

# BA-PHALABORWA MUNICIPALITY



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

**ANNUAL BUDGET 2016/17 MTREF**

# Vision

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



# Mission

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

# Values

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



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**ABBREVIATIONS/ACCRONYMS**

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

MPRA	Municipal Property Rates Act
MTREF	Medium Term Revenue and Expenditure Framework
NERSA	National Electricity Regulation of South Africa
NT	National Treasury
PMS	Performance Management System
PPP	Public-Private Partnerships
SALGA	South African Local Government Association
SDBIP	Service Delivery Budget and Implementation Plan

# **PART ONE**

## **ANNUAL BUDGET**

## 1. MAYOR'S REPORT

### **Budget Speech for 2016/17 IDP, Budget & PMS Approval By Her Worship Mayor of Ba-Phalaborwa Municipality, Cllr Anna Sono, delivered on 27<sup>th</sup> May 2016**

Honourable Speaker, Cllr MD Maake;

Chief Whip of the ruling party, Cllr SL Mohlala;

Members of the Executive Committee;

Leaders of Opposition Parties;

Fellow councillors;

Municipal Manager, Dr SS Sebashe;

Directors;

Traditional leaders;

Members of ward committees;

Representatives of stakeholders present here today;

Community members;

Members of the media Houses and

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Ladies and gentlemen

Good Morning/Afternoon

**Honourable Speaker,**

Thank you very much for affording me this opportunity to address this very special sitting of council for the consideration of the 2016/17 budget vote of the Ba-Phalaborwa Municipality.

We are gathered here today to table, consider and approve the Integrated Development Plan, Budget and Performance Management System for the 2016/17 financial year in line with the provisions of Municipal Finance Management Act, Act 56 of 2003.

On the 27th April 2016 we celebrated Freedom Day, a day that not only marked the end of the tyranny of apartheid, however also symbolizes the triumph of good over evil.

When the ANC took over government in 1994 and liberated millions of South Africans mostly blacks, from the shackles of poverty, deprivation, segregation and inequality, many thought that it was the end of the struggle, but in reality 1994 is where the real struggle began. We had to grapple with the basics of running a government, we had to become accustomed to the systems and processes.

As a municipality, our focal point has always been on basic service delivery as mandated by the Local Government legislations and the Constitution of the Republic of South Africa and as such we will continue to improve the lives of our people through provision of basic services.



Fellow residents, it is an open secret that our municipality's financial management and accounting was in a bad shape over the past years and the municipality received continuous disclaimers and adverse audit opinions. It is however worth mentioning that in the past financial year, that is, 2014/15, we focused our energies on strengthening the financial management system of the municipality and our focus yielded the municipality with positive and encouraging results, a **Qualified Audit Opinion**. This is a clear indication that the municipality is now taking shape in perfecting its financial management activities.

We therefore, attribute this noticeable achievement to our strong municipal leadership team and dedicated staff members. We further attribute this achievement to the National Treasury, SALGA, COGHSTA and other organs who were always available and supportive when the going was tough. Furthermore we also thank them for assisting in the development the Financial Recovery Plan, a tool that assisted the municipality to the level where it is currently.

The Financial Recovery Plan sets out the outcomes of the analysis and engagements and provides a selection of key strategies to be considered in securing the municipality's ability to meet its financial commitments and obligations to provide sustainable basic services.

This plan has and will continue to enable us to be financially viable for now and many years to come.

**Honourable Speaker,**

It is during this transition that all role- players need to work together to ensure that the municipality continue to perform its functions efficiently and effectively without compromise even though the economy is under pressure. This is the last IDP, Budget & PMS to be considered and approved by this council as the country will be going to the Local Government Elections on the 03<sup>rd</sup> of August 2016.

**Honourable Speaker,**

This council managed to turn the tide and as we are gathering here today one is happy to state that the institution is taking shape as compared to where it was when we started in 2011. It is evident in many ways and to cite one of those; we are no longer operating on an overdraft, the

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improved audit opinion, multitudes of service delivery projects implemented in the whole municipal area, only to mention just but a few examples. Honourable Speaker, we therefore can proudly say “**Re a kgona and Re Kgone ba geso**”. It therefore becomes imperative to me to take this opportunity here and now to thank all councillors, ward committee members and all oversight committees of council for the good work done. We all know that it was not an easy route, but we managed to drive through it even during floods times.

**Honourable Speaker,**

The 2016/17 financial year gives priority to challenges of the economic slowdown that the country is facing.

Ladies and gentleman, the total revenue budget for the 2016/17 financial year amounts to **R477 million**. The total revenue comprises of own generated revenue amounting to **R333 million** for all municipal service charges and total transfers grants amounting to **R144 million** as per Division of Revenue Act (DORA).

**Honourable speaker,**

The total revenue has dropped by **0.2%** in 2016/17 financial year compared to the 2015/16 Adjustments Budget.

National allocations to fund operational activities amounts to **R476 million** which represents an increase of **R10 million** over the 2015/16 Financial Year.

This substantial increase is largely due to the increase in debt impairment, Eskom’s tariff for bulk purchases, contracted services, employee related costs, remuneration of councillors and depreciation and assets impairment.

The expenditure budget also includes **R129 million** for employee related costs which equals to **27%** of the total operating expenditure, **R35,5 million** for debt impairment which equates to **7%** of the total operating expenditure and will escalate to **R37,7 million** by 2017/18.

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**Honourable Speaker,**

While the expenditure for debt impairment 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 municipality's realistically anticipated revenues.

The municipality's tariff for the financial year 2016/17 has taken into account all costs associated to delivery of such services, treasury guidelines in terms of MFMA section 42 together with NERSA guidelines.

It is important to mention that the 2016/17 tariffs have been reviewed and analysis was conducted to assess affordability level of our community. However, NERSA is governing the electricity tariff increases.

Property rates will increase from **4.8% to 6.6%**, but rebate will continue to be applicable where necessary. There will be a **7.86%** increase in Electricity, **6.6%** increase in refuse and **6.6%** in other chargeable services. Cemetery fee has been revised to reflect cost associated. All the increases are done in line with the Consumer Price Index (CPI).

**Honourable Speaker,**

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

It should further be noted that the water services tariffs are not highlighted since our District Municipality is responsible for ensuring that tariffs in respect of water and sanitation services are approved.

Mopani District municipality is a Water Services Authority and as such, all water and sanitation related expenses will be budgeted by the authority and Ba-Phalaborwa municipality will continue assist in rendering the service on an agency basis.

Honourable Speaker, the staff cost for the 2016/17 Financial Year has increased by **7.49%**. It is imperative that the management ensure the expenditure on overtime does not exceed the threshold and that policies are implemented rigorously.

The remuneration of councillors will increase by **7.49%**, bulk purchases will increase by **9.40%** while contracted services will decrease by **3.53%**.

In the 2016/17 financial year, contracted services expenditure totals **R50, 1 million** which equates to 11% of the total operating expenditure. Finance charges are estimated to be **R1, 5 million** which constitute **0,003%** of the total expenditure.

Honourable Speaker,

The budget that we are tabling today has a surplus amount of **R530 thousands**. An amount of **R48 million** has been allocated for Capital Expenditure for the 2016/17 Financial Year. In terms of budget funding, **R19 million** will be funded from internally generated revenue which constitute **39%** of the capital budget, while the remaining **R29, 5 million** will be funded by the National Treasury (MIG) constituting 61% of the capital budget.

The 2016/17 budget has significantly decreased from **R70 million to R48** in the 2015/16 financial year due to the Municipal Infrastructure Grant allocation of **R20** additional million.

**Ladies and gentlemen,**

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

**Honourable Speaker,**

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We are currently implementing several infrastructure projects in our communities and these projects are a much needed relief to our residents.

Through the Municipal Infrastructure Grant, we have started construction of Mashishimale Sports Complex project which has just entered into phase 2. I believe that this will encourage sports participation and as a result curb crime in Mashishimale.

Some of the projects include road construction of Lulekani Extension B1, Upgrading of Internal streets in Namakgale.

### **PROJECTS- PROJECTS-PROJECTS**

In conclusion

Honourable speaker,

It is important that our communities are brought on board about future developments of their areas to ensure that we give them exactly what they require.

Recently, we noted with sadness that in some parts of our municipality, we could not conduct the public participation due to unrest. I would like to urge our communities to participate in this processes so that we can give them what they require. This is a definition of participatory democracy.

I also wish to urge our community members to pay for services in order to afford continuity.

I thank you.

## 2. ANNUAL BUDGET RESOLUTIONS

The Council of Ba-Phalaborwa Local Municipality in its seating on 27 May 2016 resolved as follows with regard to the annual Budget for 2016/17 Medium-Term Revenue and Expenditure Framework:

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

Council resolved that the budget and MTREF and its supporting tables of the Ba-Phalaborwa municipality for the financial year 2016/17; be approved as set out in the following tables:

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

## 2.2. Annual Budget Supporting Tables for 2016/17 MTREF

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

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

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

### 2.3. Property Rates and other municipal tax

Council resolves that **adopted** property rates and other municipal tax as reflected on Tariff Schedule (Annexure A) are **imposed** for the budget year 2016/17

### 2.4. Tariffs and charges

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

### 2.5. Integrated Development Plan

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

### 2.6. Credit Control, Debt Collection

Council resolves that the adopted credit control, debt collection and Consumer Care Policies be approved for 2016/17 financial year



## 2.7. Indigent Policies

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

### Indigent Support

- 2.7.1. Council resolves to support indigents households **approved** as per adopted indigent household consumer policy
- 2.7.2. Council further resolves that, in the event that the total subsidy in respect of approved indigents exceeds the budgeted amount, the excess amount be re-allocated from the current provision for bad debts to the relevant indigent subsidies, in view of the fact that the current bad debt is adequately provided for and the resolution related to the approval of the Indigent Policy will remain intact.
- 2.7.3. Council resolves that for the 2016/17 financial year the indigents are subsidized as set out in adopted Household Consumer and Subsidy Policy and that the subsidy will consist of the following:
1. 6 kl of water per indigent household per month, where metered, alternatively the flat rate levied
  2. 50 kw of electricity per indigent household per month, where metered, alternatively the flat rate levied
  3. 100% Free refuse removal from residential stands in accordance with the Tariff Schedule
  4. 100% Free sewer services to residential stands in accordance with the municipality's Tariff Schedule
  5. Payment of Rates and Taxes on a residential property in accordance with the municipality's Property Rates and Tariff Policies
  6. Payment of rental on council-occupied residential property in accordance with the municipality's Tariff Policy

## **Budget related policies**

Council resolves that the following 2016/17 budget related policies be approved:

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

15. Land use by-law
16. Electricity supply by-laws
17. Subsistence and travelling policy
18. Property rates by-laws
19. Payroll policy
20. Tariff by-laws

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**CLLR MD MAAKE**

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

### 3. EXECUTIVE SUMMARY

## EXECUTIVE SUMMARY

### 1. INTRODUCTION

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

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

The municipality's tariff for the financial year 2016/17 has taken into account all costs associated to delivery of such services, treasury guidelines in terms of MFMA section 42, Circular 48, 51, 54, 55, 58, 59 , 74, 75 , 78, 79, 80 and 82 together with Nersa guidelines

- o Rates- 6.6% increase with rebate applicable where necessary
- o Electricity (inclining blocks tariff also applicable) 7.86% increase
- o Refuse 6.6% increase
- o Other chargeable services at 6.6%
- o Cemetery fee has been revised to reflect cost associated.

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

It must also be noted that the water services tariffs are not highlighted since the District municipality will have to ensure that tariffs in respect of services concerned are approved. Mopani District municipality is a water authority as such all water and sanitation related expenses will be budgeted by the water authority.

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

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

The total revenue decreases from R478 million on adjusted budget to R477 million.

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

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

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

- Capital investment in larger scale public sector infrastructure projects
- Reduction of cost of doing business through targeted interventions
- Stabilisation of growth in interest payments

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

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

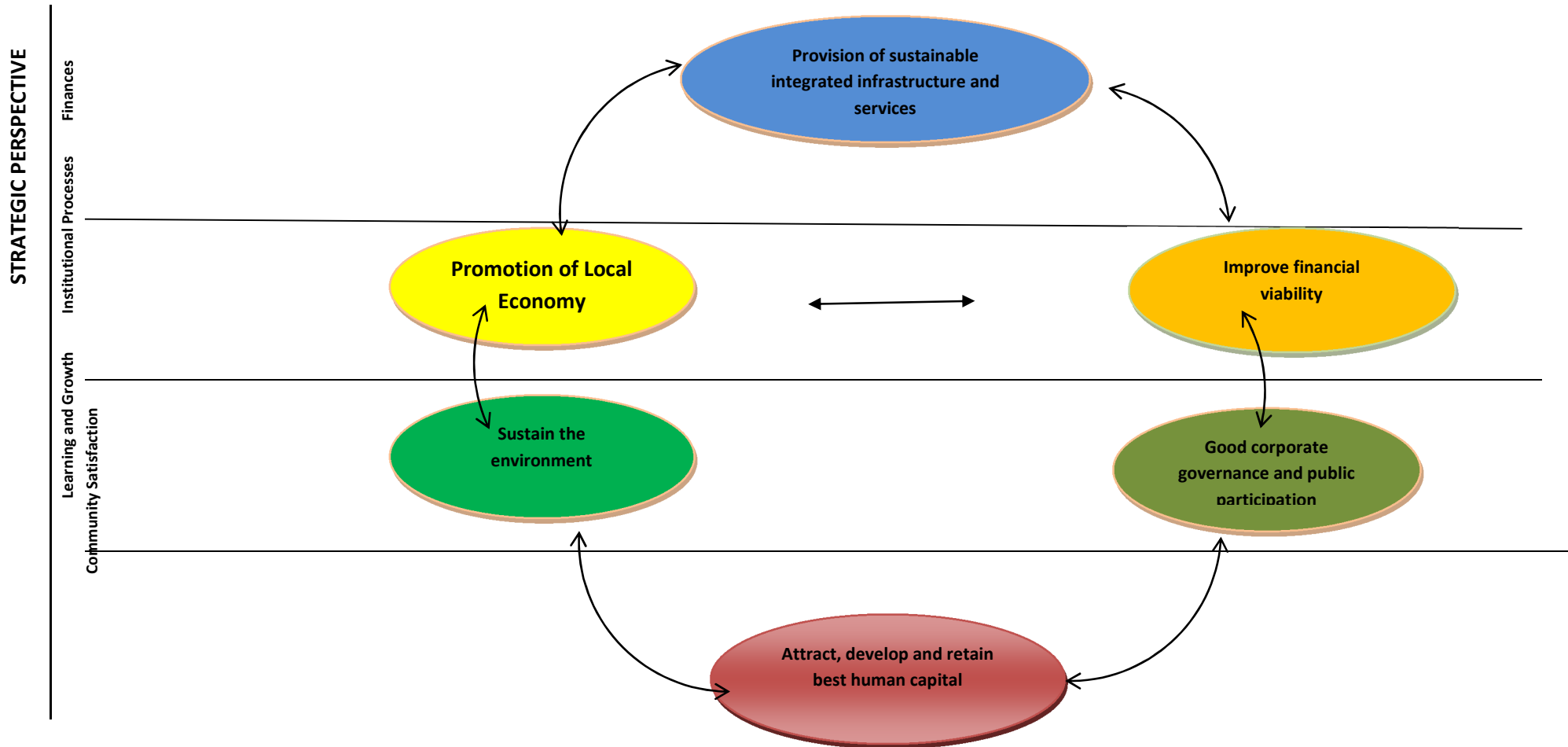


### **Implementation of cost containment measures as per MFMA Circulars 78,79 and 82**

- Catering is being minimised
- Travelling is shared amongst employees going to same workshop/training.
- Expensive Accommodation is currently not allowed.
- Only allow accommodation for more than 500 kilometres
- Overtime is being monitored on a monthly basis and has been reduced compared to previous financial years.
- Approval by the Accounting Officer is obtained first before working overtime.

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

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



## 4. ANNUAL BUDGET TABLES

#### 4.1. BUDGET SUMMARY

LIM334 Ba-Phalaborwa - Table A1 Consolidated Budget Summary

Description	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	60,257	57,239	65,594	124,589	100,165	100,165	100,165	106,776	113,396	120,086
Service charges	79,414	93,504	99,013	117,637	121,640	121,640	121,640	133,683	146,871	161,332
Investment revenue	332	359	277	275	475	475	475	506	537	569
Transfers recognised - operational	65,471	73,626	87,633	113,160	112,660	112,660	112,660	114,153	122,840	130,937
Other own revenue	50,508	73,672	53,897	87,404	86,231	86,231	86,231	92,307	98,500	104,868
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>255,983</b>	<b>298,400</b>	<b>306,414</b>	<b>443,065</b>	<b>421,170</b>	<b>421,170</b>	<b>421,170</b>	<b>447,425</b>	<b>482,144</b>	<b>517,792</b>
Employee costs	93,712	94,192	123,098	122,693	120,297	120,297	120,297	129,304	138,614	148,178
Remuneration of councillors	9,052	10,492	11,790	12,811	12,811	12,811	12,811	13,784	14,777	15,796
Depreciation & asset impairment	69,182	61,010	60,127	70,104	65,104	65,104	65,104	66,899	68,906	70,974
Finance charges	226	128	231	2,109	1,709	1,709	1,709	1,519	1,613	1,708
Materials and bulk purchases	53,402	67,501	65,626	94,332	84,332	84,332	84,332	92,259	100,931	110,419
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	172,461	99,144	189,287	167,944	173,909	173,909	173,909	172,589	179,254	189,830
<b>Total Expenditure</b>	<b>398,036</b>	<b>332,466</b>	<b>450,159</b>	<b>469,992</b>	<b>458,162</b>	<b>458,162</b>	<b>458,162</b>	<b>476,355</b>	<b>504,096</b>	<b>536,906</b>
<b>Surplus/(Deficit)</b>	<b>(142,052)</b>	<b>(34,066)</b>	<b>(143,745)</b>	<b>(26,927)</b>	<b>(36,992)</b>	<b>(36,992)</b>	<b>(36,992)</b>	<b>(28,930)</b>	<b>(21,952)</b>	<b>(19,114)</b>
Transfers recognised - capital	32,895	31,537	38,768	36,492	56,992	56,992	56,992	29,460	34,532	37,222
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(109,157)</b>	<b>(2,529)</b>	<b>(104,977)</b>	<b>9,565</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>530</b>	<b>12,580</b>	<b>18,108</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-

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<b>Surplus/(Deficit) for the year</b>	<b>(109,157)</b>	<b>(2,529)</b>	<b>(104,977)</b>	<b>9,565</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>530</b>	<b>12,580</b>	<b>18,108</b>
<b><u>Capital expenditure &amp; funds sources</u></b>										
<b>Capital expenditure</b>	42,949	49,569	35,760	53,792	70,792	70,792	70,792	48,460	49,160	52,160
Transfers recognised - capital	29,238	28,439	26,026	36,492	56,992	56,992	56,992	29,460	34,532	37,222
Public contributions & donations	-	9,365	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	13,711	11,766	9,734	17,300	13,800	13,800	13,800	19,000	14,628	14,938
<b>Total sources of capital funds</b>	<b>42,949</b>	<b>49,569</b>	<b>35,760</b>	<b>53,792</b>	<b>70,792</b>	<b>70,792</b>	<b>70,792</b>	<b>48,460</b>	<b>49,160</b>	<b>52,160</b>
<b><u>Financial position</u></b>										
Total current assets	56,845	284,875	186,197	184,644	186,644	186,644	186,644	228,925	237,612	248,372
Total non current assets	1,057,189	1,051,575	923,298	1,360,832	1,005,535	1,005,535	1,005,535	1,068,923	1,132,400	1,196,551
Total current liabilities	373,494	392,588	368,045	6,741	287,741	287,741	287,741	3,060	3,350	4,302
Total non current liabilities	33,736	50,157	59,656	198,000	48,000	48,000	48,000	43,000	41,000	37,000
Community wealth/Equity	706,805	893,704	681,794	1,340,735	856,438	856,438	856,438	1,251,789	1,325,662	1,403,620
<b><u>Cash flows</u></b>										
Net cash from (used) operating	43,315	88,726	57,365	54,592	40,517	40,517	40,517	40,309	48,458	53,636
Net cash from (used) investing	(42,949)	(102,469)	(35,847)	(53,792)	(41,200)	(41,200)	(41,200)	(40,160)	(49,160)	(52,160)
Net cash from (used) financing	(941)	(6,131)	(495)	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>2,066</b>	<b>(17,807)</b>	<b>3,246</b>	<b>1,612</b>	<b>1,169</b>	<b>1,169</b>	<b>1,169</b>	<b>1,849</b>	<b>1,147</b>	<b>2,623</b>
<b><u>Cash backing/surplus reconciliation</u></b>										
Cash and investments available	2,066	(17,807)	3,246	3,712	3,312	3,312	3,312	3,649	3,047	4,623
Application of cash and investments	331,722	167,319	282,939	(118,627)	219,620	219,620	219,620	(72,700)	(77,419)	(82,229)
<b>Balance - surplus (shortfall)</b>	<b>(329,656)</b>	<b>(185,126)</b>	<b>(279,693)</b>	<b>122,339</b>	<b>(216,308)</b>	<b>(216,308)</b>	<b>(216,308)</b>	<b>76,349</b>	<b>80,466</b>	<b>86,852</b>

<b><u>Asset management</u></b>											
Asset register summary (WDV)	1,160,515	1,051,575	923,298	1,360,432	1,005,535	1,005,535	1,049,695	1,049,695	1,098,855	1,151,015	
Depreciation & asset impairment	69,182	61,010	60,127	70,104	65,104	65,104	66,899	66,899	68,906	70,974	
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-	
Repairs and Maintenance	-	17,400	-	21,333	23,975	23,975	20,448	20,448	21,716	22,998	
<b><u>Free services</u></b>											
Cost of Free Basic Services provided	-	-	-	5,843	4,473	4,473	4,768	4,768	5,063	5,362	
Revenue cost of free services provided	-	-	-	-	-	-	1,511	1,511	1,511	1,511	
<b><u>Households below minimum service level</u></b>											
Water:	0	0	0	0	0	0	0	0	0	0	
Sanitation/sewerage:	7	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 R 447 million for 2016/17 financial year , R482 million and R518 million for the year 2016/17 and 2017/18 respectively.
- Total Expenditure is estimated at R476 million for 2016/17 financial year.
- A municipal operating budget shows a surplus of R530 thousand after capital transfers & contributions for 2016/17 financial year.
- Total Capital budget for the financial year 2016/17 is estimated to be R48,460 million, which comprises of R29,460 million funded by MIG and R19,000 million funded internally.

## 4.2. BUDGETED FINANCIAL PERFORMANCE

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

Standard Classification Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>	<b>1</b>									
<b>Revenue - Standard</b>										
<i><b>Governance and administration</b></i>		<b>170,792</b>	<b>185,361</b>	<b>194,637</b>	<b>306,962</b>	<b>267,461</b>	<b>267,461</b>	<b>279,451</b>	<b>299,432</b>	<b>317,990</b>
Executive and council		-	-	-	-	-	-	-	-	-
Budget and treasury office		170,288	185,133	193,504	306,613	266,888	266,888	278,839	298,783	317,302
Corporate services		504	228	1,133	349	574	574	612	650	688
<i><b>Community and public safety</b></i>		<b>4,777</b>	<b>15,844</b>	<b>14,758</b>	<b>14,980</b>	<b>13,529</b>	<b>13,529</b>	<b>14,422</b>	<b>15,316</b>	<b>16,220</b>
Community and social services		3,906	13,324	5,935	12,213	13,278	13,278	14,155	15,032	15,919
Public safety		871	2,520	8,823	2,767	251	251	267	284	301
<i><b>Economic and environmental services</b></i>		<b>29,895</b>	<b>35,228</b>	<b>27,774</b>	<b>32,978</b>	<b>53,033</b>	<b>53,033</b>	<b>32,421</b>	<b>33,631</b>	<b>35,404</b>
Planning and development		-	170	7	-	55	55	59	62	66
Road transport		29,895	35,058	27,767	32,978	52,978	52,978	32,363	33,569	35,338
<i><b>Trading services</b></i>		<b>83,414</b>	<b>93,504</b>	<b>108,013</b>	<b>124,637</b>	<b>144,139</b>	<b>144,139</b>	<b>150,590</b>	<b>168,296</b>	<b>185,400</b>
Electricity		74,292	83,082	96,608	112,666	122,802	122,802	127,845	144,141	159,819
Waste management		9,123	10,422	11,405	11,971	21,337	21,337	22,745	24,156	25,581
<i><b>Other</b></i>	<b>4</b>	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	<b>2</b>	<b>288,879</b>	<b>329,937</b>	<b>345,182</b>	<b>479,557</b>	<b>478,162</b>	<b>478,162</b>	<b>476,885</b>	<b>516,676</b>	<b>555,014</b>
<b>Expenditure - Standard</b>	<b>-</b>									
<i><b>Governance and administration</b></i>		<b>194,353</b>	<b>118,171</b>	<b>197,318</b>	<b>183,063</b>	<b>189,142</b>	<b>189,142</b>	<b>194,932</b>	<b>204,479</b>	<b>217,046</b>
Executive and council		25,772	21,384	48,368	44,222	45,046	45,046	48,056	51,326	54,667
Budget and treasury office		144,420	65,928	93,807	91,301	97,273	97,273	99,999	103,183	109,262
Corporate services		24,160	30,860	55,143	47,540	46,823	46,823	46,877	49,970	53,117
<i><b>Community and public safety</b></i>		<b>33,767</b>	<b>34,400</b>	<b>42,251</b>	<b>58,121</b>	<b>56,150</b>	<b>56,150</b>	<b>59,627</b>	<b>63,725</b>	<b>67,914</b>
Community and social services		25,244	21,246	33,365	46,819	46,229	46,229	48,993	52,341	55,762
Public safety		8,523	13,154	8,885	11,303	9,921	9,921	10,634	11,384	12,152
<i><b>Economic and environmental services</b></i>		<b>90,450</b>	<b>80,758</b>	<b>105,178</b>	<b>97,404</b>	<b>85,500</b>	<b>85,500</b>	<b>88,811</b>	<b>91,831</b>	<b>95,950</b>
Planning and development		7,038	8,249	11,069	17,791	10,721	10,721	11,192	11,950	12,724
Road transport		83,412	72,509	94,109	79,613	74,779	74,779	77,619	79,881	83,226
<i><b>Trading services</b></i>		<b>79,467</b>	<b>99,136</b>	<b>105,413</b>	<b>131,403</b>	<b>127,370</b>	<b>127,370</b>	<b>132,985</b>	<b>144,060</b>	<b>155,996</b>
Electricity		75,856	91,855	96,600	124,296	119,755	119,755	124,864	135,420	146,829

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Waste management		3,611	7,281	8,812	7,107	7,615	7,615	8,121	8,640	9,167
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	3	<b>398,036</b>	<b>332,466</b>	<b>450,159</b>	<b>469,992</b>	<b>458,162</b>	<b>458,162</b>	<b>476,355</b>	<b>504,096</b>	<b>536,906</b>
<b>Surplus/(Deficit) for the year</b>		<b>(109,157)</b>	<b>(2,529)</b>	<b>(104,977)</b>	<b>9,565</b>	<b>20,000</b>	<b>20,000</b>	<b>530</b>	<b>12,580</b>	<b>18,108</b>

## NOTES

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



#### 4.3. BUDGETED FINANCIAL PERFORMANCE BY MUNICIPAL VOTE

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

Vote Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>										
<b>Revenue by Vote</b>	1									
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury Department		170,288	185,133	193,504	306,613	266,888	266,888	278,839	298,783	317,302
Vote 3 - Corporate Services		504	228	1,133	349	574	574	612	650	688
Vote 4 - Community and Social Services		13,899	26,267	26,163	26,952	34,866	34,866	37,168	39,472	41,801
Vote 5 - Planning and Development		-	170	7	-	55	55	59	62	66
Vote 6 - Technical Services Department		104,187	118,140	124,375	145,643	175,779	175,779	160,208	177,710	195,157
<b>Total Revenue by Vote</b>	2	<b>288,879</b>	<b>329,937</b>	<b>345,182</b>	<b>479,557</b>	<b>478,162</b>	<b>478,162</b>	<b>476,885</b>	<b>516,676</b>	<b>555,014</b>
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - Executive and Council		25,772	21,384	48,368	44,222	45,046	45,046	48,056	51,326	54,667
Vote 2 - Budget and Treasury Department		144,420	65,928	93,807	91,301	97,273	97,273	99,999	103,183	109,262
Vote 3 - Corporate Services		24,160	30,860	55,143	47,540	46,823	46,823	46,877	49,970	53,117
Vote 4 - Community and Social Services		37,378	41,681	51,063	65,228	63,765	63,765	67,749	72,365	77,081
Vote 5 - Planning and Development		7,038	8,249	11,069	17,791	10,721	10,721	11,192	11,950	12,724
Vote 6 - Technical Services Department		159,269	164,364	190,709	203,909	194,534	194,534	202,482	215,301	230,055
<b>Total Expenditure by Vote</b>	2	<b>398,036</b>	<b>332,466</b>	<b>450,159</b>	<b>469,992</b>	<b>458,162</b>	<b>458,162</b>	<b>476,355</b>	<b>504,096</b>	<b>536,906</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>(109,157)</b>	<b>(2,529)</b>	<b>(104,977)</b>	<b>9,565</b>	<b>20,000</b>	<b>20,000</b>	<b>530</b>	<b>12,580</b>	<b>18,108</b>

#### Notes

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

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

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

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

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<b>Surplus/(Deficit)</b>		<b>(142,052)</b>	<b>(34,066)</b>	<b>(143,745)</b>	<b>(26,927)</b>	<b>(36,992)</b>	<b>(36,992)</b>	<b>(36,992)</b>	<b>(28,930)</b>	<b>(21,952)</b>	<b>(19,114)</b>
Transfers recognised - capital		32,895	31,537	38,768	36,492	56,992	56,992	56,992	29,460	34,532	37,222
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets		(109,157)	(2,529)	(104,977)	9,565	20,000	20,000	20,000	530	12,580	18,108
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>											
Taxation											
<b>Surplus/(Deficit) after taxation</b>		<b>(109,157)</b>	<b>(2,529)</b>	<b>(104,977)</b>	<b>9,565</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>530</b>	<b>12,580</b>	<b>18,108</b>
Attributable to minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(109,157)</b>	<b>(2,529)</b>	<b>(104,977)</b>	<b>9,565</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>530</b>	<b>12,580</b>	<b>18,108</b>
Share of surplus/ (deficit) of associate	7										
<b>Surplus/(Deficit) for the year</b>		<b>(109,157)</b>	<b>(2,529)</b>	<b>(104,977)</b>	<b>9,565</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>530</b>	<b>12,580</b>	<b>18,108</b>

#### Notes

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

#### 4.5. BUDGETED CAPITAL EXPENDITURE BY VOTE

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

Vote Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>	1										
<b>Single-year expenditure to be appropriated</b>	2										
Vote 1 - Executive and Council		-	-	-	-	-	-	-	500	900	900
Vote 2 - Budget and Treasury Department		-	-	-	-	-	-	-	1,000	1,000	1,000
Vote 3 - Corporate Services		3,398	3,398	2,627	5,700	4,200	4,200	4,200	4,900	2,200	2,200
Vote 4 - Community and Social Services		1,711	8,330	-	-	-	-	-	-	-	-
Vote 5 - Planning and Development		-	6,124	-	-	-	-	-	-	-	-
Vote 6 - Technical Services Department		37,840	31,716	33,133	48,092	66,592	66,592	66,592	42,060	45,060	48,060
<b>Capital single-year expenditure sub-total</b>		<b>42,949</b>	<b>49,569</b>	<b>35,760</b>	<b>53,792</b>	<b>70,792</b>	<b>70,792</b>	<b>70,792</b>	<b>48,460</b>	<b>49,160</b>	<b>52,160</b>
<b>Total Capital Expenditure - Vote</b>		<b>42,949</b>	<b>49,569</b>	<b>35,760</b>	<b>53,792</b>	<b>70,792</b>	<b>70,792</b>	<b>70,792</b>	<b>48,460</b>	<b>49,160</b>	<b>52,160</b>
<b>Capital Expenditure - Standard</b>											
<b>Governance and administration</b>		<b>3,398</b>	<b>3,398</b>	<b>2,627</b>	<b>5,700</b>	<b>4,200</b>	<b>4,200</b>	<b>4,200</b>	<b>4,400</b>	<b>4,100</b>	<b>4,100</b>
Executive and council									500	900	900
Budget and treasury office									1,000	1,000	1,000
Corporate services		3,398	3,398	2,627	5,700	4,200	4,200	4,200	4,900	2,200	2,200
<b>Community and public safety</b>		<b>1,711</b>	<b>8,330</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Community and social services		1,711	8,330	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>26,169</b>	<b>37,840</b>	<b>24,886</b>	<b>35,492</b>	<b>55,992</b>	<b>55,992</b>	<b>55,992</b>	<b>30,460</b>	<b>31,460</b>	<b>31,460</b>
Planning and development			6,124								
Road transport		26,169	31,716	24,886	35,492	55,992	55,992	55,992	30,460	31,460	31,460
Environmental protection											
<b>Trading services</b>		<b>11,672</b>	<b>-</b>	<b>8,247</b>	<b>12,600</b>	<b>10,600</b>	<b>10,600</b>	<b>10,600</b>	<b>11,600</b>	<b>13,600</b>	<b>16,600</b>
Electricity		11,672	-	8,247	12,600	10,600	10,600	10,600	11,600	13,600	16,600
<b>Total Capital Expenditure - Standard</b>	3	<b>42,949</b>	<b>49,569</b>	<b>35,760</b>	<b>53,792</b>	<b>70,792</b>	<b>70,792</b>	<b>70,792</b>	<b>48,460</b>	<b>49,160</b>	<b>52,160</b>
<b>Funded by:</b>											
National Government		29,238	28,439	26,026	36,492	56,992	56,992	56,992	29,460	34,532	37,222
Transfers recognised - capital	4	29,238	28,439	26,026	36,492	56,992	56,992	56,992	29,460	34,532	37,222
Public contributions & donations	5		9,365								
Internally generated funds		13,711	11,766	9,734	17,300	13,800	13,800	13,800	19,000	14,628	14,938
<b>Total Capital Funding</b>	7	<b>42,949</b>	<b>49,569</b>	<b>35,760</b>	<b>53,792</b>	<b>70,792</b>	<b>70,792</b>	<b>70,792</b>	<b>48,460</b>	<b>49,160</b>	<b>52,160</b>

## Notes

- Table A5 is a view of Budgeted Capital Expenditure by vote,classification and funding.
- The municipal capital budget is R48,460 million in 2016/17 budget year.

#### 4.6. BUDGETED FINANCIAL POSITION

LIM334 Ba-Phalaborwa - Table A6 Budgeted Financial Position

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

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

## NOTES

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

#### 4.7. BUDGETED CASH FLOWS

LIM334 Ba-Phalaborwa - Table A7 Budgeted Cash Flows

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

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

## NOTES

- The budgeted cash flow statement is the first measurement in determining if the budget is funded, It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
- Cash and cash equivalents totals R1,849 million as at the end of the 2016/17 financial year and the two outer years R1, 147 million and R2,623 million respectively.

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

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

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

#### NOTES

- o As part of the budgeting and planning guidelines that informed the compilation of the 2016/17 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

#### 4.9. ASSET MANAGEMENT

LIM334 Ba-Phalaborwa - Table A9 Consolidated Asset Management

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>CAPITAL EXPENDITURE</b>										
<b>Total New Assets</b>	1	42,949	49,569	-	53,792	70,792	70,792	48,460	49,160	52,160
<i>Infrastructure - Road transport</i>		26,169	31,716	-	23,992	40,654	40,654	23,060	23,660	23,660
<i>Infrastructure - Electricity</i>		11,672	-	-	12,600	10,600	10,600	12,600	13,600	16,600
<i>Infrastructure - Other</i>		-	-	-	10,000	13,838	13,838	9,200	7,800	7,800
Infrastructure		37,840	31,716	-	46,592	65,092	65,092	44,860	45,060	48,060
Community		1,711	8,330	-	-	-	-	-	-	-
Other assets	6	3,398	9,523	-	7,200	5,700	5,700	3,600	4,100	4,100
Intangibles		-	-	-	-	-	-	-	-	-
<b>Total Renewal of Existing Assets</b>	2	-	-	-	-	-	-	-	-	-
<i>Infrastructure - Road transport</i>		-	-	-	-	-	-	-	-	-
<i>Infrastructure - Electricity</i>		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	4									
<i>Infrastructure - Road transport</i>		26,169	31,716	-	23,992	40,654	40,654	23,060	23,660	23,660
<i>Infrastructure - Electricity</i>		11,672	-	-	12,600	10,600	10,600	12,600	13,600	16,600
<i>Infrastructure - Other</i>		-	-	-	10,000	13,838	13,838	9,200	7,800	7,800
Infrastructure		37,840	31,716	-	46,592	65,092	65,092	44,860	45,060	48,060
Community		1,711	8,330	-	-	-	-	-	-	-
Other assets		3,398	9,523	-	7,200	5,700	5,700	3,600	4,100	4,100
Intangibles		-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	2	42,949	49,569	-	53,792	70,792	70,792	48,460	49,160	52,160
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5									
<i>Infrastructure - Road transport</i>		449,391	1,051,231	878,196	1,360,432	960,432	960,432	1,004,592	1,053,752	1,105,912
<i>Infrastructure - Electricity</i>		348,672				-	-			
<i>Infrastructure - Water</i>		241,370				-	-			
<i>Infrastructure - Sanitation</i>		120,000				-	-			
<i>Infrastructure - Other</i>						-	-			

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Infrastructure		1,159,432	1,051,231	878,196	1,360,432	960,432	960,432	1,004,592	1,053,752	1,105,912
Community		311								
Heritage assets										
Investment properties		–	–	42,999	–	42,999	42,999	42,999	42,999	42,999
Other assets		459								
Biological assets		313	344	388	–	388	388	388	388	388
Intangibles		–	–	1,715	–	1,715	1,715	1,715	1,715	1,715
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>5</b>	<b>1,160,515</b>	<b>1,051,575</b>	<b>923,298</b>	<b>1,360,432</b>	<b>1,005,535</b>	<b>1,005,535</b>	<b>1,049,695</b>	<b>1,098,855</b>	<b>1,151,015</b>
<b>EXPENDITURE OTHER ITEMS</b>										
<b><u>Depreciation &amp; asset impairment</u></b>		69,182	61,010	60,127	70,104	65,104	65,104	66,899	68,906	70,974
<b><u>Repairs and Maintenance by Asset Class</u></b>	<b>3</b>	–	17,400	–	21,333	23,975	23,975	20,448	21,716	22,998
Infrastructure - Road transport		–	6,083	–	4,646	3,887	3,887	4,144	4,401	4,660
Infrastructure - Electricity		–	9,834	–	6,970	10,770	10,770	6,500	6,903	7,310
Infrastructure - Other		–	1,092	–	1,690	1,440	1,440	1,535	1,631	1,727
Infrastructure		–	17,009	–	13,306	16,097	16,097	12,179	12,934	13,698
Community		–	–	–	4,890	4,645	4,645	4,951	5,258	5,569
Heritage assets		–	–	–	34	–	–	–	–	–
Other assets	<b>6, 7</b>	–	391	–	3,103	3,233	3,233	3,318	3,524	3,731
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		<b>69,182</b>	<b>78,410</b>	<b>60,127</b>	<b>91,437</b>	<b>89,079</b>	<b>89,079</b>	<b>87,348</b>	<b>90,623</b>	<b>93,971</b>
<i>Renewal of Existing Assets as % of total capex</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Renewal of Existing Assets as % of deprecn"</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>R&amp;M as a % of PPE</i>		0.0%	1.7%	0.0%	1.6%	2.5%	2.5%	2.0%	2.0%	2.0%
<i>Renewal and R&amp;M as a % of PPE</i>		0.0%	2.0%	0.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

## NOTES

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

#### 4.10. BASIC SERVICE DELIVERY MEASUREMENT

LIM334 Ba-Phalaborwa - Table A10 Consolidated basic service delivery measurement

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		12	15	15	15	15	15	15	15	15
Piped water inside yard (but not in dwelling)		17	19	19	19	19	19	19	19	19
Using public tap (at least min.service level)	2	4	3,812	3,812	3,812	3,812	3,812	3,812	3,812	3,812
Other water supply (at least min.service level)	4	4	413	413	413	413	413	413	413	413
<i>Minimum Service Level and Above sub-total</i>		37	4,259	4,259	4,259	4,259	4,259	4,259	4,259	4,259
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	2	234	234	234	234	234	234	234	234
No water supply		-	2	2	2	2	2	2	2	2
<i>Below Minimum Service Level sub-total</i>		2	236	236	236	236	236	236	236	236
<b>Total number of households</b>	5	<b>39</b>	<b>4,495</b>	<b>4,495</b>	<b>4,495</b>	<b>4,495</b>	<b>4,495</b>	<b>4,495</b>	<b>4,495</b>	<b>4,495</b>
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		14,056	16,638	16,638	16,638	16,638	16,638	16,638	16,638	16,638
Flush toilet (with septic tank)		1,090	860	860	860	860	860	860	860	860
Chemical toilet		-	424	424	424	424	424	424	424	424
Pit toilet (ventilated)		2,868	6,718	6,718	6,718	6,718	6,718	6,718	6,718	6,718
Other toilet provisions (> min.service level)		9,166	10,833	10,833	10,833	10,833	10,833	10,833	10,833	10,833
<i>Minimum Service Level and Above sub-total</i>		27,180	35,473	35,473	35,473	35,473	35,473	35,473	35,473	35,473
Bucket toilet		-	80	80	80	80	80	80	80	80
Other toilet provisions (< min.service level)		-	864	864	864	864	864	864	864	864
No toilet provisions		6,612	4,698	4,698	4,698	4,698	4,698	4,698	4,698	4,698
<i>Below Minimum Service Level sub-total</i>		6,612	5,642	5,642	5,642	5,642	5,642	5,642	5,642	5,642

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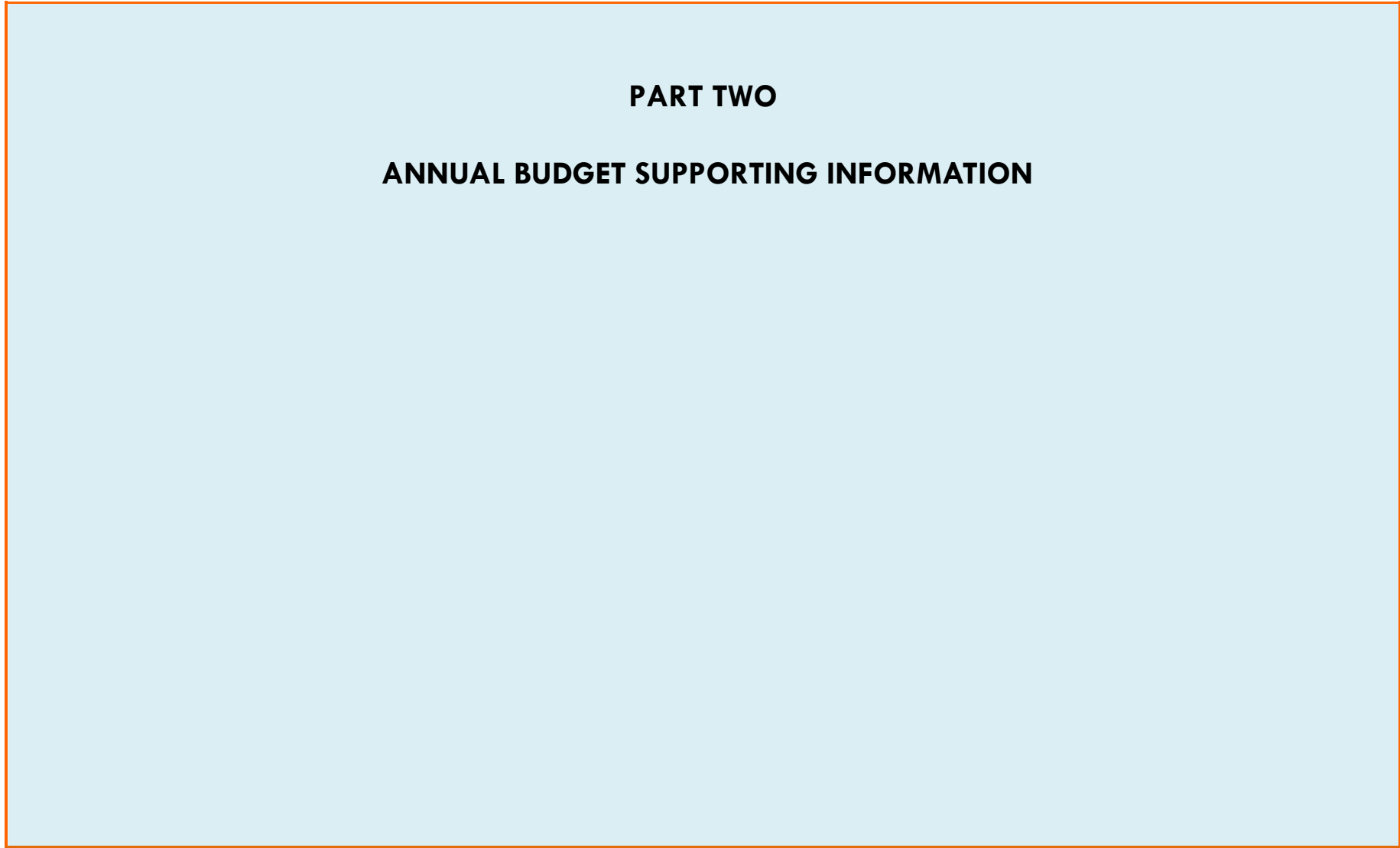
<b>Total number of households</b>	5	<b>33,792</b>	<b>41,115</b>	<b>41,115</b>	<b>41,115</b>	<b>41,115</b>	<b>41,115</b>	<b>41,115</b>	<b>41,115</b>	<b>41,115</b>
<b><u>Energy:</u></b>										
Electricity (at least min.service level)		7,000	37,345	37,345	37,345	37,345	37,345	37,345	37,345	37,345
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		7,000	37,345	37,345	37,345	37,345	37,345	37,345	37,345	37,345
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	<b>7,000</b>	<b>37,345</b>	<b>37,345</b>	<b>37,345</b>	<b>37,345</b>	<b>37,345</b>	<b>37,345</b>	<b>37,345</b>	<b>37,345</b>
<b><u>Refuse:</u></b>										
Removed at least once a week		-	20,066	20,066	20,066	20,066	20,066	20,066	20,066	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
<b>Total number of households</b>	5	<b>-</b>	<b>41,116</b>	<b>41,116</b>	<b>41,116</b>	<b>41,116</b>	<b>41,116</b>	<b>41,116</b>	<b>41,116</b>	<b>41,116</b>
<b><u>Households receiving Free Basic Service</u></b>	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	2,204	2,204	2,204	2,204	2,204	2,204
Refuse (removed at least once a week)		-	-	-	910	910	910	910	910	910
<b><u>Cost of Free Basic Services provided - Formal Settlements (R'000)</u></b>	8									
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	1,370	1,370	1,370	1,460	1,551	1,642
Refuse (removed once a week for indigent households)		-	-	-	939	939	939	1,001	1,063	1,126
<b><u>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</u></b>		-	-	-	3,533	2,163	2,163	2,306	2,449	2,593
<b>Total cost of FBS provided</b>		-	-	-	<b>5,843</b>	<b>4,473</b>	<b>4,473</b>	<b>4,768</b>	<b>5,063</b>	<b>5,362</b>

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

## NOTES

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

**5. OVERVIEW OF ANNUAL BUDGET**





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

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

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

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

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

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

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

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	<ul style="list-style-type: none"> <li>Individual performance assessment report 2013/14 Annual</li> <li>Submission of Final 2013/14 departmental annual reports</li> </ul>	<ul style="list-style-type: none"> <li>07/09/2015</li> <li>25/09/2015</li> </ul>	
<b>MPAC</b>			
	<ul style="list-style-type: none"> <li>4<sup>th</sup> Quarter Individual Performance Assessment Report</li> </ul>	<ul style="list-style-type: none"> <li>30/09/2015</li> </ul>	
<b>Budget</b>			
October 2015	<ul style="list-style-type: none"> <li>Commence preparation for the 2016/17 departmental operational plans and service delivery and budget implementation plan aligned to strategic priorities in IDP and inputs from other stakeholders including government and bulk service providers (and NERSA)</li> <li>Submission of departmental adjustment budgets</li> <li>Departmental budgets inputs for 2016/17</li> </ul>	<ul style="list-style-type: none"> <li>14-15/12/2015</li> <li>15/12/2015</li> <li>15/12/2015</li> </ul>	
<b>PMS</b>			
	<ul style="list-style-type: none"> <li>Continuation of preparations for 2014/15 annual report utilizing financial and non-financial</li> </ul>	<ul style="list-style-type: none"> <li>01/10/2015 - 30/10/2015</li> </ul>	

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

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	<ul style="list-style-type: none"> <li>• Consideration of Annual Institutional Performance Report</li> <li>• Collection of public comments during mayoral Imbizo on 1<sup>st</sup> Quarter performance</li> <li>• Probe 1<sup>st</sup> Quarter Performance Report and public hearing.</li> <li>• MPAC District forum</li> </ul>	<ul style="list-style-type: none"> <li>• 03/11/2015</li> <li>• 12/11/2015 – 19/11/2015</li> <li>• 27/11/2015</li> <li>• 30/11/2015</li> </ul>	
<b>IDP</b>			
<b>December 2015</b>	<b>Strategies Phase</b>		<b>31 January 2015</b>
	<ul style="list-style-type: none"> <li>• Strategic Session</li> </ul>	<ul style="list-style-type: none"> <li>• 02/12/2015 –07/12/2015</li> </ul>	
<b>PMS</b>			
	<ul style="list-style-type: none"> <li>• Oversight training for MPAC members for probing the 2013/14 annual report.</li> <li>• Finalize the draft annual report incorporating financial and non financial information on performance, audit reports and annual financial statements</li> <li>• Present draft annual report to Municipal Manager</li> </ul>	<ul style="list-style-type: none"> <li>• 02/12/2015-14/12/2015</li> <li>• 14/12/2015</li> <li>• 21/12/2015</li> </ul>	
<b>MPAC</b>			
	<ul style="list-style-type: none"> <li>• Develop schedule for considering the 2013/14 Annual Report</li> </ul>	<ul style="list-style-type: none"> <li>• 01/12/2015</li> </ul>	
<b>IDP</b>			

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
January 2016	<b>Strategies Phase (cont)</b> <ul style="list-style-type: none"> <li>• IDP, Budget &amp; PMS Operational Meeting</li> <li>• IDP/Budget &amp; PMS Technical Meeting (Strategic Plan)</li> <li>• Advisory Board meeting with Municipal Manager</li> <li>• IDP/Budget &amp; PMS Steering Committee (Strategic Plan)</li> <li>• IDP/Budget &amp; PMS Rep. Forum (Strategic Plan)</li> </ul>	<ul style="list-style-type: none"> <li>• 13/01/2016</li> <li>• 18/01/2016</li> <li>• 19/01/2016</li> <li>• 21/01/2016</li> <li>• 29/01/2016</li> </ul>	31 January 2016
<b>Budget</b>			
	<ul style="list-style-type: none"> <li>• Finalise the 2016/17 inputs from bulk resource providers (and NERSA) and agree on proposed price increase. (Align after submission of proposed tariffs)</li> <li>• Mid-Year Performance Assessment and recommend and adjustment budget, if necessary.</li> <li>• Incorporate priorities from the President's State of the Nation Address, National Treasury and SALGA for further budget consideration.</li> <li>• Review all aspects of the 2015/16 budget including any unforeseen and unavoidable expenditure in</li> </ul>	<ul style="list-style-type: none"> <li>• 01/12/2015 – 09/12/2015</li> <li>• 26/01/2016</li> <li>• 22/01/2016– 26/01/2016</li> <li>• 08/01/2016 – 26/01/2016</li> </ul>	



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

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	AFS & audit report) and summarizes overall findings of 2013/14 annual performance report.		
<b>MPAC</b>			
	<ul style="list-style-type: none"> <li>MPAC and Audit committee Quarterly meeting</li> </ul>	<ul style="list-style-type: none"> <li>29/01/2016</li> </ul>	
<b>IDP</b>			
<b>February 2016</b>	<b>Projects and Integration Phase</b> <ul style="list-style-type: none"> <li>Develop a list of project</li> <li>Project prioritisation task team establishment</li> <li>Submission of Sector Plans</li> <li>IDP, Budget &amp; PMS Operational meeting (Projects prioritisation and Sector plans)</li> <li>IDP, Budget &amp; PMS Technical meeting (Projects prioritisation and Sector plans)</li> <li>Advisory Board meeting with Municipal Manager</li> <li>IDP, Budget &amp; PMS Steering meeting (Projects prioritisation and Sector plans)</li> </ul>	<ul style="list-style-type: none"> <li>27/01/2016 – 08/02/2016</li> <li>10/02/2016 – 15/02/2016</li> <li>03/02/2016 – 11/02/2016</li> <li>11/02/2016</li> <li>15/02/2016</li> <li>17/02/2016</li> <li>19/02/2016</li> <li>25/02/2016</li> </ul>	<b>28 February 2016</b>

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

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

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	<ul style="list-style-type: none"> <li>• Mayor table Draft IDP, Budget &amp; PMS for adoption by Council.</li> <li>• Publication of the IDP, Budget &amp; PMS Public Participation schedule</li> </ul>	<ul style="list-style-type: none"> <li>• 31/03/2016</li> <li>• 29/03/2016</li> </ul>	
<b>Budget</b>			
	<ul style="list-style-type: none"> <li>• Consolidation of Draft 2016/17 annual budget.</li> <li>• Incorporate changes in prices for bulk resources and finalise tariff proposals for all charges.</li> <li>• Distribute all budget documentation prior to meeting at which budget is to be tabled.</li> <li>• Table in Council the 2016/17 annual budget &amp; all supporting documents.</li> <li>• Submit the 2015/16 approved adjustments budget to the Provincial &amp; National Treasury &amp; any other affected organ of state (10 days after approval.)</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• 04/03/2016</li> <li>• 14/03/2016</li> <li>• 18/03/2016 – 25/03/2016</li> <li>• 31/03/2016</li> <li>• 14/03/2016</li> </ul>	
<b>PMS</b>			
	<ul style="list-style-type: none"> <li>• Compile Individual performance assessment report (2015/16 Mid-Year Quarter)</li> </ul>	<ul style="list-style-type: none"> <li>• 14/03/2016</li> <li>• 31/03/2016</li> </ul>	

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

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
<b>Budget</b>			
	<ul style="list-style-type: none"> <li>• Make public the 2016/17 tabled annual budget &amp; accompanying budget documentation, invite the community to submit representations and submit to Provincial &amp; National Treasury and other affected organs of state.</li> <li>• Consultation on tabled budget, publicise and conduct public hearings and meetings within wards.</li> </ul>	<ul style="list-style-type: none"> <li>• 11/04/2016 – 25/04/2016</li> <li>• 11/04/2016 – 25/04/2016</li> </ul>	
<b>PMS</b>			
	<ul style="list-style-type: none"> <li>• Submit the 2013/14 Annual Report &amp; Oversight Report to Provincial Treasury, CoGHSTA, AG and Legislature.</li> <li>• Make public the 2013/14 oversight report</li> <li>• Submission of third quarter departmental performance report</li> </ul>	<ul style="list-style-type: none"> <li>• 11/04/2016</li> <li>• 11/04/2016</li> <li>• 11/04/2016</li> </ul>	
<b>MPAC</b>			
	<ul style="list-style-type: none"> <li>• Consider the Draft IDP, Budget and PMS</li> <li>• Consider proposed municipal tariffs</li> </ul>	<ul style="list-style-type: none"> <li>• 01/04/2016-29/04/2016</li> <li>• 01/04/2016-29/04/2016</li> </ul>	

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	<ul style="list-style-type: none"> <li>Collection of public representations on municipal tariffs and Capital plan</li> <li>Consider the 2014/15 Draft SDBIP</li> <li>Technical committee meeting</li> <li>District forum meeting</li> <li>MPAC and Audit committee Quarterly meeting</li> </ul>	<ul style="list-style-type: none"> <li>01/04/2016-29/04/2016</li> <li>01/04/2016-29/04/2016</li> <li>11/04/2016</li> <li>25/4/2016</li> <li>29/4/2016</li> </ul>	
<b>IDP</b>			
<b>May 2016</b>	<b>Approval Phase (Final IDP)</b> <ul style="list-style-type: none"> <li>IDP, Budget &amp; PMS Operational Teams (Analysis &amp; integration of public comments)</li> <li>IDP, Budget &amp; PMS Technical meeting (Analysis &amp; integration of public comments)</li> <li>IDP, Budget &amp; PMS Steering meeting (analysis &amp; integration of public comments)</li> <li>IDP, Budget &amp; PMS Representative meeting (analysis &amp; integration of public comments)</li> <li>Adjustment of IDP, Budget &amp; PMS in accordance with public comments</li> </ul>	<ul style="list-style-type: none"> <li>06/05/2016</li> <li>09/05/2016</li> <li>12/05/2016</li> <li>16/05/2016</li> <li>16/05/2016 – 19/05/2016</li> <li>30/05/2016</li> </ul>	<b>31 May 2016</b>



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

Month	Activity	Time-frame	
		Ba-Phalaborwa Municipality	Mopani District Municipality
	<ul style="list-style-type: none"> <li>Probing and public hearing on third Quarter Institutional Performance Report.</li> </ul>		
<b>IDP</b>			
<b>June 2016</b>	<ul style="list-style-type: none"> <li>Public Notice on the adoption of IDP, Budget &amp; PMS</li> <li>Summary of IDP &amp; public notice on the final approval</li> <li>Submission of the Final Approved IDP to the MEC for Local Government &amp; Housing</li> </ul>	<ul style="list-style-type: none"> <li>07/06/2016</li> <li>13/06/2016</li> <li>14/06/2016</li> </ul>	<b>30 June 2016</b>
<b>Budget</b>			
	<ul style="list-style-type: none"> <li>Submit approved IDP/Budget to National &amp; Provincial Treasury, CoGHSTA and District ( 10 working days after approval)</li> </ul>	<ul style="list-style-type: none"> <li>14/06/2016</li> </ul>	
<b>MPAC</b>			
	<ul style="list-style-type: none"> <li>Consider the alignment of final IDP, Budget, PMS and MPAC Work Programme</li> </ul>	<ul style="list-style-type: none"> <li>01/06/2016 – 15/06/2016</li> </ul>	

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

### 6.1. VISION OF THE MUNICIPALITY

The vision was therefore not revised:

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

### 6.2. FIVE YEAR STRATEGIC FOCUS AREA

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

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

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

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

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

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

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

### 6.3. ALIGNMENT OF IDP WITH NATIONAL AND PROVINCIAL GOVERNMENT

Cluster	PERSPECTIVE	MTSF	COGTA	LEGDP (PGDS)	OUTCOME 9	STRATEGIC AGENDA KPA	NATIONAL DEVELOPMENT PLAN	Back-to-Basics	BA-PHALABORWA
Economic	Financial	1. Speed up economic growth and transform the economy to create decent work and sustainable livelihoods.		1. Ensuring more inclusive economic growth, decent work and sustainable livelihoods	3. Implement the community work programme and cooperatives supported	Local Economic Development	An economy that will create more jobs  An inclusive and integrated rural economy		Growing economic environment
Social Infrastructure	Community Satisfaction	5. Improve the health profile of society	5. Fostering Development Partnerships, Social Cohesion and community mobilisation	4. Access to quality education		Basic Service Delivery	Improving the quality of education, training and innovation	Basic Services: Creating decent living conditions	Protected environment and enhanced community well-being
Social Infrastructure	Community Satisfaction			5. Improved health care		Basic Service Delivery	Quality health care for all	Basic Services: Creating decent living conditions	Protected environment and enhanced community well-being
Social Infrastructure	Institutional	6. Intensify the fight against crime and corruption		6. Fighting crime and corruption		Good Governance and Public Participation	Fighting corruption	Good governance	Good corporate governance

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

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

Cluster	PERSPECTIVE	MTSF	COGTA	LEGDP (PGDS)	OUTCOME 9	STRATEGIC AGENDA KPA	NATIONAL DEVELOPMENT PLAN	Back-to-Basics	BA-PHALABORWA
Governance and Administration	Institutional Processes				6: Improved municipal financial and administrative capacity	Municipal Financial Viability and Management	Reforming the public service	Sound financial management  Building capable institutions and administrations	Improved financial viability
Governance and Administration	Institutional Processes		4. Improving the Developmental Capability of the Institution of Traditional Leadership.		5. Deepened democracy through a refined ward committee model	Good Governance and Public Participation	Reforming the public service	Public participation: Putting people first	Good corporate governance and public participation
Governance and Administration	Institutional Processes	3. Comprehensive rural development strategy linked to land and agrarian reform and food security		3. Rural development, food security and land reform	4. Actions supportive of human settlement outcomes	Municipal Transformation and Organisational Development	Reversing the spatial effect of apartheid	Basic Services: Creating decent living conditions	Sustainable integrated infrastructure and services



Cluster	PERSPECTIVE	MTSF	COGTA	LEGDP (PGDS)	OUTCOME 9	STRATEGIC AGENDA KPA	NATIONAL DEVELOPMENT PLAN	Back-to-Basics	BA-PHALABORWA
Governance and Administration	Institutional Processes	10. Building of a developmental state including improving of public services and strengthening democratic institutions	1. Building the Developmental State in Provincial and Local Government that is efficient, effective and responsive	10. A developmental state including improvement of public services	7. Single Window of coordination	Good Governance and Public Participation	Reforming the public service	Building capable institutions and administrations	Sustainable integrated infrastructure and services
Governance and Administration	Institutional Processes		2. Strengthen Accountability and Clean Government	9. Sustainable resource management and use	6. Improved administrative capacity	Good Governance and Public Participation	Reforming the public service	Good governance	Skilled, competent and innovative workforce
Governance and Administration	Institutional Processes	6. Intensify the fight against crime and corruption		6. Fighting crime and corruption		Good Governance and Public Participation	Fighting corruption	Good governance	Good corporate governance and public participation
Governance and Administration	Institutional Processes	8. Pursuing African advancement and enhanced international cooperation		8. Creation of a better Africa and a better world			Reforming the public service	Good governance	Good corporate governance and public participation

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

## 7. MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

### 7.1. Key Financial Indicators and ratios

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

Description of financial indicator	Basis of calculation	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b><u>Borrowing Management</u></b>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.1%	0.0%	0.1%	0.4%	0.4%	0.4%	0.4%	0.3%	0.3%	0.3%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.1%	0.1%	0.1%	0.6%	0.6%	0.6%	0.6%	0.5%	0.4%	0.4%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	-6.9%	-52.1%	-5.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Safety of Capital</u></b>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	70.6%	13.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Liquidity</u></b>											
Current Ratio	Current assets/current liabilities	0.2	0.7	0.5	27.4	0.6	0.6	0.6	74.8	70.9	57.7
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.2	0.7	0.5	27.4	0.6	0.6	0.6	74.8	70.9	57.7
Liquidity Ratio	Monetary Assets/Current Liabilities	0.0	0.0	0.0	0.5	0.0	0.0	0.0	1.2	0.9	1.1
<b><u>Revenue Management</u></b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		100.0%	100.0%	93.4%	97.3%	82.3%	82.3%	82.3%	65.0%	65.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		100.0%	100.0%	93.4%	97.3%	82.3%	82.3%	82.3%	65.0%	65.0%	65.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	17.7%	90.6%	32.7%	36.5%	24.4%	24.4%	24.4%	32.4%	31.9%	31.5%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<b><u>Creditors Management</u></b>											

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Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))											
Creditors to Cash and Investments		17808.1%	-2041.8%	11223.8%	315.8%	24308.9%	24308.9%	24308.9%	0.0%	0.0%	0.0%	
<b>Other Indicators</b>												
Electricity Distribution Losses (2)	Total Volume Losses (kW)											
	Total Cost of Losses (Rand '000)											
	% Volume (units purchased and generated less units sold)/units purchased and generated											
	Total Cost of Losses (Rand '000)											
	% Volume (units purchased and generated less units sold)/units purchased and generated											
Employee costs	Employee costs/(Total Revenue - capital revenue)	36.6%	31.6%	40.2%	27.7%	28.6%	28.6%	28.6%	28.9%	28.7%	28.6%	
Remuneration	Total remuneration/(Total Revenue - capital revenue)	40.1%	35.1%	44.0%	30.6%	31.6%	28.2%		32.0%	31.8%	31.7%	
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	5.8%	0.0%	4.8%	5.7%	5.7%		4.6%	4.5%	4.4%	
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	27.1%	20.5%	19.7%	16.3%	15.9%	15.9%	15.9%	15.3%	14.6%	14.0%	
<b>IDP regulation financial viability indicators</b>												
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	3.4	7.4	11.2	76.6	76.6	76.6	6.2	6.3	6.3	6.8	
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	32.4%	179.1%	60.9%	66.7%	46.3%	46.3%	46.3%	60.2%	59.0%	57.8%	
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.1	(0.9)	0.1	0.1	0.0	0.0	0.0	0.1	0.0	0.1	

## 7.2. Measurable Performance Objectives and Indicators

LIM334 Ba-Phalaborwa - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Technical Services</b>										
<b>Roads and Storm Water</b>										
<b>Roads</b>										
<i>Internal Streets from Tambo Street</i>	Kilometres							2.6km	4km	2km
<b>Roads</b>										
<i>Tar Tshelang Gape Via Namakgale</i>	Kilometres							1km	2km	0km
<b>Roads</b>										
<i>Interna Streets at Foskor</i>	Kilometres							1.2km	0km	0km
<b>Roads and Storm Water</b>										
<b>Roads</b>										
<i>Bernfarm Sreet</i>	Kilometres							1km	0.8km	0km
<b>Roads</b>										
<i>Paving Bloacks- TopVillage to Score</i>								2km	1.2km	0km
<b>Roads</b>										
<i>Rehabilitation of Streets in Phalaborwa,Nam and Lulekani</i>	Kilometres							1.4km	2km	3km
<b>Technical Services</b>										
<b>Electricity</b>										
<b>Electrification</b>										
<i>Electrification of High Mast Lights</i>	Wards							18 Wards	0.0%	0.0%
<b>Sub-function 2 - (name)</b>										
<b>Building</b>										
<b>Stadium</b>										
<i>Mashishimale Sports Complex</i>	Wards							3 Wards		
<b>Stadium</b>										
<i>Selwane Sports Complex</i>	Wards							1 Ward		

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

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

### **Tariff Policy**

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

### **Property Rates Policy**

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

### **Budget Policy**

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

### **Asset Management Policy**

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

### **Supply chain management policy**

- The supply chain management policy in line with relevant legislation was reviewed and is adopted with this budget for implementation in July 2016.

### **Indigent Household Consumer Policy**

- The Indigent and household Consumer policy in line with relevant legislation was reviewed and is adopted with this budget for implementation in July 2016. The approved indigent register will be in force as from 1<sup>st</sup> July 2016.

### **Credit Control, Debt Collection and Consumer Care Policy**

- Credit Control and Debt Collection Policy of the municipality was reviewed to take into account relevant legislation and developments in court findings and orders during the year. The policy also covers Consumer Care principles. The policy is adopted with this budget for implementation in July 2016

### **Investment Policy**

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

### **Virement Policy**

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

### **Petty Cash Policy**

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

### **Bad Debt Write Off**

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

### **Deposit Policy**

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

### **Fleet Management Policy**

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

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

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

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

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



### **Subsistence and Traveling Policy**

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

## 9. OVERVIEW OF BUDGET ASSUMPTIONS

### OVERVIEW OF THE BUDGET ASSUMPTIONS

#### External factors

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

- Division of Revenue Bill, 2016
- Stronger public- and private- sector investment.
- Domestic outlook
- Population growth
- Risks to the global outlook
- The unwinding global imbalances
- National target in new growth path to create jobs over the next decade
- Sound macroeconomic policy enables the Country to fund social and economic priorities
- Anticipated salary increases
- Demand for services provision on free basic services
- Rates – Tariffs, charges and timing of revenue collection
- Sustainability – Consumer affordability to services municipal services
- Interest rates

## Internal factors

### KEY FINANCIAL TARGETS

The following assumptions were considered on compilation of 2016/17 budget on revenues: The multi – year budget is underpinned by the following key financial target assumptions:

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

**There are several sources of information gathered during the compilation of 2016/17 budget:**

- Ba-Phalaborwa Five year financial plan
- Treasury circulars 82,80,79, 78, 75, 74, 72, 70, 67,66, 59, 58, 55, 54, 51 and 48
- Statistics SA guidelines on economic indicators
- Financial management system and departmental budget inputs submitted
- Consumer/ Customers surveys on services
- Data collected on consumer over the counter
- Integrated Development plan 2016-2021
- Five year financial plan 2016-2021

## 10. OVERVIEW OF BUDGET FUNDING

### 10.1. REVENUE AND FINANCING ACTIVITIES

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

- The table above illustrate the summaries of revenue and financing activities. The estimated revenue is at R476,885 million
- Equitable share allocation as per Division of Revenue 2016
- Highlights of operational grants as per Division of Revenue
- Highlights of conditional capital grants as per Division of Revenue

## 10.2.1 Grants and subsidies as per Division of Revenue 2016

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

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>RECEIPTS:</b>	1, 2									
-										
<b><u>Operating Transfers and Grants</u></b>										
<b>National Government:</b>		<b>64,761</b>	<b>74,154</b>	<b>88,490</b>	<b>113,160</b>	<b>112,660</b>	<b>112,660</b>	<b>114,153</b>	<b>122,840</b>	<b>130,937</b>
Local Government Equitable Share		61,461	69,433	83,256	107,805	107,805	107,805	110,235	119,502	127,315
Finance Management		1,500	1,550	1,600	1,675	1,675	1,675	1,810	2,145	2,400
Municipal Systems Improvement		800	890	934	940	940	940	-	-	-
EPWP Incentive		1,000	1,000	1,212	1,188	1,188	1,188	1,000	-	-
Operating Grant: MIG (5% of MIG Grants for PMU)			1,281	1,488	1,552	1,052	1,052	1,108	1,193	1,222
<b>Other grant providers:</b>		<b>500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
DBSA		500								
<b>Total Operating Transfers and Grants</b>	5	<b>65,261</b>	<b>74,154</b>	<b>88,490</b>	<b>113,160</b>	<b>112,660</b>	<b>112,660</b>	<b>114,153</b>	<b>122,840</b>	<b>130,937</b>
<b><u>Capital Transfers and Grants</u></b>										
<b>National Government:</b>		<b>33,778</b>	<b>38,151</b>	<b>37,279</b>	<b>36,492</b>	<b>56,492</b>	<b>56,492</b>	<b>29,460</b>	<b>34,532</b>	<b>37,222</b>
Municipal Infrastructure Grant (MIG)		20,778	38,151	28,279	29,492	49,492	49,492	29,460	31,532	33,222
INEG		4,000		9,000	7,000	7,000	7,000	-	3,000	4,000
Neighbourhood Development Partnership		9,000		-						
<b>Total Capital Transfers and Grants</b>	5	<b>33,778</b>	<b>38,151</b>	<b>37,279</b>	<b>36,492</b>	<b>56,492</b>	<b>56,492</b>	<b>29,460</b>	<b>34,532</b>	<b>37,222</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		<b>99,039</b>	<b>112,305</b>	<b>125,769</b>	<b>149,652</b>	<b>169,152</b>	<b>169,152</b>	<b>143,613</b>	<b>157,372</b>	<b>168,159</b>

- o Equitable share has increase from 2015 Division of Revenue – R107,805 million to R110,235 million in 2016

- Financial Management grant also increased from Division of Revenue 2016 from R1,675 million to R1,810 million
- No Municipal system Improvement grant allocation as per Division of Revenue 2016.
- Municipal Infrastructure grant as per Division of Revenue is R30,568 million in 2016.
- EPWP R1,000 million as per Division of Revenue 2016.

## Allocation of Expenditure per standard item

LIM334 Ba-Phalaborwa - Table A4 Budgeted Financial Performance (Expenditure)

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

- The estimated operational expenditure as per standard item is R476,355 million for the financial year 2016/17
- Included on the expenditure per standard item is the depreciation and impairment of assets at an estimated value of R102, 424 million
- Employee related costs for entire staff members exclusive of councillors is estimated at R129,304 million in 2016/17 financial year
- Repairs and maintenance at an estimated value of R20,448 million will be utilised to maintain municipal assets. It is 46.3% of the total estimated capital budget of R44,160 million. National Treasury guides indicate that at least the repairs and maintenance allocation should be 40% of the total capital expenditure budget.



## **Summary of operating expenditure by standard classification item**

### **Employee Related Costs**

- The budgeted allocation for employee related costs for the 2016/17 financial year totals R129,304 million which equals 27 per cent of the total operating expenditure. Salary increases have been factored into this budget at a percentage increase of 7.6 per cent for the 2016/17 financial year as per latest circular 79 and SALGA bargaining agreement.

### **Remuneration of councilors**

- The cost associated with the remuneration of councilors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). For the 2016/17 financial year the remuneration of councilors will amount to R13, 784 million. It is equals to 3 per cent of the total operating expenditure.

### **Debt impairment**

- The provision of debt impairment was determined based on an currentl collection rate of 46 per cent and the Debt Write-off Policy of the municipality. For the 2016/17 financial year this amount equates to R35,525 million which equates to 7 percent of the total operating expenditure and escalates to R37,728 million by 2017/18. While this expenditure is considered to be a non-cash flow item, it is informed by the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

### **Depreciation and asset impairment**

- Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Budget appropriations in this regard total R66,899 million for the 2016/17 financial and equates to 14 per cent of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has taken into account.

### **Bulk Purchases**

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

### **Contracted Services**

- In the 2016/17 financial year, this group of expenditure totals R50,055 million which equates to 11 percent of the total operating expenditure. For the two outer years, the projection is at R50,185 million and R53,146 million.

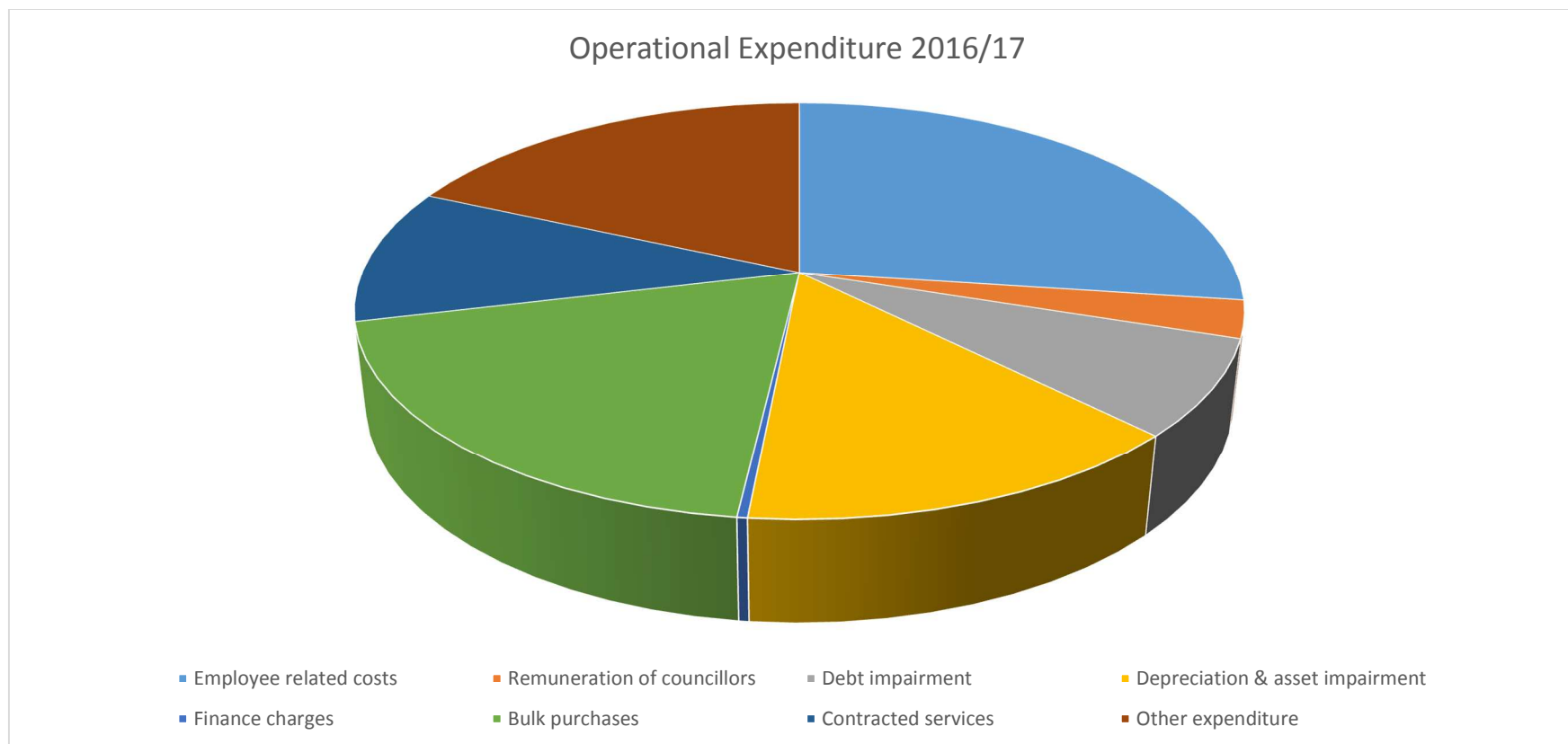
### **Other Expenditure**

- Other expenditure comprises of various line items relating to the daily operations of the municipality, For 2016/117 financial year is estimated at R87,009 million which equates to 18 percent of total operational budget. The amount include R20 million of repairs and maintenance.

### **Finance Charges**

- The finance charges for 2016/17 financial year is estimated to be R1.5 million which constitute 0,32 per cent of the total operating expenditure.

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

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

## 10.5 FUNDING MEASUREMENT

LIM334 Ba-Phalaborwa Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Funding measures</b>	-	-										
Cash/cash equivalents at the year end - R'000	18(1)b	1	2,066	(17,807)	3,246	1,612	1,169	1,169	1,169	1,849	1,147	2,623
Cash + investments at the yr end less applications - R'000	18(1)b	2	(329,656)	(185,126)	(279,693)	122,339	(216,308)	(216,308)	(216,308)	76,349	80,466	86,852
Cash year end/monthly employee/supplier payments	18(1)b	3	0.1	(0.9)	0.1	0.1	0.0	0.0	0.0	0.1	0.0	0.1
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(39,975)	(2,529)	(104,977)	9,565	20,000	20,000	20,001	531	12,581	18,109
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	1.9%	3.2%	41.2%	(14.4%)	(6.0%)	(6.0%)	2.4%	2.2%	2.1%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	85.5%	75.3%	81.4%	76.4%	62.7%	62.7%	62.7%	50.1%	50.3%	50.4%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	78.0%	1.8%	44.4%	13.8%	15.0%	15.0%	15.0%	14.8%	14.5%	14.2%
Capital payments % of capital expenditure	18(1)c;19	8	100.0%	98.3%	100.2%	100.0%	58.2%	58.2%	58.2%	82.9%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								100.0%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	495.7%	(62.9%)	61.3%	(36.5%)	0.0%	0.0%	41.0%	6.2%	5.9%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	0.0%	1.7%	0.0%	1.6%	2.5%	2.5%	2.1%	2.0%	2.0%	2.0%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

<b>Supporting indicators</b>												
% incr <i>total service charges (incl prop rates)</i>	18(1)a	-	-	7.9%	9.2%	47.2%	(8.4%)	0.0%	0.0%	8.4%	8.2%	8.1%
% incr Property Tax	18(1)a			(5.0%)	14.6%	89.9%	(19.6%)	0.0%	0.0%	6.6%	6.2%	5.9%
% incr Service charges - electricity revenue	18(1)a			18.2%	5.4%	20.6%	0.0%	0.0%	0.0%	10.4%	10.4%	10.4%
% 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%
% 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			14.2%	9.4%	5.0%	33.4%	0.0%	0.0%	6.6%	6.2%	5.9%
% incr in Service charges - other	18(1)a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total billable revenue	18(1)a		139,672	150,743	164,607	242,226	221,805	221,805	221,805	240,459	260,267	281,418
Service charges			139,672	150,743	164,607	242,226	221,805	221,805	221,805	240,459	260,267	281,418
Property rates			60,257	57,239	65,594	124,589	100,165	100,165	100,165	106,776	113,396	120,086
Service charges - electricity revenue			70,292	83,082	87,608	105,666	105,666	105,666	105,666	116,655	128,787	142,181
Service charges - water revenue			-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue			-	-	-	-	-	-	-	-	-	-
Service charges - refuse removal			9,123	10,422	11,405	11,971	15,974	15,974	15,974	17,029	18,084	19,151
Service charges - other			-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment			295	228	265	346	441	441	441	470	499	529
Capital expenditure excluding capital grant funding			13,711	21,130	9,734	17,300	13,800	13,800	13,800	19,000	14,628	14,938
Cash receipts from ratepayers	18(1)a		162,582	168,874	177,820	251,995	193,123	193,123	193,123	166,871	180,401	194,812
Ratepayer & Other revenue	18(1)a		190,180	224,415	218,504	329,628	308,035	308,035	308,035	332,766	358,767	386,286
Change in consumer debtors (current and non-current)			130,379	224,945	(169,980)	61,492	2,492	2,492	2,492	(16,856)	8,989	9,084
Operating and Capital Grant Revenue	18(1)a		98,367	105,163	126,401	149,652	169,652	169,652	169,652	143,613	157,372	168,159
Capital expenditure - total	20(1)(vi)		42,949	49,569	35,760	53,792	70,792	70,792	70,792	48,460	49,160	52,160
Capital expenditure - renewal	20(1)(vi)		-	-	-	-	-	-	-	-	-	-
<b>Supporting benchmarks</b>												
Growth guideline maximum			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%	5.4%	5.6%	5.4%
DoRA operating grants total MFY										114,153	122,840	130,937

DoRA capital grants total MFY										29,460	34,532	37,222
Provincial operating grants										-	-	-
Provincial capital grants										-	-	-
District Municipality grants										-	-	-
Total gazetted/advised national, provincial and district grants										143,613	157,372	168,159
Average annual collection rate (arrears inclusive)												
<b>DoRA operating</b>												
Local Government Equitable Share										110,235	119,502	127,315
Finance Management										1,810	2,145	2,400
EPWP Incentive										1,000	-	-
Operating Grant: MIG (5% of MIG Grants for PMU)										1,108	1,193	1,222
										<b>114,153</b>	<b>122,840</b>	<b>130,937</b>
<b>DoRA capital</b>												
Municipal Infrastructure Grant (MIG)										29,460	31,532	33,222
INEG										-	3,000	4,000
										<b>29,460</b>	<b>34,532</b>	<b>37,222</b>
<b>Trend</b>												
Change in consumer debtors (current and non-current)			130,379	224,945	(169,980)	2,492	(16,856)	8,989	9,084	-	-	-
<b>Total Operating Revenue</b>			255,983	298,400	306,414	443,065	421,170	421,170	421,170	447,425	482,144	517,792
<b>Total Operating Expenditure</b>			398,036	332,466	450,159	469,992	458,162	458,162	458,162	476,355	504,096	536,906
<b>Operating Performance Surplus/(Deficit)</b>			(142,052)	(34,066)	(143,745)	(26,927)	(36,992)	(36,992)	(36,992)	(28,930)	(21,952)	(19,114)
<b>Cash and Cash Equivalents (30 June 2012)</b>										1,849		
<b>Revenue</b>												
% Increase in Total Operating Revenue				16.6%	2.7%	44.6%	(4.9%)	0.0%	0.0%	6.2%	7.8%	7.4%
% Increase in Property Rates Revenue				(5.0%)	14.6%	89.9%	(19.6%)	0.0%	0.0%	6.6%	6.2%	5.9%

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% Increase in Electricity Revenue				18.2%	5.4%	20.6%	0.0%	0.0%	0.0%	10.4%	10.4%	10.4%
% Increase in Property Rates & Services Charges				7.9%	9.2%	47.2%	(8.4%)	0.0%	0.0%	8.4%	8.2%	8.1%
<b>Expenditure</b>												
% Increase in Total Operating Expenditure				(16.5%)	35.4%	4.4%	(2.5%)	0.0%	0.0%	4.0%	5.8%	6.5%
% Increase in Employee Costs				0.5%	30.7%	(0.3%)	(2.0%)	0.0%	0.0%	7.5%	7.2%	6.9%
% Increase in Electricity Bulk Purchases				26.4%	(2.8%)	43.7%	(10.6%)	0.0%	0.0%	9.4%	9.4%	9.4%
Average Cost Per Budgeted Employee Position (Remuneration)					294492.823	228904.0801				302819.9828		
Average Cost Per Councillor (Remuneration)					327500	355849.0372				382893.5838		
R&M % of PPE		0.0%	1.7%	0.0%	1.6%	2.5%	2.5%	2.5%	2.0%	2.0%	2.0%	2.0%
Asset Renewal and R&M as a % of PPE		0.0%	2.0%	0.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Debt Impairment % of Total Billable Revenue		78.0%	1.8%	44.4%	13.8%	15.0%	15.0%	15.0%	14.8%	14.5%	14.2%	
<b>Capital Revenue</b>												
Internally Funded & Other (R'000)		13,711	21,130	9,734	17,300	13,800	13,800	13,800	19,000	14,628	14,938	
Borrowing (R'000)		-	-	-	-	-	-	-	-	-	-	
Grant Funding and Other (R'000)		29,238	28,439	26,026	36,492	56,992	56,992	56,992	29,460	34,532	37,222	
Internally Generated funds % of Non Grant Funding		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
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%	0.0%
Grant Funding % of Total Funding		68.1%	57.4%	72.8%	67.8%	80.5%	80.5%	80.5%	60.8%	70.2%	71.4%	
<b>Capital Expenditure</b>												
Total Capital Programme (R'000)		42,949	49,569	35,760	53,792	70,792	70,792	70,792	48,460	49,160	52,160	
Asset Renewal		-	-	-	-	-	-	-	-	-	-	
Asset Renewal % of Total Capital Expenditure		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Cash</b>												
Cash Receipts % of Rate Payer & Other		85.5%	75.3%	81.4%	76.4%	62.7%	62.7%	62.7%	50.1%	50.3%	50.4%	
Cash Coverage Ratio		0	(0)	0	0	0	0	0	0	0	0	0
<b>Borrowing</b>												
Credit Rating (2009/10)									0			
Capital Charges to Operating		0.1%	0.0%	0.1%	0.4%	0.4%	0.4%	0.4%	0.3%	0.3%	0.3%	
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%	
<b>Reserves</b>												
Surplus/(Deficit)		(329,656)	(185,126)	(279,693)	122,339	(216,308)	(216,308)	(216,308)	76,349	80,466	86,852	



<b>Free Services</b>												
Free Basic Services as a % of Equitable Share			0.0%	0.0%	0.0%	5.4%	4.1%	4.1%		4.3%	4.2%	4.2%
Free Services as a % of Operating Revenue (excl operational transfers)			0.0%	0.0%	0.0%	0.0%	0.0%	0.5%		0.5%	0.4%	0.4%
<b>High Level Outcome of Funding Compliance</b>												
Total Operating Revenue			255,983	298,400	306,414	443,065	421,170	421,170	421,170	447,425	482,144	517,792
Total Operating Expenditure			398,036	332,466	450,159	469,992	458,162	458,162	458,162	476,355	504,096	536,906
Surplus/(Deficit) Budgeted Operating Statement			(142,052)	(34,066)	(143,745)	(26,927)	(36,992)	(36,992)	(36,992)	(28,930)	(21,952)	(19,114)
Surplus/(Deficit) Considering Reserves and Cash Backing			(329,656)	(185,126)	(279,693)	122,339	(216,308)	(216,308)	(216,308)	76,349	80,466	86,852
<b>MTREF Funded (1) / Unfunded (0)</b>	15	0	0	0	1	0	0	0	0	1	1	1
<b>MTREF Funded ✓ / Unfunded ✘</b>	15	✘	✘	✘	✓	✘	✘	✘	✘	✓	✓	✓

## 11 . EXPENDITURE ON ALLOCATIONS

### Summary of Expenditure per Sub-Vote

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

Vote Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Revenue by Vote</b>	1									
<b>Vote 2 - Budget and Treasury Department</b>		<b>170,288</b>	<b>185,133</b>	<b>193,504</b>	<b>306,613</b>	<b>266,888</b>	<b>266,888</b>	<b>278,839</b>	<b>298,783</b>	<b>317,302</b>
2.1 - Office of the CFO		802	872	695	943	940	940	-	-	-
2.2 - Financial Planning and Reporting		1,500	1,631	1,600	1,675	1,675	1,675	1,810	2,145	2,400
2.3 - Financial Control and Expenditure Management		-	-	-	-	-	-	-	-	-
2.4 - Revenue and Debt Management		167,986	182,630	191,209	303,996	264,273	264,273	277,029	296,638	314,902
2.5 - Supply Chain Management and Stores										
2.6 - Asset Management										
<b>Vote 3 - Corporate Services</b>		<b>504</b>	<b>228</b>	<b>1,133</b>	<b>349</b>	<b>574</b>	<b>574</b>	<b>612</b>	<b>650</b>	<b>688</b>
3.1 - Office of the Director		-	-	-	-	-	-	-	-	-
3.2 - Human Resources		-	-	39	-	130	130	139	147	156
3.3 - Information Technology		-	-	-	-	-	-	-	-	-
3.4 - Administration		504	228	1,094	349	444	444	473	502	532
3.5 - Legal										
<b>Vote 4 - Community and Social Services</b>		<b>13,899</b>	<b>26,267</b>	<b>26,163</b>	<b>26,952</b>	<b>34,866</b>	<b>34,866</b>	<b>37,168</b>	<b>39,472</b>	<b>41,801</b>
4.1 - Office of the Director					-	-	-	-	-	-
4.2 - Libraries		149	510	230	171	124	124	132	140	149
4.3 - Parks					-	-	-	-	-	-
4.4 - Cemeteries		102	348	155	135	135	135	144	152	161
4.5 - Traffic		871	2,520	8,823	2,767	251	251	267	284	301
4.6 - Licensing		3,654	12,466	5,550	11,907	13,020	13,020	13,879	14,740	15,609
4.7 - Environment Health					-	-	-	-	-	-
4.8 - Waste Management		9,123	10,422	11,405	11,971	21,337	21,337	22,745	24,156	25,581

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<b>Vote 5 - Planning and Development</b>		–	170	7	–	55	55	59	62	66
5.1 - Office of the Director		–	–	–	–	–	–	–	–	–
5.2 - Economic Development		–	170	7	–	–	–	–	–	–
5.3 - Town Planning		–	–	–	–	55	55	59	62	66
<b>Vote 6 - Technical Services Department</b>		<b>104,187</b>	<b>118,140</b>	<b>124,375</b>	<b>145,643</b>	<b>175,779</b>	<b>175,779</b>	<b>160,208</b>	<b>177,710</b>	<b>195,157</b>
6.1 - Office of the Director		–	–	–	–	–	–	–	–	–
6.2 - Electrical Services		74,292	83,082	96,608	112,666	122,802	122,802	127,845	144,141	159,819
6.3 - Building Section		4	–	–	554	554	554	591	628	665
6.4 - Water Services		–	–	–	–	–	–	–	–	–
6.5 - Waste Water Management		–	–	–	–	–	–	–	–	–
6.6 - Roads and Storm Water Services		29,891	35,058	27,767	32,423	52,423	52,423	31,772	32,941	34,673
6.7 - Project Management Unit		–	–	–	–	–	–	–	–	–
<b>Total Revenue by Vote</b>	2	<b>288,879</b>	<b>329,937</b>	<b>345,182</b>	<b>479,557</b>	<b>478,162</b>	<b>478,162</b>	<b>476,885</b>	<b>516,676</b>	<b>555,014</b>
<b>Expenditure by Vote</b>	1									
<b>Vote 1 - Executive and Council</b>		<b>25,772</b>	<b>21,384</b>	<b>48,368</b>	<b>44,222</b>	<b>45,046</b>	<b>45,046</b>	<b>48,056</b>	<b>51,326</b>	<b>54,667</b>
1.1 - Municipal Council		9,557	7,930	17,936	13,214	13,239	13,239	14,331	15,357	16,411
1.2 - Office of the Mayor		3,714	3,081	6,970	5,853	6,460	6,460	6,724	7,174	7,632
1.3 - Office of the Municipal Manager		4,758	3,948	8,930	5,952	6,290	6,290	6,739	7,220	7,713
1.4 - Strategic Planning and Performance Management		1,792	1,486	3,362	2,106	1,956	1,956	1,725	1,844	1,966
1.5 - Internal Audit and Risk Management		4,617	3,831	8,666	14,615	15,208	15,208	16,583	17,641	18,713
1.6 - Disaster Management		1,334	1,107	2,504	2,481	1,893	1,893	1,954	2,091	2,231
<b>Vote 2 - Budget and Treasury Department</b>		<b>144,420</b>	<b>65,928</b>	<b>93,807</b>	<b>91,301</b>	<b>97,273</b>	<b>97,273</b>	<b>99,999</b>	<b>103,183</b>	<b>109,262</b>
2.1 - Office of the CFO		4,799	2,191	3,117	4,926	2,648	2,648	2,804	3,003	3,208
2.2 - Financial Planning and Reporting		813	371	528	2,453	2,445	2,445	2,630	2,819	3,012
2.3 - Financial Control and Expenditure Management		18,229	8,321	11,840	24,221	29,471	29,471	27,828	29,340	30,877
2.4 - Revenue and Debt Management		117,965	53,851	76,623	54,103	57,221	57,221	60,901	61,784	65,515
2.5 - Supply Chain Management and Stores		2,615	1,194	1,698	5,598	5,488	5,488	3,205	3,419	3,637
2.6 - Asset Management		–	–	–	–	–	–	2,630	2,819	3,012

<b>Vote 3 - Corporate Services</b>		<b>24,160</b>	<b>30,860</b>	<b>55,143</b>	<b>47,540</b>	<b>46,823</b>	<b>46,823</b>	<b>46,877</b>	<b>49,970</b>	<b>53,117</b>
3.1 - Office of the Director		1,012	1,293	2,310	2,627	2,306	2,306	2,466	2,642	2,823
3.2 - Human Resources		7,468	9,539	17,046	16,153	15,490	15,490	15,333	16,326	17,335
3.3 - Information Technology		1,148	1,466	2,620	2,529	2,300	2,300	2,467	2,637	2,810
3.4 - Administration		14,532	18,562	25,878	19,390	19,890	19,890	19,411	20,710	22,035
3.5 - Legal				7,289	6,843	6,838	6,838	7,200	7,654	8,114
<b>Vote 4 - Community and Social Services</b>		<b>37,378</b>	<b>41,681</b>	<b>51,063</b>	<b>65,228</b>	<b>63,765</b>	<b>63,765</b>	<b>67,749</b>	<b>72,365</b>	<b>77,081</b>
4.1 - Office of the Director		1,756	1,478	1,679	3,558	2,724	2,724	2,914	3,121	3,332
4.2 - Libraries		1,996	1,680	2,100	3,055	2,868	2,868	3,494	3,740	3,993
4.3 - Parks		8,214	6,913	7,400	12,644	12,920	12,920	13,319	14,235	15,170
4.4 - Cemeteries		265	223	345	1,535	1,555	1,555	1,652	1,760	1,870
4.5 - Traffic		8,523	13,154	8,885	11,303	9,921	9,921	10,634	11,384	12,152
4.6 - Licensing		3,927	3,305	13,829	13,456	13,461	13,461	14,030	14,938	15,860
4.7 - Environment Health		9,085	7,646	8,012	12,571	12,701	12,701	13,584	14,547	15,535
4.8 - Waste Management		3,611	7,281	8,812	7,107	7,615	7,615	8,121	8,640	9,167
<b>Vote 5 - Planning and Development</b>		<b>7,038</b>	<b>8,249</b>	<b>11,069</b>	<b>17,791</b>	<b>10,721</b>	<b>10,721</b>	<b>11,192</b>	<b>11,950</b>	<b>12,724</b>
5.1 - Office of the Director		1,037	1,215	1,631	1,560	1,301	1,301	1,381	1,479	1,579
5.2 - Economic Development		3,875	4,542	6,095	12,983	7,007	7,007	7,217	7,692	8,176
5.3 - Town Planning		2,126	2,492	3,344	3,248	2,413	2,413	2,594	2,779	2,969
<b>Vote 6 - Technical Services Department</b>		<b>159,269</b>	<b>164,364</b>	<b>190,709</b>	<b>203,909</b>	<b>194,534</b>	<b>194,534</b>	<b>202,482</b>	<b>215,301</b>	<b>230,055</b>
6.1 - Office of the Director		6,158	3,807	2,456	2,687	3,292	3,292	3,120	2,271	2,427
6.2 - Electrical Services		75,856	91,855	96,600	124,296	119,755	119,755	124,864	135,420	146,829
6.3 - Building Section		22,826	26,448	31,460	20,853	19,535	19,535	20,447	21,385	22,347
6.4 - Water Services		207								
6.5 - Waste Water Management		0								
6.6 - Roads and Storm Water Services		52,540	39,058	56,525	52,599	48,599	48,599	50,474	52,394	54,364
6.7 - Project Management Unit		649	702	1,010	1,147	1,113	1,113	1,180	1,265	1,351
6.8-Machanical Workshop		1,032	2,494	2,658	2,327	2,239	2,239	2,398	2,565	2,737
<b>Total Expenditure by Vote</b>	2	<b>398,036</b>	<b>332,466</b>	<b>450,159</b>	<b>469,992</b>	<b>458,162</b>	<b>458,162</b>	<b>476,355</b>	<b>504,096</b>	<b>536,906</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>(109,157)</b>	<b>(2,529)</b>	<b>(104,977)</b>	<b>9,565</b>	<b>20,000</b>	<b>20,000</b>	<b>530</b>	<b>12,580</b>	<b>18,108</b>

## 12 ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY

In the 2016/17 MTREF no allocations will be made by the Municipality to:

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

### 13 COUNCILLORS AND BOARD MEMBER ALLOWANCE AND EMPLOYEE BENEFITS

#### 13.2 Summary of Councillors and Staff Benefits

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

Summary of Employee and Councillor remuneration R thousand	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
-	1	A	B	C	D	E	F	G	H	I
<b><u>Councillors (Political Office Bearers plus Other)</u></b>										
Basic Salaries and Wages		6,222	7,492	8,610	8,874	8,874	8,874	9,549	10,236	10,943
Motor Vehicle Allowance		1,993	2,112	2,239	3,109	3,109	3,109	3,345	3,586	3,833
Cellphone Allowance		432	458	485	828	828	828	891	955	1,021
Housing Allowances						-	-			
Other benefits and allowances		406	430	456		-	-			
<b>Sub Total - Councillors</b>		<b>9,052</b>	<b>10,492</b>	<b>11,790</b>	<b>12,811</b>	<b>12,811</b>	<b>12,811</b>	<b>13,784</b>	<b>14,777</b>	<b>15,796</b>
% increase	4		15.9%	12.4%	8.7%	-	-	7.6%	7.2%	6.9%
<b><u>Senior Managers of the Municipality</u></b>	2									
Basic Salaries and Wages		3,130	3,317	3,516	3,797	3,797	3,797	3,797	3,797	3,797
Pension and UIF Contributions					11	11	11	11	11	11
Motor Vehicle Allowance	3	2,747	2,912	3,087	2,448	1,381	1,381	1,381	1,381	1,381
Cellphone Allowance	3				86	86	86	86	86	86
Housing Allowances	3				-	-	-	-	-	-
Other benefits and allowances	3				780	780	780	780	780	780
<b>Sub Total - Senior Managers of Municipality</b>		<b>5,877</b>	<b>6,230</b>	<b>6,603</b>	<b>7,121</b>	<b>6,055</b>	<b>6,055</b>	<b>6,055</b>	<b>6,055</b>	<b>6,055</b>
% increase	4		6.0%	6.0%	7.8%	(15.0%)	-	-	-	-
<b><u>Other Municipal Staff</u></b>										
Basic Salaries and Wages		56,328	54,564	81,093	73,101	70,610	70,610	76,265	82,029	87,951
Pension and UIF Contributions		11,912	12,627	13,385	14,153	14,335		15,330	16,435	17,569
Medical Aid Contributions		3,081	3,266	3,462	4,567	4,677	4,677	4,992	5,351	5,721
Overtime		3,480	3,689	3,910	4,153	2,968	2,968	3,194	3,424	3,660
Motor Vehicle Allowance	3	8,059	8,542	9,055	12,974	10,205	10,205	11,086	11,984	12,906
Cellphone Allowance	3	657	697	739	1,044	1,010	1,010	1,094	1,179	1,266
Housing Allowances	3	619	657	696	913	900	900	968	1,038	1,109
Other benefits and allowances	3	447	474	502	4,004	6,432	6,432	6,980	7,539	8,113
Payments in lieu of leave			-	-	-	-	-			

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Long service awards		3,251	3,447	3,653	662	3,105	3,105	3,341	3,582	3,829
Post-retirement benefit obligations	6				-	-	-			
<b>Sub Total - Other Municipal Staff</b>		<b>87,835</b>	<b>87,962</b>	<b>116,495</b>	<b>115,571</b>	<b>114,242</b>	<b>99,907</b>	<b>123,249</b>	<b>132,559</b>	<b>142,124</b>
% increase	4		0.1%	32.4%	(0.8%)	(1.1%)	(12.5%)	23.4%	7.6%	7.2%
<b>Total Parent Municipality</b>		<b>102,764</b>	<b>104,684</b>	<b>134,888</b>	<b>135,503</b>	<b>133,108</b>	<b>118,773</b>	<b>143,088</b>	<b>153,391</b>	<b>163,975</b>
			1.9%	28.9%	0.5%	(1.8%)	(10.8%)	20.5%	7.2%	6.9%
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>102,764</b>	<b>104,684</b>	<b>134,888</b>	<b>135,503</b>	<b>133,108</b>	<b>118,773</b>	<b>143,088</b>	<b>153,391</b>	<b>163,975</b>
% increase	4		1.9%	28.9%	0.5%	(1.8%)	(10.8%)	20.5%	7.2%	6.9%
<b>TOTAL MANAGERS AND STAFF</b>	5,7	<b>93,712</b>	<b>94,192</b>	<b>123,098</b>	<b>122,693</b>	<b>120,297</b>	<b>105,962</b>	<b>129,304</b>	<b>138,614</b>	<b>148,178</b>

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

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

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Allowances	Total Package
Rand per annum					2.
<b><u>Councillors</u></b>	3				
Speaker	4		629,647	157,412	787,059
Chief Whip			590,296	147,574	737,870
Executive Mayor			787,061	196,765	983,826
Deputy Executive Mayor			-	-	-
Executive Committee			3,541,776	885,444	4,427,220
Total for all other councillors			5,930,900	917,294	6,848,194
<b>Total Councillors</b>	8	-	<b>11,479,680</b>	<b>2,304,489</b>	<b>13,784,169</b>
<b><u>Senior Managers of the Municipality</u></b>	5				
Municipal Manager (MM)			1,084,906	361,635.25	1,446,541
Chief Finance Officer			604,636	201,545.25	806,181
Director Coporate Services			1,037,540	345,846.50	1,383,386
Director Community Services			604,636	201,545.25	806,181
Director Planning and Development			604,636	201,545.25	806,181
Director Technical Services			604,636	201,545.25	806,181
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	10	-	<b>16,020,668</b>	<b>3,818,152</b>	<b>19,838,820</b>



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

LIM334 Ba-Phalaborwa - Supporting Table SA25 Consolidated budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Revenue By Source</b>	-															
Property rates		8,906	8,980	8,947	8,993	8,954	8,963	8,917	8,976	8,977	8,934	8,931	8,299	106,776	113,396	120,086
Service charges - electricity revenue		11,492	11,286	10,176	9,745	8,095	9,686	7,598	6,950	5,981	11,608	11,163	12,875	116,655	128,787	142,181
Service charges - refuse revenue		1,419	1,419	1,419	1,419	1,419	1,419	1,419	1,419	1,419	1,419	1,419	1,419	17,029	18,084	19,151
Rental of facilities and equipment		13	74	19	24	20	16	15	35	16	11	22	203	470	499	529
Interest earned - external investments		75	56	25	12	24	21	17	13	8	8	9	237	506	537	569
Interest earned - outstanding debtors		5,610	5,868	5,678	5,615	6,197	6,217	5,730	6,438	6,413	6,547	6,203	9,526	76,042	81,227	86,575
Fines		13	74	19	24	20	16	15	35	16	11	22	157	423	450	476
Licences and permits		377	2,127	1,059	772	1	1,735	558	1,556	430	896	876	820	11,205	11,900	12,602
Agency services		94	532	265	193	0	434	140	389	107	124	219	42	2,539	2,696	2,855
Transfers recognised - operational		53,015	892	48	829	31,248	7,575	226	632	18,418	162	632	477	114,153	122,840	130,937
Other revenue		12	155	193	127	59	32	51	97	15	132	612	142	1,628	1,729	1,831
Gains on disposal of PPE													-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>81,027</b>	<b>31,463</b>	<b>27,848</b>	<b>27,752</b>	<b>56,037</b>	<b>36,114</b>	<b>24,686</b>	<b>26,540</b>	<b>41,802</b>	<b>29,852</b>	<b>30,107</b>	<b>34,198</b>	<b>447,425</b>	<b>482,144</b>	<b>517,792</b>
<b>Expenditure By Type</b>	-															
Employee related costs		10,795	10,555	10,885	10,935	10,215	10,015	10,775	10,885	10,935	10,215	11,188	11,902	129,304	138,614	148,178
Remuneration of councillors		1,136	1,153	1,190	1,104	1,164	1,044	1,042	1,042	1,044	1,744	1,105	1,017	13,784	14,777	15,796
Debt impairment		2,890	2,960	2,640	3,550	2,320	2,640	2,550	5,320	2,200	2,960	3,560	1,930	35,525	37,728	39,954

Annual Budget 2016/17

Depreciation & asset impairment		5,575	5,575	5,575	5,575	5,575	5,575	5,575	5,575	5,575	5,575	5,575	5,575	66,899	68,906	70,974
Finance charges		131	127	112	144	116	112	144	116	179	116	115	112	1,519	1,613	1,708
Bulk purchases		8,000	7,000	7,778	7,500	7,688	8,200	7,000	7,688	7,500	7,200	7,688	9,016	92,259	100,931	110,419
Contracted services		6,131	4,171	4,171	4,171	4,171	4,171	4,171	4,171	4,171	4,171	4,171	2,211	50,055	50,185	53,146
Other expenditure		6,351	7,251	5,951	4,441	9,351	6,661	7,641	5,951	4,441	9,351	9,361	10,261	87,009	91,342	96,731
<b>Total Expenditure</b>		<b>41,009</b>	<b>38,792</b>	<b>38,303</b>	<b>37,420</b>	<b>40,601</b>	<b>38,418</b>	<b>38,898</b>	<b>40,748</b>	<b>36,045</b>	<b>41,332</b>	<b>42,764</b>	<b>42,025</b>	<b>476,355</b>	<b>504,096</b>	<b>536,906</b>
<b>Surplus/(Deficit)</b>		<b>40,018</b>	<b>(7,329)</b>	<b>(10,455)</b>	<b>(9,668)</b>	<b>15,436</b>	<b>(2,304)</b>	<b>(14,212)</b>	<b>(14,209)</b>	<b>5,757</b>	<b>(11,481)</b>	<b>(12,656)</b>	<b>(7,827)</b>	<b>(28,930)</b>	<b>(21,952)</b>	<b>(19,114)</b>
Transfers recognised - capital		5,387	1,137	1,720	3,509	3,443	3,273	1,300	2,000	1,200	410	950	5,132	29,460	34,532	37,222
Contributed assets												-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>45,405</b>	<b>(6,192)</b>	<b>(8,735)</b>	<b>(6,159)</b>	<b>18,878</b>	<b>969</b>	<b>(12,912)</b>	<b>(12,209)</b>	<b>6,957</b>	<b>(11,071)</b>	<b>(11,706)</b>	<b>(2,695)</b>	<b>530</b>	<b>12,580</b>	<b>18,108</b>
<b>Surplus/(Deficit)</b>	1	<b>45,405</b>	<b>(6,192)</b>	<b>(8,735)</b>	<b>(6,159)</b>	<b>18,878</b>	<b>969</b>	<b>(12,912)</b>	<b>(12,209)</b>	<b>6,957</b>	<b>(11,071)</b>	<b>(11,706)</b>	<b>(2,695)</b>	<b>530</b>	<b>12,580</b>	<b>18,108</b>

### 15. Budgeted monthly revenue and expenditure (Standard classification)

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

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Revenue by Vote</b>	-															
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury Department		57,531	15,739	14,673	15,437	46,398	20,754	14,873	16,045	33,809	15,643	15,765	12,172	278,839	298,783	317,302
Vote 3 - Corporate Services		13	74	19	24	20	16	15	35	16	11	22	345	612	650	688
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	10,906	37,168	39,472	41,801
Vote 5 - Planning and Development		5	5	5	5	5	5	5	5	5	5	5	5	59	62	66
Vote 6 - Technical Services Department		27,056	13,161	12,374	13,580	11,616	15,441	9,101	9,445	7,307	12,277	12,947	15,903	160,208	177,710	195,157
<b>Total Revenue by Vote</b>		<b>86,414</b>	<b>32,600</b>	<b>29,567</b>	<b>31,261</b>	<b>59,479</b>	<b>39,387</b>	<b>25,986</b>	<b>28,540</b>	<b>43,002</b>	<b>30,262</b>	<b>31,057</b>	<b>39,330</b>	<b>476,885</b>	<b>516,676</b>	<b>555,014</b>
<b>Expenditure by Vote to be appropriated</b>	-															
Vote 1 - Executive and Council		3,326	4,229	3,376	3,339	4,320	4,245	4,300	4,319	4,333	4,325	4,365	3,577	48,056	51,326	54,667
Vote 2 - Budget and Treasury Department		8,906	8,980	8,947	8,993	8,954	8,963	8,917	8,976	8,977	8,934	8,931	1,523	99,999	103,183	109,262
Vote 3 - Corporate Services		3,193	2,652	1,462	3,986	2,426	8,595	3,167	3,248	1,549	3,857	3,268	9,476	46,877	49,970	53,117
Vote 4 - Community and Social Services		4,926	5,625	5,829	4,895	6,009	5,890	5,769	5,916	5,719	5,838	5,776	5,558	67,749	72,365	77,081
Vote 5 - Planning and Development		940	935	963	910	855	877	988	959	940	935	933	958	11,192	11,950	12,724
Vote 6 - Technical Services Department		19,718	16,372	17,726	15,298	18,038	9,849	15,758	17,331	14,528	17,444	19,491	20,932	202,482	215,301	230,055
<b>Total Expenditure by Vote</b>		<b>41,009</b>	<b>38,792</b>	<b>38,303</b>	<b>37,420</b>	<b>40,601</b>	<b>38,418</b>	<b>38,898</b>	<b>40,748</b>	<b>36,045</b>	<b>41,332</b>	<b>42,764</b>	<b>42,025</b>	<b>476,355</b>	<b>504,096</b>	<b>536,906</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>45,405</b>	<b>(6,192)</b>	<b>(8,735)</b>	<b>(6,159)</b>	<b>18,878</b>	<b>969</b>	<b>(12,912)</b>	<b>(12,209)</b>	<b>6,957</b>	<b>(11,071)</b>	<b>(11,706)</b>	<b>(2,695)</b>	<b>530</b>	<b>12,580</b>	<b>18,108</b>

Annual Budget 2016/17

Taxation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>45,405</b>	<b>(6,192)</b>	<b>(8,735)</b>	<b>(6,159)</b>	<b>18,878</b>	<b>969</b>	<b>(12,912)</b>	<b>(12,209)</b>	<b>6,957</b>	<b>(11,071)</b>	<b>(11,706)</b>	<b>(2,695)</b>	<b>530</b>	<b>12,580</b>	<b>18,108</b>

#### 14. Budgeted monthly cash flow

LIM334 Ba-Phalaborwa - Supporting Table SA30 Consolidated budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18
<b>Cash Receipts By Source</b>													1		
Property rates	5,808	5,005	5,694	5,220	5,934	5,588	5,833	5,733	5,033	5,933	5,733	7,888	69,404	73,707	78,056
Service charges - electricity revenue	7,683	6,159	7,736	5,578	7,999	5,094	5,105	5,210	6,002	5,511	6,102	7,646	75,826	83,711	92,417
Service charges - refuse revenue	925	855	877	988	959	940	935	963	910	949	789	979	11,069	11,755	12,448
Rental of facilities and equipment	29	38	27	34	15	13	38	29	18	36	13	15	305	324	344
Interest earned - external investments	53	83	18	40	19	21	13	12	19	21	18	11	329	349	370
Interest earned - outstanding debtors	3,326	4,229	3,376	3,339	4,320	4,245	4,300	4,319	4,333	4,325	4,365	4,948	49,427	52,797	56,274
Fines	0	5	27	15	17	1	42	29	22	69	26	22	275	292	310
Licences and permits	175	541	1,576	568	730	1	533	634	475	563	622	867	7,283	7,735	8,191
Agency services	175	94	18	59	15	100	19	121	25	28	132	864	1,650	1,752	1,856
Transfer receipts - operational	47,549	475	-	-	36,292	-	-	-	29,837	-	-	-	114,153	122,840	130,937
Other revenue	159	94	18	59	15	100	19	121	25	28	132	288	1,058	1,124	1,190
<b>Cash Receipts by Source</b>	<b>65,881</b>	<b>17,577</b>	<b>19,366</b>	<b>15,899</b>	<b>56,314</b>	<b>16,102</b>	<b>16,839</b>	<b>17,173</b>	<b>46,702</b>	<b>17,465</b>	<b>17,934</b>	<b>23,528</b>	<b>330,780</b>	<b>356,388</b>	<b>382,393</b>
<b>Other Cash Flows by Source</b>															
Transfer receipts - capital	15,764	-	-	10,267	-	-	-	-	3,429	-	-	-	29,460	34,532	37,222
<b>Total Cash Receipts by Source</b>	<b>81,645</b>	<b>17,577</b>	<b>19,366</b>	<b>26,166</b>	<b>56,314</b>	<b>16,102</b>	<b>16,839</b>	<b>17,173</b>	<b>50,131</b>	<b>17,465</b>	<b>17,934</b>	<b>23,528</b>	<b>360,240</b>	<b>390,920</b>	<b>419,615</b>

Annual Budget 2016/17

<b>Cash Payments by Type</b>															
Employee related costs	10,024	10,535	10,593	10,888	10,418	10,678	10,667	10,466	10,563	10,667	10,125	9,682	125,304	128,614	132,178
Remuneration of councillors	1,150	1,120	1,137	1,137	1,171	1,128	1,113	1,120	1,150	1,109	1,111	1,339	13,784	14,777	15,796
Finance charges	69	166	116	118	138	126	122	113	106	100	119	226	1,519	1,613	1,708
Bulk purchases - Electricity	7,000	5,500	5,000	10,500	4,500	7,000	6,167	7,157	7,525	7,990	6,994	6,927	82,259	85,931	97,419
Contracted services	3,193	2,652	1,462	3,986	2,426	8,595	3,167	3,248	1,549	3,857	3,268	2,655	40,055	42,185	47,146
Other expenditure	13,515	276	2,636	4,771	6,099	7,158	5,833	2,153	4,687	5,235	1,987	2,657	57,009	69,342	71,731
<b>Cash Payments by Type</b>	<b>34,951</b>	<b>20,248</b>	<b>20,943</b>	<b>31,400</b>	<b>24,752</b>	<b>34,685</b>	<b>27,068</b>	<b>24,257</b>	<b>25,580</b>	<b>28,957</b>	<b>23,604</b>	<b>23,485</b>	<b>319,931</b>	<b>342,462</b>	<b>365,979</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	4,387	14	1,720	8,509	2,443	3,273	1,000	2,000	-	10,410	5,950	455	40,160	49,160	52,160
<b>Total Cash Payments by Type</b>	<b>39,338</b>	<b>20,262</b>	<b>22,663</b>	<b>39,909</b>	<b>27,195</b>	<b>37,958</b>	<b>28,068</b>	<b>26,257</b>	<b>25,580</b>	<b>39,367</b>	<b>29,554</b>	<b>23,940</b>	<b>360,091</b>	<b>391,622</b>	<b>418,139</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>42,307</b>	<b>(2,684)</b>	<b>(3,297)</b>	<b>(13,742)</b>	<b>29,119</b>	<b>(21,856)</b>	<b>(11,229)</b>	<b>(9,084)</b>	<b>24,551</b>	<b>(21,902)</b>	<b>(11,620)</b>	<b>(412)</b>	<b>149</b>	<b>(702)</b>	<b>1,476</b>
Cash/cash equivalents at the month/year begin:	1,700	44,007	41,322	38,025	24,283	53,402	31,547	20,317	11,234	35,785	13,882	2,262	1,700	1,849	1,147
Cash/cash equivalents at the month/year end:	44,007	41,322	38,025	24,283	53,402	31,547	20,317	11,234	35,785	13,882	2,262	1,849	1,849	1,147	2,623

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

The service delivery and budget implementation plan is to submitted after Budget and IDP has been approved by council.

## 16 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

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

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

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



**17 CAPITAL EXPENDITURE DETAILS**

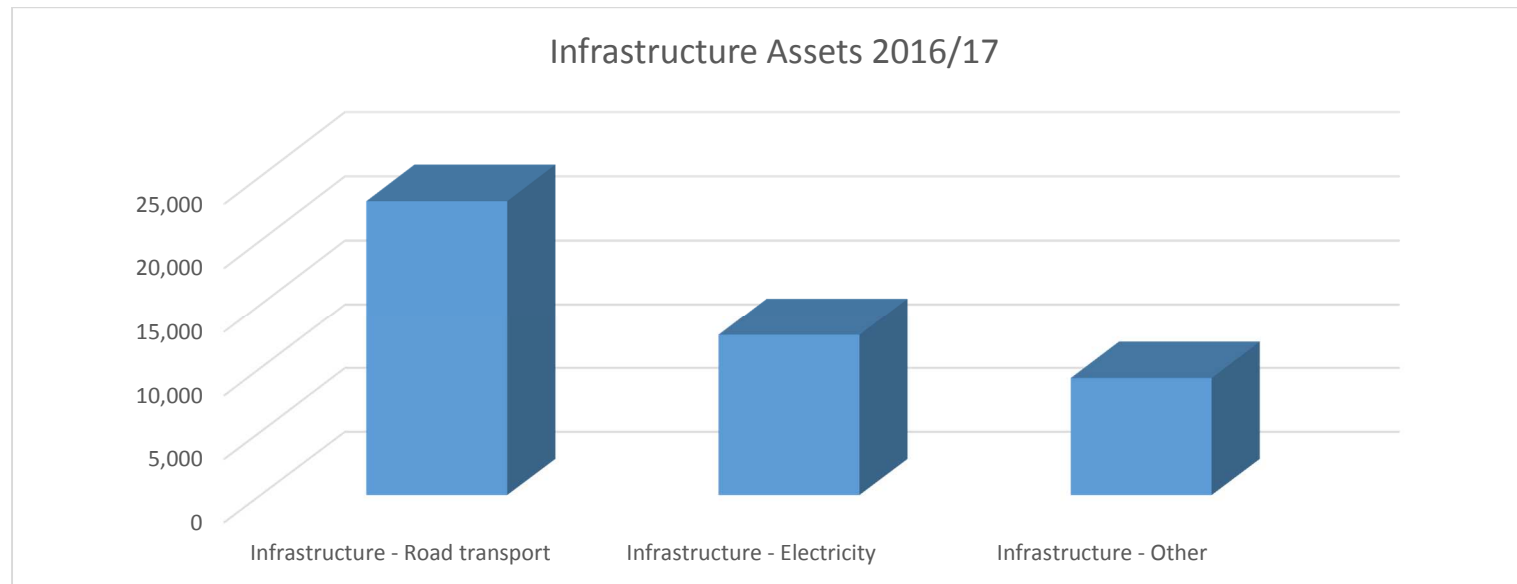
## 17.1 CAPITAL EXPENDITURE ON NEW ASSETS BY ASSET CLASS

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

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>	<b>1</b>									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		37,840	31,716	–	46,592	65,092	65,092	44,860	45,060	48,060
Infrastructure - Road transport		26,169	31,716	–	23,992	40,654	40,654	23,060	23,660	23,660
<i>Roads, Pavements &amp; Bridges</i>		26,169	31,716		23,992	40,654	40,654	23,060	23,660	23,660
Infrastructure - Electricity		11,672	–	–	12,600	10,600	10,600	12,600	13,600	16,600
<i>Transmission &amp; Reticulation</i>		11,672			12,600	10,600	10,600	12,600	13,600	16,600
Infrastructure - Other		–	–	–	10,000	13,838	13,838	9,200	7,800	7,800
<i>Other</i>					10,000	13,838	13,838	9,200	7,800	7,800
<b>Community</b>		1,711	8,330	–	–	–	–	–	–	–
Parks & gardens										
Other		1,711	8,330							
<b>Other assets</b>		3,398	9,523	–	7,200	5,700	5,700	3,600	4,100	4,100
General vehicles										
Specialised vehicles		–	–	–	–	–	–	–	–	–
Plant & equipment					7,200	5,700	5,700	3,600	4,100	4,100
Computers - hardware/equipment						–	–			
Furniture and other office equipment		3,398	3,398			–	–			
Other			6,124			–	–			
<b>Total Capital Expenditure on new assets</b>	<b>1</b>	<b>42,949</b>	<b>49,569</b>	<b>–</b>	<b>53,792</b>	<b>70,792</b>	<b>70,792</b>	<b>48,460</b>	<b>49,160</b>	<b>52,160</b>

## Capital Infrastructure programmes

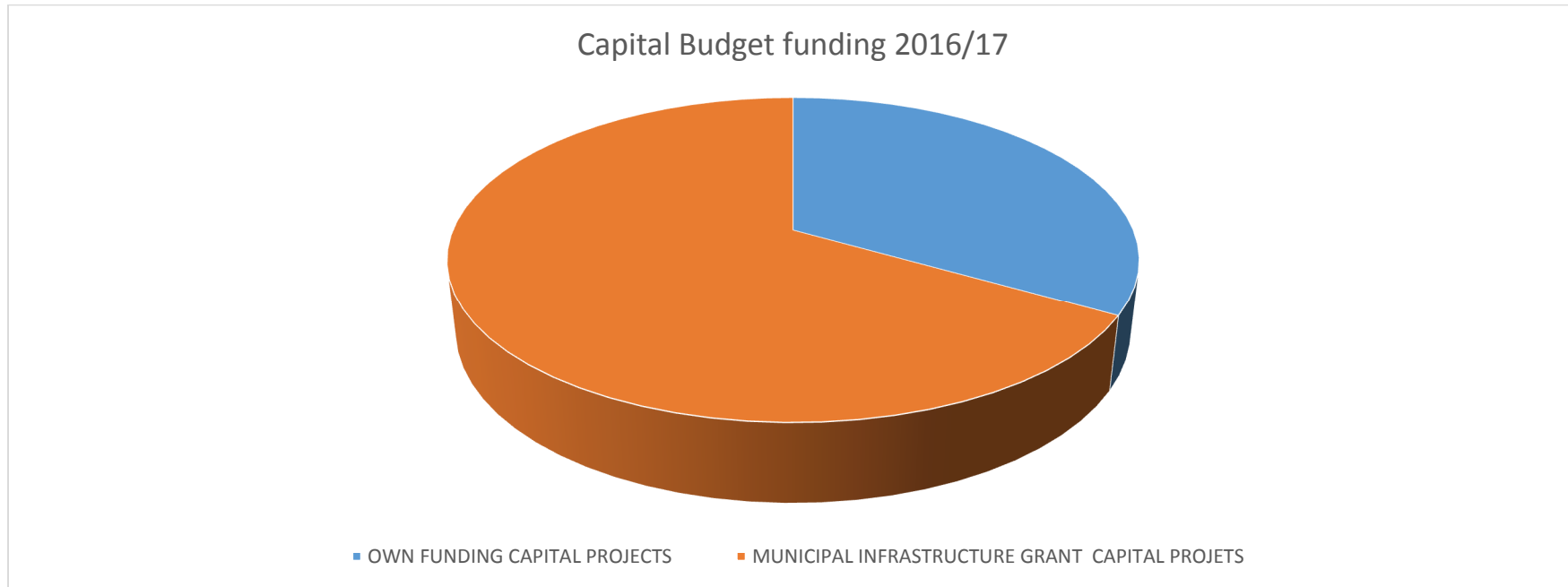
The following graph provides a breakdown of the capital budget in rand value to be spent on infrastructure capital projects for 2016/17 Financial year.



The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. For 2016/17 financial year the infrastructure- road transport is budgeted for R23,060 million and followed by the infrastructure electricity which is budgeted for R12,600 million, Infrastructure- other is budgeted for R9,200 million for 2016/17 financial year.

The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the municipality.

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



The capital programme is funded from MIG and internally generated funds. For 2016/17 financial year, MIG totals to 61 percent and internally generated funding totals 39 percent over the MTREF.

**LIM334 Ba-Phalaborwa - Supporting Table SA28 Consolidated budgeted monthly capital expenditure  
(municipal vote)**

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Single-year expenditure to be appropriated</b>																
Vote 1 - Executive and Council		-	-	-	-	300	-	200	-	-	-	-	-	500	900	900
Vote 2 - Budget and Treasury Department		-	-	-	350	-	290	-	360	-	-	-	-	1,000	1,000	1,000
Vote 3 - Corporate Services		800	200	-	170	400	-	120	340	240	630	2,000	-	4,900	2,200	2,200
Vote 4 - Community and Social Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Technical Services Department		5,538	1,134	2,857	4,646	3,613	4,401	2,113	2,000	1,150	1,519	2,061	11,029	42,060	45,060	48,060
<b>Capital single-year expenditure sub-total</b>	2	<b>6,338</b>	<b>1,334</b>	<b>2,857</b>	<b>5,166</b>	<b>4,313</b>	<b>4,691</b>	<b>2,433</b>	<b>2,700</b>	<b>1,390</b>	<b>2,149</b>	<b>4,061</b>	<b>11,029</b>	<b>48,460</b>	<b>49,160</b>	<b>52,160</b>
<b>Total Capital Expenditure</b>	2	<b>6,338</b>	<b>1,334</b>	<b>2,857</b>	<b>5,166</b>	<b>4,313</b>	<b>4,691</b>	<b>2,433</b>	<b>2,700</b>	<b>1,390</b>	<b>2,149</b>	<b>4,061</b>	<b>11,029</b>	<b>48,460</b>	<b>49,160</b>	<b>52,160</b>

LIM334 Ba-Phalaborwa - Supporting Table SA29 Consolidated budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Capital Expenditure - Standard</b>	1															
<i>Governance and administration</i>		800	200	-	520	700	290	320	700	240	630	-	-	4,400	4,100	4,100
Executive and council		-	-	-	-	300	-	200	-	-	-	-	-	500	900	900
Budget and treasury office		-	-	-	350	-	290	-	360	-	-	-	-	1,000	1,000	1,000
Corporate services		800	200	-	170	400	-	120	340	240	630	2,000	-	4,900	2,200	2,200
<i>Economic and environmental services</i>		4,387	14	1,720	3,509	2,443	3,273	1,000	2,000	-	410	950	10,755	30,460	31,460	31,460
Planning and development														-	-	-
Road transport		4,387	14	1,720	3,509	2,443	3,273	1,000	2,000	-	410	950	10,755	30,460	31,460	31,460
Environmental protection														-	-	-
<i>Trading services</i>		1,150	1,120	1,137	1,137	1,171	1,128	1,113	-	1,150	1,109	1,111	275	11,600	13,600	16,600
Electricity		1,150	1,120	1,137	1,137	1,171	1,128	1,113		1,150	1,109	1,111	275	11,600	13,600	16,600
<i>Other</i>														-	-	-
<b>Total Capital Expenditure - Standard</b>	2	<b>6,338</b>	<b>1,334</b>	<b>2,857</b>	<b>5,166</b>	<b>4,313</b>	<b>4,691</b>	<b>2,433</b>	<b>2,700</b>	<b>1,390</b>	<b>2,149</b>	<b>4,061</b>	<b>11,029</b>	<b>48,460</b>	<b>49,160</b>	<b>52,160</b>
<b>Funded by:</b>																
National Government		5,387	1,137	1,720	3,509	3,443	3,273	1,300	2,000	1,200	410	950	5,132	29,460	34,532	37,222
Internally generated funds		950	197	1,137	1,657	871	1,418	1,133	700	190	1,739	3,111	5,897	19,000	14,628	14,938
<b>Total Capital Funding</b>		<b>6,338</b>	<b>1,334</b>	<b>2,857</b>	<b>5,166</b>	<b>4,313</b>	<b>4,691</b>	<b>2,433</b>	<b>2,700</b>	<b>1,390</b>	<b>2,149</b>	<b>4,061</b>	<b>11,029</b>	<b>48,460</b>	<b>49,160</b>	<b>52,160</b>

## 17.2 DETAILED CAPITAL PROGRAMMES

DESCRIPTION	2016/17 BUDGET	FUNDING
ERECTION OF FENCE AND GUARDROOM AT MAIN OFFICE	500,000	INTERNAL
REVENUE RECOVERY, INSTALLATION OF PREPAID METERS AND MAINTENANCE (AMR)	1,000,000	INTERNAL
PROVISION OF FIREARM FOR TRAFFIC OFFICERS	500,000	INTERNAL
FURNITURE AND EQUIPMENT	500,000	INTERNAL
CENTRALISED ARCHIVED LULEKANI	300,000	INTERNAL
LULEKANI STADIUM FANCING	300,000	INTERNAL
REVAMP OF CHAMBER & MAYORAL PARLOUR	300,000	INTERNAL
ICT INFRASTRUCTURE	3,000,000	INTERNAL
BA-PHALABORWA HIGH MAST	1,600,000	INTERNAL
UPGRADING OF SINGLE PHASE NETWK IN EXT1	3,000,000	INTERNAL
INSTALLATION OF REMOTE CONTROLLED METERING AND SWITCHGEAR TO ENABLE FAST LOCATION OF FAULTS AND PROPER MANAGENT OF ELECTRICAL NETWORK	2,000,000	INTERNAL
UPGRADING OF SELATI SUBSTATION	3,000,000	INTERNAL
REHABILITATION OF STREETS IN PHB, NAMA KGALE & LULEKANI	3,000,000	INTERNAL
ELECTRIFICATION OF THE HIGH MAST LIGHTS	2,000,000	MIG
CONSTRUCTION OF MASHISHIMALE SPORT COMPLEX	3,800,000	MIG
CONSTRUCTION OF SELWANE SPORT COMPLEX	3,600,000	MIG
UPGRADING OF INTERNAL STREETS FROM GRAVEL TO TAR -TAMBO STREET PHASE 1	860,000	MIG
UPGRADING OF INTERNAL STREETS FROM GRAVEL TO TAR -TAMBO STREET PHASE 2	4,000,000	MIG
UPGRADING OF ROAD FROM GRAVEL TO TAR-TSHELANG GAPE VIA NAMA KGALE CEMENTERY TO R71	4,000,000	MIG
UPGRADING OF INTERNAL STREET AT FOSKOR	3,200,000	MIG
UPGRADING OF BENFARM STREET	4,000,000	MIG
UPGRADING OF GRAVEL ROAD TO PAVING BLOACKS-TOPVILLE TO SCORE	4,000,000	MIG
<b>TOTAL</b>	<b>48,460,000</b>	

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## 18 LEGISLATION COMPLIANCE STATUS

The budget compilation has taken into account the following legislative documents

- Municipal Finance Management Act (MFMA), Act No.56 of 2003
- Division of Revenue of Act (DoRA) and the Bill 2016
- Budget Regulations and Circulars
- Asset Management Regulations
- Municipal systems Act, 2000
- Minimum Competency Levels of Municipal Finance Officers Regulations
- Local Government: Municipal Property Rates Act(MPRA)
- Municipal Budget and Reporting Regulations (MBRR)



## 19 OTHER SUPPORTING DOCUMENTS

### 19.1 Supporting details to Budgeted Financial Performance

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

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
<b>REVENUE ITEMS:</b>											
<b>Property rates</b>	6										
Total Property Rates		60,257	57,239	65,594	124,589	100,165	100,165	100,165	106,776	113,396	120,086
<i>less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)</i>											
<b>Net Property Rates</b>		<b>60,257</b>	<b>57,239</b>	<b>65,594</b>	<b>124,589</b>	<b>100,165</b>	<b>100,165</b>	<b>100,165</b>	<b>106,776</b>	<b>113,396</b>	<b>120,086</b>
<b>Service charges - electricity revenue</b>	6										
Total Service charges - electricity revenue		70,292	83,082	87,608	107,036	107,036	107,036	105,666	118,115	130,338	143,823
<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>		-	-	-	1,370	1,370	1,370		1,460	1,551	1,642
<b>Net Service charges - electricity revenue</b>		<b>70,292</b>	<b>83,082</b>	<b>87,608</b>	<b>105,666</b>	<b>105,666</b>	<b>105,666</b>	<b>105,666</b>	<b>116,655</b>	<b>128,787</b>	<b>142,181</b>
<b>Net Service charges - sanitation revenue</b>		-	-	-	-	-	-	-	-	-	-
<b>Service charges - refuse revenue</b>	6										
Total refuse removal revenue		9,123	10,422	11,405	12,911	16,914	16,914	15,974	18,030	19,148	20,278
Total landfill revenue											
<i>less Revenue Foregone (in excess of one removal a week to indigent households)</i>											
<i>less Cost of Free Basis Services (removed once a week to indigent households)</i>		-	-	-	939	939	939		1,001	1,063	1,126
<b>Net Service charges - refuse revenue</b>		<b>9,123</b>	<b>10,422</b>	<b>11,405</b>	<b>11,971</b>	<b>15,974</b>	<b>15,974</b>	<b>15,974</b>	<b>17,029</b>	<b>18,084</b>	<b>19,151</b>
<b>Other Revenue by source</b>											

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<i>Fuel Levy</i>											
<i>Other Revenue</i>		3,068	2,291	7,328	1,385	1,543	1,543	1,543	1,628	1,729	1,831
<b>Total 'Other' Revenue</b>	3 1	<b>3,068</b>	<b>2,291</b>	<b>7,328</b>	<b>1,385</b>	<b>1,543</b>	<b>1,543</b>	<b>1,543</b>	<b>1,628</b>	<b>1,729</b>	<b>1,831</b>
<b>EXPENDITURE ITEMS:</b>											
<b><u>Employee related costs</u></b>											
Basic Salaries and Wages	2	50,484	58,949	74,357	74,112	72,407	72,407	72,407	80,062	85,826	91,748
Pension and UIF Contributions		11,912	11,876	14,225	14,179	14,346	14,346	14,346	15,341	16,445	17,580
Medical Aid Contributions		3,081	2,670	4,587	4,572	4,677	4,677	4,677	4,992	5,351	5,721
Overtime		3,480	3,220	4,170	4,157	2,968	2,968	2,968	3,194	3,424	3,660
Performance Bonus		–	–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		12,959	14,359	12,577	12,536	13,587	13,587	13,587	12,467	13,365	14,287
Cellphone Allowance		670	776	1,135	1,131	1,096	1,096	1,096	1,179	1,264	1,351
Housing Allowances		619	637	917	914	900	900	900	968	1,038	1,109
Other benefits and allowances		7,255	475	6,631	6,609	7,212	7,212	7,212	7,760	8,319	8,893
Payments in lieu of leave		–	–	–	–	–	–	–	–	–	–
Long service awards		3,251	1,230	4,498	4,483	3,105	3,105	3,105	3,341	3,582	3,829
Post-retirement benefit obligations	4	–	–	–	–	–	–	–	–	–	–
<b>sub-total</b>	5	<b>93,712</b>	<b>94,192</b>	<b>123,098</b>	<b>122,693</b>	<b>120,297</b>	<b>120,297</b>	<b>120,297</b>	<b>129,304</b>	<b>138,614</b>	<b>148,178</b>
<u>Less: Employees costs capitalised to PPE</u>											
<b>Total Employee related costs</b>	1	<b>93,712</b>	<b>94,192</b>	<b>123,098</b>	<b>122,693</b>	<b>120,297</b>	<b>120,297</b>	<b>120,297</b>	<b>129,304</b>	<b>138,614</b>	<b>148,178</b>
<b>Total Contributions recognised - capital</b>		–	–	–	–	–	–	–	–	–	–
<b><u>Depreciation &amp; asset impairment</u></b>											
Depreciation of Property, Plant & Equipment		69,182	61,010	60,127	70,104	65,104	65,104	65,104	66,899	68,906	70,974
Lease amortisation		–	–	–	–	–	–	–	–	–	–
Capital asset impairment		–	–	–	–	–	–	–	–	–	–
Depreciation resulting from revaluation of PPE	10	–	–	–	–	–	–	–	–	–	–
<b>Total Depreciation &amp; asset impairment</b>	1	<b>69,182</b>	<b>61,010</b>	<b>60,127</b>	<b>70,104</b>	<b>65,104</b>	<b>65,104</b>	<b>65,104</b>	<b>66,899</b>	<b>68,906</b>	<b>70,974</b>

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

## b.Matrix Financial Performance

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

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

c.Supporting Details to Budgeted Financial Position

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

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

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

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

**d.The municipality has no entities.**

e.Reconciliation of transfers, Grant Receipts and Unspent Funds

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

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>										
<b>Operating transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year										
Current year receipts		64,761	73,626	88,490	113,160	112,660	112,660	114,153	122,840	130,937
<b>Conditions met - transferred to revenue</b>		<b>64,761</b>	<b>73,626</b>	<b>88,490</b>	<b>113,160</b>	<b>112,660</b>	<b>112,660</b>	<b>114,153</b>	<b>122,840</b>	<b>130,937</b>
Conditions still to be met - transferred to liabilities										
Conditions still to be met - transferred to liabilities										
<b>Total operating transfers and grants revenue</b>		<b>64,761</b>	<b>73,626</b>	<b>88,490</b>	<b>113,160</b>	<b>112,660</b>	<b>112,660</b>	<b>114,153</b>	<b>122,840</b>	<b>130,937</b>
<b>Total operating transfers and grants - CTBM</b>	2	-	-	-	-	-	-	-	-	-
<b>Capital transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year										
Current year receipts		33,778	38,151	37,279	36,492	56,992	56,992	29,460	34,532	37,222
<b>Conditions met - transferred to revenue</b>		<b>33,778</b>	<b>38,151</b>	<b>37,279</b>	<b>36,492</b>	<b>56,992</b>	<b>56,992</b>	<b>29,460</b>	<b>34,532</b>	<b>37,222</b>
Conditions still to be met - transferred to liabilities										
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>Total capital transfers and grants revenue</b>		<b>33,778</b>	<b>38,151</b>	<b>37,279</b>	<b>36,492</b>	<b>56,992</b>	<b>56,992</b>	<b>29,460</b>	<b>34,532</b>	<b>37,222</b>
<b>Total capital transfers and grants - CTBM</b>	2	-	-	-	-	-	-	-	-	-
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>		<b>98,539</b>	<b>111,778</b>	<b>125,769</b>	<b>149,652</b>	<b>169,652</b>	<b>169,652</b>	<b>143,613</b>	<b>157,372</b>	<b>168,159</b>
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>		-	-	-	-	-	-	-	-	-



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

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

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

- No project delays from the previous financial year.

## Other supporting tables

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

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>EXPENDITURE:</b>	1									
-										
<b><u>Operating expenditure of Transfers and Grants</u></b>										
<b>National Government:</b>		<b>64,761</b>	<b>73,626</b>	<b>88,490</b>	<b>113,160</b>	<b>112,660</b>	<b>112,660</b>	<b>114,153</b>	<b>122,840</b>	<b>130,937</b>
Local Government Equitable Share		61,461	69,433	83,256	107,805	107,805	107,805	110,235	119,502	127,315
Finance Management		1,500	1,550	1,600	1,675	1,675	1,675	1,810	2,145	2,400
Municipal Systems Improvement		800	890	934	940	940	940	-	-	-
EPWP Incentive		1,000	1,000	1,212	1,188	1,188	1,188	1,000	-	-
Operating Grant: MIG (5% of MIG Grants for PMU)			753	1,488	1,552	1,052	1,052	1,108	1,193	1,222
<b>Total operating expenditure of Transfers and Grants:</b>		<b>64,761</b>	<b>73,626</b>	<b>88,490</b>	<b>113,160</b>	<b>112,660</b>	<b>112,660</b>	<b>114,153</b>	<b>122,840</b>	<b>130,937</b>
<b><u>Capital expenditure of Transfers and Grants</u></b>										
<b>National Government:</b>		<b>33,778</b>	<b>31,537</b>	<b>37,279</b>	<b>36,492</b>	<b>56,992</b>	<b>56,992</b>	<b>29,460</b>	<b>34,532</b>	<b>37,222</b>
Municipal Infrastructure Grant (MIG)		20,778	31,537	28,279	29,492	49,992	49,992	29,460	31,532	33,222
INEG		4,000		9,000	7,000	7,000	7,000	-	3,000	4,000
Neighbourhood Development Partnership		9,000		-						
<b>Total capital expenditure of Transfers and Grants</b>		<b>33,778</b>	<b>31,537</b>	<b>37,279</b>	<b>36,492</b>	<b>56,992</b>	<b>56,992</b>	<b>29,460</b>	<b>34,532</b>	<b>37,222</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		<b>98,539</b>	<b>105,164</b>	<b>125,769</b>	<b>149,652</b>	<b>169,652</b>	<b>169,652</b>	<b>143,613</b>	<b>157,372</b>	<b>168,159</b>

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

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

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

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

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

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

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

Strategic Objective	Goal	Goal Code	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>												
Sustain the environment	Environmental sustainability must receive due consideration. Ba-Phalaborwa has scarce water resources, therefore special attention should be given to the conservation and management of water resources. Due to the mining activities, water and air pollution should be monitored and assessed continuously and mitigating actions taken to ensure management of pollution. Together with this, a great challenge for the Municipality is the establishment of a new landfill site and the closure and rehabilitation of the current landfill site. The development of parks should also be addressed under this objective			13,899	26,267	26,163	26,952	34,866	34,866	37,168	39,472	41,801
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.			170,288	185,133	193,504	306,613	266,888	266,888	278,839	298,783	317,302
Enhance stakeholder involvement	One of the greatest challenges in municipalities is to involve the community in the activities of the municipality and ensure that the voice of the community is heard. Two programmes where this can be achieved are through public participation and ward committees. It is therefore crucial for the municipality to ensure that ward committees are functional and that the community's voice is heard through public participation. Customer relations management needs to be improved i.e. communication to communities and stakeholders and the customer care desk. Complaints by the community and stakeholders need to be tracked and reported back to them.											

Facilitate sustainable development	All development should be aligned to the SDF and be according to the LUMS to ensure that growth points are developed. All programmes and projects should be continuously monitored and evaluated to ensure that they contribute to the future growth and achievement of the "bigger picture" envisaged for the municipal area.			104,187	118,140	124,375	145,643	175,779	175,779	160,208	177,710	195,157
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			504	228	1,133	349	574	574	612	650	688
Develop tourism and grow the economy	The best way to alleviate poverty, curb unemployment and address social problems is to ensure that there are enough jobs so that everybody in the community can earn a living. Ba-Phalaborwa has various projects and initiatives to alleviate poverty and stimulate economic growth. Ba-Phalaborwa's strategic location has established it as a developmental and economic node in tourism, mining, agriculture and services. The aim with this objective is to ensure that all community members can participate and share in the growing economy. The Ba-Phalaborwa Sustainable Development Initiative will go a long way in ensuring that the poorest communities are included and benefitting through economic growth within the municipal area.			-	170	7	-	55	55	59	62	66
<b>Allocations to other priorities</b>			2									
0			1	<b>288,879</b>	<b>329,937</b>	<b>345,182</b>	<b>479,557</b>	<b>478,162</b>	<b>478,162</b>	<b>476,886</b>	<b>516,677</b>	<b>555,014</b>

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

Strategic Objective	Goal	Goal Code	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
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.			19,813	26,898	35,306	38,478	36,589	36,589	39,193	41,823	44,505
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			159,269	164,364	190,709	203,909	194,534	194,534	202,482	215,301	230,055
Sustain the environment	Environmental sustainability must receive due consideration. Ba-Phalaborwa has scarce water resources, therefore special attention should be given to the conservation and management of water resources. Due to the mining activities, water and air pollution should be monitored and assessed continuously and mitigating actions taken to ensure management of pollution. Together with this, a great challenge for the Municipality is the establishment of a new landfill site and the closure and rehabilitation of the current landfill site. The development of parks should also be addressed under this objective			17,020	13,516	15,923	27,844	27,176	26,915	28,273	30,252	24,400



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.			144,420	65,928	93,807	91,301	97,273	97,273	99,999	103,183	109,262
Enhance stakeholder involvement	One of the greatest challenges in municipalities is to involve the community in the activities of the municipality and ensure that the voice of the community is heard. Two programmes where this can be achieved are through public participation and ward committees. It is therefore crucial for the municipality to ensure that ward committees are functional and that the community's voice is heard through public participation. Customer relations management needs to be improved i.e. communication to communities and stakeholders and the customer care desk. Complaints by the community and stakeholders need to be tracked and reported back to them.			25,772	21,384	48,368	44,222	45,046	45,046	48,056	51,326	54,667
Facilitate sustainable development	All development should be aligned to the SDF and be according to the LUMS to ensure that growth points are developed. All programmes and projects should be continuously monitored and evaluated to ensure that they contribute to the future growth and achievement of the "bigger picture" envisaged for the municipal area.			3,707	4,974	4,808	3,714	3,714	3,975	4,258	4,548	12,724
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			24,160	30,860	55,143	47,540	46,823	46,823	46,877	49,970	53,117

Develop tourism and grow the economy	The best way to alleviate poverty, curb unemployment and address social problems is to ensure that there are enough jobs so that everybody in the community can earn a living. Ba-Phalaborwa has various projects and initiatives to alleviate poverty and stimulate economic growth. Ba-Phalaborwa's strategic location has established it as a developmental and economic node in tourism, mining, agriculture and services. The aim with this objective is to ensure that all community members can participate and share in the growing economy. The Ba-Phalaborwa Sustainable Development Initiative will go a long way in ensuring that the poorest communities are included and benefitting through economic growth within the municipal area.			3,875	4,542	6,095	12,983	7,007	7,007	7,217	7,692	8,176
<b>Allocations to other priorities</b>												
<b>0</b>		<b>1</b>		<b>398,036</b>	<b>332,466</b>	<b>450,159</b>	<b>469,992</b>	<b>458,162</b>	<b>458,162</b>	<b>476,355</b>	<b>504,096</b>	<b>536,906</b>

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

Strategic Objective	Goal	Goal Code	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
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.			19,813	26,898	35,306	38,478	36,589	36,589	39,193	41,823	44,505
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			159,269	164,364	190,709	203,909	194,534	194,534	202,482	215,301	230,055
Sustain the environment	Environmental sustainability must receive due consideration. Ba-Phalaborwa has scarce water resources, therefore special attention should be given to the conservation and management of water resources. Due to the mining activities, water and air pollution should be monitored and assessed continuously and mitigating actions taken to ensure management of pollution. Together with this, a great challenge for the Municipality is the establishment of a new landfill site and the closure and rehabilitation of the current landfill site. The development of parks should also be addressed under this objective			17,020	13,516	15,923	27,844	27,176	26,915	28,273	30,252	24,400
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.			144,420	65,928	93,807	91,301	97,273	97,273	99,999	103,183	109,262

Enhance stakeholder involvement	One of the greatest challenges in municipalities is to involve the community in the activities of the municipality and ensure that the voice of the community is heard. Two programmes where this can be achieved are through public participation and ward committees. It is therefore crucial for the municipality to ensure that ward committees are functional and that the community's voice is heard through public participation. Customer relations management needs to be improved i.e. communication to communities and stakeholders and the customer care desk. Complaints by the community and stakeholders need to be tracked and reported back to them.			25,772	21,384	48,368	44,222	45,046	45,046	48,056	51,326	54,667
Facilitate sustainable development	All development should be aligned to the SDF and be according to the LUMS to ensure that growth points are developed. All programmes and projects should be continuously monitored and evaluated to ensure that they contribute to the future growth and achievement of the "bigger picture" envisaged for the municipal area.			3,707	4,974	4,808	3,714	3,714	3,975	4,258	4,548	12,724
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			24,160	30,860	55,143	47,540	46,823	46,823	46,877	49,970	53,117
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.			3,875	4,542	6,095	12,983	7,007	7,007	7,217	7,692	8,176

	The Ba-Phalaborwa Sustainable Development Initiative will go a long way in ensuring that the poorest communities are included and benefitting through economic growth within the municipal area.											
Allocations to other priorities												
0		1	398,036	332,466	450,159	469,992	458,162	458,162	476,355	504,096	536,906	

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

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

**h.Summary of capital programmes per source**

**Capital Budget 2016/17**

**OWN FUNDING PROJECTS**

<b>DESCRIPTION</b>	<b>2016/17 BUDGET</b>
ERECTION OF FENCE AND GUARDROOM AT MAIN OFFICE	500,000
REVENUE RECOVERY, INSTALLATION OF PREPAID METERS AND MAINTENANCE (AMR)	1,000,000
PROVISION OF FIREARM FOR TRAFFIC OFFICERS	500,000
FURNITURE AND EQUIPMENT	500,000
CENTRALISED ARCHIVED LULEKANI	300,000
LULEKANI STADIUM FANCING	300,000
REVAMP OF CHAMBER & MAYORAL PARLOUR	300,000
ICT INFRASTRUCTURE	3,000,000
BA-PHALABORWA HIGH MAST	1,600,000
UPGRADING OF SINGLE PHASE NETWK IN EXT1	3,000,000
INSTALLATION OF REMOTE CONTROLLED METERING AND SWITCHGEAR TO ENABLE FAST LOCATION OF FAULTS AND PROPER MANAGENT OF ELECTRICAL NETWORK	2,000,000
UPGRADING OF SELATI SUBSTATION	3,000,000
REHABILITATION OF STREETS IN PHB, NAMAKGALE & LULEKANI	3,000,000
<b>TOTAL</b>	<b>19,000,000</b>

**MIG PROJECTS**

<b>DESCRIPTION</b>	<b>2016/17 BUDGET</b>
ELECTRIFICATION OF THE HIGH MAST LIGHTS	2,000,000
CONSTRUCTION OF MASHISHIMALE SPORT COMPLEX	3,800,000
CONSTRUCTION OF SELWANE SPORT COMPLEX	3,600,000
UPGRADING OF INTERNAL STREETS FROM GRAVEL TO TAR -TAMBO STREET PHASE 1	860,000
UPGRADING OF INTERNAL STREETS FROM GRAVEL TO TAR -TAMBO STREET PHASE 2	4,000,000
UPGRADING OF ROAD FROM GRAVEL TO TAR-TSHELANG GAPE VIA NAMA KGALE CEMETERY TO R71	4,000,000
UPGRADING OF INTERNAL STREET AT FOSKOR	3,200,000
UPGRADING OF BENFARM STREET	4,000,000
UPGRADING OF GRAVEL ROAD TO PAVING BLOACKS-TOPVILLE TO SCORE	4,000,000
	<b><u>R29,460,000</u></b>

<b>PROJECTS</b>	<b>2016/17 BUDGET</b>
OWN FUNDING CAPITAL PROJECTS	R19,000,000
MUNICIPAL INFRASTRUCTURE GRANT CAPITAL PROJETS	R29,460,000
<b>TOTAL</b>	<b><u>R48,460,000</u></b>

- **The estimated capital programme expenditure for the financial year 2016/17 is amounting to R48,460 million**



**MUNICIPAL MANAGER'S QUALITY CERTIFICATION**

**QUALITY CERTIFICATE**

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

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

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

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_