciation & asset impairment		5,842	5,842	5,842	5,842	5,842	5,842	5,842	5,842	5,842	5,842	5,842	5,842	70,104	73,469	77,804
Finance charges		176	176	176	176	176	176	176	176	176	176	176	176	2,109	2,211	2,341
Bulk purchases		7,861	7,861	7,861	7,861	7,861	7,861	7,861	7,861	7,861	7,861	7,861	7,861	94,332	95,000	96,000
Other materials		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services		4,355	4,355	4,355	4,355	4,355	4,355	4,355	4,355	4,355	4,355	4,355	4,355	52,256	54,765	57,996
Transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure		6,863	6,863	6,863	6,863	6,863	6,863	6,863	6,863	6,863	6,863	6,863	6,863	82,362	86,267	91,298
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		39,166	469,992	488,614	511,507											
Surplus/(Deficit)		(2,244)	(26,927)	(30,646)	(36,741)											
Transfers recognised - capital		3,041	3,041	3,041	3,041	3,041	3,041	3,041	3,041	3,041	3,041	3,041	3,041	36,492	37,560	42,159
Surplus/(Deficit) after capital transfers & contributions		797	9,565	6,914	5,418											
Surplus/(Deficit)	1	797	9,565	6,914	5,418											

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 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard	-															
Governance and administration		25,580	25,580	25,580	25,580	25,580	25,580	25,580	25,580	25,580	25,580	25,580	25,580	306,962	316,595	325,063
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Budget and treasury office		25,551	25,551	25,551	25,551	25,551	25,551	25,551	25,551	25,551	25,551	25,551	25,551	306,613	316,229	324,676
Corporate services		29	29	29	29	29	29	29	29	29	29	29	29	349	365	387
Community and public safety		1,248	1,248	1,248	1,248	1,248	1,248	1,248	1,248	1,248	1,248	1,248	1,248	14,980	15,699	16,626
Community and social services		1,018	1,018	1,018	1,018	1,018	1,018	1,018	1,018	1,018	1,018	1,018	1,018	12,213	12,799	13,554
Public safety		231	231	231	231	231	231	231	231	231	231	231	231	2,767	2,900	3,071
Economic and environmental services		2,748	2,748	2,748	2,748	2,748	2,748	2,748	2,748	2,748	2,748	2,748	2,748	32,978	32,949	34,679
Road transport		2,748	2,748	2,748	2,748	2,748	2,748	2,748	2,748	2,748	2,748	2,748	2,748	32,978	32,949	34,679
Trading services		10,386	10,386	10,386	10,386	10,386	10,386	10,386	10,386	10,386	10,386	10,386	10,386	124,637	130,284	140,557
Electricity		9,389	9,389	9,389	9,389	9,389	9,389	9,389	9,389	9,389	9,389	9,389	9,389	112,666	117,738	127,271
Waste management		998	998	998	998	998	998	998	998	998	998	998	998	11,971	12,546	13,286
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Standard		39,963	39,963	39,963	39,963	39,963	39,963	39,963	39,963	39,963	39,963	39,963	39,963	479,557	495,527	516,925
Expenditure - Standard	-															
Governance and administration		15,255	15,255	15,255	15,255	15,255	15,255	15,255	15,255	15,255	15,255	15,255	15,255	183,063	191,878	202,610
Executive and council		3,685	3,685	3,685	3,685	3,685	3,685	3,685	3,685	3,685	3,685	3,685	3,685	44,222	46,479	49,102
Budget and treasury office						7,608								95,650	101,061	

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		7,608	7,608	7,608	7,608		7,608	7,608	7,608	7,608	7,608	7,608	7,608	91,301		
Corporate services		3,962	3,962	3,962	3,962	3,962	3,962	3,962	3,962	3,962	3,962	3,962	3,962	47,540	49,749	52,447
Community and public safety		4,843	58,121	60,854	64,049											
Community and social services		3,902	3,902	3,902	3,902	3,902	3,902	3,902	3,902	3,902	3,902	3,902	3,902	46,819	49,022	51,607
Public safety		942	942	942	942	942	942	942	942	942	942	942	942	11,303	11,832	12,442
Economic and environmental services		8,117	97,404	102,048	107,843											
Planning and development		1,483	1,483	1,483	1,483	1,483	1,483	1,483	1,483	1,483	1,483	1,483	1,483	17,791	18,634	19,650
Road transport		6,634	6,634	6,634	6,634	6,634	6,634	6,634	6,634	6,634	6,634	6,634	6,634	79,613	83,414	88,193
Trading services		10,950	131,403	133,834	137,006											
Electricity		10,358	10,358	10,358	10,358	10,358	10,358	10,358	10,358	10,358	10,358	10,358	10,358	124,296	126,387	129,129
Waste management		592	592	592	592	592	592	592	592	592	592	592	592	7,107	7,447	7,876
Other		-	-	-												
Total Expenditure - Standard		39,166	469,992	488,614	511,507											
Surplus/(Deficit) before assoc.		797	9,565	6,914	5,418											
Share of surplus/ (deficit) of associate														-	-	-
Surplus/(Deficit)	1	797	9,565	6,914	5,418											

14. Budgeted monthly cash flow

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

MONTHLY CASH FLOWS	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash Receipts By Source													1			
Property rates	3,242	3,444	3,089	3,583	3,375	2,765	2,765	3,366	2,542	3,154	2,544	3,901	37,772	40,038	42,160	
Service charges - electricity revenue	7,773	3,254	4,381	4,211	6,069	3,404	3,404	5,398	7,389	5,834	5,944	22,189	79,249	83,053	87,953	
Service charges - water revenue	3,302	6,691	2,553	8,819	2,571	5,669	5,669	8,135	7,389	3,238	3,209	3,368	60,614	64,251	67,656	
Service charges - sanitation revenue	4,512	3,506	4,523	3,599	4,492	4,472	4,472	3,670	4,304	4,109	3,296	4,015	48,971	51,910	54,661	
Service charges - refuse revenue	488	380	423	486	371	339	339	1,480	458	452	452	3,311	8,979	9,409	9,965	
Rental of facilities and equipment	20	20	21	22	22	21	20	21	23	23	23	111	346	362	384	
Interest earned - external investments	26	26	27	19	29	28	17	26	25	26	16	8	275	288	305	
Interest earned - outstanding debtors	322	327	329	329	330	330	330	331	329	326	329	15,617	19,230	19,487	19,799	
Dividends received	0	0	0	0	0	0	0	0	0	0	0	0	3	3	3	
Fines	230	232	233	234	231	232	230	233	235	234	233	192	2,751	2,902	3,056	
Licences and permits	950	852	757	459	561	462	763	1,163	964	866	1,165	579	9,544	10,069	10,603	
Agency services	199	199	200	198	196	195	194	193	193	194	195	228	2,386	2,517	2,651	
Transfer receipts - operational	37,720	-	-	-	37,720	-	-	-	37,720	-	-	-	113,160	115,290	115,663	
Other revenue	75	76	75	77	77	78	79	76	74	75	76	547	1,385	1,452	1,537	
Cash Receipts by Source	58,860	19,009	16,611	22,036	56,044	17,997	18,283	24,092	61,646	18,532	17,482	54,069	384,662	401,031	416,394	
Other Cash Flows by Source																
Transfer receipts - capital	12,164					12,164				12,164			-	36,492	37,560	42,159

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Total Cash Receipts by Source	71,024	19,009	16,611	22,036	68,208	17,997	18,283	24,092	73,810	18,532	17,482	54,069	421,154	438,591	458,553
<u>Cash Payments by Type</u>															
Employee related costs	10,540	10,555	10,558	10,604	10,621	10,636	10,660	10,681	10,694	10,540	10,591	6,012	122,693	130,668	142,428
Remuneration of councillors	1,145	1,152	1,154	1,157	1,158	1,159	1,159	1,161	1,165	1,163	1,167	71	12,811	13,579	14,394
Finance charges	75	76	76	77	79	78	79	80	79	76	75	1,259	2,109	2,211	2,341
Bulk purchases - Electricity	7,352	7,340	7,384	6,413	7,446	7,492	7,388	5,369	8,351	8,348	8,325	13,124	94,332	96,765	98,110
Contracted services	4,164	4,192	4,098	3,210	4,171	4,060	4,089	2,120	4,155	4,182	7,199	8,616	54,256	54,765	57,996
Other expenditure	6,394	6,395	6,351	3,391	6,441	6,592	6,562	3,529	6,510	6,590	6,523	15,082	80,362	81,267	82,298
Cash Payments by Type	29,669	29,710	29,622	24,853	29,916	30,017	29,937	22,940	30,955	30,898	33,881	44,165	366,562	379,254	397,567
<u>Other Cash Flows/Payments by Type</u>															
Capital assets	4,044	5,068	4,095	2,127	4,156	4,021	5,015	2,004	5,116	4,009	5,011	9,127	53,792	54,860	59,459
Repayment of borrowing												-			
Other Cash Flows/Payments												-			
Total Cash Payments by Type	33,713	34,778	33,717	26,980	34,072	34,038	34,952	24,944	36,071	34,907	38,891	53,292	420,354	434,114	457,026
NET INCREASE/(DECREASE) IN CASH HELD	37,311	(15,768)	(17,107)	(4,944)	34,137	(16,041)	(16,668)	(852)	37,739	(16,375)	(21,409)	777	800	4,477	1,528
Cash/cash equivalents at the month/year begin:	813	38,123	22,355	5,249	305	34,442	18,400	1,732	880	38,619	22,244	835	813	1,612	6,089
Cash/cash equivalents at the month/year end:	38,123	22,355	5,249	305	34,442	18,400	1,732	880	38,619	22,244	835	1,612	1,612	6,089	7,617

15 ANNUAL BUDGET AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS

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

16 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

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

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

Description	Ref	Preceding Years	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework			Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Total Contract Value
		1,3	Total	Original Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Estimate						
Parent Municipality:														
<u>Revenue Obligation By Contract</u>	2													-
<i>Contract 1</i>														-
<i>Contract 2</i>														-
<i>Contract 3 etc</i>														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Expenditure Obligation By Contract</u>	2													-
<i>Contract 1</i>														-
<i>Contract 2</i>														-
<i>Contract 3 etc</i>														-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Capital Expenditure Obligation By Contract</u>	2													-
<i>Contract 1</i>														-
<i>Contract 2</i>														-
<i>Contract 3 etc</i>														-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Parent Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-

17 CAPITAL EXPENDITURE DETAILS

17.1 CAPITAL EXPENDITURE ON NEW ASSETS BY ASSET CLASS

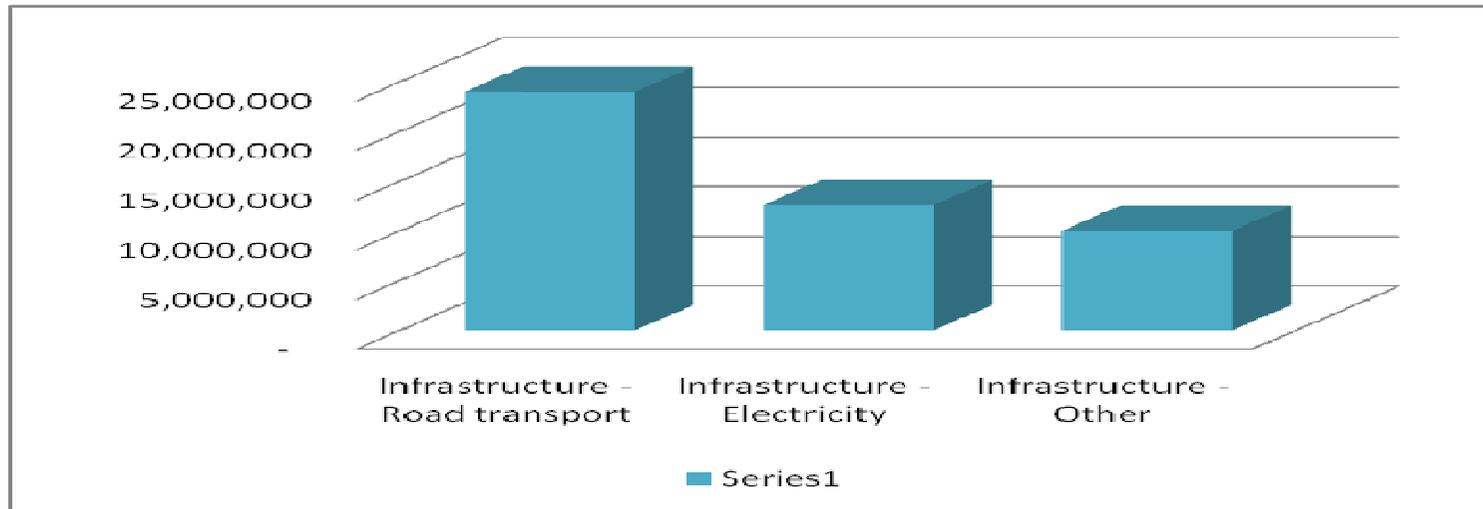
LIM334 Ba-Phalaborwa - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1									
Capital expenditure on new assets by Asset Class/Sub-class										
-										
Infrastructure		32,632	37,840	31,716	55,079	50,579	50,579	46,592	47,660	52,259
Infrastructure - Road transport		20,235	26,169	31,716	22,779	18,479	18,479	23,992	25,060	26,659
<i>Roads, Pavements & Bridges</i>		20,235	26,169	31,713	22,779	18,479	18,479	23,992	25,060	26,659
Infrastructure - Electricity		9,723	11,672	-	27,800	24,300	24,300	12,600	12,600	15,600
<i>Transmission & Reticulation</i>		9,723	11,672	-	27,800	24,300	24,300	12,600	12,600	15,600
Infrastructure - Other		2,674	-	-	4,500	7,800	7,800	10,000	10,000	10,000
<i>Other</i>		2,674	-	-	4,500	7,800	7,800	10,000	10,000	10,000
Community		1,584	1,711	8,830	-	-	-	-	-	-
Parks & gardens										
Other		1,584	1,711	8,830						
Other assets		12,621	3,398	9,523	6,100	3,700	3,700	7,200	7,200	7,200
General vehicles										
Computers - hardware/equipment					2,000	2,000	2,000			
Furniture and other office equipment		12,621	3,398	3,398	2,500	1,700	1,700	1,000	1,000	1,000
Other Buildings								2,700	2,700	2,700
Other				6,124	1,600	-	-	3,500	3,500	3,500
Total Capital Expenditure on new assets	1	46,837	42,949	49,569	61,179	54,279	54,279	53,792	54,860	59,459

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Capital Infrastructure programmes

The following graph provides a breakdown of the capital budget in rand value to be spent on infrastructure capital projects for 2015/16 Financial year.

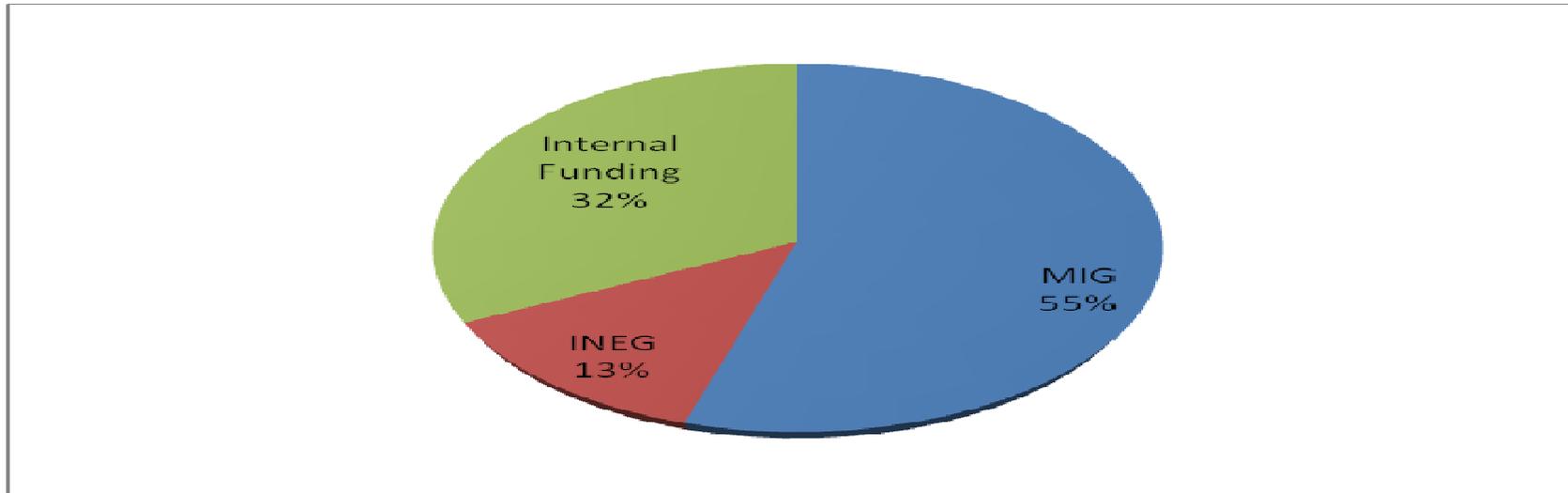


The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.

For 2015/16 financial year the infrastructure- road transport is budgeted for R23,992 million and followed by the infrastructure electricity which is budgeted for R12,600 million for 2015/16 financial year. Infrastructure- other is budgeted for R10 million for 2015/16 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 2015/16



The capital programme is funded from grants and transfers, and internally generated funds from current year surpluses. For 2015/16 financial year, MIG totals to 55 percent, INEG at 13 percent and internally generated funding totals 32 percent over the MTREF.

17.2 DETAILED CAPITAL PROGRAMMES

PROJECT DESCRIPTION	BUDGET	SOURCE OF FUNDING
Installation of Backup Generator	600,000	BPM
Upgrade of single phase network to three phase in Ex1	2,000,000	BPM
Upgrade of switchgear and Protection relays at Cleveland	3,000,000	BPM
Rehabilitation of street in Phalaborwa, Namakgale & Lulekani	3,000,000	BPM
Construction of stormwater culvert in maseke and Kanana	500,000	BPM
Roads and Stormwater master plan	1,000,000	BPM
Design of municipal offices	500,000	BPM
Namakgale Cemetery (Fencing) Old and new	1,000,000	BPM
Development of Disaster recovery Plan & Business Continuity Plan	2,000,000	BPM
Upgrading of ICT Infrastructure (Cabling , Computers , Switches , Servers ,printers , wireless and Laptops	1,500,000	BPM
Centralized Archives	500,000	BPM
Furniture & Equipment	1,000,000	BPM
Revamp of Chamber and Mayoral Parlour	700,000	BPM
Mashishimale sport complex	9,000,000	MIG
Tambo street paving	3,000,000	MIG
Upgrading of B1 Extension road	4,000,000	MIG
Upgrading of internal street at foskor	8,500,000	MIG
Benfarm street paving	1,000,000	MIG
Selwane sport complex	1,000,000	MIG
Topville to score street paving	2,992,000	MIG
Electrification of Biko Ext and Nina Nkulu	7,000,000	INEG
	53,792,000	

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 2015
- Budget Regulations and Circulars
- Asset Management Regulations
- Municipal systems Act, 2000
- Minimum Competency Levels of Municipal Finance Officers Regulations
- Local Government: Municipal Property Rates Act(MPRA)
- Municipal Budget and Reporting Regulations (MBRR)

19 OTHER SUPPORTING DOCUMENTS

19.1 Supporting details to Budgeted Financial Performance

LIM334 Ba-Phalaborwa - Table A1 Budget Summary

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands										
Financial Performance										
Property rates	34,049	60,257	57,239	70,634	70,634	70,634	70,634	124,589	130,569	138,273
Service charges	73,480	79,414	93,504	106,664	106,664	106,664	106,664	117,637	123,284	130,557
Investment revenue	177	332	359	260	260	260	260	275	288	305
Transfers recognised - operational	60,864	65,471	73,626	88,490	88,490	88,490	88,490	113,160	115,290	115,663
Other own revenue	45,313	50,508	73,672	90,204	90,204	90,204	90,204	87,404	88,537	89,968
	213,883	255,983	298,400	356,251	356,251	356,251	356,251	443,065	457,967	474,766
Total Revenue (excluding capital transfers and contributions)										
Employee costs	92,800	93,712	94,192	118,379	117,516	117,516	117,516	122,693	128,398	134,689
Remuneration of councillors	9,054	9,052	10,492	12,855	12,085	12,085	12,085	12,811	13,579	14,394
Depreciation & asset impairment	74,449	69,182	61,010	74,909	74,909	74,909	74,909	70,104	73,469	77,804
Finance charges	434	226	128	848	2,048	2,048	2,048	2,109	2,211	2,341
Materials and bulk purchases	56,508	53,402	67,501	82,573	82,573	82,573	82,573	94,332	95,000	96,000
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	83,822	172,461	99,144	149,254	158,047	158,047	158,047	167,944	175,957	186,279
Total Expenditure	317,067	398,036	332,466	438,819	447,178	447,178	447,178	469,992	488,614	511,507
Surplus/(Deficit)	(103,185)	(142,052)	(34,066)	(82,567)	(90,926)	(90,926)	(90,926)	(26,927)	(30,646)	(36,741)
Transfers recognised - capital	20,374	32,895	31,537	37,279	37,279	37,279	37,279	36,492	37,560	42,159
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
	(82,811)	(109,157)	(2,529)	(45,289)	(53,648)	(53,648)	(53,648)	9,565	6,914	5,418
Surplus/(Deficit) after capital transfers & contributions										
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(82,811)	(109,157)	(2,529)	(45,289)	(53,648)	(53,648)	(53,648)	9,565	6,914	5,418
Capital expenditure & funds sources										

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Capital expenditure	46,837	42,949	49,569	61,179	54,279	54,279	54,279	53,792	54,860	59,459
Transfers recognised - capital	46,837	29,238	28,439	37,279	37,279	37,279	37,279	36,492	37,560	42,159
Public contributions & donations	-	-	9,365	-	-	-	-	-	-	-
Internally generated funds	-	13,711	11,766	23,900	17,000	17,000	17,000	17,300	17,300	17,300
Total sources of capital funds	46,837	42,949	49,569	61,179	54,279	54,279	54,279	53,792	54,860	59,459
Financial position										
Total current assets	159,157	56,845	284,875	171,542	169,932	169,932	169,932	185,132	156,733	163,450
Total non current assets	1,120,753	1,057,189	1,051,575	1,284,539	1,277,639	1,277,639	1,277,639	1,360,832	1,436,991	1,513,131
Total current liabilities	322,232	373,494	392,588	1,500	1,500	1,500	1,500	1,650	1,700	1,750
Total non current liabilities	36,618	33,736	50,157	230,000	230,000	230,000	230,000	198,000	166,000	144,000
Community wealth/Equity	921,060	706,805	893,704	1,224,581	1,216,071	1,216,071	1,216,071	1,336,315	1,416,024	1,520,831
Cash flows										
Net cash from (used) operating	25,939	43,315	88,726	51,306	27,501	27,501	27,501	54,592	59,337	60,987
Net cash from (used) investing	(39,987)	(42,949)	(102,469)	(51,179)	(47,179)	(47,179)	(47,179)	(53,792)	(54,860)	(59,459)
Net cash from (used) financing	11,113	(941)	(6,131)	-	20,000	20,000	20,000	-	-	-
Cash/cash equivalents at the year end	2,642	2,066	(17,807)	2,227	813	813	813	1,612	6,089	7,617
Cash backing/surplus reconciliation										
Cash and investments available	(20,895)	2,066	(17,807)	3,600	1,990	1,990	1,990	3,800	3,900	3,950
Application of cash and investments	257,944	356,136	301,790	(41,837)	(41,837)	(41,837)	(41,837)	(18,544)	(15,592)	(16,451)
Balance - surplus (shortfall)	(278,839)	(354,070)	(319,597)	45,437	43,827	43,827	43,827	22,344	19,492	20,401
Asset management										
Asset register summary (WDV)	65,337	1,160,515	1,051,575	1,284,539	1,277,639	1,277,639	1,360,832	1,360,832	1,436,991	1,513,131
Depreciation & asset impairment	74,449	69,182	61,010	74,909	74,909	74,909	70,104	70,104	73,469	77,804
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	-	-	17,400	19,291	20,202	20,202	21,333	21,333	22,357	23,676
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Households below minimum service level										
Water:	0	0	0	0	0	0	0	0	0	0
Sanitation/sewerage:	7	7	6	6	6	6	6	6	6	6
Refuse:	-	-	21	21	21	21	21	21	21	21

b.Matrix Financial Performance

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

Description	Executive and Council	Budget and Treasury Department	Corporate Services	Community and Social Services	Planning and Development	Technical Services Department	Total
R thousand							
Revenue By Source							
Property rates	-	124,589	-	-	-	-	124,589
Service charges - electricity revenue	-	-	-	-	-	105,666	105,666
Service charges - refuse revenue	-	-	-	11,971	-	-	11,971
Rental of facilities and equipment	-	-	346	-	-	-	346
Interest earned - external investments	-	275	-	-	-	-	275
Interest earned - outstanding debtors	-	70,973	-	-	-	-	70,973
Dividends received	-	3	-	-	-	-	3
Fines	-	-	-	2,917	-	-	2,917
Licences and permits	-	-	-	9,399	-	-	9,399
Agency services	-	-	-	2,381	-	-	2,381
Other revenue	-	354	3	283	-	745	1,385
Transfers recognised - operational	-	110,420	-	-	-	2,740	113,160
Total Revenue (excluding capital transfers and contributions)	-	306,613	349	26,952	-	109,151	443,065
Expenditure By Type							
Employee related costs	12,745	22,178	16,996	38,755	7,885	24,133	122,693
Remuneration of councillors	12,811						12,811
Debt impairment		33,326					33,326
Depreciation & asset impairment		7,920				62,184	70,104
Finance charges		2,109					2,109
Bulk purchases						94,332	94,332
Contracted services	10,661	16,819	5,745	11,110	7,922		52,256
Other expenditure	8,006	8,948	24,799	15,363	1,984	23,261	82,362
Total Expenditure	44,222	91,301	47,540	65,228	17,791	203,909	469,992

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Surplus/(Deficit)	(44,222)	215,313	(47,191)	(38,276)	(17,791)	(94,758)	(26,927)
Transfers recognised - capital						36,492	36,492
Contributed assets							-
Surplus/(Deficit) after capital transfers & contributions	(44,222)	215,313	(47,191)	(38,276)	(17,791)	(58,266)	9,565

c.Supporting Details to Budgeted Financial Position

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

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
ASSETS											
Call investment deposits											
Call deposits < 90 days		2			1 500	1 500	1 500	1 500	1 700	1 800	1 850
Other current investments > 90 days											
Total Call investment deposits	2	2	-	-	1 500	1 500	1 500	1 500	1 700	1 800	1 850
Consumer debtors											
Consumer debtors		152 863	45 372	110 688	190 000	190 000	190 000	190 000	195 000	200 000	140 000
Less: Provision for debt impairment					(31 558)	(31 558)	(31 558)	(31 558)	(33 168)	(66 667)	
Total Consumer debtors	2	152 863	45 372	110 688	158 442	158 442	158 442	158 442	161 832	133 333	140 000
Debt impairment provision											
Balance at the beginning of the year											
Contributions to the provision											
Bad debts written off											
Balance at end of year		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		1 120 753	1 056 876	1 051 231	1 716 894	1 709 994	1 709 994	1 709 994	1 868 249	2 020 219	2 127 291
Leases recognised as PPE											
Less: Accumulated depreciation					432 755	432 755	432 755	432 755	507 816	583 628	614 560
Total Property, plant and equipment (PPE)	2	1 120 753	1 056 876	1 051 231	1 284 139	1 277 239	1 277 239	1 277 239	1 360 432	1 436 591	1 512 731
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)		6 530									
Current portion of long-term liabilities											
Total Current liabilities - Borrowing		6 530	-	-	-	-	-	-	-	-	-
Trade and other payables											
Trade and other creditors		289 287	368 002	363 596					5 091	5 305	5 533
Unspent conditional transfers		2 789	2 511	7 141					-	-	-
VAT											
Total Trade and other payables	2	292 076	370 513	370 737	-	-	-	-	5 091	5 305	5 533

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Non current liabilities - Borrowing											
Borrowing	4	4 389			210 000	210 000	210 000	210 000	180 000	150 000	130 000
Finance leases (including PPP asset element)		262									
Total Non current liabilities - Borrowing		4 651	-	-	210 000	210 000	210 000	210 000	180 000	150 000	130 000
Provisions - non-current											
Retirement benefits		23 147									
List other major provision items											
Refuse landfill site rehabilitation											
Other		8 820	33 736	50 157	20 000	20 000	20 000	20 000	18 000	16 000	14 000
Total Provisions - non-current		31 967	33 736	50 157	20 000	20 000	20 000	20 000	18 000	16 000	14 000
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		162 276									
GRAP adjustments		841 913									
Restated balance		1 004 189	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)		(82 811)	(109 157)	(2 529)	(45 289)	(53 648)	(53 648)	(53 648)	9 565	6 914	5 418
Appropriations to Reserves											
Transfers from Reserves											
Depreciation offsets		74 357	69 182		74 909						
Other adjustments											
Accumulated Surplus/(Deficit)	1	995 736	(39 975)	(2 529)	29 620	(53 648)	(53 648)	(53 648)	9 565	6 914	5 418
Reserves	-										
Housing Development Fund											
Capital replacement											
Self-insurance											
Other reserves				893 704	1 224 581	1 216 071	1 216 071	1 216 071	1 340 735	1 424 709	1 530 815
Revaluation											
Total Reserves	2	-	-	893 704	1 224 581	1 216 071	1 216 071	1 216 071	1 340 735	1 424 709	1 530 815
TOTAL COMMUNITY WEALTH/EQUITY	2	995 736	(39 975)	891 175	1 254 201	1 162 423	1 162 423	1 162 423	1 350 300	1 431 622	1 536 233

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	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		56,327	64,761	74,154	88,490	88,490	88,490	113,160	115,290	115,663
Conditions met - transferred to revenue		56,327	64,761	74,154	88,490	88,490	88,490	113,160	115,290	115,663
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts		2,667	-	-						
Conditions met - transferred to revenue		2,667	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts		730	500	-						
Conditions met - transferred to revenue		730	500	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		59,724	65,261	74,154	88,490	88,490	88,490	113,160	115,290	115,663
Total operating transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year				-						
Current year receipts		22,129	33,778	38,151	37,279	37,279	37,279	36,492	37,560	42,159
Conditions met - transferred to revenue		22,129	33,778	38,151	37,279	37,279	37,279	36,492	37,560	42,159
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts		400								
Conditions met - transferred to revenue		400	-	-	-	-	-	-	-	-

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Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		22,529	33,778	38,151	37,279	37,279	37,279	36,492	37,560	42,159
Total capital transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		82,253	99,039	112,305	125,769	125,769	125,769	149,652	152,850	157,822
TOTAL TRANSFERS AND GRANTS - CTBM		-	-	-	-	-	-	-	-	-

f.Future Financial Implications

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

g.Projects Delayed from Previous Financial Years

- No project delays from the previous financial year.

Other supporting tables

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

Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand												
Integrate social development and services for sustainability	Programmes to strengthen community empowerment are HIV/Aids, Health, Education, Youth, Gender, Disability, Arts and Culture, Sports and Recreation, Libraries, Indigent Support, Traffic and Licensing, Safety and Security and Disaster management.			10,888	13,899	26,267	25,522	25,522	25,522	26,952	28,245	29,912
Integrate technical and social infrastructure and services for sustainability	Urgent attention needs to be paid to the provision of infrastructure and services (as per the constitutional requirements) to improve the accessibility of services to all communities within the municipal area. This will include basic services, roads, sports fields, community halls, libraries and the provision of cemeteries			85,637	104,187	118,140	136,012	136,012	136,012	145,643	150,687	161,950

Sustain the environment	<p>Environmental sustainability must receive due consideration. Ba-Phalaborwa has scarce water resources, therefore special attention should be given to the conservation and management of water resources. Due to the mining activities, water and air pollution should be monitored and assessed continuously and mitigating actions taken to ensure management of pollution. Together with this, a great challenge for the Municipality is the establishment of a new landfill site and the closure and rehabilitation of the current landfill site. The development of parks should also be addressed under this objective</p>											
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<p>Improve financial viability</p>	<p>Weaknesses identified under this objective include financial viability, financial management, audit history, personnel budget, revenue collection and locked finances, maintenance budget, failure to maximise revenue collection. Strategies have been developed to ensure that challenges regarding financial viability are addressed.</p>			<p>134,906</p>	<p>170,288</p>	<p>185,133</p>	<p>231,665</p>	<p>231,665</p>	<p>231,665</p>	<p>306,613</p>	<p>316,229</p>	<p>324,676</p>
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Enhance stakeholder involvement	<p>One of the greatest challenges in municipalities is to involve the community in the activities of the municipality and ensure that the voice of the community is heard. Two programmes where this can be achieved are through public participation and ward committees. It is therefore crucial for the municipality to ensure that ward committees are functional and that the community's voice is heard through public participation. Customer relations management needs to be improved i.e. communication to communities and stakeholders and the customer care desk. Complaints by the community and stakeholders need to be tracked and reported back to them.</p>											
Facilitate sustainable development	<p>All development should be aligned to the SDF and be according to the LUMS to ensure that growth points are developed. All programmes and projects should be continuously monitored and evaluated to ensure that they contribute to the future growth and achievement of the "bigger picture" envisaged for the municipal area.</p>			-	-		-	-	-			

Advance good corporate governance	To enhance unqualified institutional management, institutional processes should be improved. Cooperative governance deals with policy implementation, audit, information and communication technology, intergovernmental relations which should be improved upon and strengthen. This will lead to open and transparent decision-making and sound governance practices throughout the municipality			2,826	504	228	330	330	330	349	365	387
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Develop tourism and grow the economy	The best way to alleviate poverty, curb unemployment and address social problems is to ensure that there are enough jobs so that everybody in the community can earn a living. Ba-Phalaborwa has various projects and initiatives to alleviate poverty and stimulate economic growth. Ba-Phalaborwa's strategic location has established it as a developmental and economic node in tourism, mining, agriculture and services. The aim with this objective is to ensure that all community members can participate and share in the growing economy. The Ba-Phalaborwa Sustainable Development Initiative will go a long way in ensuring that the poorest communities are included and benefitting through economic growth within the municipal area.					170							
Total Revenue (excluding capital transfers and contributions)			1	234,257	288,879	329,937	393,530	393,530	393,530	479,557	495,527	516,925	

LIM334 Ba-Phalaborwa - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand												
Integrate social development and services for sustainability	Programmes to strengthen community empowerment are HIV/Aids, Health, Education, Youth, Gender, Disability, Arts and Culture, Sports and Recreation, Libraries, Indigent Support, Traffic and Licensing, Safety and Security and Disaster management.	A		-	1,711	8,330	1,600	-	-	-	-	-
Integrate technical and social infrastructure and services for sustainability	Urgent attention needs to be paid to the provision of infrastructure and services (as per the constitutional requirements) to improve the accessibility of services to all communities within the municipal area. This will include basic services, roads, sports fields, community halls, libraries and the provision of cemeteries	B		29,958	37,840	31,716	55,079	50,579	50,579	48,092	49,160	53,759
Sustain the environment	Environmental sustainability must receive due consideration. Ba-Phalaborwa has scarce water resources, therefore special attention should be given to the conservation and management of water resources. Due to the mining activities, water and air pollution should be monitored and assessed continuously and mitigating actions taken to ensure management of pollution. Together with this, a great challenge for the Municipality is the establishment of a new landfill site and the closure and rehabilitation of the current landfill site. The development of parks should also be addressed under this objective	C										
		D		-	-	-	-	-	-	-	-	-
		E										
Improve financial viability	Weaknesses identified under this objective include financial viability, financial management, audit history, personnel budget, revenue collection and locked finances, maintenance	F		4,258	-	-	-	-	-	-	-	-

	budget, failure to maximise revenue collection. Strategies have been developed to ensure that challenges regarding financial viability are addressed.	G										
Enhance stakeholder involvement	One of the greatest challenges in municipalities is to involve the community in the activities of the municipality and ensure that the voice of the community is heard. Two programmes where this can be achieved are through public participation and ward committees. It is therefore crucial for the municipality to ensure that ward committees are functional and that the community's voice is heard through public participation. Customer relations management needs to be improved i.e. communication to communities and stakeholders and the customer care desk. Complaints by the community and stakeholders need to be tracked and reported back to them.	H	-	-								
Facilitate sustainable development	All development should be aligned to the SDF and be according to the LUMS to ensure that growth points are developed. All programmes and projects should be continuously monitored and evaluated to ensure that they contribute to the future growth and achievement of the "bigger picture" envisaged for the municipal area.	I										
		J	-	-								
		K										
Advance good corporate governance	To enhance unqualified institutional management, institutional processes should be improved. Cooperative governance deals with policy implementation, audit, information and communication technology, intergovernmental relations which should be improved upon and	L	12,621	3,398	3,398	4,500	3,700	3,700	5,700	5,700	5,700	

Develop tourism and grow the economy	strengthen. This will lead to open and transparent decision-making and sound governance practices throughout the municipality	M										
	The best way to alleviate poverty, curb unemployment and address social problems is to ensure that there are enough jobs so that everybody in the community can earn a living. Ba-Phalaborwa has various projects and initiatives to alleviate poverty and stimulate economic growth. Ba-Phalaborwa's strategic location has established it as a developmental and economic node in tourism, mining, agriculture and services. The aim with this objective is to ensure that all community members can participate and share in the growing economy. The Ba-Phalaborwa Sustainable Development Initiative will go a long way in ensuring that the poorest communities are included and benefitting through economic growth within the municipal area.	N			6,124							
Allocations to other priorities			3									
Total Capital Expenditure			1	46,837	42,949	49,569	61,179	54,279	54,279	53,792	54,860	59,459

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

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
RECEIPTS:	1, 2									
-										
<u>Operating Transfers and Grants</u>										
National Government:		56,327	64,761	74,154	88,490	88,490	88,490	113,160	115,290	115,663
Local Government Equitable Share		53,751	61,461	69,433	83,256	83,256	83,256	107,805	110,912	110,792
Finance Management		1,250	1,500	1,550	1,600	1,600	1,600	1,675	1,810	2,145
Municipal Systems Improvement		790	800	890	934	934	934	940	960	1,033
EPWP Incentive		536	1,000	1,000	1,212	1,212	1,212	1,188	-	-
Operating Grant: MIG (5% of MIG Grants for PMU)				1,281	1,488	1,488	1,488	1,552	1,608	1,693
Provincial Government:		2,667	-	-	-	-	-	-	-	-
Excess Employees		2,667	-	-	-	-	-	-	-	-
Other grant providers:		730	500	-	-	-	-	-	-	-
DBSA		730	500	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	59,724	65,261	74,154	88,490	88,490	88,490	113,160	115,290	115,663
<u>Capital Transfers and Grants</u>										
National Government:		22,129	33,778	38,151	37,279	37,279	37,279	36,492	37,560	42,159
Municipal Infrastructure Grant (MIG)		17,129	20,778	38,151	28,279	28,279	28,279	29,492	30,560	32,159
Intergrated National Electrification Grant		4,000	4,000		9,000	9,000	9,000	7,000	7,000	10,000
Neighbourhood Development Partnership		1,000	9,000		-	-	-	-	-	-
Other capital transfers/grants [insert desc]										
0										
Other grant providers:		-	400	-	-	-	-	-	-	-
DBSA			400							
Total Capital Transfers and Grants	5	22,129	34,178	38,151	37,279	37,279	37,279	36,492	37,560	42,159
TOTAL RECEIPTS OF TRANSFERS & GRANTS		81,853	99,439	112,305	125,769	125,769	125,769	149,652	152,850	157,822

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

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
EXPENDITURE:	1									
- <u>Operating expenditure of Transfers and Grants</u>										
National Government:		56,327	64,761	73,626	88,490	88,490	88,490	113,160	115,290	115,663
Local Government Equitable Share		53,751	61,461	69,433	83,256	83,256	83,256	107,805	110,912	110,792
Finance Management		1,250	1,500	1,550	1,600	1,600	1,600	1,675	1,810	2,145
Municipal Systems Improvement		790	800	890	934	934	934	940	960	1,033
EPWP Incentive		536	1,000	1,000	1,212	1,212	1,212	1,188	-	-
Operating Grant: MIG (5% of MIG Grants for PMU)				753	1,488	1,488	1,488	1,552	1,608	1,693
Provincial Government:		2,667	-	-	-	-	-	-	-	-
Excess Employees		2,667	-	-	-	-	-	-	-	-
Other grant providers:		730	500	-	-	-	-	-	-	-
DBSA		730	500	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		59,724	65,261	73,626	88,490	88,490	88,490	113,160	115,290	115,663
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		22,129	32,676	31,537	37,279	37,279	37,279	36,492	37,560	42,159
Municipal Infrastructure Grant (MIG)		17,129	20,778	31,537	28,279	28,279	28,279	29,492	30,560	32,159
Intergrated National Electrification Grant		4,000	3,780	-	9,000	9,000	9,000	7,000	7,000	10,000
Neighbourhood Development Partnership		1,000	8,118	-	-	-	-	-	-	-
Other grant providers:		400	-	-	-	-	-	-	-	-
DBSA		400	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		22,529	32,676	31,537	37,279	37,279	37,279	36,492	37,560	42,159
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		82,253	97,937	105,164	125,769	125,769	125,769	149,652	152,850	157,822

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

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote	-															
Executive and Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Budget and Treasury Department		25,551	25,551	25,551	25,551	25,551	25,551	25,551	25,551	25,551	25,551	25,551	25,551	306,613	316,229	324,676
Corporate Services		29	29	29	29	29	29	29	29	29	29	29	29	349	365	387
Community and Social Services		2,246	2,246	2,246	2,246	2,246	2,246	2,246	2,246	2,246	2,246	2,246	2,246	26,952	28,245	29,912
Planning and Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Technical Services Department		12,137	12,137	12,137	12,137	12,137	12,137	12,137	12,137	12,137	12,137	12,137	12,137	145,643	150,687	161,950
Total Revenue by Vote		39,963	39,963	39,963	39,963	39,963	39,963	39,963	39,963	39,963	39,963	39,963	39,963	479,557	495,527	516,925
Expenditure by Vote to be appropriated	-															
Executive and Council		3,685	3,685	3,685	3,685	3,685	3,685	3,685	3,685	3,685	3,685	3,685	3,685	44,222	46,479	49,102
Budget and Treasury Department		7,608	7,608	7,608	7,608	7,608	7,608	7,608	7,608	7,608	7,608	7,608	7,608	91,301	95,650	101,061
Corporate Services		3,962	3,962	3,962	3,962	3,962	3,962	3,962	3,962	3,962	3,962	3,962	3,962	47,540	49,749	52,447
Community and Social Services		5,436	5,436	5,436	5,436	5,436	5,436	5,436	5,436	5,436	5,436	5,436	5,436	65,228	68,301	71,925
Planning and Development		1,483	1,483	1,483	1,483	1,483	1,483	1,483	1,483	1,483	1,483	1,483	1,483	17,791	18,634	19,650
Technical Services Department		16,992	16,992	16,992	16,992	16,992	16,992	16,992	16,992	16,992	16,992	16,992	16,992	203,909	209,801	217,322
Total Expenditure by Vote		39,166	39,166	39,166	39,166	39,166	39,166	39,166	39,166	39,166	39,166	39,166	39,166	469,992	488,614	511,507
Surplus/(Deficit)	1	797	797	797	797	797	797	797	797	797	797	797	797	9,565	6,914	5,418

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

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
-										
Infrastructure		-	-	17,009	11,201	12,601	12,601	13,306	13,945	14,768
Infrastructure - Road transport		-	-	6,083	5,400	4,400	4,400	4,646	4,869	5,157
<i>Roads, Pavements & Bridges</i>				6,083	5,400	4,400	4,400	4,646	4,869	5,157
<i>Storm water</i>										
Infrastructure - Electricity		-	-	9,834	4,600	6,600	6,600	6,970	7,304	7,735
<i>Generation</i>										
<i>Transmission & Reticulation</i>				9,834	4,600	6,600	6,600	6,970	7,304	7,735
Infrastructure - Other		-	-	1,092	1,201	1,601	1,601	1,690	1,771	1,876
<i>Other</i>	3			1,092	1,201	1,601	1,601	1,690	1,771	1,876
Community		-	-	-	4,480	4,631	4,631	4,890	5,125	5,427
Parks & gardens					2,600	2,600	2,600	2,746	2,877	3,047
Sportsfields & stadia										
Clinics										
Museums & Art Galleries										
Cemeteries					550	550	550	581	609	645
Social rental housing	8					-	-	-	-	-
Other					1,330	1,481	1,481	1,564	1,639	1,736
Heritage assets		-	-	-	32	32	32	34	35	38
Buildings										
Other	9				32	32	32	34	35	38
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		-	-	391	3,578	2,938	2,938	3,103	3,252	3,443
General vehicles										

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Computers - hardware/equipment				391	3,578	2,938	2,938	3,103	3,252	3,443
Furniture and other office equipment										
Other										
Agricultural assets										
Other (<i>list sub-class</i>)		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	1	-	-	17,400	19,291	20,202	20,202	21,333	22,357	23,676

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

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Depreciation by Asset Class/Sub-class										
-										
Infrastructure		-	-	-	62,909	62,909	62,909	57,432	60,189	63,740
Infrastructure - Road transport		-	-	-	48,409	48,409	48,409	42,120	44,142	46,746
<i>Roads, Pavements & Bridges</i>					48,409	48,409	48,409	42,120	44,142	46,746
Infrastructure - Electricity		-	-	-	7,000	7,000	7,000	7,392	7,747	8,204
<i>Transmission & Reticulation</i>					7,000	7,000	7,000	7,392	7,747	8,204
<i>Street Lighting</i>										
Infrastructure - Other		-	-	-	7,500	7,500	7,500	7,920	8,300	8,790
<i>Other</i>	3				7,500	7,500	7,500	7,920	8,300	8,790
Community		-	-	-	-	-	-	-	-	-
Parks & gardens										
Other assets		-	-	-	12,000	12,000	12,000	12,672	13,280	14,064
General vehicles										
Specialised vehicles	10	-	-	-	-	-	-	-	-	-
Computers - hardware/equipment										
Furniture and other office equipment					12,000	12,000	12,000	12,672	13,280	14,064

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Other										
Agricultural assets		-	-	-	-	-	-	-	-	-
Total Depreciation	1	-	-	-	74,909	74,909	74,909	70,104	73,469	77,804

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

Investment type	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		2			1,500	1,500	1,500	1,700	1,800	1,850
Municipality sub-total	1	2	-	-	1,500	1,500	1,500	1,700	1,800	1,850
Consolidated total:		2	-	-	1,500	1,500	1,500	1,700	1,800	1,850

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

Vote Description	Ref	2015/16 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Present value
R thousand								
Capital expenditure	1							
Vote 1 - Executive and Council		-	-	-	-	-	-	-
Vote 2 - Budget and Treasury Department		-	-	-	-	-	-	-
Vote 3 - Corporate Services		5 700	5 700	5 700	6 019	6 344	6 687	3 700
Vote 4 - Community and Social Services		-	-	-	-	-	-	-
Vote 5 - Planning and Development		-	-	-	-	-	-	-
Vote 6 - Technical Services Department		48 092	49 160	53 759	56 770	59 835	63 066	50 579
<i>List entity summary if applicable</i>								
Total Capital Expenditure		53 792	54 860	59 459	62 789	66 179	69 753	54 279
Future operational costs by vote	2							
Vote 1 - Executive and Council		44 222	46 715	49 906	52 700	55 546	58 546	41 970
Vote 2 - Budget and Treasury Department		82 301	87 060	93 460	98 694	104 023	109 640	86 700
Vote 3 - Corporate Services		47 540	50 063	53 519	56 516	59 568	62 785	44 257
Vote 4 - Community and Social Services		65 228	69 018	74 370	78 534	82 775	87 245	62 191
Vote 5 - Planning and Development		17 791	18 779	20 148	21 276	22 425	23 636	16 934
Vote 6 - Technical Services Department		212 909	232 444	255 942	270 275	284 870	300 253	195 125
<i>List entity summary if applicable</i>								
Total future operational costs		469 992	504 080	547 344	577 996	609 208	642 105	447 178
Future revenue by source	3							
Property rates		124 589	130 569	138 273	146 016	153 901	162 212	70 634
Property rates - penalties & collection charges		-	-	-	-	-	-	-
Service charges - electricity revenue		100 666	105 498	111 722	117 978	124 349	131 064	95 327
Service charges - refuse revenue		11 971	12 546	13 286	14 030	14 788	15 586	11 337
Rental of facilities and equipment		346	362	384	405	427	450	330
<i>Other revenues including grants</i>		241 985	246 552	253 260	267 443	282 420	298 235	215 902
Total future revenue		479 557	495 527	516 925	545 873	575 885	607 548	393 530
Net Financial Implications		44 227	63 413	89 878	94 911	99 502	104 310	107 926

h.Summary of capital programmes per source

MIG PROJECTS	AMOUNT
Mashishimale sport complex	9,000,000
Tambo street paving	3,000,000
Upgrading of B1 Extension road	4,000,000
Upgrading of internal street at foskor	8,500,000
Benfarm street paving	1,000,000
Selwane sport complex	1,000,000
Topville to score street paving	2,992,000
	29,492,000

ENEG PROJECTS	AMOUNT
Electrification of Biko Ext and Nina Nkulu	7,000,000
	7,000,000

INTERNAL FUNDING PROJECTS	BUDGET
Installation of Backup Generator	600,000
Upgrade of single phase network to three phase in Ex1	2,000,000
Upgrade of switchgear and Protection relays at Cleveland	3,000,000
Rehabilitation of street in Phalaborwa, Namakgale & Lulekani	3,000,000
Construction of stormwater culvert between Maseke and Mashishimale R1	500,000
Roads and Stormwater master plan	1,000,000
Design of municipal offices	500,000
Namakgale Cemetery (Fencing) Old and new	1,000,000
Development of Disaster recovery Plan & Business Continuity Plan	2,000,000
Upgrading of ICT Infrastructure (Cabling , Computers , Switches , Servers ,printers , wireless and Laptops	1,500,000
Centralized Archives	500,000
Furniture & Equipment	1,000,000
Revamp of Council Chamber	700,000
	17,300,000

Capital Budget 2015/16

Capital Expenditure per funding	Budget Year 2015/16
MIG	29,492,000
INEG	7,000,000
Own Funding	17,300,000
Total Capital Expenditure	53,792,000

- The estimated capital programme expenditure for the financial year 2015/16 is amounting to R53,792 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: _____