

BA-PHALABORWA MUNICIPALITY



FINANCIAL PERFORMANCE REPORT

AS AT 31 AUGUST 2013

Vision

“Best tourist destination in Limpopo by 2020”

Mission

- ❖ To ensure financial viability, sound administration and accountable governance for investor attractiveness
- ❖ To render all stakeholders with quality and affordable infrastructure and services for enhancing a safe and better life for all
- ❖ To manage the environment for future sustainable economic

Values

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

SUMMARY

LIM334 Ba-Phalaborwa - Table C1 Monthly Budget Statement Summary -

Description	2012/13	Budget Year 2013/14							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	-	65,100	-	5,503	11,089	10,850	239	2%	65,100
Service charges	-	101,515	-	6,269	15,523	16,919	(1,396)	-8%	101,515
Investment revenue	-	250	-	14	19	42	(22)	-53%	84,818
Transfers recognised - operational	-	74,154	-	1,290	28,680	12,359	16,321	132%	74,154
Other own revenue	-	93,771	-	6,349	11,721	15,628	(3,907)	-25%	93,771
Total Revenue (excluding capital transfers and contributions)	-	334,790	-	19,425	67,033	55,798	11,235	20%	419,358
Employee costs	-	111,154	-	8,259	16,610	18,526	(1,915)	-10%	111,154
Remuneration of Councillors	-	12,185	-	1,040	2,044	2,031	14	1%	12,185
Depreciation & asset impairment	-	76,500	-	-	-	12,750	(12,750)	-100%	76,500
Finance charges	-	803	-	88	131	134	(3)	-3%	803
Materials and bulk purchases	-	82,060	-	-	11,986	13,677	(1,691)	-12%	82,060
Transfers and grants	-	-	-	-	-	-	-		-
Other expenditure	-	187,557	-	10,005	25,140	31,260	(6,120)	-20%	187,557
Total Expenditure	-	470,260	-	19,392	55,911	78,377	(22,466)	-29%	470,260

Surplus/(Deficit)	-	(135,470)	-	33	11,122	(22,578)	33,701	-149%	(50,902)
Transfers recognised – capital	-	29,333	-	2,941	9,894	4,889	5,005	102%	29,333
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	(106,137)	-	2,974	21,016	(17,689)	38,706	-219%	(21,569)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	(106,137)	-	2,974	21,016	(17,689)	38,706	-219%	(21,569)
Capital expenditure & funds sources									
Capital expenditure	-	60,620	-	2,580	11,247	10,103	1,143	11%	60,620
Capital transfers recognised	-	29,333	-	2,580	8,679	4,889	3,790	78%	29,333
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	31,287	-	-	2,568	5,214	(2,647)	-51%	31,287
Total sources of capital funds	-	60,620	-	2,580	11,247	10,103	1,143	11%	60,620
Financial position									
Total current assets	-	182,428	-	-	284,212	-	-	-	182,428
Total non current assets	-	1,231,748	-	-	1,217,767	-	-	-	1,231,748
Total current liabilities	-	9,000	-	-	14,360	-	-	-	9,000
Total non current liabilities	-	189	-	-	9,009	-	-	-	189
Community wealth/Equity	-	1,409,376	-	-	1,478,610	-	-	-	1,409,376

	-								
Cash flows									
Net cash from (used) operating	-	61,635	-	(6,219)	13,376	10,273	3,103	30%	61,635
Net cash from (used) investing	-	(60,620)	-	(3,353)	(13,233)	(10,103)	(3,129)	31%	(60,620)
Net cash from (used) financing	-	-	-	-	-	-	-		-
Cash/cash equivalents at the month/year end	-	4,015	-	-	1,281	3,169	(1,889)	-60%	2,153
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	16,301	14,369	10,126	11,265	6,706	9,028	8,841	244,040	320,675
Creditors Age Analysis									
Total Creditors	1,117	-	-	-	-	-	-	-	1,117

Notes

- Total Revenue (excluding capital transfers and contributions) is R19, 425 million, total Expenditure on financial Performances is R19,392 million
- Surplus for the month after capital transfers & contributions is R2,941 million
- The total capital expenditure for the month on grants is R2,580 million excluding vat

1. FINANCIAL PERFORMANCE OF REVENUE AND EXPENDITURE BY VOTE

LIM334 Ba-Phalaborwa – Table C2 Monthly Budget Statement – Financial Performance (standard classification) – M02 August

Description	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue – Standard										
<i>Governance and administration</i>	-	222,410	-	11,342	49,463	37,068	12,395	33%	222,410	
Executive and council	-	-	-	-	-	-	-	-	-	
Budget and treasury office	-	222,102	-	11,311	49,413	37,017	12,396	33%	222,102	
Corporate services	-	308	-	31	50	51	(1)	-3%	308	
<i>Community and public safety</i>	-	2,199	-	1,379	1,596	367	1,230	336%	2,199	
Community and social services	-	279	-	1,126	1,142	47	1,096	2356%	279	
Sport and recreation	-	-	-	-	-	-	-	-	-	
Public safety	-	1,920	-	253	454	320	134	42%	1,920	
<i>Economic and environmental services</i>	-	37,999	-	3,375	10,345	6,333	4,011	63%	32,783	
Planning and development	-	5,705	-	-	-	951	(951)	-100%	489	
Road transport	-	32,294	-	3,375	10,345	5,382	4,962	92%	32,294	
Environmental protection	-	-	-	-	-	-	-	-	-	
<i>Trading services</i>	-	101,515	-	6,269	15,523	16,919	(1,396)	-8%	101,515	
Electricity							(1,587)	-10%	92,002	

		-	92,002	-	5,379	13,747	15,334			
Water		-	-	-	-	-	-	-		-
Waste water management		-	-	-	-	-	-	-		-
Waste management		-	9,513	-	891	1,777	1,586	191	12%	9,513
<i>Other</i>	4	-	-	-	-	-	-	-		-
Total Revenue – Standard	2	-	364,123	-	22,366	76,927	60,687	16,240	27%	358,907
Expenditure – Standard	-									
<i>Governance and administration</i>	-		167,814	-	7,441	17,938	27,969	(10,031)	-36%	167,814
Executive and council	-		36,456	-	2,089	3,963	6,076	(2,113)	-35%	36,456
Budget and treasury office	-		87,659	-	3,089	8,551	14,610	(6,058)	-41%	87,659
Corporate services	-		43,699	-	2,263	5,423	7,283	(1,860)	-26%	43,699
<i>Community and public safety</i>	-		52,146	-	3,913	7,859	8,691	(832)	-10%	52,146
Community and social services	-		41,185	-	3,141	6,330	6,864	(534)	-8%	41,185
Public safety	-		10,961	-	772	1,529	1,827	(298)	-16%	10,961
<i>Economic and environmental services</i>	-		119,151	-	6,884	12,053	19,859	(7,805)	-39%	119,151
Planning and development	-		11,910	-	560	1,145	1,985	(840)	-42%	11,910
Road transport	-		107,241	-	6,325	10,908	17,874	(6,965)	-39%	107,241
Environmental protection	-		-	-	-	-	-	-		-
<i>Trading services</i>	-		131,149	-	1,154	18,060	21,858	(3,798)	-17%	131,149

Electricity		-	125,959	-	1,018	17,536	20,993	(3,457)	-16%	125,959
Water		-	-	-	-	-	-	-		-
Waste water management		-	-	-	-	-	-	-		-
Waste management		-	5,190	-	136	525	865	(341)	-39%	5,190
<i>Other</i>		-	-	-	-	-	-	-		-
Total Expenditure - Standard	3	-	470,260	-	19,392	55,911	78,377	(22,466)	-29%	470,260
Surplus/ (Deficit) for the year		-	(106,137)	-	2,974	21,016	(17,689)	38,706	-219%	(111,353)

Notes:

- Financial performance of revenue by vote is R22,366 million including capital contributions
- Financial performance of Expenditure by vote is R19,392 million
- The surplus for the month is R2,974 million

FINANCIAL PERFORMANCE REVENUE AND EXPENDITURE PER SOURCE

LIM334 Ba-Phalaborwa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August

Description	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		65,100		5,503	11,089	10,850	239	2%	65,100	
Property rates - penalties & collection charges							-			
Service charges - electricity revenue		92,002		5,379	13,747	15,334	(1,587)	-10%	92,002	
Service charges - water revenue		-					-			
Service charges - sanitation revenue		-					-			
Service charges - refuse revenue		9,513		891	1,777	1,586	191	12%	9,513	
Service charges - other							-			
Rental of facilities and equipment		308		31	50	51	(1)	-3%	308	
Interest earned - external investments		250		14	19	42	(22)	-53%	250	
Interest earned - outstanding debtors		84,568		4,812	9,919	14,095	(4,176)	-30%	84,568	
Dividends received		2		-	-	0	(0)	-100%	2	
Fines		1,900		250	450	317	133	42%	1,900	
Licences and permits		5,690		1,113	1,115	948	167	18%	5,690	
Agency services							-			

Transfers recognised – operational			74,154		1,290	28,680	12,359	16,321	132%	74,154
Other revenue			1,303		142	188	217	(30)	-14%	1,303
Gains on disposal of PPE								–		
Total Revenue (excluding capital transfers and contributions)		-	334,790	-	19,425	67,033	55,798	11,235	20%	334,790
Expenditure By Type	–									
Employee related costs			111,154		8,259	16,610	18,526	(1,915)	-10%	111,154
Remuneration of councillors			12,185		1,040	2,044	2,031	14	1%	12,185
Debt impairment			29,913				4,986	(4,986)	-100%	29,913
Depreciation & asset impairment			76,500				12,750	(12,750)	-100%	76,500
Finance charges			803		88	131	134	(3)	-3%	803
Bulk purchases			82,060		–	11,986	13,677	(1,691)	-12%	82,060
Other materials								–		
Contracted services			28,453		2,654	7,765	4,742	3,023	64%	28,453
Transfers and grants								–		
Other expenditure			129,191		7,351	17,375	21,532	(4,157)	-19%	129,191
Loss on disposal of PPE								–		
Total Expenditure		-	470,260	-	19,392	55,911	78,377	(22,466)	-29%	470,260
Surplus/(Deficit)		-	(135,470)	-	33	11,122	(22,578)	33,701	(0)	(135,470)

Transfers recognised – capital		29,333		2,941	9,894	4,889	5,005	0	29,333
Contributions recognised – capital							–		
Contributed assets							–		
Surplus/(Deficit) after capital transfers & contributions	-	(106,137)	-	2,974	21,016	(17,689)			(106,137)
Taxation							–		
Surplus/(Deficit) after taxation	-	(106,137)	-	2,974	21,016	(17,689)			(106,137)
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	-	(106,137)	-	2,974	21,016	(17,689)			(106,137)
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	-	(106,137)	-	2,974	21,016	(17,689)			(106,137)

Notes:

- Total Revenue per source (excluding capital transfers and contributions) is R19,425 million, total Expenditure per source is R19,392 million
- The surplus after capital transfers and contributions is R2,974 million

2. CAPITAL EXPENDITURE (MUNICIPAL VOTE, STANDARD CLASSIFICATION AND FUNDING)

LIM334 Ba-Phalaborwa - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) -

Vote Description	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
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		-	-	-	-	-	-	-		-
0		-	-	-	-	-	-	-		-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-		-
Single Year expenditure appropriation	2									
Vote 1 - EXECUTIVE AND COUNCIL		-	1,900	-	-	-	317	(317)	-100%	1,900
Vote 2 - BUDGET AND TREASURY DEPARTMENT		-	1,500	-	-	-	250	(250)	-100%	1,500
Vote 3 - CORPORATE SERVICES		-	5,400	-	-	-	900	(900)	-100%	5,400
Vote 4 - COMMUNITY AND SOCIAL									-100%	7,000

SERVICES		-	7,000	-	-	-	1,167	(1,167)		
Vote 5 - PLANNING AND DEVELOPMENT		-	2,700	-	-	-	450	(450)	-100%	2,700
Vote 6 - TECHNICAL SERVICES DEPARTMENT		-	42,120	-	2,580	11,247	7,020	4,227	60%	42,120
0		-	-	-	-	-	-	-		-
Total Capital single-year expenditure	4	-	60,620	-	2,580	11,247	10,103	1,143	11%	60,620
Total Capital Expenditure		-	60,620	-	2,580	11,247	10,103	1,143	11%	60,620
Capital Expenditure - Standard Classification										
<i>Governance and administration</i>		-	8,800	-	-	-	1,467	(1,467)	-100%	8,800
Executive and council			1,900				317	(317)	-100%	1,900
Budget and treasury office			1,500				250	(250)	-100%	1,500
Corporate services			5,400				900	(900)	-100%	5,400
<i>Community and public safety</i>		-	7,000	-	-	-	1,167	(1,167)	-100%	7,000
Community and social services								-		
Sport and recreation								-		
Public safety			7,000				1,167	(1,167)	-100%	7,000
Housing								-		
Health								-		
<i>Economic and environmental services</i>		-	24,820	-	2,580	8,679	4,137	4,542	110%	24,820
Planning and development			2,700				450	(450)	-100%	2,700

Road transport			22,120		2,580	8,679	3,687	4,992	135%	22,120
Environmental protection								-		
Trading services		-	20,000	-	-	2,568	3,333	(765)	-23%	20,000
Electricity			20,000		-	2,568	3,333	(765)	-23%	20,000
Other								-		
Total Capital Expenditure – Standard Classification	3	-	60,620	-	2,580	11,247	10,103	1,143	11%	60,620
Funded by:										
National Government			29,333		2,580	8,679	4,889	3,790	78%	29,333
Provincial Government								-		
Other transfers and grants								-		
Transfers recognised – capital		-	29,333	-	2,580	8,679	4,889	3,790	78%	29,333
Public contributions & donations	5							-		
Borrowing	6							-		
Internally generated funds			31,287			2,568	5,214	(2,647)	-51%	31,287
Total Capital Funding		-	60,620	-	2,580	11,247	10,103	1,143	11%	60,620

Notes:

- The total capital expenditure is R2,580 million

FINANCIAL POSITION

LIM334 Ba-Phalaborwa – Table C6 Monthly Budget Statement – Financial Position – M02 August

Description	Ref	2012/13	Budget Year 2013/14			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash			2,500		1,281	2,500
Call investment deposits			500		2,852	500
Consumer debtors			150,087		271,048	150,087
Other debtors						
Current portion of long-term receivables			20,000			20,000
Inventory			9,341		9,032	9,341
Total current assets		-	182,428	-	284,212	182,428
Non current assets						
Long-term receivables					25,847	
Investments						
Investment property			6,000			6,000
Investments in Associate						
Property, plant and equipment			1,222,960		1,191,694	1,222,960
Agricultural			250			250
Biological assets			238		227	238
Intangible assets			2,300			2,300
Other non-current assets						
Total non current assets		-	1,231,748	-	1,217,767	1,231,748
TOTAL ASSETS		-	1,414,176	-	1,501,979	1,414,176
LIABILITIES						
Current liabilities	-					

Bank overdraft						
Borrowing			4,200		4,200	4,200
Consumer deposits					1,231	
Trade and other payables			-		8,929	-
Provisions			4,800			4,800
Total current liabilities		-	9,000	-	14,360	9,000
Non current liabilities						
Borrowing			189		189	189
Provisions					8,820	
Total non current liabilities		-	189	-	9,009	189
TOTAL LIABILITIES		-	9,189	-	23,369	9,189
NET ASSETS	2	-	1,404,987	-	1,478,610	1,404,987
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/ (Deficit)			(106,137)			(106,137)
Reserves			1,515,513		1,478,610	1,515,513
TOTAL COMMUNITY WEALTH/EQUITY	2	-	1,409,376	-	1,478,610	1,409,376

Notes:

- The financial position shows only year to date actual

3. CASH FLOW

LIM334 Ba-Phalaborwa – Table C7 Monthly Budget Statement – Cash Flow – M02 August

Description	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Ratepayers and other			230,440		18,701	50,580	38,407	12,174	32%	230,440
Government – operating			74,154		1,290	30,141	12,359	17,782	144%	74,154
Government – capital			29,333		–	12,347	4,889	7,458	153%	29,333
Interest			250		14	19	42	(22)	-53%	250
Dividends								–		
Payments										
Suppliers and employees			(271,738)		(26,136)	(79,580)	(45,290)	34,290	-76%	(271,738)
Finance charges			(803)		(88)	(132)	(134)	(2)	1%	(803)
Transfers and Grants								–		
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	61,635	-	(6,219)	13,376	10,273	3,103	30%	61,635
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE								–		
Decrease (Increase) in non-current debtors								–		

Decrease (increase) other non-current receivables	-							-		
Decrease (increase) in non-current investments								-		
Payments										
Capital assets		(60,620)		(3,353)	(13,233)	(10,103)	3,129	-31%		(60,620)
NET CASH FROM/(USED) INVESTING ACTIVITIES	-	(60,620)	-	(3,353)	(13,233)	(10,103)	3,129	-31%		(60,620)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans							-			
Borrowing long term/refinancing							-			
Increase (decrease) in consumer deposits							-			
Payments										
Repayment of borrowing							-			
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	-	-	-	-	-	-			-
NET INCREASE/ (DECREASE) IN CASH HELD	-	1,015	-	(9,572)	143	169				1,015
Cash/cash equivalents at beginning:		3,000			1,137	3,000				1,137
Cash/cash equivalents at month/year end:	-	4,015	-		1,281	3,169				2,153

Notes:

The bank shows the positive balance of R1, 280,705.64 as at 31 August 2013

LIM334 Ba-Phalaborwa – Supporting Table SC1 Material variance explanations – M02 August

Ref	Description R thousands	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
1	Revenue By Source			
2	Expenditure By Type			
	Depreciation & asset impairment	(12,750)		

4. PERFORMANCE INDICATORS

LIM334 Ba-Phalaborwa - Supporting Table SC2 Monthly Budget Statement - performance indicators - M02 August

Description of financial indicator	Basis of calculation	Ref	2012/13	Budget Year 2013/14		YearTD actual	Full Year Forecast
			Audited Outcome	Original Budget	Adjusted Budget		
<u>Borrowing Management</u>							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		0.0%	16.4%	0.0%	0.2%	2.8%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		0.0%	0.3%	0.0%	0.9%	0.3%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>							
Current Ratio	Current assets/current liabilities	1	0.0%	2027.0%	0.0%	1979.2%	2027.0%
Liquidity Ratio	Monetary Assets/Current Liabilities		0.0%	33.3%	0.0%	28.8%	33.3%
<u>Revenue Management</u>							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		0.0%	50.8%	0.0%	442.9%	50.8%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Creditors Management</u>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
<u>Funding of Provisions</u>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						

Other Indicators						
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2				
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2				
Employee costs	Employee costs/Total Revenue – capital revenue		0.0%	33.2%	0.0%	24.8% 33.2%
Repairs & Maintenance	R&M/Total Revenue – capital revenue		0.0%	0.0%	0.0%	0.0% 0.0%
Interest & Depreciation	I&D/Total Revenue – capital revenue		0.0%	23.1%	0.0%	0.2% 3.9%
IDP regulation financial viability indicators		-				
i. Debt coverage	(Total Operating Revenue – Operating Grants)/Debt service payments due within financial year)					
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services					
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure					

References

1. Consumer debtors > 12 months old are excluded from current assets.
2. Material variances to be explained.

<u>Calculations</u>			
Borrowing		189	189
Total Assets		1,414,176	1,501,979 1,414,176
Employee related costs		111,154	16,610 111,154
Repairs & Maintenance			
Interest (finance charges)		803	131 803
Principal paid			
Depreciation		76,500	12,185

Operating expenditure		470,260	55,911	470,260
Total Capital Expenditure		60,620	11,247	60,620
Borrowed funding for capital				
Debt		4,389	13,318	4,389
Equity		1,409,376	1,478,610	1,409,376
Reserves		1,515,513	1,478,610	1,515,513
Borrowing		189	189	189
Current assets		182,428	284,212	182,428
Current liabilities		9,000	14,360	9,000
Monetary assets		3,000	4,132	3,000
Total Revenue (excluding capital transfers and contributions)		334,790	67,033	334,790
Transfers recognised - operational		74,154	28,680	74,154
Transfers recognised - capital		29,333	9,894	29,333
Debt service payments		250	(132)	(803)
Outstanding debtors (receivables)		170,087	296,895	170,087
Annual services revenue		101,515	15,523	
Cash + investments	Including LT investments	3,000	4,132	3,000
Fixed operational expend. (monthly)				
Longstanding debtors outstanding			25,847	
Longstanding debtors recovered				
Attorney collections				

5. DEBTORS AGE ANALYSIS

LIM334 Ba-Phalaborwa - Supporting Table SC3 Monthly Budget Statement - aged debtors - M02 August

Description	NT Code	Budget Year 2013/14										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy	
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days			
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200										-	-		
Trade and Other Receivables from Exchange Transactions - Electricity	1300	4,626	3,726	1,109	2,539	995	831	536	17,134	31,496	22,035			
Receivables from Non-exchange Transactions - Property Rates	1400	5,282	4,196	3,317	3,220	3,162	3,047	2,999	89,632	114,854	102,060			
Receivables from Exchange Transactions - Waste Water Management	1500									-	-			
Receivables from Exchange Transactions - Waste Management	1600	974	743	569	547	535	525	516	26,531	30,940	28,654			
Receivables from Exchange Transactions - Property Rental Debtors	1700									-	-			
Interest on Arrear Debtor Accounts	1810									-	-			
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-			
Other	1900	5,419	5,704	5,132	4,958	2,014	4,625	4,790	110,743	143,384	127,129			
Total By Income Source	2000	16,301	14,369	10,126	11,265	6,706	9,028	8,841	244,040	320,675	279,878	-	-	
2012/13 - totals only										-	-			
Debtors Age Analysis By Customer Group														
Organs of State	2200	572	722	172	158	89	158	164	3,472	5,507	4,041			
Commercial	2300													

		2,330	2,575	1,277	1,421	649	1,116	1,580	34,753	45,699	39,517		
Households	2400	12,857	10,497	8,315	9,273	5,685	7,403	6,577	203,152	263,758	232,089		
Other	2500	542	576	361	414	284	351	520	2,663	5,710	4,231		
Total By Customer Group	2600	16,301	14,369	10,126	11,265	6,706	9,028	8,841	244,040	320,675	279,878	-	-

Notes:

- The debtors' age analysis shows a total figure of R321 million from 30 days to over a year.

6. CREDITORS AGE ANALYSIS

LIM334 Ba-Phalaborwa - Supporting Table SC4 Monthly Budget Statement - aged creditors - M02 August

Description R thousands	NT Code	Budget Year 2013/14									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100										-
Bulk Water	0200										-
PAYE deductions	0300										-
VAT (output less input)	0400										-
Pensions / Retirement deductions	0500										-
Loan repayments	0600										-
Trade Creditors	0700	1,117									1,117
Auditor General	0800										-
Other	0900										-
Total By Customer Type	1000	1,117	-	-	-	-	-	-	-	1,117	-

Note

- The Trade creditors are standing at R1,117 Million

7. INVESTMENT PORTFOLIO

Investments by maturity Name of institution & investment ID R thousands	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
		Yrs/Months							
Municipality									
ABSA - Call Account			Fixed deposit		0		93	-	93
Call deposit a/c - STD Bank			Call Account		14		3,895	(1,136)	2,759
Municipality sub-total					14		3,988	(1,136)	2,852
Entities sub-total					-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2				14		3,988	(1,136)	2,852

Notes:

- Total Investment is standing at R2, 852 million

8. TRANSFERS AND GRANT EXPENDITURES

LIM334 Ba-Phalaborwa - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M02 August

Description	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		-	74,154	-	77	166	12,359	(12,193)	-98.7%	74,154
Local Government Equitable Share			69,433				11,572	(11,572)	-100.0%	69,433
Finance Management			1,550		77	166	258	(92)	-35.7%	1,550
Municipal Systems Improvement			890				148	(148)	-100.0%	890
EPWP Incentive			1,000				167	(167)	-100.0%	1,000
Operating Grant: MIG (5% of MIG Grants for PMU)			1,281				213	(213)	-100.0%	1,281
Total operating expenditure of Transfers and Grants:		-	74,154	-	77	166	12,359	(12,193)	-98.7%	74,154
Capital expenditure of Transfers and Grants										
National Government:		-	29,333	-	2,058	9,011	4,056	4,956	122.2%	-
Municipal Infrastructure Grant (MIG)			24,333		2,058	9,011	4,056	4,956	122.2%	
Neighbourhood Development Partnership			5,000		-	-		-		
Total capital expenditure of Transfers and Grants		-	29,333	-	2,058	9,011	4,056	4,956	122.2%	-
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		-	103,487	-	2,135	9,177	16,415	(7,237)	-44.1%	74,154

Notes:

- The total operating transfers and grants expenditure is at R77 thousand for the month of August 2013
- Total capital transfers and grants expenditure on MIG is R2,058 million

10. COUNCILLORS AND STAFF BENEFIT (section 66 of MFMA report)

LIM334 Ba-Phalaborwa - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M02 August

Summary of Employee and Councillor remuneration R thousands	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
-	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages			9,605		755	1,497	1,601	(103)	-6%	9,605
Motor Vehicle Allowance			2,638		244	466	440	27	6%	2,638
Cellphone Allowance			475		40	81	79	1	2%	475
Sub Total - Councillors		-	12,718	-	1,040	2,044	2,120	(75)	-4%	12,718
% increase	4		#DIV/0!							#DIV/0!
Senior Managers of the Municipality	3									
Basic Salaries and Wages			3,418		281	296	570	(274)	-48%	3,418
Pension and UIF Contributions			10		1	1	2	(1)	-44%	10
Motor Vehicle Allowance			2,204		137	117	367	(251)	-68%	2,204
Cellphone Allowance			77		5	5	13	(8)	-65%	77
Housing Allowances							-	-		-
Other benefits and allowances			702		11	190	117	73	62%	702
Sub Total - Senior Managers of Municipality		-	6,411	-	434	608	1,068	(461)	-43%	6,411

Other Municipal Staff										
Basic Salaries and Wages			64,044	4,910	4,897	10,674	(5,777)	-54%	64,044	
Pension and UIF Contributions			13,999	996	991	2,333	(1,343)	-58%	13,999	
Medical Aid Contributions			4,563	273	267	760	(493)	-65%	4,563	
Overtime			3,594	299	377	599	(222)	-37%	3,594	
Motor Vehicle Allowance			8,248	741	738	1,375	(636)	-46%	8,248	
Cellphone Allowance			913	59	61	152	(91)	-60%	913	
Housing Allowances			1,555	53	53	259	(206)	-79%	1,555	
Other benefits and allowances			7,828	494	358	1,305	(947)	-73%	7,828	
Sub Total – Other Municipal Staff		-	104,743	-	7,825	7,743	17,457	(9,714)	-56%	104,743
Total Parent Municipality		-	123,872	-	9,299	10,395	20,645	(10,250)	-50%	123,872
			#DIV/0!						#DIV/0!	
TOTAL SALARY, ALLOWANCES & BENEFITS		-	123,872	-	9,299	10,395	20,645	(10,250)	-50%	123,872
% increase	4		#DIV/0!						#DIV/0!	
TOTAL MANAGERS AND STAFF		-	111,154	-	8,259	8,351	18,526	(10,175)	-55%	111,154

Notes:

- Political office bearer's remunerations for the month amounted to R1, 040 million
- Employee related costs R8,259 million
- The municipality has total employee related cost& Remuneration of councillors of R9,299 million for the month of August 2013

11.ACTUALS AND REVISED TARGETS FOR CASH RECEIPT

LIM334 Ba-Phalaborwa - Supporting Table SC9 Monthly Budget Statement - Actuals and revised targets for cash receipt

Description	Ref	Budget Year 2013/14												2013/14 Medium Term Revenue & Expenditure Framework		
		July Outcome	August Outcome	Sept Budget	October Budget	Nov Budget	Dec Budget	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Cash Receipts By Source	1															
Property rates		3,205	5,502	4,883	4,883	4,883	4,883	4,883	4,883	4,883	4,883	4,883	5,940	58,590	61,451	62,536
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		8,600	4,420	6,900	6,900	6,900	6,900	6,900	6,900	6,900	6,900	6,900	4,001	79,122	79,771	80,385
Service charges - water revenue		5,554	-	-	-	-	-	-	-	-	-	-	(5,554)	-	-	-
Service charges - sanitation revenue		271	-	-	-	-	-	-	-	-	-	-	(271)	-	-	-
Service charges - refuse		432	892	452	452	452	452	452	452	452	452	452	32	5,423	6,303	6,854
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		19	31	15	15	15	15	15	15	15	15	15	(6)	175	198	229
Interest earned - external investments		5	14	21	21	21	21	21	21	21	21	21	43	250	260	270
Interest earned - outstanding debtors		684	-	6,838	6,838	6,838	6,838	6,838	6,838	6,838	6,838	6,838	19,831	82,060	86,573	90,989
Dividends received		-	-	0	0	0	0	0	0	0	0	0	0	1	2	2
Fines		200	250	90	90	90	90	90	90	90	90	90	(179)	1,083	1,170	1,300
Licences and permits		2	1,113	270	270	270	270	270	270	270	270	270	(304)	3,243	3,726	3,912
Agency services																

				–	–	–	–	–	–	–	–	–	–	–	–	–
Transfer receipts - operating	28,851	1,290			24,718					24,718			(5,423)	74,154	85,841	110,650
Other revenue	12,912	6,492	62	62	62	62	62	62	62	62	62	62	(19,219)	743	1,725	1,960
Cash Receipts by Source	60,736	20,005	19,531	19,531	44,249	19,531	19,531	19,531	19,531	44,249	19,531	19,531	(1,110)	304,844	327,019	359,087
Other Cash Flows by Source													–			
Transfer receipts - capital	12,347	–			9,778					9,778			(2,569)	29,333	33,301	35,379
Contributions & Contributed assets													–			
Proceeds on disposal of PPE													–			
Short term loans													–			
Borrowing long term/refinancing													–			
Increase in consumer deposits													–			
Receipt of non-current debtors													–			
Receipt of non-current receivables													–			
Change in non-current investments													–			
Total Cash Receipts by Source	73,083	20,005	19,531	19,531	54,026	19,531	19,531	19,531	19,531	54,026	19,531	19,531	(3,680)	334,177	360,320	394,467
Cash Payments by Type													–			
Employee related costs	8,351	8,259	9,263	9,263	9,263	9,263	9,263	9,263	9,263	9,263	9,263	9,263	11,178	111,154	113,145	120,046
Remuneration of councillors																

	1,005	1,040	1,015	1,015	1,015	1,015	1,015	1,015	1,015	1,015	1,015	1,015	1,002	12,185	12,855	13,511
Interest paid	44	88	67	67	67	67	67	67	67	67	67	67	69	803	848	891
Bulk purchases – Electricity	14,024		6,483	6,483	6,483	6,483	6,483	6,483	6,483	6,483	6,483	6,483	5,425	77,795	83,662	85,322
Bulk purchases – Water & Sewer													–			
Contracted services	5,827	3,025	2,353	2,353	2,353	2,353	2,353	2,353	2,353	2,353	2,353	2,353	(1,792)	28,242	29,795	31,314
Grants and subsidies paid – other municipalities													–			
General expenses	24,238	13,811	3,530	3,530	3,530	3,530	3,530	3,530	3,530	3,530	3,530	3,530	(27,459)	42,362	51,180	56,769
Cash Payments by Type	53,488	26,224	22,712	22,712	22,712	22,712	22,712	22,712	22,712	22,712	22,712	22,712	(11,576)	272,541	291,485	307,854
Other Cash Flows/Payments by Type													–			
Capital assets	9,880	3,353	5,052	5,052	5,052	5,052	5,052	5,052	5,052	5,052	5,052	5,052	1,922	60,620	60,230	60,020
Total Cash Payments by Type	63,368	29,577	27,763	27,763	27,763	27,763	27,763	27,763	27,763	27,763	27,763	27,763	(9,654)	333,161	351,715	367,874
NET INCREASE/(DECREASE) IN CASH HELD	9,715	(9,572)	(8,233)	(8,233)	26,263	(8,233)	(8,233)	(8,233)	(8,233)	26,263	(8,233)	(8,233)	5,974	1,015	8,605	26,593
Cash/cash equivalents at the month/year beginning:	1,137	10,852	1,281	(6,952)	(15,185)	11,078	2,846	(5,387)	(13,619)	12,644	4,411	(3,822)	(3,822)	1,137	2,153	10,758
Cash/cash equivalents at the month/year end:	10,852	1,281	(6,952)	(15,185)	11,078	2,846	(5,387)	(13,619)	12,644	4,411	(3,822)	2,153	2,153	2,153	10,758	37,351

Notes

- The cash balance is at R1,280,705.64 million

12. CAPITAL EXPENDITURE TREND

LIM334 Ba-Phalaborwa - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M02 August

Month	2012/13	Budget Year 2013/14							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July		5,052		8,667	8,667	5,052	(3,615)	-71.6%	14%
August		5,052		2,580	11,247	10,103	(1,143)	-11.3%	19%
September		5,052				15,155	-		
October		5,052				20,207	-		
November		5,052				25,258	-		
December		5,052				30,310	-		
January		5,052				35,362	-		
February		5,052				40,413	-		
March		5,052				45,465	-		
April		5,052				50,517	-		
May		5,052				55,568	-		
June		5,052				60,620	-		
Total Capital expenditure	-	60,620	-	11,247					

Notes:

- The total capital expenditure trend gives a year to date actual of R11,247 million excluding vat

13.BANK RECONCILIATION

Outstanding C/F	10,852,274.01
	-
Current - Cheques	116,212.60
Current - ACBs	-17,906,970.66
Current - ACB Rejects	-
Current - Deposits	20,004,966.34
	-
Current - RD Cheques	75,030.49
Current - Redeposits	-
Current - Transfers payments	-11,478,320.96
Current - Bank Charges	-
Current - Already Reconciled	-
Current - C/F	1,280,705.64

Notes

- The carried forward balance is **R1,280,705.64**

14.RECOMMENDATIONS

41.1. That the following be noted:

- 14.1.1. The financial report for the period ended 31 August 2013 **excluding Water and Waste Water management**
- 14.1.2. The summary of monthly budget statement report for the month ended 31 August 2013
- 14.1.3. The financial performance for the month ended 31 August 2013
- 14.1.4. The financial position as at 31 August 2013
- 14.1.5. The actual operating revenue for the month ended 31 August 2013 is R19,425 million
- 14.1.6. That the municipality received R890 thousand and R400 thousand on MSIG and EPWP respectively
- 14.1.7. The actual expenditure for the month ended 31 August 2013 is R19, 392 million (Total expenditure inclusive of Capex R2, 580 million, Salaries R9, 299 million) be approved.
- 14.1.8. The surplus amount for the month ended 31 August 2013 is R2,974 million
- 14.1.9. Outstanding creditors as at 31 August 2013 is R1,117 million for the current month
- 14.1.10. Consolidated call deposit accounts held at STD Bank and ABSA closed with a balance of R2,852 million on August 2013

- 14.1.11. That councillors and Staff Benefits for August 2013 amount to R9,259 million
- 14.1.12. Municipal Primary Bank reconciliation closed with a positive balance of R1,280,705.64 as at 31 August 2013