

BA-PHALABORWA MUNICIPALITY



“Home of Marula and Wildlife Tourism”

ANNUAL BUDGET 2018/19 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 2018/19

Delivered by Mayor, Cllr. PJ Shayi

On Thursday, 31st May 2018 at Council Chamber

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

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

Good Afternoon,

In terms of MFMA Sec 16.

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

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

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

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

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

(d) setting out—

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

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

Honourable Speaker, for the 2018/19 budget a considerate effort was put to align our strategic objectives with the IDP and Budget. The total projected revenue for budget year 2018/19 is **R544, 2** million. The total revenue comprises of own generated revenue which amount to **R377.1** million for all municipal service charges and total transfers grants amounting **R167.1 million** as per DORA. Total revenue has grown by **3.9%** for the 2018/19 financial year compared to the 2017/18 Adjustments Budget.

The 2018/19 total operational expenditure budget amounts to **R514, 322 million**

- The budgeted allocation for employee related costs for the 2018/19 financial year totals **R149.97 million** which equals 29.16% of the total operating expenditure. Salary increases have been factored into this budget at a percentage increase of 6.3% as per SALGA Bargaining agreement (CPI +1%) for the 2018/19 financial year as per latest circular 91.
- 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 2018/19 financial year the remuneration will amount to **R16, 7 million**, which is equal to 3.24% of the operating expenditure.

- The provision of debt impairment was determined based on a current collection rate and the Debt Write-off Policy of the municipality. For the 2018/19 financial year this amount equates to **R38.6 million** which equates to 7.51% 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 **R71.6 million** for the 2018/19 financial and equates to 13.74% of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has been 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 18.67% of the operating expenditure.
- The finance charges for 2018/19 financial year is estimated to be **R745 thousand** which constitute 0.14% of the total operating expenditure.
- The contracted services for 2018/19 financial year is estimated to be **R48.5 million** which constitute 9.43% of the total operating expenditure.
- Other expenditure comprises of various line items relating to the daily operations of the municipality, For 2018/19 financial year is estimated at **R92, 2 million** which equates to 17.92% of total operational budget.

Honourable Speaker, as I've already indicated that the total capital budget is **R39.9 million**, in terms of budget funding, **R10, 1 million** will be funded from internally generated revenue which constitute **25.06%** of the capital budget, while the **R29.9 million** will be funded by Grants as outlined in the DORA and it constitute **74.94%** 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 2018/19 tariffs has been reviewed and analysis has been conducted to assess affordability level of our community. However, NERSA is governing the electricity tariff increases. The annexure of tariff book is attached on the budget document to highlight the categories of increases. Members of the community are encouraged to allow access into their yards where meters are located to avoid exorbitant charges.

Honourable Speaker, The municipality will continue to provide safe and clean basic service to the community. Equally, the community should pull their weight and pay for the services they receive from the municipality in order to afford continuity.

Lastly, I wish to urge all Councilors, officials, private business and civil society to join us in our quest to change our municipality for the best. Together we can do more to change our lives for the better.

I thank you.

2. ANNUAL BUDGET RESOLUTIONS

The Council of Ba-Phalaborwa Local Municipality in its seating on 31 May 2018 resolved as follows with regard to the annual Budget for 2018/19 Medium-Term Revenue and Expenditure Framework:

2.1. Annual Budget for 2018/19 MTREF

Council resolved that the budget and MTREF and its supporting tables of the Ba-Phalaborwa municipality for the financial year 2018/19; 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 2018/19 MTREF

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

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

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

2.3. Property Rates and other municipal tax

Council resolves that **adopted** property rates and other municipal tax as reflected on Tariff Schedule are **imposed** for the budget year 2018/19

2.4. Tariffs and charges

Council resolves that the tariffs and charges reflected on Tariff Schedule are **approved** for 2018/19 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 2018/19 financial year

2.7. Indigent Policies

Council resolves that the adopted Indigent Household Consumers Subsidy Policy be approved for 2018/19 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 2018/19 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 2018/19 budget related policies be approved:

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

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

CLLR MM MALATJI

SPEAKER OF BA-PHALABORWA LOCAL MUNICIPALITY COUNCIL

3. EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

In terms of Section 16. (1) Of the MFMA, the Council of a municipality must for each financial year approve an annual budget for the municipality before the start of the financial year, (which is before the end of June each year). In order for a municipality to comply with the above statement indicated, the mayor of the municipality must table the annual budget at a Council meeting at least **30 days** (which is before or by the end of May) 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. Cost containment circular 82 was considered in the preparation of budget. Key areas where savings were realized were on telephone

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and internet usage, printing, workshops, travelling , accommodation, and catering. The economy is still volatile and the South African economy is having a slow growth.

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

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

National Treasury's MFMA Circular No. 64, 66 ,67,70, 72, 74 and 75,80,81,82,82,84,85,86,89 and 91 were used to guide the compilation of the budget 2018/19 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 2018/19 – 2020/21 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

Description R000	Audited 2014/15	Audited 2015/16	Audited 2016/17	Budget 2017/18	ADJ Budget 2017/18
Own Funding revenue	218,781	345,069	241,890	345,735	345,735
Transfers recognised - Operational	87,633	112,388	113,972	129,937	129,737
Transfers recognised - Capital	38,768	55,499	29,096	47,219	48,201
Total Revenue	345,182	512,957	384,959	522,891	523,673

Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
377,054	397,282	428,493
137,272	152,040	166,368
29,865	30,425	31,975
544,191	579,747	626,836

The total projected revenue for budget year 2018/19 is R544,2 million. The budgeted financing activities breakdown are as follows:

- Own generated revenue amount to R377,1 million.
- Operational transfers grants as per DoRA is R137,2 million
- And capital transfers grants of R29,9 million

Total revenue has grown by 3.92 per cent for the 2018/19 financial year compared to the 2017/18 Adjustments Budget. For the next two coming years, operational revenue will increase by 6.52 and 8.12 per cent respectively.

Operational Budget

R thousands	Audited 2014/15	Audited 2015/16	Audited 2016/17	Budget 2017/18	ADJ Budget 2017/18
Expenditure By Type					
Employee related costs	123,098	118,246	120,135	143,682	143,261
Remuneration of councillors	11,790	13,243	13,160	14,804	14,804
Debt impairment	73,146	66,032	184,071	37,799	37,799
Depreciation & asset impairment	60,127	62,987	100,228	70,117	70,117
Finance charges	231	1,215	320	745	745
Bulk purchases	65,626	74,560	81,354	98,163	98,163
Contracted services	44,545	30,487	32,211	45,319	44,089
Other expenditure	71,596	69,939	62,326	95,758	97,409
Total Expenditure	450,159	436,709	593,806	506,387	506,387
Surplus	(104,977)	76,247	(208,848)	16,504	17,286

Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
149,973	159,571	169,943
16,684	17,751	18,905
38,602	40,687	42,924
71,633	75,501	79,654
745	745	745
96,000	101,184	106,749
48,511	50,682	53,202
92,174	96,045	101,277
514,322	542,166	573,400
29,869	37,581	53,437

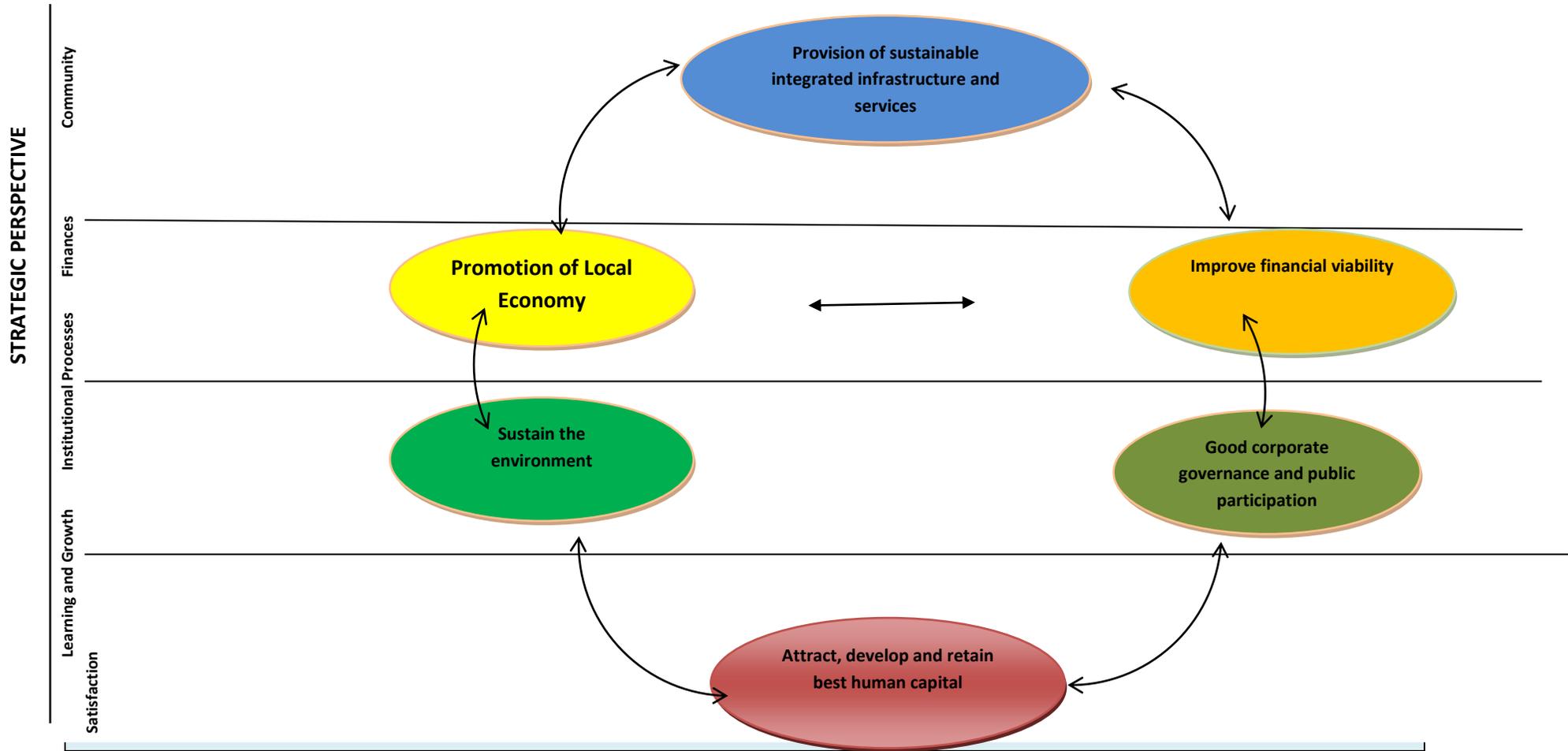
Total expenditure for the 2018/19 financial year amount to R514,3 million. When compared to the 2017/18 Adjustments Budget, total operating expenditure has increased by 1.56 per cent in the 2018/19 budget and increased by 5.42% and 5.75% per cent for each of the respective outer years of the MTREF.

Capital Budget

Capital Budget	Adjustment Budget 2017/18	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Municipal Infrastructure Grant	39,201,000	29,865,150	30,424,700	31,975,100
INEP	9,000,000	0	0	9,500,000
Internally Funded Projects	15,900,000	10,052,000	0	0
Total Capital Expenditure	64,101,000	39,917,150	30,424,700	41,475,100

The Total capital budget for 2018/19 amounts to R39,9 million of which is 62.7% decrease from Adjustment Budget. It is projected to decrease by 31.3% in 2019/20 and increase by 26.74% in 2020/21. The total capital expenditure will be funded by conditional grants & subsidies and internally generated funds.

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



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4. ANNUAL BUDGET TABLES

BUDGET SUMMARY

LIM334 Ba-Phalaborwa - Table A1 Budget Summary

Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands										
Financial Performance										
Property rates	65,594	68,106	90,683	113,609	113,609	113,609	113,609	132,629	139,659	147,200
Service charges	99,013	108,151	108,144	142,239	142,239	142,239	142,239	149,778	157,866	166,549
Investment revenue	277	638	518	538	1,038	1,038	1,038	1,093	1,152	1,216
Transfers recognised - operational	87,633	112,388	113,972	129,937	129,737	129,737	129,737	137,272	152,040	166,368
Other own revenue	53,897	168,174	42,545	89,348	88,848	88,848	88,848	93,554	98,605	104,029
Total Revenue (excluding capital transfers and contributions)	306,414	457,458	355,862	475,672	475,472	475,472	475,472	514,326	549,323	585,361
Employee costs	123,098	118,246	120,135	143,682	143,261	143,261	143,261	149,973	159,571	169,943
Remuneration of councillors	11,790	13,243	13,160	14,804	14,804	14,804	14,804	16,684	17,751	18,905
Depreciation & asset impairment	60,127	62,987	100,228	70,117	70,117	70,117	70,117	71,633	75,501	79,654
Finance charges	231	1,215	320	745	745	745	745	745	745	745
Materials and bulk purchases	65,626	74,560	81,354	98,163	98,163	98,163	98,163	96,000	101,184	106,749
Other expenditure	189,287	166,457	278,609	178,876	179,296	179,296	179,296	179,287	187,413	197,403
Total Expenditure	450,159	436,709	593,806	506,387	506,387	506,387	506,387	514,322	542,166	573,400
Surplus/(Deficit)	(143,745)	20,748	(237,944)	(30,715)	(30,915)	(30,915)	(30,915)	4	7,157	11,962
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	38,768	55,499	29,096	47,219	48,201	48,201	48,201	29,865	30,425	41,475
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(104,977)	76,247	(208,848)	16,504	17,286	17,286	17,286	29,869	37,581	53,437

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Surplus/(Deficit) for the year	(104,977)	76,247	(208,848)	16,504	17,286	17,286	17,286	29,869	37,581	53,437
<u>Capital expenditure & funds sources</u>										
Capital expenditure	35,760	52,368	38,643	63,119	64,101	64,101	64,101	39,917	30,425	41,475
Transfers recognised - capital	26,026	40,425	29,100	47,219	48,201	48,201	48,201	29,865	30,425	41,475
Public contributions & donations	–	–	2,595	–	–	–	–	–	–	–
Internally generated funds	9,734	11,943	6,948	15,900	15,900	15,900	15,900	10,052	–	–
Total sources of capital funds	35,760	52,368	38,643	63,119	64,101	64,101	64,101	39,917	30,425	41,475
<u>Financial position</u>										
Total current assets	86,212	579,071	76,961	599,754	599,754	599,754	599,754	633,789	667,129	706,873
Total non current assets	45,102	923,923	881,646	1,070,539	1,070,539	1,070,539	1,070,539	821,610	853,451	919,355
Total current liabilities	3,738	387,245	100,448	3,060	3,060	3,060	3,060	103,777	109,274	115,062
Total non current liabilities	–	59,656	215,050	215,050	215,050	215,050	215,050	232,175	275,825	345,375
Community wealth/Equity	127,576	1,056,093	643,109	1,452,183	1,452,183	1,452,183	1,452,183	1,119,447	1,135,481	1,165,791
<u>Cash flows</u>										
Net cash from (used) operating	57,365	68,206	(2,221)	47,857	47,857	47,857	47,857	59,486	50,523	66,280
Net cash from (used) investing	(35,847)	(52,368)	19,132	(47,219)	(47,219)	(47,219)	(47,219)	(39,917)	(30,425)	(41,475)
Net cash from (used) financing	(495)	(8,015)	(10,952)	–	–	–	–	(20,400)	(20,400)	(20,400)
Cash/cash equivalents at the year end	3,246	11,069	17,028	1,899	1,899	1,899	1,899	1,068	766	5,171
<u>Cash backing/surplus reconciliation</u>										
Cash and investments available	3,246	11,069	–	3,061	3,061	3,061	3,061	6,068	6,766	12,171
Application of cash and investments	–	295,413	23,806	(98,238)	(98,380)	(98,380)	(98,380)	(2,887)	(3,771)	(7,355)
Balance - surplus (shortfall)	3,246	(284,344)	(23,806)	101,299	101,441	101,441	101,441	8,955	10,538	19,527
<u>Asset management</u>										

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Asset register summary (WDV)	878,196	842,154	855,575	612,549	612,549	612,549		821,610	853,451	919,355
Depreciation	60,127	62,987	100,228	70,117	70,117	70,117		71,633	75,501	79,654
Renewal of Existing Assets	-	-	-	-	-	-		6,000	2,000	4,620
Repairs and Maintenance	1,715	1,602	-	26,958	26,958	26,958		21,084	22,222	23,444
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:	6	6	6	6	6	6	6	6	6	6
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	21	-	21	21	21	21	21	21	21	21

NOTES

- Total Revenue excluding capital transfers and contributions is estimated at R514.3 million for 2018/19 financial year , R549.3 million and R585.4 million for the year 2019/20 and 2020/21 respectively.
- Total Expenditure is estimated at R514.3 million for 2018/19 financial year
- A municipal operating budget shows a surplus of R29.9 million after capital transfers & contributions for 2018/19 financial year
- Total Capital budget for the financial year 2018/19 is estimated to be R39.9 million, which comprises of R29,9 million from Capital transfers Grants and R 10,1 million funded internally.

4.1. BUDGETED FINANCIAL PERFORMANCE

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

Functional Classification Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1									
Revenue - Functional										
Governance and administration		194,637	328,449	384,959	292,872	292,872	292,872	327,059	353,052	378,302
Executive and council		-	-	384,959	-	-	-	-	-	-
Finance and administration		194,637	328,449	-	292,872	292,872	292,872	327,059	353,052	378,302
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		14,758	9,297	-	15,345	15,345	15,345	16,159	17,031	17,968
Community and social services		385	6,092	-	293	293	293	309	326	344
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		14,373	3,205	-	15,052	15,052	15,052	15,850	16,705	17,624
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		27,774	54,729	-	46,527	47,309	47,309	33,393	33,034	34,721
Planning and development		7	2,361	-	62	62	62	66	69	73
Road transport		27,767	52,368	-	46,465	47,247	47,247	33,327	32,965	34,648
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		108,013	120,481	-	168,146	168,146	168,146	167,581	176,630	195,845
Energy sources		96,608	102,514	-	144,311	144,311	144,311	142,482	150,176	167,936
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		11,405	17,967	-	23,835	23,835	23,835	25,098	26,454	27,909
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	345,182	512,957	384,959	522,891	523,673	523,673	544,191	579,747	626,836
Expenditure - Functional	-									
Governance and administration		193,956	193,926	593,806	188,498	188,498	188,498	195,117	205,934	217,771
Executive and council		36,340	46,833	593,806	35,042	35,042	35,042	37,145	39,451	41,940
Finance and administration		148,950	147,094	-	136,821	136,821	136,821	140,423	147,952	156,244
Internal audit		8,666	-	-	16,635	16,635	16,635	17,549	18,532	19,588
Community and public safety		42,251	38,565	-	69,293	69,293	69,293	73,494	77,914	82,680
Community and social services		4,124	29,891	-	7,809	7,809	7,809	9,023	9,580	10,181

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Sport and recreation		15,412	–	–	34,802	34,802	34,802	36,868	39,094	41,495
Public safety		22,715	8,674	–	26,682	26,682	26,682	27,602	29,239	31,003
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		105,178	62,430	–	102,497	102,633	102,633	108,153	113,198	119,705
Planning and development		11,069	11,381	–	15,494	15,494	15,494	16,827	17,787	18,825
Road transport		94,109	51,049	–	87,004	87,140	87,140	91,326	95,411	100,880
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		105,413	141,788	–	146,099	145,962	145,962	137,558	145,120	153,243
Energy sources		96,600	137,097	–	136,851	136,715	136,715	129,187	136,281	143,902
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		8,812	4,691	–	9,247	9,247	9,247	8,371	8,838	9,341
Other	4	–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	446,797	436,709	593,806	506,387	506,387	506,387	514,322	542,166	573,400
Surplus/(Deficit) for the year		(101,615)	76,247	(208,848)	16,504	17,286	17,286	29,869	37,581	53,437

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 R544.2 million for the financial year 2018/19 and total operating expenditure by Standard Classification is estimated at R514.3 million.
- It must be noted that the Total Revenue on this table includes capital revenues (Transfers recognised – capital)

4.2. BUDGETED FINANCIAL PERFORMANCE BY MUNICIPAL VOTE

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

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue by Vote	1									
Vote 1 - Executive and Council		-	-	384,959	-	-	-	-	-	-
Vote 2 - Budget and Treasury Department		193,504	327,917	-	292,222	292,222	292,222	326,377	352,334	377,544
Vote 3 - Corporate Services		1,133	533	-	651	651	651	682	719	758
Vote 4 - Community and Social Services		26,163	27,264	-	39,181	39,181	39,181	41,257	43,485	45,877
Vote 5 - Planning and Development		7	2,361	-	62	62	62	66	69	73
Vote 6 - Technical Services Department		124,375	154,883	-	190,775	191,557	191,557	175,810	183,141	202,584
-		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	345,182	512,957	384,959	522,891	523,673	523,673	544,191	579,747	626,836
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive and Council		48,368	46,833	593,806	51,677	51,677	51,677	54,694	57,982	61,527
Vote 2 - Budget and Treasury Department		93,807	108,315	-	90,697	90,697	90,697	91,670	96,370	101,617
Vote 3 - Corporate Services		55,143	38,779	-	46,124	46,124	46,124	48,753	51,582	54,627
Vote 4 - Community and Social Services		51,063	43,256	-	78,540	78,540	78,540	81,864	86,752	92,021
Vote 5 - Planning and Development		11,069	11,381	-	15,494	15,494	15,494	16,827	17,787	18,825
Vote 6 - Technical Services Department		190,709	188,146	-	223,855	223,855	223,855	220,513	231,692	244,782
-		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	450,159	436,709	593,806	506,387	506,387	506,387	514,322	542,166	573,400
Surplus/(Deficit) for the year	2	(104,977)	76,247	(208,848)	16,504	17,286	17,286	29,869	37,581	53,437

- 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 R544.2 million for the year 2018/19 and total Expenditure by Vote is estimated to be R514.3 million
- The estimated expenditure by vote is per department is allocated in the table above and the biggest one being technical department as service delivery department.

4.3. BUDGETED MUNICIPAL PERFORMANCE REVENUE AND EXPENDITURE

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

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue By Source											
Property rates	2	65,594	68,106	90,683	113,609	113,609	113,609	113,609	132,629	139,659	147,200
Service charges - electricity revenue	2	87,608	94,111	95,066	124,121	124,121	124,121	124,121	130,699	137,757	145,333
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	11,405	13,789	13,078	18,119	18,119	18,119	18,119	19,079	20,109	21,215
Service charges - other			251								
Rental of facilities and equipment		265	354	345	500	500	500	500	527	555	585
Interest earned - external investments		277	638	518	538	1,038	1,038	1,038	1,093	1,152	1,216
Interest earned - outstanding debtors		29,899	32,559	20,023	72,042	71,542	71,542	71,542	75,334	79,402	83,769
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		8,823	3,360	313	451	451	451	451	474	500	528
Licences and permits		2,257	3,525	2,417	11,922	11,922	11,922	11,922	12,475	13,149	13,872
Agency services		5,325	5,676	12,739	2,701	2,701	2,701	2,701	2,844	2,998	3,163
Transfers and subsidies		87,633	112,388	113,972	129,937	129,737	129,737	129,737	137,272	152,040	166,368
Other revenue	2	7,328	122,699	6,708	1,732	1,732	1,732	1,732	1,899	2,002	2,112
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		306,414	457,458	355,862	475,672	475,472	475,472	475,472	514,326	549,323	585,361
Expenditure By Type											
Employee related costs	2	123,098	118,246	120,135	143,682	143,261	143,261	143,261	149,973	159,571	169,943
Remuneration of councillors		11,790	13,243	13,160	14,804	14,804	14,804	14,804	16,684	17,751	18,905
Debt impairment	3	73,146	66,032	184,071	37,799	37,799	37,799	37,799	38,602	40,687	42,924

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Depreciation & asset impairment	2	60,127	62,987	100,228	70,117	70,117	70,117	70,117	71,633	75,501	79,654
Finance charges		231	1,215	320	745	745	745	745	745	745	745
Bulk purchases	2	65,626	74,560	81,354	98,163	98,163	98,163	98,163	96,000	101,184	106,749
Other materials	8										
Contracted services		44,545	30,487	32,211	45,319	44,089	44,089	44,089	48,511	50,682	53,202
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	71,596	69,939	62,326	95,758	97,409	97,409	97,409	92,174	96,045	101,277
Loss on disposal of PPE											
Total Expenditure		450,159	436,709	593,806	506,387	506,387	506,387	506,387	514,322	542,166	573,400
Surplus/(Deficit)		(143,745)	20,748	(237,944)	(30,715)	(30,915)	(30,915)	(30,915)	4	7,157	11,962
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		38,768	55,499	29,096	47,219	48,201	48,201	48,201	29,865	30,425	41,475
Transfers and subsidies - capital (in-kind - all)			76,247	(208,848)	16,504	17,286	17,286	17,286	29,869	37,581	53,437
Surplus/(Deficit) after capital transfers & contributions		(104,977)									
Taxation											
Surplus/(Deficit) after taxation		(104,977)	76,247	(208,848)	16,504	17,286	17,286	17,286	29,869	37,581	53,437
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		(104,977)	76,247	(208,848)	16,504	17,286	17,286	17,286	29,869	37,581	53,437
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		(104,977)	76,247	(208,848)	16,504	17,286	17,286	17,286	29,869	37,581	53,437

Notes

- Total Revenue (excluding capital transfers and contributions) is R514.3 million for 2018/19 financial year and escalates to R549.3 million for 2019/20 financial year and R585.4 million for 2020/21 financial year.
- Revenue to be generated from property rate is estimated at R132.6 million in 2018/19 financial year of which the property valuation roll was considered.
- Services charges relating to electricity is R130.7 million which is in line with NERSA regulated tariff increase.

- Transfers recognised – operating grants includes the local government equitable share which shows an increase for the two outer years.
- Total operational expenditure is estimated to be R514.3 million for 2018/19.
- The employees related cost has been estimated to be R149.9 million which is determined by 6.3% increase while waiting for SALGA Bargaining Council.
- The Remuneration of Councillors is projected at R16.7 million which the municipality considered the Minister of COGSTA Determination of Upper Limits.
- The depreciation and impairment has been estimated at R71.6 million of which the Asset Register has been considered.

4.4. BUDGETED CAPITAL EXPENDITURE BY VOTE

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

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Single-year expenditure to be appropriated	2										
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury Department		-	-	-	500	500	500	500	-	-	-
Vote 3 - Corporate Services		3,398	2,627	6,952	2,500	2,500	2,500	2,500	3,350	-	-
Vote 4 - Community and Social Services		8,330	-	-	3,650	3,650	3,650	3,650	502	-	-
Vote 5 - Planning and Development		-	-	-	-	-	-	-	-	-	-
Vote 6 - Technical Services Department		37,840	33,133	31,691	56,469	57,451	57,451	57,451	36,065	30,425	41,475
-		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		49,569	35,760	38,643	63,119	64,101	64,101	64,101	39,917	30,425	41,475
Total Capital Expenditure - Vote		49,569	35,760	38,643	63,119	64,101	64,101	64,101	39,917	30,425	41,475
Capital Expenditure - Functional											
Governance and administration		2,627	3,096	6,952	3,000	3,000	3,000	3,000	3,350	-	-
Executive and council											
Finance and administration		2,627	3,096	6,952	3,000	3,000	3,000	3,000	3,350	-	-
Internal audit											
Community and public safety		-	-	-	17,192	17,192	17,192	17,192	502	-	-
Community and social services		-	-	-	450	450	450	450	502	-	-
Sport and recreation					16,042	16,042	16,042	16,042			
Public safety					700	700	700	700			
Housing											
Health											
Economic and environmental services		24,886	49,272	31,691	25,177	26,159	26,159	26,159	31,565	30,425	31,975
Planning and development		-	-	-							
Road transport		24,886	49,272	31,691	25,177	26,159	26,159	26,159	31,565	30,425	31,975
Environmental protection											
Trading services		8,247	-	-	17,750	17,750	17,750	17,750	4,500	-	9,500
Energy sources		8,247	-	-	15,250	15,250	15,250	15,250	4,500	-	9,500

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Water management											
Waste water management											
Waste management					2,500	2,500	2,500	2,500			
Other											
Total Capital Expenditure - Functional	3	35,760	52,368	38,643	63,119	64,101	64,101	64,101	39,917	30,425	41,475
Funded by:											
National Government		26,026	40,425	29,100	47,219	48,201	48,201	48,201	29,865	30,425	41,475
Provincial Government											
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	26,026	40,425	29,100	47,219	48,201	48,201	48,201	29,865	30,425	41,475
Public contributions & donations	5	-	-	2,595	-						
Borrowing	6	-									
Internally generated funds		9,734	11,943	6,948	15,900	15,900	15,900	15,900	10,052	-	-
Total Capital Funding	7	35,760	52,368	38,643	63,119	64,101	64,101	64,101	39,917	30,425	41,475

- The Capital Projects are estimated to be at R39.9million which are appropriated per department in the municipality for 2018/19
- The Capital Projects for 2019/20 is estimated to be R30.4
- The funding for capital from National government through grants is estimated to be R29.9 million for 2018/19
- The funding for capital from internally generated funds is estimated to be R10.1 million for 2018/19

4.5. BUDGETED FINANCIAL POSITION

LIM334 Ba-Phalaborwa - Table A6 Budgeted Financial Position

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
ASSETS											
Current assets											
Cash		3,246	3,985		1,261	1,261	1,261	1,261	1,068	766	5,171
Call investment deposits	1	–	7,084	–	1,800	1,800	1,800	1,800	5,000	6,000	7,000
Consumer debtors	1	–	99,985	76,961	144,976	144,976	144,976	144,976	152,515	160,446	168,789
Other debtors			16,300								
Current portion of long-term receivables		356									
Inventory	2	82,611	451,717		451,717	451,717	451,717	451,717	475,207	499,917	525,913
Total current assets		86,212	579,071	76,961	599,754	599,754	599,754	599,754	633,789	667,129	706,873
Non current assets											
Investment property		42,999	43,858		43,858	43,858	43,858	43,858	46,139	48,538	51,062
Property, plant and equipment	3	–	878,196	881,646	1,025,129	1,025,129	1,025,129	1,025,129	773,839	803,196	866,486
Agricultural		388	267								
Biological		1,715	1,285		267	267	267	267	281	295	310
Intangible			317		1,285	1,285	1,285	1,285	1,352	1,422	1,496
Other non-current assets											
Total non current assets		45,102	923,923	881,646	1,070,539	1,070,539	1,070,539	1,070,539	821,610	853,451	919,355
TOTAL ASSETS		131,315	1,502,994	958,607	1,670,293	1,670,293	1,670,293	1,670,293	1,455,399	1,520,581	1,626,228
LIABILITIES											
Current liabilities											
Borrowing	4	–	–	–	–	–	–	–	–	–	–
Consumer deposits		3,738	2,040		3,060	3,060	3,060	3,060	3,219	3,387	3,563
Trade and other payables	4	–	364,307	100,448	–	–	–	–	100,558	105,888	111,500
Provisions			20,898								
Total current liabilities		3,738	387,245	100,448	3,060	3,060	3,060	3,060	103,777	109,274	115,062

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Non current liabilities											
Borrowing		-	38,475	-	147,172	147,172	147,172	147,172	129,000	119,000	107,000
Provisions		-	21,182	215,050	67,878	67,878	67,878	67,878	103,175	156,825	238,375
Total non current liabilities		-	59,656	215,050	215,050	215,050	215,050	215,050	232,175	275,825	345,375
TOTAL LIABILITIES		3,738	446,901	315,498	218,110	218,110	218,110	218,110	335,952	385,100	460,437
NET ASSETS	5	127,576	1,056,093	643,109	1,452,183	1,452,183	1,452,183	1,452,183	1,119,447	1,135,481	1,165,791
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		127,576	1,056,093	643,109	1,452,183	1,452,183	1,452,183	1,452,183	1,119,447	1,135,481	1,165,791
Reserves	4	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	127,576	1,056,093	643,109	1,452,183	1,452,183	1,452,183	1,452,183	1,119,447	1,135,481	1,165,791

4.6. BUDGETED CASH FLOWS

LIM334 Ba-Phalaborwa - Table A7 Budgeted Cash Flows

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		65,594	68,106	90,683	47,729	47,729	47,729	47,729	107,667	113,481	119,723
Service charges		88,228	108,148	108,114	173,224	173,224	173,224	173,224	130,984	138,057	154,201
Other revenue		23,998	27,806	41,574	12,957	12,957	12,957	12,957	16,348	19,203	20,260
Government - operating	1	87,633	112,920	113,972	129,937	129,937	129,937	129,937	137,272	152,040	166,368
Government - capital	1	37,279	56,992	29,096	47,219	47,219	47,219	47,219	29,865	30,425	31,975
Interest		30,176	4,111	518	4,852	4,852	4,852	4,852	28,967	30,531	32,210
Dividends									-	-	-
Payments											
Suppliers and employees		(273,972)	(308,662)	(385,859)	(367,316)	(367,316)	(367,316)	(367,316)	(390,873)	(432,470)	(457,711)
Finance charges		(1,570)	(1,215)	(320)	(745)	(745)	(745)	(745)	(745)	(745)	(745)
Transfers and Grants	1								-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		57,365	68,206	(2,221)	47,857	47,857	47,857	47,857	59,486	50,523	66,280
CASH FLOWS FROM INVESTING ACTIVITIES											
Payments											
Capital assets		(35,847)	(52,368)	19,132	(47,219)	(47,219)	(47,219)	(47,219)	(39,917)	(30,425)	(41,475)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(35,847)	(52,368)	19,132	(47,219)	(47,219)	(47,219)	(47,219)	(39,917)	(30,425)	(41,475)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											

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Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits									-	-	-
Payments											
Repayment of borrowing		(495)	(8,015)	(10,952)					(20,400)	(20,400)	(20,400)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(495)	(8,015)	(10,952)	-	-	-	-	(20,400)	(20,400)	(20,400)
NET INCREASE/ (DECREASE) IN CASH HELD		21,023	7,823	5,959	638	638	638	638	(831)	(301)	4,405
Cash/cash equivalents at the year begin:	2	(17,777)	3,246	11,069	1,261	1,261	1,261	1,261	1,899	1,068	766
Cash/cash equivalents at the year end:	2	3,246	11,069	17,028	1,899	1,899	1,899	1,899	1,068	766	5,171

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 R1,1 million as at the end of the 2018/19 financial year and the two outer years R766 thousand and R5.2 million respectively.

4.7. CASH BACKED RESERVES/ACCUMULATED SURPLUSES

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

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Cash and investments available											
Cash/cash equivalents at the year end	1	3,246	11,069	17,028	1,899	1,899	1,899	1,899	1,068	766	5,171
Other current investments > 90 days		-	0	(17,028)	1,162	1,162	1,162	1,162	5,000	6,000	7,000
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		3,246	11,069	-	3,061	3,061	3,061	3,061	6,068	6,766	12,171
Application of cash and investments											
Other working capital requirements	3	-	295,413	23,806	(98,238)	(98,380)	(98,380)	(98,380)	(2,887)	(3,771)	(7,355)
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		-	295,413	23,806	(98,238)	(98,380)	(98,380)	(98,380)	(2,887)	(3,771)	(7,355)
Surplus(shortfall)		3,246	(284,344)	(23,806)	101,299	101,441	101,441	101,441	8,955	10,538	19,527

NOTES

- As part of the budgeting and planning guidelines that informed the compilation of the 2018/19 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

4.8. ASSET MANAGEMENT

LIM334 Ba-Phalaborwa - Table A9 Asset Management

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
CAPITAL EXPENDITURE										
Total New Assets	1	35,760	52,368	-	63,119	64,101	64,101	15,386	12,684	9,500
<i>Roads Infrastructure</i>		24,886	37,142	-	25,177	26,159	26,159	1,500	-	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		8,247	-	-	15,250	15,250	15,250	-	-	9,500
<i>Information and Communication Infrastructure</i>		-	15,225	-	-	-	-	-	-	-
Infrastructure		33,133	52,368	-	40,427	41,409	41,409	1,500	-	9,500
Community Facilities		-	-	-	1,150	1,150	1,150	-	-	-
Sport and Recreation Facilities		-	-	-	16,042	16,042	16,042	12,884	12,684	-
Community Assets		-	-	-	17,192	17,192	17,192	12,884	12,684	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		2,627	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		2,627	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	3,000	3,000	3,000	500	-	-
Machinery and Equipment		-	-	-	-	-	-	52	-	-
Transport Assets		-	-	-	2,500	2,500	2,500	450	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	-	-	-	-	-	-	6,000	2,000	4,620
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	4,500	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	4,500	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	500	2,000	4,620

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Community Assets		-	-	-	-	-	-	500	2,000	4,620
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	1,000	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	1,000	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	6	-	-	-	-	-	-	18,531	15,741	27,355
<i>Roads Infrastructure</i>		-	-	-	-	-	-	16,681	15,741	27,355
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	16,681	15,741	27,355
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	1,850	-	-
Total Capital Expenditure	4									
<i>Roads Infrastructure</i>		24,886	37,142	-	25,177	26,159	26,159	18,181	15,741	27,355
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		8,247	-	-	15,250	15,250	15,250	4,500	-	9,500
<i>Information and Communication Infrastructure</i>		-	15,225	-	-	-	-	-	-	-
Infrastructure		33,133	52,368	-	40,427	41,409	41,409	22,681	15,741	36,855
Community Facilities		-	-	-	1,150	1,150	1,150	-	-	-
Sport and Recreation Facilities		-	-	-	16,042	16,042	16,042	13,384	14,684	4,620
Community Assets		-	-	-	17,192	17,192	17,192	13,384	14,684	4,620
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		2,627	-	-	-	-	-	1,000	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		2,627	-	-	-	-	-	1,000	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-

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Computer Equipment		-	-	-	-	-	-	1,850	-	-
Furniture and Office Equipment		-	-	-	3,000	3,000	3,000	500	-	-
Machinery and Equipment		-	-	-	-	-	-	52	-	-
Transport Assets		-	-	-	2,500	2,500	2,500	450	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		35,760	52,368	-	63,119	64,101	64,101	39,917	30,425	41,475
ASSET REGISTER SUMMARY - PPE (WDV)	5									
<i>Roads Infrastructure</i>		878,196	313,443	854,720	280,645	280,645	280,645	503,189	541,493	549,623
<i>Storm water Infrastructure</i>			92,217		18,517	18,517	18,517	12,370	12,038	56,757
<i>Electrical Infrastructure</i>					99,463	99,463	99,463	88,485	83,538	92,558
<i>Water Supply Infrastructure</i>										
<i>Sanitation Infrastructure</i>										
<i>Solid Waste Infrastructure</i>			19,867							
<i>Information and Communication Infrastructure</i>										
Infrastructure		878,196	425,527	854,720	398,625	398,625	398,625	604,043	637,069	698,939
Community Facilities			155,142		121,835	121,835	121,835	-	-	-
Sport and Recreation Facilities					36,428	36,428	36,428	148,200	149,089	151,267
Community Assets		-	155,142	-	158,263	158,263	158,263	148,200	149,089	151,267
Heritage Assets										
Revenue Generating										
Non-revenue Generating					42,999	42,999	42,999	46,139	48,538	51,062
Investment properties		-	-	-	42,999	42,999	42,999	46,139	48,538	51,062
Operational Buildings			261,485							
Housing										
Other Assets		-	261,485	-						
Biological or Cultivated Assets								281	295	310
Servitudes										
Licences and Rights				855				1,352	1,422	1,496
Intangible Assets		-	-	855	-	-	-	1,352	1,422	1,496
Computer Equipment					1,031	1,031	1,031	3,779	1,859	1,783
Furniture and Office Equipment					2,585	2,585	2,585	1,904	333	257
Machinery and Equipment					2,808	2,808	2,808	9,915	9,298	8,692
Transport Assets					6,169	6,169	6,169	5,964	5,514	5,514
Libraries					69	69	69	34	34	34
Zoo's, Marine and Non-biological Animals										
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	878,196	842,154	855,575	612,549	612,549	612,549	821,610	853,451	919,355

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EXPENDITURE OTHER ITEMS										
Depreciation	7	60,127	62,987	100,228	70,117	70,117	70,117	71,633	75,501	79,654
Repairs and Maintenance by Asset Class	3	1,715	1,602	–	26,958	26,958	26,958	21,084	22,222	23,444
<i>Roads Infrastructure</i>		–	–	–	25,407	25,407	25,407	6,386	6,731	7,101
<i>Storm water Infrastructure</i>		–	–	–	–	–	–	503	531	560
<i>Electrical Infrastructure</i>		–	–	–	–	–	–	6,722	7,086	7,475
<i>Information and Communication Infrastructure</i>		–	–	–	–	–	–	25	27	28
Infrastructure		–	–	–	25,407	25,407	25,407	13,637	14,374	15,164
Community Facilities		–	–	–	–	–	–	3,744	3,946	4,163
Sport and Recreation Facilities		–	–	–	–	–	–	689	726	766
Community Assets		–	–	–	–	–	–	4,433	4,672	4,929
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	799	842	889
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	–	–	–	–	799	842	889
Biological or Cultivated Assets		1,715	1,285	–	267	267	267	–	–	–
Licences and Rights		–	317	–	1,285	1,285	1,285	–	–	–
Intangible Assets		–	317	–	1,285	1,285	1,285	–	–	–
Computer Equipment		–	–	–	–	–	–	285	300	317
Furniture and Office Equipment		–	–	–	–	–	–	483	508	537
Machinery and Equipment		–	–	–	–	–	–	1,447	1,525	1,609
TOTAL EXPENDITURE OTHER ITEMS		61,842	64,590	100,228	97,075	97,075	97,075	92,717	97,723	103,098
<i>Renewal and upgrading of Existing Assets as % of total capex</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	61.5%	58.3%	77.1%
<i>Renewal and upgrading of Existing Assets as % of deprecn R&M as a % of PPE</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	34.2%	23.5%	40.1%
<i>Renewal and upgrading and R&M as a % of PPE</i>		0.0%	0.2%	0.0%	2.6%	2.6%	2.6%	2.7%	2.8%	2.7%
<i>Renewal and upgrading and R&M as a % of PPE</i>		0.0%	0.0%	0.0%	4.0%	4.0%	4.0%	6.0%	5.0%	6.0%

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.

4.9. BASIC SERVICE DELIVERY MEASUREMENT

LIM334 Ba-Phalaborwa - Table A10 Basic service delivery measurement

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Household service targets	1									
Water:										
Piped water inside dwelling		15	15	15	15	15	15	15	15	15
Piped water inside yard (but not in dwelling)		19	19	19	19	19	19	19	19	19
Using public tap (at least min.service level)	2	3,812	3,812	3,812	3,812	3,812	3,812	3,812	3,812	3,812
Other water supply (at least min.service level)	4	413	413	413	413	413	413	413	413	413
<i>Minimum Service Level and Above sub-total</i>		4,259	4,259	4,259	4,259	4,259	4,259	4,259	4,259	4,259
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	234	234	234	234	234	234	234	234	234
No water supply		2	2	2	2	2	2	2	2	2
<i>Below Minimum Service Level sub-total</i>		236	236	236	236	236	236	236	236	236
Total number of households	5	4,495	4,495	4,495	4,495	4,495	4,495	4,495	4,495	4,495
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		16,638	16,638	16,638	16,638	16,638	16,638	16,638	16,638	16,638
Flush toilet (with septic tank)		860	860	860	860	860	860	860	860	860
Chemical toilet		424	424	424	424	424	424	424	424	424
Pit toilet (ventilated)		6,718	6,718	6,718	6,718	6,718	6,718	6,718	6,718	6,718
Other toilet provisions (> min.service level)		10,833	10,833	10,833	10,833	10,833	10,833	10,833	10,833	10,833
<i>Minimum Service Level and Above sub-total</i>		35,473	35,473	35,473	35,473	35,473	35,473	35,473	35,473	35,473
Bucket toilet		80	80	80	80	80	80	80	80	80
Other toilet provisions (< min.service level)		864	864	864	864	864	864	864	864	864
No toilet provisions		4,698	4,698	4,698	4,698	4,698	4,698	4,698	4,698	4,698
<i>Below Minimum Service Level sub-total</i>		5,642	5,642	5,642	5,642	5,642	5,642	5,642	5,642	5,642
Total number of households	5	41,115	41,115	41,115	41,115	41,115	41,115	41,115	41,115	41,115
Energy:										
Electricity (at least min.service level)		37,345	37,345	37,345	37,345	37,345	37,345	37,345	37,345	37,345
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		37,345	37,345	37,345	37,345	37,345	37,345	37,345	37,345	37,345

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Other energy sources		-	-	-	-	-	-	-	-	-
	<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
Total number of households	5	37,345								
<u>Refuse:</u>										
Removed at least once a week		20,066	-	20,066	20,066	20,066	20,066	20,066	20,066	20,066
	<i>Minimum Service Level and Above sub-total</i>	20,066	-	20,066	20,066	20,066	20,066	20,066	20,066	20,066
Removed less frequently than once a week		257	-	257	257	257	257	257	257	257
Using communal refuse dump		684	-	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	17,849
Other rubbish disposal		327	-	327	327	327	327	327	327	327
No rubbish disposal		1,933	-	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	21,050
Total number of households	5	41,116	-	41,116						

5. OVERVIEW OF ANNUAL BUDGET

PART TWO

ANNUAL BUDGET SUPPORTING INFORMATION

5.1. Schedule of key deadlines relating to budget process

1. IDP, Budget and PMS Calendar for 2018–19

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 2018/19 financial year. The activities will culminate in the adoption of the 2018/19 IDP both Mopani District Municipality and Ba-Phalaborwa Municipality.

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
IDP			
July 2017	<p>Preparatory Phase</p> <ul style="list-style-type: none"> • IDP, Budget & PMS Operational Meeting (IDP Framework & Process Plan) • IDP, Budget & PMS Technical Meeting (IDP Framework & Process Plan) • IDP, Budget & PMS Steering Committee Meeting (Framework & Process Plan) • IDP, Budget & PMS Rep Forum (Framework & Process Plan) • Mayor tables IDP/Budget/PMS/MPAC Framework & Process Plan in 	<ul style="list-style-type: none"> • 14/07/2017 • 18/07/2017 • 19/07/2017 • 24/07/ 2017 • 27/07/2017 	31 July 2017

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	(Special Council)		
Budget			
	<ul style="list-style-type: none"> Establish Departmental Budget Committees (include councillors & officials). 	<ul style="list-style-type: none"> 27/07/2017 – 04/09/2017 	
PMS			
	<ul style="list-style-type: none"> Compilation of 2016/17 4th quarterly report Conclude 2017/18 annual performance agreements Submit final approved SDBIP 	<ul style="list-style-type: none"> 04/07/2017 - 21/07/2017 04/07/2017 – 28/07/2017 28/07/2017 	
MPAC			
	<ul style="list-style-type: none"> Committee meeting MPAC Framework and Process Plan. Consideration of SDBIP for fourth quarter. Report on SCM- disciplinary matters related to MFMA Monthly budget statements. MPAC and Audit committee Quarterly meeting/ report on functioning of AC Final Work Programme presented to Council. 	<ul style="list-style-type: none"> 05/07/2017 28/07/2017 31/07/2017 31/07/2017 31/07/2017 	
IDP			
August 2017	Analysis Phase		31 August 2017

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	<ul style="list-style-type: none"> Data collection (ward-based planning) Data analysis and interpretation Community Satisfaction Survey 	<ul style="list-style-type: none"> 01/08/2017 – 30/09/2017 01/08/2017 – 30/09/2017 01/08/2017 – 30/09/2017 	
Budget			
	<ul style="list-style-type: none"> 2016/17 internal analysis of financial and non-financial performance. Determine financial position and assess financial capacity against future strategies. 	<ul style="list-style-type: none"> 31/08/2017 	
PMS			
	<ul style="list-style-type: none"> 2016/17 IDP implementation feedback: Fourth Quarter Mayoral Imbizo Make public the 2017/18 SDBIP Make public 2017/18 annual performance agreements and ensure that copies are submitted to Council and MEC:CoGHSTA Submission of 2016/17 Departmental Annual Performance Report Place 2017/18 annual performance agreements on 	<ul style="list-style-type: none"> 01/08/2017 – 31/08/2017 15/08/2017 15/08/2017 15/08/2017 15/08/2017 03/08/2017 – 31/08/2017 	

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	the municipal website. <ul style="list-style-type: none"> Individual performance assessments 2016/17 Annual 		
MPAC			
	<ul style="list-style-type: none"> Technical committee meeting. Committee meeting. District wide session Monthly budget statements Annual performance plan prepared Performance agreements signed by MM & section 56 officials. Annual financial statements to be submitted to AG Declaration forms completed and updated by Cllrs and Staff. Probing 4th quarter performance report. Public hearing on the fourth quarter performance report. 	<ul style="list-style-type: none"> 01/08/2017 11/08/2017 16-18/08/2017 22-25/08/2017 28-31/08/2017 	
IDP			
September 2017	Analysis Phase		
	<ul style="list-style-type: none"> Data collection (ward-based planning) Data analysis and interpretation 	<ul style="list-style-type: none"> 01/08/2017 – 30/09/2017 01/08/2017 – 30/09/2017 01/08/2017 – 30/09/2017 	

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	<ul style="list-style-type: none"> Community Satisfaction Survey 		
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"> 28/09/2017 – 09/10/2017 09/10/2017 – 13/10/2017 29/09/2017 – 03/11/2017 	
PMS			
	<ul style="list-style-type: none"> Individual performance assessment report 2016/17 Annual Submission of Final 2016/17 departmental annual reports 	<ul style="list-style-type: none"> 07/09/2017 26/09/2017 	
MPAC			
	<ul style="list-style-type: none"> Project Visit 4th Quarter Individual Performance Assessment Report Monthly budget statements 	<ul style="list-style-type: none"> 08 /09/2017 28 /09/2017 	
IDP			
October 2017	Analysis Phase <ul style="list-style-type: none"> IDP, Budget & PMS Operational Meeting (Analysis Phase) 	<ul style="list-style-type: none"> 04/11/2017 09/11/2017 	

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	<ul style="list-style-type: none"> 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"> 12/11/2017 19/11/2017 	
Budget			
	<ul style="list-style-type: none"> Commence preparation for the 2018/19 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 2018/19 	<ul style="list-style-type: none"> 16-17/10/2017 15/12/2017 15/12/2017 	
PMS			
	<ul style="list-style-type: none"> Continuation of preparations for 2016/17 annual report utilizing financial and non-financial information first reviewed as part of budget and IDP analysis Compilation of 2017/18 first 	<ul style="list-style-type: none"> 05/10/2017 – 30/10/2017 05/10/2017 – 30/10/2017 	

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	quarter institutional performance report.		
MPAC			
	<ul style="list-style-type: none"> • Consolidated AFS submitted to AG • SDBIP for first quarter consideration • Project Visit • Report on SCM/disciplinary matters related to MFMA • Monthly budget statements • MPAC Strategic Planning session 	<ul style="list-style-type: none"> • 13/10/2017 • 18/10/2017 • 23-24/10/2017 • 26-27/10/2017 	
Budget			
November 2017	<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"> • 06/11/2017– 30/11/2017 • 06/11/2017 – 30/11/2017 	

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
PMS			
	<ul style="list-style-type: none"> • Mayoral Imbizo on first quarter performance 	<ul style="list-style-type: none"> • 10/11/2017 – 17/11/2017 	
MPAC			
	<ul style="list-style-type: none"> • Probe 1st Quarter Performance report. • Monthly budget statements • Technical Committee meeting • Public hearing on the 1st Quarter performance report. 	<ul style="list-style-type: none"> • 13/11/2017 • 16/11/2017 • 24/11/2017 	
IDP			
December 2017	Strategies Phase		
	<ul style="list-style-type: none"> • Strategic Session 	<ul style="list-style-type: none"> • 05/12/2017 – 09/12/2017 	
PMS			
	<ul style="list-style-type: none"> • Oversight training for MPAC members for probing the 2016/17 annual report. • Finalize the draft annual report incorporating financial and non financial information on performance, audit reports and annual financial statements • Present draft annual report to Municipal Manager 	<ul style="list-style-type: none"> • 05/12/2017 – 16/12/2017 • 21/12/2017 • 04/12/2017 	

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
MPAC			
	<ul style="list-style-type: none"> • District forum meeting • Develop schedule for considering the 2016/17 Annual Report 	<ul style="list-style-type: none"> • 04/12/2017 • 08/12/2017 	
Budget			
	<ul style="list-style-type: none"> • Finalise the 2016/17 inputs from bulk resource providers (and NERSA) and agree on proposed price increase. (Align after submission of proposed tariffs) 	<ul style="list-style-type: none"> • 04/12/2017 – 11/12/2017 	
IDP			
January 2018	Strategies Phase (cont) <ul style="list-style-type: none"> • IDP, Budget & PMS Operational Meeting • IDP/Budget & PMS Technical Meeting (Strategic Plan) • IDP/Budget & PMS Steering Committee (Strategic Plan) • IDP/Budget & PMS Rep. Forum (Strategic Plan) 	<ul style="list-style-type: none"> • 10/01/2018 • 16/01/2018 • 19/01/2018 • 22/01/2018 	31 January 2018
Budget			
	<ul style="list-style-type: none"> • Mid-Year Performance Assessment and recommend and adjustment budget, if necessary. • Incorporate priorities from the 	<ul style="list-style-type: none"> • 26/01/2018 • 23/01/2018– 26/01/2018 	

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Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	<p>President's State of the Nation Address, National Treasury and SALGA for further budget consideration.</p> <ul style="list-style-type: none"> Review all aspects of the 2017/18 budget including any unforeseen and unavoidable expenditure in light of need for an adjustment budget. 	<ul style="list-style-type: none"> 09/01/2018 – 26/01/2018 	
PMS			
	<ul style="list-style-type: none"> Compilation of 2017/18 Mid-year report Mayor tables 2016/17 annual report to council Make public the 2016/17 annual report and invite comments from local community, submit report to Auditor-General, Provincial Treasury & CoGHSTA Consider monthly & mid-year reports for the period ended 31 December 2017. Review implementation of budget and service delivery plan (SDBIP), identify problems and amend or recommend appropriate amendments. 	<ul style="list-style-type: none"> 02/01/2018 – 20/01/2018 23/01/2018 29/01/2018 29/01/2018 27/01/2018 	

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	Submit report to council and make public any amendments to the SDBIP by the end of January 2018 to Council the status of next three year budget, 2016/17 annual report (including AFS & audit report) and summarizes overall findings of 2016/17 annual performance report.	<ul style="list-style-type: none"> 27/01/2018 	
MPAC			
	<ul style="list-style-type: none"> MPAC and Audit committee Quarterly meeting Mid-year report and budget of council AFS returned from A-G Matters raised by A-G. Report on disciplinary matters related to MFMA/Report on SCM Monthly budget statement's Report in functioning of AC. 	<ul style="list-style-type: none"> 16-30/01/2018 	
IDP			
February 2018	Projects and Integration Phase		28 February 2018
	<ul style="list-style-type: none"> Develop a list of project 	<ul style="list-style-type: none"> 31/01/2018 – 16/02/2018 	

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	<ul style="list-style-type: none"> • Submission of Sector Plans • IDP, Budget & PMS Operational meeting (Projects prioritisation and Sector plans) • IDP, Budget & PMS Technical meeting (Projects prioritisation and Sector plans) • 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"> • 03/02/2018 – 13/02/2018 • 06/02/2018 • 14/02/2018 • 20/02/2018 • 23/02/2018 	
Budget			
	<ul style="list-style-type: none"> • Incorporate directives from the National budget and Provincial and National allocations to municipalities into budget. • Finalise the draft 2018/19 detailed operating & capital budgets in the prescribed formats incorporating National and Provincial budget allocations, integrate and align to IDP documentation and 	<ul style="list-style-type: none"> • 02/02/2018 – 28/02/2018 • 09/03/2018 • 15/02/2018 	

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	draft SDBIP, finalise budget policies including tariff policy. <ul style="list-style-type: none"> • Tabling and approval of an adjustments budget (if necessary) 	<ul style="list-style-type: none"> • 28/02/2018 	
PMS			
	<ul style="list-style-type: none"> • Individual Performance Assessments 2017/18 Mid-year • Place 2016/17 annual report on the municipal website • Mayoral Imbizo 	<ul style="list-style-type: none"> • 06/02/2018 - 22/02/2018 • 06/02/2018 • 05/02/2018 – 16/02/2018 	
MPAC			
	<ul style="list-style-type: none"> • Considering the 2016/17 annual report • Consider the 2017/18 Mid-Year Report • Monthly budget statements • Visit projects • Audit Committee and MPAC meeting • Public Hearing on 2017/18 Mid- Year report • Visit to Scopa 	<ul style="list-style-type: none"> • 09/02/2018 • 15/02/2018 • 16/02/2018 • 23/02/2018 • 26/02/2018 • 28/02/2018 	
IDP			
March 2018	Approval Phase (Draft IDP)		31 March 2018
	<ul style="list-style-type: none"> • IDP, Budget & PMS operational meeting (Draft 2018/19 IDP, 	<ul style="list-style-type: none"> • 05/03/2018 	

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	Budget & PMS) <ul style="list-style-type: none"> • IDP, Budget & PMS Technical meeting (Draft 2018/19 IDP, Budget & PMS) • IDP, Budget & PMS Steering meeting (Draft 2018/19 IDP, Budget & PMS) • IDP, Budget & PMS Representative Forum (Draft 2018/19 IDP, Budget & PMS) • 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"> • 09/03/2018 • 13/03/2018 • 23/03/2018 • 29/03/2018 • 10/04/2018 	
Budget			
	<ul style="list-style-type: none"> • Consolidation of Draft 2018/19 annual budget. • Incorporate changes in prices for bulk resources and finalise tariff proposals for all charges. • Distribute all budget documentation prior to meeting at which budget is to be tabled. • Table in Council the 2018/19 annual budget & all supporting documents. 	<ul style="list-style-type: none"> • 05/03/2018 • 14/03/2018 • 19/03/2018 – 26/03/2018 • 30/03/2018 • 14/03/2018 	

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	<ul style="list-style-type: none"> Submit the 2017/18 approved adjustments budget to the Provincial & National Treasury & any other affected organ of state (10 days after approval.) 		
PMS			
	<ul style="list-style-type: none"> Compile Individual performance assessment report (2017/18 Mid -Year Quarter) Council adopts the 2016/17 annual report with the comments of the oversight committee. Submit draft 2018/19 SDBIP to the Mayor Submit draft 2018/19 annual performance agreements to the Mayor 	<ul style="list-style-type: none"> 14/03/2018 30/03/2018 28/03/2018 28/03/2018 	
MPAC			
	<ul style="list-style-type: none"> Technical Committee meeting Public hearing on the 2016/17 Annual Report District forum meeting Oversight report preparation Submit Oversight Report and Annual Report to Council Monthly budget statement's 	<ul style="list-style-type: none"> 13/03/2018 20/03/2018 23/03/2018 26/03/2018 30/03/2018 	

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Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
IDP			
April 2018	Approval Phase (Draft IDP cont)		30 April 2018
	<ul style="list-style-type: none"> • Consultations on tabled Draft 2018/19 IDP, Budget & PMS 	<ul style="list-style-type: none"> • 03/04/2018 – 30/04/2018 	
Budget			
	<ul style="list-style-type: none"> • Make public the 2017/18 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. 	<ul style="list-style-type: none"> • 11/04/2018 – 25/04/2018 • 11/04/2018 – 25/04/2018 	
PMS			
	<ul style="list-style-type: none"> • Submit the 2016/17 Annual Report & Oversight Report to Provincial Treasury, CoGHSTA, AG and Legislature. • Make public the 2016/17 oversight report • Submission of third quarter departmental performance report 	<ul style="list-style-type: none"> • 11/04/2018 • 11/04/2018 • 11/04/2018 	

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Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
MPAC			
	<ul style="list-style-type: none"> • Oversight report made public • Consider the 2017/18 Draft SDBIP for third quarter • Report on SCM • Report on disciplinary matters related to MFMA • Monthly budget statements • MPAC and Audit committee Quarterly meeting 	<ul style="list-style-type: none"> • 01-27/04/2018 	
IDP			
May 2018	Approval Phase (Final IDP)		31 May 2018
	<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 	<ul style="list-style-type: none"> • 07/05/2018 • 11/05/2018 • 18/05/2018 • 16/05/2018 	

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	comments) <ul style="list-style-type: none"> • IDP, Budget & PMS Representative meeting (analysis & integration of public comments) • Mayor tables Final 2018/19 IDP, Budget & PMS for final approval/adoption 	<ul style="list-style-type: none"> • 30/05/2018 	
Budget			
	<ul style="list-style-type: none"> • Consider the views of the community and other stakeholders on the 2018/19 budget. • Respond to submissions received & if necessary revise the budget and table amendments for council consideration. 	<ul style="list-style-type: none"> • 16/05/2018– 17/05/2018 • 16/05/2018 – 18/05/2018 	
PMS			
	<ul style="list-style-type: none"> • Approve the 2018/19 SDBIP-final date under legislation 26 July 2018 	<ul style="list-style-type: none"> • 31/05/2018 	
MPAC			
	<ul style="list-style-type: none"> • Consider the Draft IDP, Budget and PMS • Consider third Quarter report • Monthly budget statements • Probing and public hearing on 	<ul style="list-style-type: none"> • 14/05/2018 • 29/05/2018 	

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Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	third Quarter Institutional Performance Report.		
IDP			
June 2018	<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"> 07/06/2018 13/06/2018 14/06/2018 	30 June 2018
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"> 15/06/2018 	
MPAC			
	<ul style="list-style-type: none"> Technical Committee meeting Monthly budget statements Consider the alignment of final IDP, Budget, PMS and MPAC Work Programme District forum meeting 	<ul style="list-style-type: none"> 4-15/6/2018 21/6/2018 	
	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 	

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

6.1.VISION OF THE MUNICIPALITY

The vision was therefore revised as follows:

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

6.2.FIVE YEAR STRATEGIC FOCUS AREA

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

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

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

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

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

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

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

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

6.3.ALIGNMENT OF IDP WITH NATIONAL AND PROVINCIAL GOVERNMENT

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

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

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

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

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

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

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

7. MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

7.1. Key Financial Indicators and ratios

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Description of financial indicator	Basis of calculation	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.2%	2.1%	1.9%	0.1%	0.1%	0.1%	0.1%	4.1%	3.9%	3.7%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.3%	2.7%	4.7%	0.2%	0.2%	0.2%	0.2%	5.6%	5.3%	5.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	23.1	1.5	0.8	196.0	196.0	196.0	196.0	6.1	6.1	6.1
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	23.1	1.5	0.8	196.0	196.0	196.0	196.0	6.1	6.1	6.1
Liquidity Ratio	Monetary Assets/Current Liabilities	0.9	0.0	-	1.0	1.0	1.0	1.0	0.1	0.1	0.1
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		93.4%	100.0%	100.0%	86.4%	86.4%	86.4%	86.4%	84.5%	84.5%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		93.4%	100.0%	100.0%	86.4%	86.4%	86.4%	86.4%	84.5%	84.5%	87.3%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	0.1%	25.4%	21.6%	30.5%	30.5%	30.5%	30.5%	29.7%	29.2%	28.8%

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Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old											
Creditors Management												
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA's 65(e))											
Creditors to Cash and Investments		0.0%	3291.2%	589.9%	0.0%	0.0%	0.0%	0.0%	9419.9%	13818.8%	2156.1%	
Other Indicators												
	Total Volume Losses (kW)		16779299	19837213	19296742	19296742	19296742	19296742	18717839	18156304	17611615	
	Total Cost of Losses (Rand '000)		21,813	27,772	28,945	28,945	28,945	28,945	30,323	31,229	32,229	
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated		19.00%	22.90%	22.90%	22.90%	22.90%	22.90%	20.00%	17.00%	14.00%	
Employee costs	Employee costs/(Total Revenue - capital revenue)	40.2%	25.8%	33.8%	30.2%	30.1%	30.1%	30.1%	29.2%	29.0%	29.0%	
Remuneration	Total remuneration/(Total Revenue - capital revenue)	34.2%	29.5%	0.0%	33.3%	33.2%	33.2%		32.4%	32.3%	32.3%	
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.6%	0.4%	0.0%	5.7%	5.7%	5.7%		4.1%	4.0%	4.0%	
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	19.7%	14.0%	28.3%	14.9%	14.9%	14.9%	14.9%	14.1%	13.9%	13.7%	
IDP regulation financial viability indicators	-											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	18.0	30.1	49.9	71.3	71.3	71.3	7.0	7.4	7.6	8.0	
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0.2%	65.8%	38.6%	56.6%	56.6%	56.6%	56.6%	53.9%	53.8%	53.7%	
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.1	0.4	0.5	0.1	0.1	0.1	0.1	0.0	0.0	0.2	

7.2. Measurable Performance Objectives and Indicators

LIM334 Ba-Phalaborwa - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Vote -Technical Services										
Function 1 - (name)										
Sub-function 1 - (name)										
<i>Namakgale Stadium</i>										
<i>Tar Tshelang Gape Via Namakgale</i>	Kilometres									
Sub-function 2 - (name)										
<i>Bernfarm Sreet</i>	Kilometres									
<i>Mashishimale Sports Complex</i>	Wards									
High Mast Lights	Rands							1,500,000.00		
<i>Mashishimale Sports Complex</i>										
Installation of Remote control in Sub-station	Rands							3,000,000.00		
Procurement of hand held alcohol testers	number	0	0	0	0	0	0	4	0	0
Purchase of Electronic Portable Cameras	number							4	0	0
<i>Upgrading of Chamber & Activity Hall</i>										
Office Furniture and Equipment	rands							500,000.00		
Upgrade of ICT infrastructure	rands							1,850,000.00		
<i>Construction of Culverts(Designs and Specification)</i>										
Purchase of Tractor	Rands							450,000.00		

8. OVERVIEW OF BUDGET-RELATED POLICIES

The following policies has been reviewed and adopted with this budget for implementation by July 2018

Tariff Policy

- The Tariff Policy was reviewed in line with relevant legislation and adopted with this budget for implementation in July 2018

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 2018.

Asset Management Policy

- A policy in line with relevant legislation is reviewed and adopted with this annual budget for implementation in July 2018.

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 2018.

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 2018. The approved indigent register will be in force as from 1st July 2018.

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 2018

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 2018.

Virement Policy

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

Petty Cash Policy

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

Bad Debt Write Off

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

Deposit Policy

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

Fleet Management Policy

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

Electricity Supply by-laws

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

Land Use by-laws

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

Subsistence and Traveling Policy

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

Inventory management Policy

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

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

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

9. OVERVIEW OF BUDGET ASSUMPTIONS

External factors

The following factors were taken consideration and assumption when compiling 2018/19 budget to ensure that the budget is meaningful and easy to understand during the calculation of estimated revenues and expenditures:

- Division of Revenue Bill, 2018
- Domestic outlook
- Population growth
- Risks to the global outlook
- National target in new growth path to create jobs over the next decade
- Sound macroeconomic policy enables the Country to fund social and economic priorities
- Anticipated salary increases
- Demand for services provision on free basic services
- Rates – Tariffs, charges and timing of revenue collection
- Sustainability – Consumer affordability to services municipal services
- Interest rate

Internal factors

KEY FINANCIAL TARGETS

The following assumptions were considered on compilation of 2018/19 budget on revenues: The multi – year budget is underpinned by the following key financial target assumptions:

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

There are several sources of information gathered during the compilation of 2018/19 budget:

- Ba-Phalaborwa Intergrated Development Plan
- mSCOA circulars
- Treasury circulars 91,89,86,85,82,75, 74, 72, 70, 67,66, 59, 58, 55, 54, 51 and 48
- Statistics SA guidelines on economic indicators
- Financial management system and departmental budget inputs submitted
- Consumer/ Customers surveys on services

10. OVERVIEW OF BUDGET FUNDING

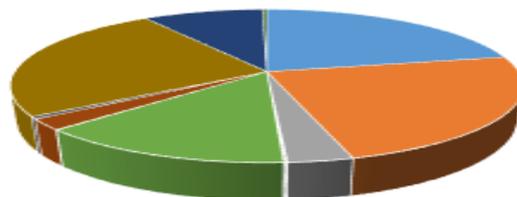
10.1. REVENUE AND FINANCING ACTIVITIES

R thousands	Audited 2014/15	Audited 2015/16	Audited 2016/17	Budget 2017/18	Revised Budget 2017/18	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue By Source								
Property rates	65,594	68,106	90,683	113,609	113,609	132,629	139,659	147,200
Service charges – electricity revenue	87,608	94,111	95,066	124,121	124,121	130,699	137,757	154,833
Service charges – refuse revenue	11,405	14,040	13,078	18,119	18,119	19,079	20,109	21,215
Rental of facilities and equipment	265	354	345	500	500	527	555	585
Interest earned – external investments	277	638	518	538	1,038	1,093	1,152	1,216
Interest earned – outstanding debtors	29,899	32,559	20,023	72,042	71,542	75,334	79,402	83,769
Fines	8,823	3,360	313	451	451	474	500	528
Licences and permits	2,257	3,525	2,417	11,922	11,922	12,475	13,149	13,872
Agency services	5,325	5,676	12,739	2,701	2,701	2,844	2,998	3,163
Transfers recognised – operational	87,633	112,388	113,972	129,937	129,737	137,272	152,040	166,368
Transfers recognised – capital	38,768	55,499	29,096	47,219	48,201	29,865	30,425	31,975
Other revenue	7,328	122,699	6,708	1,732	1,732	1,899	2,002	2,112
Total Revenue	345,182	512,957	384,959	522,891	523,673	544,191	579,747	626,836

- The table above illustrate the summaries of revenue and financing activities. The estimated revenue is at R544,2 million
- Equitable share allocation as per Division of Revenue 2017
- Highlights of operational grants as per Division of Revenue
- Highlights of conditional capital grants as per Division of Revenue

Graphically Revenur per source:

REVENUE GRAPH PER SOURCE



- Property rates
- Service charges - refuse revenue
- Interest earned - external investments
- Fines
- Agency services
- Transfers recognised - capital
- Service charges - electricity revenue
- Rental of facilities and equipment
- Interest earned - outstanding debtors
- Licences and permits
- Transfers recognised - operational
- Other revenue

10.2.1 Grants and subsidies as per Division of Revenue 2018

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

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
RECEIPTS:	1, 2									
- Operating Transfers and Grants										
National Government:		74,154	88,490	113,286	124,937	124,737	124,737	137,272	152,040	166,368
Local Government Equitable Share		69,433	83,256	110,235	120,392	120,392	120,392	132,485	147,759	161,573
Finance Management		1,550	1,600	1,810	2,145	2,145	2,145	2,215	2,680	3,112
Municipal Systems Improvement		890	934		-	-	-		-	-
EPWP Incentive		1,000	1,212	1,000	1,000	1,000	1,000	1,000		
Operating Grant: MIG (5% of MIG Grants for PMU)		1,281	1,488		1,400	1,200	1,200	1,572	1,601	1,683
Other transfers/grants [insert description]				241						
Total Operating Transfers and Grants	5	74,154	88,490	113,286	124,937	124,737	124,737	137,272	152,040	166,368
Capital Transfers and Grants										
National Government:		38,151	37,279	30,568	47,619	48,601	48,601	29,865	30,425	41,475
Municipal Infrastructure Grant (MIG)		38,151	28,279	30,568	38,619	39,601	39,601	29,865	30,425	31,975
INEG			9,000		9,000	9,000	9,000			9,500
Total Capital Transfers and Grants	5	38,151	37,279	30,568	47,619	48,601	48,601	29,865	30,425	41,475
TOTAL RECEIPTS OF TRANSFERS & GRANTS		112,305	125,769	143,854	172,556	173,338	173,338	167,137	182,465	207,843

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- Equitable share has increased from 2017 Division of Revenue – R120,3 million to R132,5 million in 2018
- Financial Management grant also increased from 2017 Division of Revenue – R2.1 million to R2.2 million
- Municipal Infrastructure grant as per Division of Revenue is R31.4 million in 2018.
- Expanded public works Grant of R1 million as per Division of Revenue 2018

Allocation of Expenditure per standard item

R thousands	Audited 2014/15	Audited 2015/16	Audited 2016/17	Budget 2017/18	ADJ Budget 2017/18
Expenditure By Type					
Employee related costs	123,098	118,246	120,135	143,682	143,261
Remuneration of councillors	11,790	13,243	13,160	14,804	14,804
Debt impairment	73,146	66,032	184,071	37,799	37,799
Depreciation & asset impairment	60,127	62,987	100,228	70,117	70,117
Finance charges	231	1,215	320	745	745
Bulk purchases	65,626	74,560	81,354	98,163	98,163
Contracted services	44,545	30,487	32,211	45,319	44,089
Other expenditure	71,596	69,939	62,326	95,758	97,409
Total Expenditure	450,159	436,709	593,806	506,387	506,387
Surplus	(104,977)	76,247	(208,848)	16,504	17,286

Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
149,973	159,571	169,943
16,684	17,751	18,905
38,602	40,687	42,924
71,633	75,501	79,654
745	745	745
96,000	101,184	106,749
48,511	50,682	53,202
92,174	96,045	101,277
514,322	542,166	573,400
29,869	37,581	53,437

- The estimated operational expenditure as per standard item is R514,3 million for the financial year 2018/19
- Included on the expenditure per standard item is the depreciation and impairment of assets at an estimated value of R110,2 million
- Employee related costs for entire staff members exclusive of councillors is estimated at R149,97 million in 2018/19 financial year
- Repairs and maintenance at an estimated value of R21,1 million will be utilised to maintain municipal assets. It is 52.9% of the total estimated capital budget of R39,9 million. National Treasury guides indicate that at least the repairs and maintenance allocation should be 40% of the total capital expenditure budget of which it has been considered.

Summary of operating expenditure by standard classification item

Employee Related Costs

- The budgeted allocation for employee related costs for the 2018/19 financial year totals R149,97 million which equals 29 per cent of the total operating expenditure. Salary increases have been factored into this budget at a percentage increase of 6.3 per cent for the 2018/19 financial year as per latest circular 91.

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 2018/19 financial year the remuneration of councilors will amount to R16,7 million. It is equal to 3 per cent of the operating expenditure.

Debt impairment

- The provision of debt impairment was determined based on an current collection rate and Debt Write-off Policy of the municipality. For the 2017/18 financial year this amount equates to R37.8 million which equates to 7.51 percent of the total operating expenditure and escalates to R38,6 million by 2018/19. While this expenditure is considered to be a non-cash flow item, it is informed by the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues and equals to 8 per cent of the operating expenditure.

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 R71,6 million for the 2018/19 financial and equates to 13.93 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 18.67 per cent of the operating expenditure.

Contracted Services

- In the 2018/19 financial year, this group of expenditure totals R48.5 million which equates to 9.43 percent of the total operating expenditure. For the two outer years, the projection is at R50,7 million and R53,2 million.

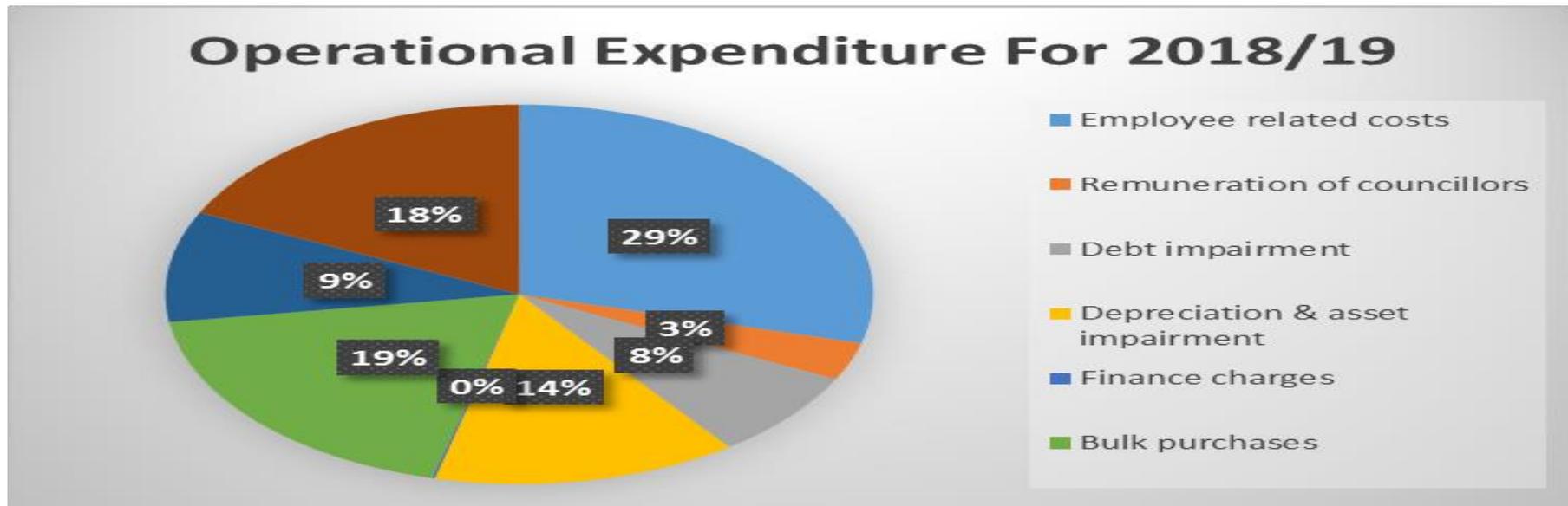
Other Expenditure

- Other expenditure comprises of various line items relating to the daily operations of the municipality, For 2018/19 financial year is estimated at R92,2 million which equates to 17.92 percent of total operational budget. The amount include R21.1 million of repairs and maintenance.

Finance Charges

- The finance charges for 2018/19 financial year is estimated to be R745 thousand which constitute 0,14 per cent of the total operating expenditure.

The following graph gives a breakdown of the main expenditure categories for the 2018/19 financial year.



10.2.2 ALLOCATION OF MAIN VOTE

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

Vote Description R thousand	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue by Vote	1									
Vote 1 - Executive and Council		-	-	384,959	-	-	-	-	-	-
Vote 2 - Budget and Treasury Department		193,504	327,917	-	292,222	292,222	292,222	326,377	352,334	377,544
Vote 3 - Corporate Services		1,133	533	-	651	651	651	682	719	758
Vote 4 - Community and Social Services		26,163	27,264	-	39,181	39,181	39,181	41,257	43,485	45,877
Vote 5 - Planning and Development		7	2,361	-	62	62	62	66	69	73
Vote 6 - Technical Services Department		124,375	154,883	-	190,775	191,557	191,557	175,810	183,141	202,584
-		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	345,182	512,957	384,959	522,891	523,673	523,673	544,191	579,747	626,836
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive and Council		48,368	46,833	593,806	51,677	51,677	51,677	54,694	57,982	61,527
Vote 2 - Budget and Treasury Department		93,807	108,315	-	90,697	90,697	90,697	91,670	96,370	101,617
Vote 3 - Corporate Services		55,143	38,779	-	46,124	46,124	46,124	48,753	51,582	54,627
Vote 4 - Community and Social Services		51,063	43,256	-	78,540	78,540	78,540	81,864	86,752	92,021
Vote 5 - Planning and Development		11,069	11,381	-	15,494	15,494	15,494	16,827	17,787	18,825
Vote 6 - Technical Services Department		190,709	188,146	-	223,855	223,855	223,855	220,513	231,692	244,782
-		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	450,159	436,709	593,806	506,387	506,387	506,387	514,322	542,166	573,400
Surplus/(Deficit) for the year	2	(104,977)	76,247	(208,848)	16,504	17,286	17,286	29,869	37,581	53,437

- 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 Department
- 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	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Funding measures	-	-	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end - R'000	18(1)b	1	3,246	11,069	17,028	1,899	1,899	1,899	1,899	1,068	766	5,171
Cash + investments at the yr end less applications - R'000	18(1)b	2	3,246	(284,344)	(23,806)	101,299	101,441	101,441	101,441	8,955	10,538	19,527
Cash year end/monthly employee/supplier payments	18(1)b	3	0.1	0.4	0.5	0.1	0.1	0.1	0.1	0.0	0.0	0.2
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(104,977)	76,247	(208,848)	16,504	17,286	17,286	17,286	29,869	37,581	53,437
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	1.1%	6.8%	22.7%	(6.0%)	(6.0%)	(6.0%)	4.4%	(0.6%)	(0.5%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	81.4%	59.2%	99.6%	67.8%	67.9%	67.9%	67.9%	67.8%	68.3%	70.4%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	44.4%	37.5%	92.6%	14.8%	14.8%	14.8%	14.8%	13.7%	13.7%	13.7%
Capital payments % of capital expenditure	18(1)c;19	8	72.3%	146.4%	(49.5%)	74.8%	73.7%	73.7%	73.7%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	32588.6%	(33.8%)	88.4%	0.0%	0.0%	0.0%	5.2%	5.2%	5.2%
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%	0.2%	0.0%	2.6%	2.6%	2.6%	2.1%	2.7%	2.8%	2.7%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	15.0%	6.6%	11.1%
Supporting indicators	-	-	-	-	-	-	-	-	-	-	-	-
% incr total service charges (incl prop rates)	18(1)a			7.1%	12.8%	28.7%	0.0%	0.0%	0.0%	10.4%	5.4%	5.5%
% incr Property Tax	18(1)a			3.8%	33.2%	25.3%	0.0%	0.0%	0.0%	16.7%	5.3%	5.4%
% incr Service charges - electricity revenue	18(1)a			7.4%	1.0%	30.6%	0.0%	0.0%	0.0%	5.3%	5.4%	5.5%
% incr Service charges - water revenue	18(1)a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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% incr Service charges - sanitation revenue	18(1)a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
% incr Service charges - refuse revenue	18(1)a			20.9%	(5.2%)	38.5%	0.0%	0.0%	0.0%	5.3%	5.4%	5.5%	
% incr in Service charges - other	18(1)a			0.0%	(100.0%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Total billable revenue	18(1)a	164,607	176,257	198,827	255,848	255,848	255,848	255,848	255,848	282,407	297,525	313,749	
Service charges		164,607	176,257	198,827	255,848	255,848	255,848	255,848	255,848	282,407	297,525	313,749	
Property rates		65,594	68,106	90,683	113,609	113,609	113,609	113,609	113,609	132,629	139,659	147,200	
Service charges - electricity revenue		87,608	94,111	95,066	124,121	124,121	124,121	124,121	124,121	130,699	137,757	145,333	
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	
Service charges - refuse removal		11,405	13,789	13,078	18,119	18,119	18,119	18,119	18,119	19,079	20,109	21,215	
Service charges - other		-	251	-	-	-	-	-	-	-	-	-	
Rental of facilities and equipment		265	354	345	500	500	500	500	500	527	555	585	
Capital expenditure excluding capital grant funding		23,543	(4,665)	9,543	15,900	15,900	15,900	15,900	15,900	10,052	-	-	
Cash receipts from ratepayers	18(1)a	177,820	204,060	240,372	233,910	233,910	233,910	233,910	233,910	255,000	270,742	294,183	
Ratepayer & Other revenue	18(1)a	218,504	344,431	241,372	345,196	344,696	344,696	344,696	344,696	375,961	396,130	417,777	
Change in consumer debtors (current and non-current)		72,164	115,929	(39,324)	68,015	68,015	68,015	68,015	68,015	7,539	7,931	8,343	
Operating and Capital Grant Revenue	18(1)a	126,401	167,887	143,068	177,156	177,938	177,938	177,938	177,938	167,137	182,465	207,843	
Capital expenditure - total	20(1)(vi)	49,569	35,760	38,643	63,119	64,101	64,101	64,101	64,101	39,917	30,425	41,475	
Capital expenditure - renewal	20(1)(vi)	-	-	-	-	-	-	-	-	6,000	2,000	4,620	
Supporting benchmarks													
Growth guideline maximum		6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	
CPI guideline		4.3%	3.9%	4.6%	5.0%	5.0%	5.0%	5.0%	5.0%	5.4%	5.6%	5.4%	
DoRA operating grants total MFY													
DoRA operating													
<i>Local Government Equitable Share</i>										132,485	147,759	161,573	
Finance Management										2,215	2,680	3,112	
EPWP Incentive										1,000	-	-	
Operating Grant: MIG (5% of MIG Grants for PMU)										1,572	1,601	1,683	
										137,272	152,040	166,368	
DoRA capital													
<i>Municipal Infrastructure Grant (MIG)</i>										29,865	30,425	31,975	

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INEG										-	-	9,500							
										29,865	30,425	41,475							
Trend																			
Change in consumer debtors (current and non-current)										72,164	115,929	(39,324)	68,015	7,539	7,931	8,343	-	-	-
Total Operating Revenue										306,414	457,458	355,862	475,672	475,472	475,472	475,472	514,326	549,323	585,361
Total Operating Expenditure										450,159	436,709	593,806	506,387	506,387	506,387	506,387	514,322	542,166	573,400
Operating Performance Surplus/(Deficit)										(143,745)	20,748	(237,944)	(30,715)	(30,915)	(30,915)	(30,915)	4	7,157	11,962
Cash and Cash Equivalents (30 June 2012)																	1,068		
Revenue																			
% Increase in Total Operating Revenue										49.3%	(22.2%)	33.7%	(0.0%)	0.0%	0.0%	0.0%	8.2%	6.8%	6.6%
% Increase in Property Rates Revenue										3.8%	33.2%	25.3%	0.0%	0.0%	0.0%	0.0%	16.7%	5.3%	5.4%
% Increase in Electricity Revenue										7.4%	1.0%	30.6%	0.0%	0.0%	0.0%	0.0%	5.3%	5.4%	5.5%
% Increase in Property Rates & Services Charges										7.1%	12.8%	28.7%	0.0%	0.0%	0.0%	0.0%	10.4%	5.4%	5.5%
Expenditure																			
% Increase in Total Operating Expenditure										(3.0%)	36.0%	(14.7%)	0.0%	0.0%	0.0%	0.0%	1.6%	5.4%	5.8%
% Increase in Employee Costs										(3.9%)	1.6%	19.6%	(0.3%)	0.0%	0.0%	0.0%	4.7%	6.4%	6.5%
% Increase in Electricity Bulk Purchases										13.6%	9.1%	20.7%	0.0%	0.0%	0.0%	0.0%	(2.2%)	5.4%	5.5%
Average Cost Per Budgeted Employee Position (Remuneration)											287405.2321	268062.9682					279800.0835		
Average Cost Per Councillor (Remuneration)											365546.1389	411227.7085					463434.9879		
R&M % of PPE										0.0%	0.2%	0.0%	2.6%	2.6%	2.6%		2.7%	2.8%	2.7%
Asset Renewal and R&M as a % of PPE										0.0%	0.0%	0.0%	4.0%	4.0%	4.0%		6.0%	5.0%	6.0%
Debt Impairment % of Total Billable Revenue										44.4%	37.5%	92.6%	14.8%	14.8%	14.8%	14.8%	13.7%	13.7%	13.7%
Capital Revenue																			
Internally Funded & Other (R'000)										9,734	11,943	9,543	15,900	15,900	15,900	15,900	10,052	-	-
Borrowing (R'000)										-	-	-	-	-	-	-	-	-	-
Grant Funding and Other (R'000)										26,026	40,425	29,100	47,219	48,201	48,201	48,201	29,865	30,425	41,475
Internally Generated funds % of Non Grant Funding										100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	0.0%	0.0%
Borrowing % of Non Grant Funding										0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grant Funding % of Total Funding										72.8%	77.2%	75.3%	74.8%	75.2%	75.2%	75.2%	74.8%	100.0%	100.0%

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Capital Expenditure												
Total Capital Programme (R'000)			35,760	52,368	38,643	63,119	64,101	64,101	64,101	39,917	30,425	41,475
Asset Renewal			-	-	-	-	-	-	-	6,000	2,000	4,620
Asset Renewal % of Total Capital Expenditure			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	15.0%	6.6%	11.1%
Cash												
Cash Receipts % of Rate Payer & Other			81.4%	59.2%	99.6%	67.8%	67.9%	67.9%	67.9%	67.8%	68.3%	70.4%
Cash Coverage Ratio			0	0	0	0	0	0	0	0	0	0
Borrowing												
Credit Rating (2009/10)										0		
Capital Charges to Operating			0.2%	2.1%	1.9%	0.1%	0.1%	0.1%	0.1%	4.1%	3.9%	3.7%
Borrowing Receipts % of Capital Expenditure			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Reserves												
Surplus/(Deficit)			3,246	(284,344)	(23,806)	101,299	101,441	101,441	101,441	8,955	10,538	19,527
Free Services												
Free Basic Services as a % of Equitable Share			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Free Services as a % of Operating Revenue (excl operational transfers)			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
High Level Outcome of Funding Compliance												
Total Operating Revenue			306,414	457,458	355,862	475,672	475,472	475,472	475,472	514,326	549,323	585,361
Total Operating Expenditure			450,159	436,709	593,806	506,387	506,387	506,387	506,387	514,322	542,166	573,400
Surplus/(Deficit) Budgeted Operating Statement			(143,745)	20,748	(237,944)	(30,715)	(30,915)	(30,915)	(30,915)	4	7,157	11,962
Surplus/(Deficit) Considering Reserves and Cash Backing			3,246	(284,344)	(23,806)	101,299	101,441	101,441	101,441	8,955	10,538	19,527
MTREF Funded (1) / Unfunded (0)	15		1	0	0	1	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded ✗	15		✓	✗	✗	✓	✓	✓	✓	✓	✓	✓

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 R thousand	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue by Vote	1									
Vote 1 - Executive and Council		-	-	384,959	-	-	-	-	-	-
1.1 - Municipal Council				384,959						
Vote 2 - Budget and Treasury Department		193,504	327,917	-	292,222	292,222	292,222	326,377	352,334	377,544
2.1 - Office of the CFO		695								
2.2 - Financial Planning and Reporting		1,600	327,917		2,145	2,145	2,145	2,215	2,680	3,112
2.3 - Financial Control and Expenditure Management		-								
2.4 - Revenue and Debt Management		191,209			290,077	290,077	290,077	324,162	349,654	374,432
2.5 - Supply Chain Management and Stores										
Vote 3 - Corporate Services		1,133	533	-	651	651	651	682	719	758
3.1 - Office of the Director		-								
3.2 - Human Resources		39	533		147	147	147	155	164	173
3.3 - Information Technology		-								
3.4 - Administration		1,094			503	503	503	527	555	585
3.5 - Legal										
Vote 4 - Community and Social Services		26,163	27,264	-	39,181	39,181	39,181	41,257	43,485	45,877
4.1 - Office of the Director										
4.2 - Libraries		230	6,092		141	141	141	148	156	165
4.4 - Cemeteries		155			153	153	153	161	169	179
4.5 - Traffic		8,823	3,205		285	285	285	300	316	333

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4.6 - Licensing		5,550			14,767	14,767	14,767	15,550	16,390	17,291
4.7 - Environment Health						-	-			
4.8 - Waste Management		11,405	17,967		23,835	23,835	23,835	25,098	26,454	27,909
Vote 5 - Planning and Development		7	2,361	-	62	62	62	66	69	73
5.1 - Office of the Director										
5.2 - Economic Development		7	2,361							
5.3 - Town Planning					62	62	62	66	69	73
Vote 6 - Technical Services Department		124,375	154,883	-	190,775	191,557	191,557	175,810	183,141	202,584
6.1 - Office of the Director										
6.2 - Electrical Services		96,608	102,514		149,311	149,311	149,311	142,482	150,176	167,936
6.3 - Building Section					629	629	629	662	698	736
6.4 - Water Services		-								
6.5 - Waste Water Management		-								
6.6 - Roads and Storm Water Services		27,767	52,368		40,836	41,618	41,618	32,665	32,267	33,912
6.7 - Project Management Unit										
Total Revenue by Vote	2	345,182	512,957	384,959	522,891	523,673	523,673	544,191	579,747	626,836
Expenditure by Vote	1									
Vote 1 - Executive and Council		48,368	46,833	593,806	51,677	51,677	51,677	54,694	57,982	61,527
1.1 - Municipal Council		17,936	46,833	593,806	15,418	15,453	15,453	16,383	17,425	18,551
1.2 - Office of the Mayor		6,970			9,232	9,197	9,197	9,724	10,292	10,903
1.3 - Office of the Municipal Manager		8,930			8,319	8,319	8,319	8,837	9,397	10,002
1.4 - Strategic Planning and Performance Management		3,362								
1.5 - Internal Audit and Risk Management		8,666			16,635	16,635	16,635	17,549	18,532	19,588
1.6 - Disaster Management		2,504			2,073	2,073	2,073	2,200	2,336	2,483

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Vote 2 - Budget and Treasury Department	93,807	108,315	-	90,697	90,697	90,697	91,670	96,370	101,617
2.1 - Office of the CFO	3,117	108,315		2,467	2,467	2,467	2,579	2,741	2,915
2.2 - Financial Planning and Reporting	528			2,823	2,833	2,833	3,010	3,202	3,408
2.3 - Financial Control and Expenditure Management	11,840			17,173	17,163	17,163	16,850	17,434	18,252
2.4 - Revenue and Debt Management	76,623			58,810	58,810	58,810	59,169	62,322	65,711
2.5 - Supply Chain Management and Stores	1,698			6,669	6,599	6,599	6,332	6,717	7,132
2.6 - Asset Management				2,755	2,825	2,825	3,730	3,955	4,198
Vote 3 - Corporate Services	55,143	38,779	-	46,124	46,124	46,124	48,753	51,582	54,627
3.1 - Office of the Director	2,310	38,779		2,545	2,374	2,374	2,521	2,680	2,851
3.2 - Human Resources	17,046			16,242	16,252	16,252	17,156	18,127	19,172
3.3 - Information Technology	2,620			2,892	3,661	3,661	3,873	4,102	4,349
3.4 - Administration	25,878			17,290	16,590	16,590	17,562	18,609	19,738
3.5 - Legal	7,289			7,154	7,246	7,246	7,640	8,063	8,517
Vote 4 - Community and Social Services	51,063	43,256	-	78,540	78,540	78,540	81,864	86,752	92,021
4.1 - Office of the Director	1,679	29,891		2,529	2,529	2,529	2,686	2,856	3,039
4.2 - Libraries	2,100			3,526	3,526	3,526	4,484	4,765	5,068
4.3 - Parks	7,400			20,752	20,752	20,752	21,947	23,234	24,620
4.4 - Cemeteries	345			1,753	1,753	1,753	1,853	1,959	2,074
4.5 - Traffic	8,885	8,674		11,590	11,590	11,590	12,283	13,049	13,876
4.6 - Licensing	13,829			15,092	15,092	15,092	15,319	16,190	17,127
4.7 - Environment Health	8,012			14,050	14,050	14,050	14,921	15,860	16,875
4.8 - Waste Management	8,812	4,691		9,247	9,247	9,247	8,371	8,838	9,341

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Vote 5 - Planning and Development		11,069	11,381	-	15,494	15,494	15,494	16,827	17,787	18,825
5.1 - Office of the Director		1,631	11,381		1,915	1,915	1,915	2,033	2,161	2,299
5.2 - Economic Development		6,095			4,439	4,439	4,439	5,225	5,493	5,785
5.3 - Town Planning		3,344			6,384	6,384	6,384	6,645	7,029	7,443
5.4 - Strategic Planning and Performance Management					2,757	2,757	2,757	2,924	3,104	3,299
Vote 6 - Technical Services Department		190,709	188,146	-	223,855	223,855	223,855	220,513	231,692	244,782
6.1 - Office of the Director		2,456			4,991	4,991	4,991	5,213	4,483	4,774
6.2 - Electrical Services		96,600	137,097		136,851	136,715	136,715	129,187	136,281	143,902
6.3 - Building Section		31,460			23,607	23,607	23,607	24,915	26,332	27,857
6.4 - Water Services						-	-			
6.5 - Waste Water Management						-	-			
6.6 - Roads and Storm Water Services		56,525	51,049		54,398	54,398	54,398	56,814	59,939	63,297
6.7 - Project Management Unit		1,010			1,063	1,199	1,199	1,274	1,355	1,442
6.8 - Mechanical Workshop		2,658			2,944	2,944	2,944	3,110	3,302	3,509
Total Expenditure by Vote	2	450,159	436,709	593,806	506,387	506,387	506,387	514,322	542,166	573,400
Surplus/(Deficit) for the year	2	(104,977)	76,247	(208,848)	16,504	17,286	17,286	29,869	37,581	53,437

12 ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY

In the 2018/19 MTREF no allocations will be made by the Municipality to:

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

13 COUNCILLORS AND BOARD MEMBER ALLOWANCE AND EMPLOYEE BENEFITS

13.1 Summary of Councillors and Staff Benefits

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

Summary of Employee and Councillor remuneration R thousand	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
		A	B	C	D	E	F	G	H	I
<u>Councillors (Political Office Bearers plus Other)</u>	1									
Basic Salaries and Wages		7,492	8,610		9,544	10,255	10,255	10,677	11,360	12,098
Pension and UIF Contributions						-	-	-		
Medical Aid Contributions						43	43	46	49	52
Motor Vehicle Allowance		2,112	2,239		3,549	3,549	3,549	3,773	4,014	4,275
Cellphone Allowance		458	485		957	957	957	1,017	1,082	1,152
Housing Allowances								-		
Other benefits and allowances		430	456		754			1,172	1,247	1,328
Sub Total - Councillors		10,492	11,790	-	14,804	14,804	14,804	16,684	17,751	18,905
% increase	4		12.4%	(100.0%)	-	0.0%	-	12.7%	6.4%	6.5%
<u>Senior Managers of the Municipality</u>	2									
Basic Salaries and Wages		3,317	3,516		4,078	4,078	4,078			
Pension and UIF Contributions					11	11	11			
Motor Vehicle Allowance	3	2,912	3,087		1,484	1,484	1,484			
Cellphone Allowance	3				92	92	92			
Housing Allowances	3				-	-	-			
Other benefits and allowances	3				838	838	838			
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Municipality		6,230	6,603	-	6,503	6,503	6,503	-	-	-
% increase	4		6.0%	(100.0%)	-	-	-	(100.0%)	-	-
<u>Other Municipal Staff</u>										
Basic Salaries and Wages		54,564	81,093		85,248	84,827	84,827	93,871	99,878	106,371

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Pension and UIF Contributions		12,627	13,385		16,985	16,985	16,985	18,484	19,667	20,945
Medical Aid Contributions		3,266	3,462		5,475	5,475	5,475	5,799	6,170	6,571
Overtime		3,689	3,910		4,603	4,603	4,603	4,765	5,070	5,400
Performance Bonus		-	-		-	-	-	-	-	-
Motor Vehicle Allowance	3	8,542	9,055		12,084	12,084	12,084	14,115	15,018	15,994
Cellphone Allowance	3	697	739		1,313	1,313	1,313	1,475	1,569	1,671
Housing Allowances	3	657	696		1,062	1,062	1,062	1,124	1,196	1,274
Other benefits and allowances	3	474	502		7,428	7,428	7,428	7,345	7,816	8,324
Payments in lieu of leave		-	-		-	-	-	-	-	-
Long service awards		3,447	3,653		2,980	2,980	2,980	2,995	3,187	3,394
Post-retirement benefit obligations	6									
Sub Total - Other Municipal Staff		87,962	116,495	-	137,179	136,758	136,758	149,973	159,571	169,943
% increase	4		32.4%	(100.0%)	-	(0.3%)	-	9.7%	6.4%	6.5%
Total Parent Municipality		104,684	134,888	-	158,486	158,065	158,065	166,657	177,323	188,848
			28.9%	(100.0%)	-	(0.3%)	-	5.4%	6.4%	6.5%

TOTAL SALARY, ALLOWANCES & BENEFITS		104,684	134,888	-	158,486	158,065	158,065	166,657	177,323	188,848
% increase	4		28.9%	(100.0%)	-	(0.3%)	-	5.4%	6.4%	6.5%
TOTAL MANAGERS AND STAFF	5,7	94,192	123,098	-	143,682	143,261	143,261	149,973	159,571	169,943

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

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

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
<u>Councillors</u>	3							
Speaker	4		629,647		157,412			787,059
Chief Whip			590,296		147,574			737,870
Executive Mayor			787,061		196,765			983,826
Deputy Executive Mayor			-		-			-
Executive Committee			3,541,776		885,444			4,427,220
Total for all other councillors			5,930,900		917,294			6,848,194
Total Councillors	8	-	11,479,680	-	2,304,489			13,784,169
<u>Senior Managers of the Municipality</u>	5							
Municipal Manager (MM)			1,084,906		361,635			1,446,541
Chief Finance Officer			604,636		201,545			806,181
Director Coporate Services			1,037,540		345,847			1,383,386
Director Community Services			604,636		201,545			806,181
Director Planning and Development			604,636		201,545			806,181
Director Technical Services			604,636		201,545			806,181
								-
Total Senior Managers of the Municipality	8,10	-	4,540,988	-	1,513,663	-		6,054,651
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	-	16,020,668	-	3,818,152	-		19,838,820

14. MONTHLY TARGETS FOR REVENUE AND EXPENDITURE

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

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue By Source	-															
Property rates		11,052	11,052	11,052	11,052	11,052	11,052	11,052	11,052	11,052	11,052	11,052	11,052	132,629	139,659	147,200
Service charges - electricity revenue		10,892	10,892	10,892	10,892	10,892	10,892	10,892	10,892	10,892	10,892	10,892	10,892	130,699	137,757	145,333
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		1,590	1,590	1,590	1,590	1,590	1,590	1,590	1,590	1,590	1,590	1,590	1,590	19,079	20,109	21,215
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		44	44	44	44	44	44	44	44	44	44	44	44	527	555	585
Interest earned - external investments		91	91	91	91	91	91	91	91	91	91	91	91	1,093	1,152	1,216
Interest earned - outstanding debtors		6,278	6,278	6,278	6,278	6,278	6,278	6,278	6,278	6,278	6,278	6,278	6,278	75,334	79,402	83,769
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		40	40	40	40	40	40	40	40	40	40	40	40	474	500	528
Licences and permits		1,040	1,040	1,040	1,040	1,040	1,040	1,040	1,040	1,040	1,040	1,040	1,040	12,475	13,149	13,872
Agency services		237	237	237	237	237	237	237	237	237	237	237	237	2,844	2,998	3,163
Transfers and subsidies		11,439	11,439	11,439	11,439	11,439	11,439	11,439	11,439	11,439	11,439	11,439	11,439	137,272	152,040	166,368
Other revenue		158	158	158	158	158	158	158	158	158	158	158	158	1,899	2,002	2,112
Gains on disposal of PPE													-	-	-	-
Total Revenue (excluding capital transfers and contributions)		42,860	42,860	42,860	42,860	42,860	42,860	42,860	42,860	42,860	42,860	42,860	42,860	514,326	549,323	585,361

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Expenditure By Type	-															
Employee related costs	12,498	12,498	12,498	12,498	12,498	12,498	12,498	12,498	12,498	12,498	12,498	12,498	12,498	149,973	159,571	169,943
Remuneration of councillors	1,390	1,390	1,390	1,390	1,390	1,390	1,390	1,390	1,390	1,390	1,390	1,390	1,390	16,684	17,751	18,905
Debt impairment	3,217	3,217	3,217	3,217	3,217	3,217	3,217	3,217	3,217	3,217	3,217	3,217	3,217	38,602	40,687	42,924
Depreciation & asset impairment	5,969	5,969	5,969	5,969	5,969	5,969	5,969	5,969	5,969	5,969	5,969	5,969	5,969	71,633	75,501	79,654
Finance charges	62	62	62	62	62	62	62	62	62	62	62	62	62	745	745	745
Bulk purchases	8,531	8,531	8,531	8,531	8,531	8,531	8,531	8,531	8,531	8,531	8,531	8,531	2,164	96,000	101,184	106,749
Other materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services	4,084	4,084	4,084	4,084	4,084	4,084	4,084	4,084	4,084	4,084	4,084	4,084	3,584	48,511	50,682	53,202
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	7,681	7,681	7,681	7,681	7,681	7,681	7,681	7,681	7,681	7,681	7,681	7,681	7,681	92,174	96,045	101,277
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure	43,432	36,566	514,322	542,166	573,400											
Surplus/(Deficit)	(572)	6,294	4	7,157	11,962											
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2,489	2,489	2,489	2,489	2,489	2,489	2,489	2,489	2,489	2,489	2,489	2,489	2,489	29,865	30,425	41,475
Surplus/(Deficit) after capital transfers & contributions	1,917	8,783	29,869	37,581	53,437											
Taxation													-	-	-	-
Attributable to minorities Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	1,917	8,783	29,869	37,581	53,437										

Budgeted monthly revenue and expenditure (Standard classification)

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

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue - Functional	-															
Governance and administration		26,172	26,172	26,172	26,172	26,172	26,172	26,172	26,172	26,172	26,172	26,172	39,170	327,059	353,052	378,302
Finance and administration		26,172	26,172	26,172	26,172	26,172	26,172	26,172	26,172	26,172	26,172	26,172	39,170	327,059	353,052	378,302
Community and public safety		1,347	1,347	1,347	1,347	1,347	1,347	1,347	1,347	1,347	1,347	1,347	1,347	16,159	17,031	17,968
Community and social services		26	26	26	26	26	26	26	26	26	26	26	26	309	326	344
Public safety		1,321	1,321	1,321	1,321	1,321	1,321	1,321	1,321	1,321	1,321	1,321	1,321	15,850	16,705	17,624
Economic and environmental services		2,783	2,783	2,783	2,783	2,783	2,783	2,783	2,783	2,783	2,783	2,783	2,783	33,393	33,034	34,721
Planning and development		5	5	5	5	5	5	5	5	5	5	5	5	66	69	73
Road transport		2,777	2,777	2,777	2,777	2,777	2,777	2,777	2,777	2,777	2,777	2,777	2,777	33,327	32,965	34,648
Trading services		13,965	13,965	13,965	13,965	13,965	13,965	13,965	13,965	13,965	13,965	13,965	13,965	167,581	176,630	195,845
Energy sources		11,874	11,874	11,874	11,874	11,874	11,874	11,874	11,874	11,874	11,874	11,874	11,874	142,482	150,176	167,936
Waste management		2,092	2,092	2,092	2,092	2,092	2,092	2,092	2,092	2,092	2,092	2,092	2,092	25,098	26,454	27,909
Total Revenue - Functional		44,266	44,266	44,266	44,266	44,266	44,266	44,266	44,266	44,266	44,266	44,266	57,265	544,191	579,747	626,836
			56,171	56,171	56,171	56,171	56,171	56,171	56,171	56,171	56,171	56,171				
Expenditure - Functional	-															
Governance and administration		16,260	16,260	16,260	16,260	16,260	16,260	16,260	16,260	16,260	16,260	16,260	16,260	195,117	205,934	217,771
Executive and council		3,095	3,095	3,095	3,095	3,095	3,095	3,095	3,095	3,095	3,095	3,095	3,095	37,145	39,451	41,940
Finance and administration		11,702	11,702	11,702	11,702	11,702	11,702	11,702	11,702	11,702	11,702	11,702	11,702	140,423	147,952	156,244
Internal audit																

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		1,462	1,462	1,462	1,462	1,462	1,462	1,462	1,462	1,462	1,462	1,462	1,462	17,549	18,532	19,588
Community and public safety		6,166	6,124	5,708	73,494	77,914	82,680									
Community and social services		752	752	752	752	752	752	752	752	752	752	752	752	9,023	9,580	10,181
Sport and recreation		3,072	3,072	3,072	3,072	3,072	3,072	3,072	3,072	3,072	3,072	3,072	3,072	36,868	39,094	41,495
Public safety		2,342	2,342	2,342	2,342	2,342	2,342	2,342	2,342	2,342	2,342	2,300	1,884	27,602	29,239	31,003
Economic and environmental services		9,013	108,153	113,198	119,705											
Planning and development		1,402	1,402	1,402	1,402	1,402	1,402	1,402	1,402	1,402	1,402	1,402	1,402	16,827	17,787	18,825
Road transport		7,610	7,610	7,610	7,610	7,610	7,610	7,610	7,610	7,610	7,610	7,610	7,610	91,326	95,411	100,880
Environmental protection													-	-	-	-
Trading services		11,994	11,463	6,158	137,558	145,120	153,243									
Energy sources		11,296	11,296	11,296	11,296	11,296	11,296	11,296	11,296	11,296	11,296	10,766	5,460	129,187	136,281	143,902
Waste management		698	698	698	698	698	698	698	698	698	698	698	698	8,371	8,838	9,341
Other														-	-	-
Total Expenditure - Functional		43,432	42,860	37,138	514,322	542,166	573,400									
Surplus/(Deficit) before assoc.		834	1,406	20,127	29,869	37,581	53,437									
Share of surplus/ (deficit) of associate														-	-	-
Surplus/(Deficit)	1	834	1,406	20,127	29,869	37,581	53,437									

Budgeted monthly cash flow

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

MONTHLY CASH FLOWS	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Cash Receipts By Source																
Property rates	8,972	8,972	8,972	8,972	8,972	8,972	8,972	8,972	8,972	8,972	8,972	8,972	107,667	113,481	119,723	
Service charges - electricity revenue	9,702	9,605	9,604	9,803	9,508	9,952	9,982	9,845	9,839	9,894	9,987	9,905	117,629	123,981	139,350	
Service charges - refuse revenue	1,104	1,113	1,126	1,142	1,117	1,119	1,105	1,122	1,013	1,120	1,114	1,161	13,355	14,076	14,851	
Rental of facilities and equipment	41	42	43	44	40	43	44	47	46	48	45	43	527	555	585	
Interest earned - external investments	91	91	91	91	91	91	91	91	91	91	91	91	1,093	1,152	1,216	
Interest earned - outstanding debtors	2,022	2,324	2,323	2,341	2,425	2,125	2,227	2,423	2,623	2,423	2,330	2,289	27,874	29,379	30,995	
Fines, penalties and forfeits	31	39	37	32	40	38	34	35	50	45	47	51	474	500	528	
Licences and permits	889	881	888	882	887	883	882	894	886	885	884	867	10,604	13,149	13,872	
Agency services	227	226	248	238	234	239	231	232	237	247	243	242	2,844	2,998	3,163	
Transfer receipts - operational	45,757					45,757			45,757			-	137,272	152,040	166,368	
Other revenue	158	158	158	158	158	158	158	158	158	158	158	158	1,899	2,002	2,112	
Cash Receipts by Source	68,995	23,451	23,490	23,703	23,473	69,377	23,725	23,819	69,672	23,883	23,871	23,778	421,239	453,314	492,761	
Other Cash Flows by Source																
Transfer receipts - capital	9,955					9,955			9,955			-	29,865	30,425	31,975	
Total Cash Receipts by Source	78,950	23,451	23,490	23,703	23,473	79,332	23,725	23,819	79,627	23,883	23,871	23,778	451,104	483,738	524,736	
Cash Payments by Type																
Employee related costs																

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	12,498	12,498	12,498	12,498	12,498	12,498	12,498	12,498	12,498	12,498	12,498	12,498	149,973	159,571	169,943
Remuneration of councillors	1,390	1,390	1,390	1,390	1,390	1,390	1,390	1,390	1,390	1,390	1,390	1,390	16,684	17,751	18,905
Finance charges	62	62	62	62	62	62	62	62	62	62	62	62	745	745	745
Bulk purchases - Electricity	8,431	8,433	8,531	8,534	8,545	8,539	8,495	8,489	8,656	8,538	8,600	8,579	102,366	107,894	113,828
Bulk purchases - Water & Sewer												-			
Other materials												-			
Contracted services	4,084	4,084	4,084	4,084	4,084	4,084	4,084	4,084	4,084	4,084	4,084	(3,267)	41,659	51,209	53,758
Transfers and grants - other municipalities												-			
Transfers and grants - other												-			
Other expenditure	7,294	5,691	7,186	6,197	7,344	7,297	6,491	7,288	6,097	7,189	5,396	6,720	80,191	96,045	101,277
Cash Payments by Type	33,759	32,158	33,751	32,765	33,923	33,870	33,020	33,812	32,787	33,761	32,031	25,982	391,618	433,215	458,456
Other Cash Flows/Payments by Type															
Capital assets	3,326	3,326	3,326	3,326	3,326	3,326	3,326	3,326	3,326	3,326	3,326	3,326	39,917	30,425	41,475
Repayment of borrowing	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	20,400	20,400	20,400
Other Cash Flows/Payments												-			
Total Cash Payments by Type	38,785	37,184	38,777	37,791	38,949	38,896	38,046	38,838	37,813	38,787	37,057	31,008	451,935	484,040	520,331
NET INCREASE/(DECREASE) IN CASH HELD	40,165	(13,733)	(15,288)	(14,088)	(15,477)	40,436	(14,321)	(15,019)	41,814	(14,904)	(13,187)	(7,230)	(831)	(301)	4,405
Cash/cash equivalents at the month/year begin:	1,899	42,064	28,331	13,044	(1,044)	(16,521)	23,914	9,593	(5,426)	36,388	21,484	8,297	1,899	1,068	766
Cash/cash equivalents at the month/year end:	42,064	28,331	13,044	(1,044)	(16,521)	23,914	9,593	(5,426)	36,388	21,484	8,297	1,068	1,068	766	5,171

15 ANNUAL BUDGET AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS

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

16 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

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

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

Description	Ref	Preceding Years	Current Year 2016/17	2018/19 Medium Term Revenue & Expenditure Framework			Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Total Contract Value
		1,3	Total	Original Budget	Budget Year 2018/19	Budget Year +1 2018/19	Budget Year +2 2019/20	Estimate						
Parent Municipality:														
<u>Revenue Obligation By Contract</u>	2													-
<i>Contract 1</i>														-
<i>Contract 2</i>														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Expenditure Obligation By Contract</u>	2													-
<i>Contract 1</i>														-
<i>Contract 2</i>														-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Capital Expenditure Obligation By Contract</u>	2													-
<i>Contract 1</i>														-
<i>Contract 2</i>														-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Parent Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-

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17 CAPITAL EXPENDITURE DETAILS

17.1 CAPITAL EXPENDITURE ON NEW ASSETS,RENEWAL AND UPDGRADING BY ASSET CLASS

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

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1									
Capital expenditure on new assets by Asset Class/Sub-class										
-										
Infrastructure		33,133	52,368	-	40,427	41,409	41,409	1,500	-	9,500
Roads Infrastructure		24,886	37,142	-	25,177	26,159	26,159	1,500	-	-
<i>Roads</i>		24,886	37,142		25,177	26,159	26,159	1,500	-	-
Electrical Infrastructure		8,247	-	-	15,250	15,250	15,250	-	-	9,500
<i>HV Transmission Conductors</i>		8,247			15,250	15,250	15,250			
<i>LV Networks</i>										9,500
Information and Communication Infrastructure		-	15,225	-	-	-	-	-	-	-
<i>Core Layers</i>			3,096							
<i>Capital Spares</i>			12,129							
Community Assets		-	-	-	17,192	17,192	17,192	12,884	12,684	-
Community Facilities		-	-	-	1,150	1,150	1,150	-	-	-
<i>Halls</i>										
<i>Taxi Ranks/Bus Terminals</i>					1,150	1,150	1,150			
<i>Capital Spares</i>										
Sport and Recreation Facilities		-	-	-	16,042	16,042	16,042	12,884	12,684	-
<i>Indoor Facilities</i>										

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Outdoor Facilities					16,042	16,042	16,042	12,884	12,684	-
Other assets		2,627	-	-	-	-	-	-	-	-
Operational Buildings		2,627	-	-	-	-	-	-	-	-
Capital Spares		2,627								
Furniture and Office Equipment		-	-	-	3,000	3,000	3,000	500	-	-
Furniture and Office Equipment					3,000	3,000	3,000	500	-	-
Machinery and Equipment		-	-	-	-	-	-	52	-	-
Machinery and Equipment								52		
Transport Assets		-	-	-	2,500	2,500	2,500	450	-	-
Transport Assets					2,500	2,500	2,500	450	-	-
Total Capital Expenditure on new assets	1	35,760	52,368	-	63,119	64,101	64,101	15,386	12,684	9,500

Notes:

- The new assets table shows R15.4 million budgeted for 2018/19 financial year assets

LIM334 Ba-Phalaborwa - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1									
<u>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</u>										
-										
Infrastructure		-	-	-	-	-	-	4,500	-	-
Electrical Infrastructure		-	-	-	-	-	-	4,500	-	-
<i>HV Switching Station</i>								4,500	-	-
Community Assets		-	-	-	-	-	-	500	2,000	4,620
Sport and Recreation Facilities		-	-	-	-	-	-	500	2,000	4,620
<i>Indoor Facilities</i>										
<i>Outdoor Facilities</i>								500	2,000	4,620
Other assets		-	-	-	-	-	-	1,000	-	-
Operational Buildings		-	-	-	-	-	-	1,000	-	-
<i>Municipal Offices</i>								1,000	-	-
Total Capital Expenditure on renewal of existing assets	1	-	-	-	-	-	-	6,000	2,000	4,620

Notes:

- The capital expenditure on renewal of existing assets is R6 million for 2018/19

LIM334 Ba-Phalaborwa - Supporting Table SA34e Capital expenditure on the upgrading of existing assets by asset class

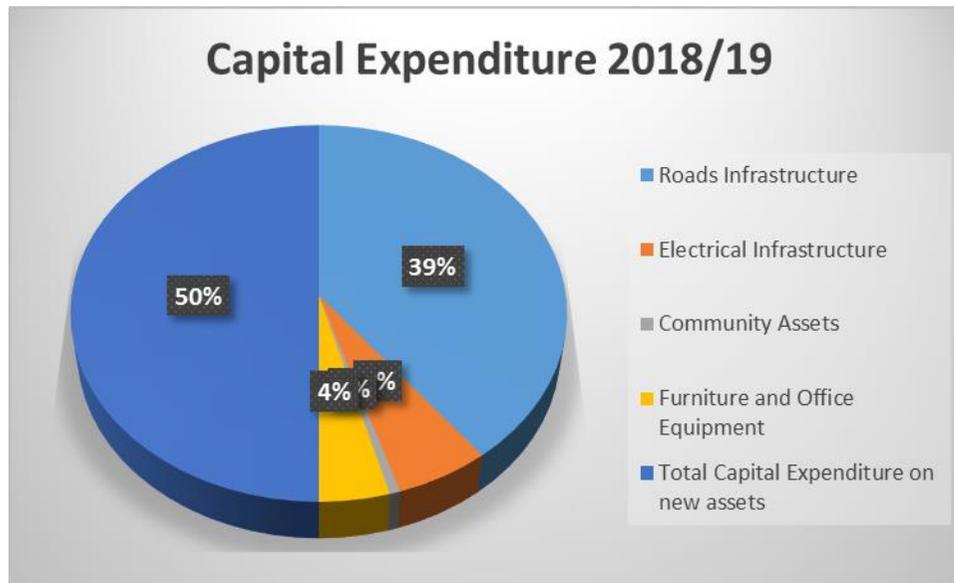
Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1									
<u>Capital expenditure on upgrading of existing assets by Asset Class/Sub-class</u>										
-										
<u>Infrastructure</u>		-	-	-	-	-	-	16,681	15,741	27,355
Roads Infrastructure		-	-	-	-	-	-	16,681	15,741	27,355
Roads								16,681	15,741	27,355
Road Structures										
<u>Computer Equipment</u>		-	-	-	-	-	-	1,850	-	-
Computer Equipment								1,850		
<u>Furniture and Office Equipment</u>		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on upgrading of existing assets	1	-	-	-	-	-	-	18,531	15,741	27,355

Notes:

- The capital expenditure on upgrading of assets is budgeted at R18.5 million for 2018/19

Capital Infrastructure programmes

The following graph provides a breakdown of the capital budget in rand value to be spent on infrastructure other assets on capital projects for 2018/19 Financial year.

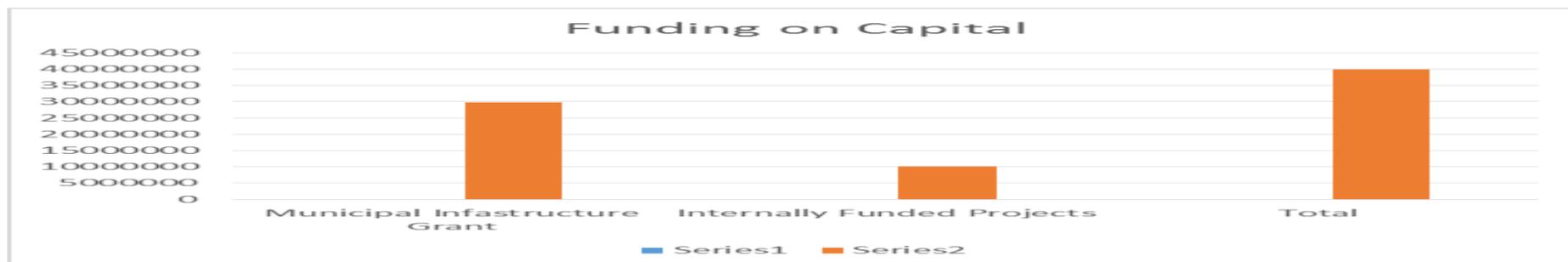


The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. For 2018/19 financial year the infrastructure- electricity is budgeted for R4,5 million and followed by the infrastructure road transport which is budgeted for R31.6 million for 2018/19 financial year. Community Assets- other is budgeted for R502 thousand for 2018/19 financial year and Furniture and Equipment is budgeted at R3.4 million.

The total Capital Expenditure for 2018/19 is budgeted at R39.9 million for new, renewal and upgrading in terms of tables.

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 2018/19



The capital programme is funded from grants and transfers, and internally generated funds from current year surpluses. For 2018/19 financial year, MIG represent the highest funding followed by internally generated funding on the MTREF.

DETAILED CAPITAL PROGRAMMES

MUNICIPAL INFRASTRUCTURE GRANTS			
Description	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Upgrading of Benfarm streets	6,148,929	-	-
Selwane Sports Complex	12,683,901	12,683,901	-
Tambo street Paving	5,117,410	7,000,000	21,000,000
Paving Tshelang Gape to R71	5,414,910	8,740,799	6,355,436
Namakgale stadium	500,000	2,000,000	4,619,664
Total for MIG	29,865,150	30,424,700	31,975,100

- The MIG capital expenditure for 2018/19 is budgeted at R29.9 million and R30.4 million and R31.98 million for 2019/20 to 2020/2021 respectively

INTERNALLY FUNDED PROJECTS	
Description	Budget Year 2018/19
High Mast Lights	1,500,000.00
Mashishimale Sports Complex	200,000.00
Installation of Remote control in Sub-station	3,000,000.00
Procurement of hand held alcohol testers	40,000.00
Purchase of Electronic Portable Cameras	12,000.00
Upgrading of Chamber & Activity Hall	1,000,000.00
Office Furniture and Equipment	500,000.00
Upgrade of ICT infrastructure	1,850,000.00
Construction of Culverts(Designs and Specification)	1,500,000.00
Purchase of Tractor	450,000.00
TOTAL	10,052,000.00

- The Internally funded Capital expenditure is budgeted at R10.1 million for 2018/19

18 LEGISLATION COMPLIANCE STATUS

The budget compilation has taken into account the following legislative documents

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

19 OTHER SUPPORTING DOCUMENTS

19.1 Supporting details to Budgeted Financial Performance

LIM334 Ba-Phalaborwa - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
REVENUE ITEMS:											
<u>Property rates</u>											
Total Property Rates	6	65,594	68,106	90,683	113,609	113,609	113,609	113,609	132,629	139,659	147,200
<i>less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)</i>											
Net Property Rates		65,594	68,106	90,683	113,609	113,609	113,609	113,609	132,629	139,659	147,200
<u>Service charges - electricity revenue</u>											
Total Service charges - electricity revenue	6	87,608	94,111	95,066	124,121	124,121	124,121	124,121	130,699	137,757	145,333
<i>less Revenue Foregone (in excess of 50 kwh per indigent household per month)</i>											
<i>less Cost of Free Basis Services (50 kwh per indigent household per month)</i>											
Net Service charges - electricity revenue		87,608	94,111	95,066	124,121	124,121	124,121	124,121	130,699	137,757	145,333
<u>Service charges - refuse revenue</u>											
Total refuse removal revenue	6	11,405	13,789	13,078	18,119	18,119	18,119	18,119	19,079	20,109	21,215
Total landfill revenue											
Net Service charges - refuse revenue		11,405	13,789	13,078	18,119	18,119	18,119	18,119	19,079	20,109	21,215
<u>Other Revenue by source</u>											
<i>Fuel Levy</i>											
<i>Other Revenue</i>		7,328	122,699	6,708	1,732	1,732	1,732	1,732	1,899	2,002	2,112

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	3										
Total 'Other' Revenue	1	7,328	122,699	6,708	1,732	1,732	1,732	1,732	1,899	2,002	2,112
EXPENDITURE ITEMS:											
<u>Employee related costs</u>											
Basic Salaries and Wages	2	74,357	71,956	120,135	89,326	88,905	88,905	88,905	88,073	93,710	99,801
Pension and UIF Contributions		14,225	586		17,419	17,419	17,419	17,419	17,890	18,249	20,441
Medical Aid Contributions		4,587	3,536		5,475	5,475	5,475	5,475	46	49	52
Overtime		4,170	2,741		4,603	4,603	4,603	4,603	4,765	5,070	5,400
Performance Bonus		-	-		-	-	-	-			
Motor Vehicle Allowance		12,577	12,994		13,567	13,567	13,567	13,567	14,115	15,018	15,994
Cellphone Allowance		1,135	14		1,405	1,405	1,405	1,405	1,475	1,569	1,671
Housing Allowances		917	738		1,062	1,062	1,062	1,062	1,124	1,196	1,274
Other benefits and allowances		6,631	21,587		7,843	7,843	7,843	7,843	19,490	21,524	21,917
Payments in lieu of leave		-	-		-	-	-	-			
Long service awards		4,498	4,095		2,980	2,980	2,980	2,980	2,995	3,187	3,394
Post-retirement benefit obligations	4	-									
sub-total	5	123,098	118,246	120,135	143,682	143,261	143,261	143,261	149,973	159,571	169,943
Less: Employees costs capitalised to PPE											
Total Employee related costs	1	123,098	118,246	120,135	143,682	143,261	143,261	143,261	149,973	159,571	169,943
<u>Depreciation & asset impairment</u>											
Depreciation of Property, Plant & Equipment		60,127	62,987	100,228	70,117	70,117	70,117	70,117	71,633	75,501	79,654
Lease amortisation											
Capital asset impairment											
Depreciation resulting from revaluation of PPE	10										
Total Depreciation & asset impairment	1	60,127	62,987	100,228	70,117	70,117	70,117	70,117	71,633	75,501	79,654
<u>Bulk purchases</u>											
Electricity Bulk Purchases		65,626	74,560	81,354	98,163	98,163	98,163	98,163	96,000	101,184	106,749
Water Bulk Purchases											
Total bulk purchases	1	65,626	74,560	81,354	98,163	98,163	98,163	98,163	96,000	101,184	106,749
<u>Contracted services</u>											
<i>List services provided by contract</i>		44,545	30,487	32,211	45,319	44,089	44,089	44,089			

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STRATEGIC SESSION									672	709	748
TELEPHONE AND FAX									1,106	1,166	1,230
TITLE DEEDS REGISTRATION									283	299	315
TOURISM MONTH EXPENSES									154	163	172
TRADITIONAL AUTHORITIES ALLOWANCES									5	6	6
TRAVELLING									1,112	1,172	1,238
VEHICLES REPAIRS & LICENSES									8,149	8,590	9,062
WARD COMMITTEE CONFERENCE									560	590	623
WOMENS MONTH EVENT EXPENSES									212	224	236
WORKMENS COMPENSATION									2,252	2,374	2,504
YOUTH EVENTS EXPENSES									160	168	178
OTHER EXPENSES									49,589	51,160	53,922
Total 'Other' Expenditure	1	71,596	69,939	62,326	95,758	97,409	97,409	97,409	92,174	96,045	101,277
Repairs and Maintenance by Expenditure Item	8										
Employee related costs											
Other materials											
Contracted Services											
Other Expenditure		-	13,816		25,407	25,407	25,407	25,407	21,084	22,222	23,444
Total Repairs and Maintenance Expenditure	9	-	13,816	-	25,407	25,407	25,407	25,407	21,084	22,222	23,444

b.Matrix Financial Performance

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

Description	Ref	Vote 1 - Executive and Council	Vote 2 - Budget and Treasury Department	Vote 3 - Corporate Services	Vote 4 - Community and Social Services	Vote 5 - Planning and Development	Vote 6 - Technical Services Department	-	-	-	-	-	-	-	-	-	Total
R thousand	1																
Revenue By Source																	
Property rates			132,629														132,629
Service charges - electricity revenue							130,699										130,699
Service charges - water revenue																	-
Service charges - sanitation revenue																	-
Service charges - refuse revenue					19,079												19,079
Service charges - other																	-
Rental of facilities and equipment				527													527
Interest earned - external investments			1,093														1,093
Interest earned - outstanding debtors			75,334														75,334
Dividends received																	-
Fines, penalties and forfeits					474												474
Licences and permits					12,475												12,475
Agency services					2,844												2,844
Other revenue			1,899														1,899
Transfers and subsidies			137,27		-												137,27

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		2														2	
Gains on disposal of PPE																	-
Total Revenue (excluding capital transfers and contributions)	-	348,227	527	34,873	-	130,699	-	-	-	-	-	-	-	-	-	-	514,326
Expenditure By Type																	
Employee related costs	16,788	24,796	19,606	45,855	10,504	32,423											149,973
Remuneration of councillors	16,684																16,684
Debt impairment		38,602															38,602
Depreciation & asset impairment						71,633											71,633
Finance charges		745															745
Bulk purchases						96,000											96,000
Other materials																	-
Contracted services	12,512	17,861	2,900	11,345	3,893												48,511
Transfers and subsidies																	-
Other expenditure	8,651	10,377	26,197	12,657	2,430	31,861											92,174
Loss on disposal of PPE																	-
Total Expenditure	54,635	92,381	48,704	69,858	16,827	231,917	-	-	-	-	-	-	-	-	-	-	514,322
Surplus/(Deficit)	(54,635)	255,847	(48,177)	(34,985)	(16,827)	(101,218)	-	-	-	-	-	-	-	-	-	-	4
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)						29,865											29,865
Surplus/(Deficit) after capital transfers & contributions	(54,635)	255,847	(48,177)	(34,985)	(16,827)	(71,353)	-	-	-	-	-	-	-	-	-	-	29,869

c.Supporting Details to Budgeted Financial Position

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

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
ASSETS											
<u>Call investment deposits</u>											
Call deposits			7,084		1,800	1,800	1,800	1,800	5,000	6,000	7,000
Other current investments											
Total Call investment deposits	2	-	7,084	-	1,800	1,800	1,800	1,800	5,000	6,000	7,000
<u>Consumer debtors</u>											
Consumer debtors			99,985	76,961	144,976	144,976	144,976	144,976	152,515	160,446	168,789
<u>Less: Provision for debt impairment</u>											
Total Consumer debtors	2	-	99,985	76,961	144,976	144,976	144,976	144,976	152,515	160,446	168,789
<u>Debt impairment provision</u>											
Balance at end of year		-	-	-	-	-	-	-	-	-	-
<u>Property, plant and equipment (PPE)</u>											
PPE at cost/valuation (excl. finance leases)			878,196	881,646	1,025,129	1,025,129	1,025,129	1,025,129	773,839	803,196	866,486
Leases recognised as PPE											
<u>Less: Accumulated depreciation</u>											
Total Property, plant and equipment (PPE)	2	-	878,196	881,646	1,025,129	1,025,129	1,025,129	1,025,129	773,839	803,196	866,486
Trade and other creditors			364,307	100,448					100,558	105,888	111,500
Unspent conditional transfers											
VAT											
Total Trade and other payables	2	-	364,307	100,448	-	-	-	-	100,558	105,888	111,500

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<u>Non current liabilities - Borrowing</u>											
Borrowing	4		38,475		147,172	147,172	147,172	147,172	129,000	119,000	107,000
Finance leases (including PPP asset element)											
Total Non current liabilities - Borrowing		-	38,475	-	147,172	147,172	147,172	147,172	129,000	119,000	107,000
<u>Provisions - non-current</u>											
Retirement benefits											
<i>List other major provision items</i>											
Refuse landfill site rehabilitation											
Other			21,182	215,050	67,878	67,878	67,878	67,878	103,175	156,825	238,375
Total Provisions - non-current		-	21,182	215,050	67,878	67,878	67,878	67,878	103,175	156,825	238,375
CHANGES IN NET ASSETS											
<u>Accumulated Surplus/(Deficit)</u>											
Accumulated Surplus/(Deficit) - opening balance		232,553	979,846	851,957	1,435,679	1,434,897	1,434,897	1,434,897	1,089,578	1,097,900	1,112,355
GRAP adjustments											
Restated balance		232,553	979,846	851,957	1,435,679	1,434,897	1,434,897	1,434,897	1,089,578	1,097,900	1,112,355
Surplus/(Deficit)		(104,977)	76,247	(208,848)	16,504	17,286	17,286	17,286	29,869	37,581	53,437
Appropriations to Reserves											
Transfers from Reserves											
Depreciation offsets											
Other adjustments											
Accumulated Surplus/(Deficit)	1	127,576	1,056,093	643,109	1,452,183	1,452,183	1,452,183	1,452,183	1,119,447	1,135,481	1,165,791
<u>Reserves</u>	-										
Housing Development Fund											
Capital replacement											
Self-insurance											
Other reserves											
Revaluation											
Total Reserves	2	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	127,576	1,056,093	643,109	1,452,183	1,452,183	1,452,183	1,452,183	1,119,447	1,135,481	1,165,791

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	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		87,633	112,388	113,972	129,937	129,737	129,737	137,272	152,040	166,368
Conditions met - transferred to revenue		87,633	112,388	113,972	129,937	129,737	129,737	137,272	152,040	166,368
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		87,633	112,388	113,972	129,937	129,737	129,737	137,272	152,040	166,368
Total operating transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year					782	782	782			
Current year receipts		26,026	40,425	29,100	46,437	47,419	47,419	29,865	30,425	41,475
Conditions met - transferred to revenue		26,026	40,425	29,100	47,219	48,201	48,201	29,865	30,425	41,475
Conditions still to be met - transferred to liabilities										
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		26,026	40,425	29,100	47,219	48,201	48,201	29,865	30,425	41,475
Total capital transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		113,659	152,814	143,072	177,156	177,938	177,938	167,137	182,465	207,843

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	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand												
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			26,163	27,264		39,181	39,181	39,181	41,257	43,485	45,877

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Improve financial viability	Weaknesses identified under this objective include financial viability, financial management, audit history, personnel budget, revenue collection and locked finances, maintenance budget, failure to maximise revenue collection. Strategies have been developed to ensure that challenges regarding financial viability are addressed. 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.			193,511	327,917	384,959	292,222	292,222	292,222	326,377	352,334	377,544
Facilitate sustainable development				124,375	154,883		190,775	191,557	191,557	175,810	183,141	202,584

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				2,361	-	62	62	62	66	69	73
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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			1,133	533		651	651	651	682	719	758
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	345,182	512,957	384,959	522,891	523,673	523,673	544,191	579,747	626,836

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

Strategic Objective	Goal	Goal Code	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
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.			51,063	43,256	–	15,494	15,494	15,494	16,827	17,787	18,825
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			139,646	144,890	593,806	223,855	223,855	223,855	220,513	231,692	244,782
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			51,063	43,256	–	78,540	78,540	78,540	81,864	86,752	92,021

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Improve financial viability	Weaknesses identified under this objective include financial viability, financial management, audit history, personnel budget, revenue collection and locked finances, maintenance budget, failure to maximise revenue collection. Strategies have been developed to ensure that challenges regarding financial viability are addressed.			93,807	108,315		90,697	90,697	90,697	91,670	96,370	101,617
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 tracked			48,368	46,833		51,677	51,677	51,677	54,694	57,982	61,527

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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			55,143	38,779		46,124	46,124	46,124	48,753	51,582	54,627
Allocations to other priorities												
Total Expenditure			1	450,159	436,709	593,806	506,387	506,387	506,387	514,322	542,166	573,400

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

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
RECEIPTS:	1, 2									
<u>Operating Transfers and Grants</u>										
National Government:		74,154	88,490	113,286	124,937	124,737	124,737	137,272	152,040	166,368
Local Government Equitable Share		69,433	83,256	110,235	120,392	120,392	120,392	132,485	147,759	161,573
Finance Management		1,550	1,600	1,810	2,145	2,145	2,145	2,215	2,680	3,112
Municipal Systems Improvement		890	934		-	-	-		-	-
EPWP Incentive		1,000	1,212	1,000	1,000	1,000	1,000	1,000		
Operating Grant: MIG (5% of MIG Grants for PMU)		1,281	1,488		1,400	1,200	1,200	1,572	1,601	1,683
Other transfers/grants [insert description]				241						
Total Operating Transfers and Grants	5	74,154	88,490	113,286	124,937	124,737	124,737	137,272	152,040	166,368
<u>Capital Transfers and Grants</u>										
National Government:		38,151	37,279	30,568	47,619	48,601	48,601	29,865	30,425	41,475
Municipal Infrastructure Grant (MIG)		38,151	28,279	30,568	38,619	39,601	39,601	29,865	30,425	31,975
INEG			9,000		9,000	9,000	9,000			9,500
Total Capital Transfers and Grants	5	38,151	37,279	30,568	47,619	48,601	48,601	29,865	30,425	41,475
TOTAL RECEIPTS OF TRANSFERS & GRANTS		112,305	125,769	143,854	172,556	173,338	173,338	167,137	182,465	207,843

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

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue by Vote	-															
Vote 2 - Budget and Treasury Department		57,531	15,739	14,673	15,437	46,398	20,754	14,873	16,045	33,809	15,643	15,765	59,709	326,377	352,334	377,544
Vote 3 - Corporate Services		13	74	19	24	20	16	15	35	16	11	22	415	682	719	758
Vote 4 - Community and Social Services		1,809	3,620	2,497	2,215	1,440	3,170	1,992	3,010	1,865	2,326	2,318	14,995	41,257	43,485	45,877
Vote 5 - Planning and Development		5	5	5	5	5	5	5	5	5	5	5	12	66	69	73
Vote 6 - Technical Services Department		27,056	13,161	12,374	13,580	11,616	15,441	9,101	9,445	7,307	12,277	12,947	31,505	175,810	183,141	202,584
Total Revenue by Vote		86,414	32,600	29,567	31,261	59,479	39,387	25,986	28,540	43,002	30,262	31,057	106,636	544,191	579,747	626,836
Expenditure by Vote to be appropriated	-															
Vote 1 - Executive and Council		4,558	4,558	4,558	4,558	4,558	4,558	4,558	4,558	4,558	4,558	4,558	4,558	54,694	57,982	61,527
Vote 2 - Budget and Treasury Department		7,639	7,639	7,639	7,639	7,639	7,639	7,639	7,639	7,639	7,639	7,639	7,639	91,670	96,370	101,617
Vote 3 - Corporate Services		4,063	4,063	4,063	4,063	4,063	4,063	4,063	4,063	4,063	4,063	4,063	4,063	48,753	51,582	54,627
Vote 4 - Community and Social Services		6,864	6,864	6,864	6,864	6,864	6,864	6,864	6,864	6,864	6,864	6,864	6,364	81,864	86,752	92,021
Vote 5 - Planning and Development		1,402	1,402	1,402	1,402	1,402	1,402	1,402	1,402	1,402	1,402	1,402	1,402	16,827	17,787	18,825
Vote 6 - Technical Services Department		18,907	18,907	18,907	18,907	18,907	18,907	18,907	18,907	18,907	18,907	18,907	12,540	220,513	231,692	244,782
Total Expenditure by Vote		43,432	43,432	43,432	43,432	43,432	43,432	43,432	43,432	43,432	43,432	43,432	36,566	514,322	542,166	573,400
Surplus/(Deficit) before assoc.		42,982	(10,833)	(13,865)	(12,171)	16,047	(4,046)	(17,447)	(14,893)	(430)	(13,171)	(12,375)	70,070	29,869	37,581	53,437
Surplus/(Deficit)	1	42,982	(10,833)	(13,865)	(12,171)	16,047	(4,046)	(17,447)	(14,893)	(430)	(13,171)	(12,375)	70,070	29,869	37,581	53,437

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

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
-										
Infrastructure		-	-	-	25,407	25,407	25,407	13,637	14,374	15,164
Roads Infrastructure		-	-	-	25,407	25,407	25,407	6,386	6,731	7,101
<i>Roads</i>					25,407	25,407	25,407	6,386	6,731	7,101
Storm water Infrastructure		-	-	-	-	-	-	503	531	560
<i>Drainage Collection</i>								503	531	560
Electrical Infrastructure		-	-	-	-	-	-	6,722	7,086	7,475
<i>MV Switching Stations</i>								6,722	7,086	7,475
Information and Communication Infrastructure		-	-	-	-	-	-	25	27	28
<i>Capital Spares</i>								25	27	28
Community Assets		-	-	-	-	-	-	4,433	4,672	4,929
Community Facilities		-	-	-	-	-	-	3,744	3,946	4,163
<i>Halls</i>								3,744	3,946	4,163
Sport and Recreation Facilities		-	-	-	-	-	-	689	726	766
<i>Indoor Facilities</i>										
<i>Outdoor Facilities</i>								689	726	766
<i>Capital Spares</i>										
	1	1	1	1	1	1	1	1	1	1
Heritage assets		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	-	-	-	799	842	889
Operational Buildings		-	-	-	-	-	-	799	842	889

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<i>Municipal Offices</i>								799	842	889
Biological or Cultivated Assets		1,715	1,285	-	267	267	267	-	-	-
Biological or Cultivated Assets		1,715	1,285		267	267	267			
Intangible Assets		-	317	-	1,285	1,285	1,285	-	-	-
Servitudes										
Licences and Rights		-	317	-	1,285	1,285	1,285	-	-	-
<i>Water Rights</i>										
<i>Effluent Licenses</i>										
<i>Solid Waste Licenses</i>										
<i>Computer Software and Applications</i>			317		1,285	1,285	1,285			
<i>Load Settlement Software Applications</i>										
<i>Unspecified</i>										
Computer Equipment		-	-	-	-	-	-	285	300	317
Computer Equipment								285	300	317
Furniture and Office Equipment		-	-	-	-	-	-	483	508	537
Furniture and Office Equipment								483	508	537
Machinery and Equipment		-	-	-	-	-	-	1,447	1,525	1,609
Machinery and Equipment								1,447	1,525	1,609
Total Repairs and Maintenance Expenditure	1	1,715	1,602	-	26,958	26,958	26,958	21,084	22,222	23,444
R&M as a % of PPE		0.0%	0.2%	0.0%	2.6%	2.6%	2.6%	2.1%	2.9%	2.9%
R&M as % Operating Expenditure		0.4%	0.4%	0.0%	5.3%	5.3%	5.3%	4.2%	4.3%	4.3%

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

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1									
Depreciation by Asset Class/Sub-class										
-										
Infrastructure		60,127	62,987	100,228	70,117	70,117	70,117	50,321	53,038	55,955
Roads Infrastructure		60,127	62,987	100,228	70,117	70,117	70,117	37,392	39,411	41,579
<i>Roads</i>		60,127	62,987	100,228	70,117	70,117	70,117	37,392	39,411	41,579
Storm water Infrastructure		-	-	-	-	-	-	6,599	6,955	7,337
<i>Drainage Collection</i>		-	-	-	-	-	-	6,599	6,955	7,337
Electrical Infrastructure		-	-	-	-	-	-	6,330	6,672	7,039
<i>Power Plants</i>		-	-	-	-	-	-	-	-	-
<i>MV Substations</i>		-	-	-	-	-	-	6,330	6,672	7,039
Community Assets		-	-	-	-	-	-	7,843	8,266	8,721
Community Facilities		-	-	-	-	-	-	7,843	8,266	8,721
<i>Halls</i>		-	-	-	-	-	-	7,843	8,266	8,721
Computer Equipment		-	-	-	-	-	-	1,347	1,420	1,498
Computer Equipment		-	-	-	-	-	-	1,347	1,420	1,498
Furniture and Office Equipment		-	-	-	-	-	-	1,347	1,420	1,498
Furniture and Office Equipment		-	-	-	-	-	-	1,347	1,420	1,498
Machinery and Equipment		-	-	-	-	-	-	10,776	11,358	11,982
Machinery and Equipment		-	-	-	-	-	-	10,776	11,358	11,982
Total Depreciation	1	60,127	62,987	100,228	70,117	70,117	70,117	71,633	75,501	79,654

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

Vote Description R thousand	Ref	2018/19 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Present value
Capital expenditure	1							
Vote 1 - Executive and Council		-	-	-				
Vote 2 - Budget and Treasury Department		-	-	-				
Vote 3 - Corporate Services		3,350	-	-				
Vote 4 - Community and Social Services		502	-	-				
Vote 5 - Planning and Development		-	-	-				
Vote 6 - Technical Services Department		36,065	30,425	41,475				
Total Capital Expenditure		39,917	30,425	41,475				
Future operational costs by vote	2							
Vote 1 - Executive and Council		54,694	57,982	61,527				
Vote 2 - Budget and Treasury Department		91,670	96,370	101,617				
Vote 3 - Corporate Services		48,753	51,582	54,627				
Vote 4 - Community and Social Services		82,364	87,279	92,577				
Vote 5 - Planning and Development		16,827	17,787	18,825				
Vote 6 - Technical Services Department		226,879	238,402	251,861				
Total future operational costs		521,188	549,403	581,035				
Future revenue by source	3							
Property rates		119,630	126,090	133,025				
Service charges - electricity revenue		130,699	137,757	154,833				
Service charges - water revenue		-	-	-				
Service charges - sanitation revenue		-	-	-				
Service charges - refuse revenue		19,079	20,109	21,215				
Service charges - other		-	-	-				
Rental of facilities and equipment		-	-	-				
<i>List other revenues sources if applicable</i>								
<i>List entity summary if applicable</i>		239,496	270,308	299,226				
Total future revenue		508,904	554,264	608,300				
Net Financial Implications		52,201	25,563	14,210	-	-	-	-

LIM334 Ba-Phalaborwa - Supporting Table SA36
Detailed capital budget

Municipal Vote/Capital project	Ref	Program/Project description	Project number	ID P G o a l code 2	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2018/19 Medium Term Revenue & Expenditure Framework			Project information	
										Audited Outcome 2016/17	Current Year 2017/18 Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	Ward location	New or renewal
R thousand	4				6	3	3	5								
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>																
Technical Services		High Mast Lights			Yes	Electrical Infrastructure	Other Buildings					1,500		9,500		
Technical Services		Mashishimale Sports Complex			Yes	Infrastructure	Other					200				
Technical Services		Installation of Remote control in Sub-station			Yes	Electrical Infrastructure	Furniture and other office equipment					3,000				
Community Service		Procurement of hand held alcohol testers			Yes	Community Facilities	Roads, Pavements & Bridges					40				
Community Service		Purchase of Electronic Portable Cameras			Yes	Community Facilities						12				
Corporates Services		Upgrading of Chamber & Activity Hall			Yes	Furniture and Office Equipment						1,000				
Corporates Services		Office Furniture and Equipment			Yes	Office Equipment						500				
Corporates Services		Upgrade of ICT infrastructure			Yes	Office Equipment						1,850				
Technical Services		Construction of Culverts(Designs and Specification)			Yes	Roads Infrastructure						1,500				
Community Service		Purchase of Tractor			Yes	Transport Assets						450				

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Technical Services		Upgrading of Benfarn streets			Yes	Roads Infrastructure Sport and Recreation Facilities					6,149	-	-		
Technical Services		Selwane Sports Complex			Yes	Roads Infrastructure Sport and Recreation Facilities					12,684	12,684	-		
Technical Services		Tambo street Paving			Yes	Roads Infrastructure					5,117	7,000	21,000		
Technical Services		Paving Tshelang Gape to R71			Yes	Roads Infrastructure					5,415	8,741	6,355		
Technical Services		Namakgale stadium			Yes	Roads Infrastructure Sport and Recreation Facilities					500	2,000	4,620		
Parent Capital expenditure	1										39,917	30,425	41,475		
Entity Capital expenditure									-	-	-	-	-		
Total Capital expenditure									-	-	39,917	30,425	41,475		

LIM334 Ba-Phalaborwa - Supporting Table SA38 Consolidated detailed operational projects

Municipal Vote/Operational project	Ref	Program/Project description	Project number	ID P Goal code 2	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS coordinates	Total Project Estimate	Prior year outcomes		2018/19 Medium Term Revenue & Expenditure Framework			Project information
										Audited Outcome 2016/17	Current Year 2017/18 Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	Ward location
R thousand	4				6			5							
Parent municipality: <i>List all operational projects grouped by Municipal Vote</i>															
Executive and Council		INSURANCE PREMIUMS			No							1,647	1,736	1,832	
Executive and Council		SECURITY SERVICES										10,045	10,588	11,170	
Budget and Treasury		EXTERNAL AUDIT FEES										4,642	4,893	5,162	
Budget and Treasury		ASSISTANCE IN AFS FINANCIAL MANAGEMENT SYSTEM										1,500	1,324	1,324	
Budget and Treasury		SUPPORT VAT RECOVERY AND RECONCILIATION										3,649	3,846	4,058	
Budget and Treasury		ACTUARIAL VALUATION										1,292	1,292	1,292	
Budget and Treasury		DEBT COLLECTION										46	46	46	
Budget and Treasury		METER READING										672	709	748	
Budget and Treasury		COMMISSION ON SELLING OF PRE-PAID ELEC										3,691	3,890	4,104	
Budget and Treasury		ACCESS TO ARM RECORDING SYSTEM										2,156	2,156	2,156	
Budget and Treasury		UPGRADING OF GIS SYSTEM AND HARDWARE										213	213	213	
Corporate Services		FILLING MANAGEMENT SYSEM										53	55	59	
Corporate Services															

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											744	784	828	
Corporate Services		LEASE: OPERATING									2,103	2,217	2,339	
Council		Other Operational Expenses									481,868	508,417	538,071	
Parent operational expenditure	1										514,322	542,166	573,400	

Summary of capital programmes per source

MUNICIPAL INFRASTRUCTURE GRANTS			
Description	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Upgrading of Benfarm streets	6,148,929	-	-
Selwane Sports Complex	12,683,901	12,683,901	-
Tambo street Paving	5,117,410	7,000,000	21,000,000
Paving Tshelang Gape to R71	5,414,910	8,740,799	6,355,436
Namakgale stadium	500,000	2,000,000	4,619,664
Total for MIG	29,865,150	30,424,700	31,975,100

INTERNALLY FUNDED PROJECTS	
Description	Budget Year 2018/19
High Mast Lights	1,500,000.00
Mashishimale Sports Complex	200,000.00
Installation of Remote control in Sub-station	3,000,000.00
Procurement of hand held alcohol testers	40,000.00
Purchase of Electronic Portable Cameras	12,000.00
Upgrading of Chamber & Activity Hall	1,000,000.00
Office Furniture and Equipment	500,000.00
Upgrade of ICT infrastructure	1,850,000.00
Construction of Culverts(Designs and Specification)	1,500,000.00
Purchase of Tractor	450,000.00
TOTAL	10,052,000.00

Capital Budget 2018/19

Capital Expenditure per funding	Budget Year 2018/19
MIG	29,865,150
Own Funding	10,052,000
Total Capital Expenditure	39,917,150

- The estimated capital programme expenditure for the financial year 2018/19 is amounting to R39,9 million

MUNICIPAL MANAGER'S QUALITY CERTIFICATION

QUALITY CERTIFICATE

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

Print Name: Moakamela MI

Municipal Manager: Ba-Phalaborwa Municipality (LIM334)

Signature: _____

Date: _____