

# **BA-PHALABORWA MUNICIPALITY**



## **FINANCIAL PERFORMANCE REPORT**

**AS AT 31 AUGUST 2014**

## 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 growth
- ❖ To build the mining industry for economic growth
- ❖ To position Ba-Phalaborwa as a tourism destination of choice

## 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 - M02 August

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	-	70,634	-	5,680	11,286	11,772	(487)	-4%	70,634
Service charges	-	106,664	-	10,286	16,778	17,777	(999)	-6%	106,664
Investment revenue	-	260	-	56	131	43	88	202%	74,904
Transfers recognised - operational	-	88,490	-	892	33,907	14,748	19,158	130%	88,490
Other own revenue	-	90,204	-	8,224	14,237	15,034	(797)	-5%	90,204
<b>Total Revenue (excluding capital transfers and contributions)</b>	-	<b>356,251</b>	-	<b>25,138</b>	<b>76,338</b>	<b>59,375</b>	<b>16,963</b>	<b>29%</b>	<b>430,895</b>
Employee costs	-	118,379	-	8,486	17,337	19,730	(2,393)	-12%	118,379
Remuneration of Councillors	-	12,855	-	1,053	2,089	2,143	(54)	-3%	12,855
Depreciation & asset impairment	-	74,909	-	-	-	12,485	(12,485)	-100%	74,909
Finance charges	-	848	-	86	184	141	43	31%	848
Materials and bulk purchases	-	82,573	-	3,472	11,367	13,762	(2,395)	-17%	82,573
Other expenditure	-	149,254	-	6,517	14,174	24,876	(10,702)	-43%	149,254
<b>Total Expenditure</b>	-	<b>438,819</b>	-	<b>19,614</b>	<b>45,150</b>	<b>73,136</b>	<b>(27,986)</b>	<b>-38%</b>	<b>438,819</b>
<b>Surplus/(Deficit)</b>	-	<b>(82,567)</b>	-	<b>5,524</b>	<b>31,188</b>	<b>(13,761)</b>	<b>44,949</b>	<b>-327%</b>	<b>(7,924)</b>
Transfers recognised - capital	-	37,279	-	3,781	14,611	6,213	8,398	135%	37,279
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
	-	<b>(45,289)</b>	-	<b>9,305</b>	<b>45,799</b>	<b>(7,548)</b>	<b>53,347</b>	<b>-707%</b>	<b>29,355</b>
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	-	<b>(45,289)</b>	-	<b>9,305</b>	<b>45,799</b>	<b>(7,548)</b>	<b>53,347</b>	<b>-707%</b>	<b>29,355</b>
<b>Surplus/ (Deficit) for the year</b>	-	<b>(45,289)</b>	-	<b>9,305</b>	<b>45,799</b>	<b>(7,548)</b>	<b>53,347</b>	<b>-707%</b>	<b>29,355</b>
<b>Capital expenditure &amp; funds sources</b>									

<b>Capital expenditure</b>	-	<b>61,179</b>	-	<b>6,209</b>	<b>15,709</b>	<b>10,196</b>	<b>5,513</b>	<b>54%</b>	<b>61,179</b>
Capital transfers recognised	-	37,279	-	3,316	12,817	6,213	6,604	106%	37,279
Internally generated funds	-	<b>23,900</b>	-	<b>2,893</b>	<b>2,893</b>	<b>3,983</b>	<b>(1,091)</b>	<b>-27%</b>	<b>23,900</b>
<b>Total sources of capital funds</b>	-	<b>61,179</b>	-	<b>6,209</b>	<b>15,709</b>	<b>10,196</b>	<b>5,513</b>	<b>54%</b>	<b>61,179</b>
<b>Financial position</b>									
Total current assets	-	171,542	-		405,493				171,542
Total non current assets	-	1,284,539	-		1,284,139				1,284,539
Total current liabilities	-	1,500	-		12,168				1,500
Total non current liabilities	-	230,000	-		230,000				230,000
<b>Community wealth/Equity</b>	-	<b>1,224,581</b>	-		<b>1,447,464</b>				<b>1,224,581</b>
<b>Cash flows</b>									
Net cash from (used) operating	-	51,306	-	(7,216)	26,709	8,551	18,158	212%	51,306
Net cash from (used) investing	-	(51,179)	-	(7,078)	(17,909)	(8,530)	(9,379)	110%	(51,179)
Net cash from (used) financing	-	-	-	13,999	(7,434)	-	(7,434)	#DIV/0!	-
<b>Cash/cash equivalents at the month/year end</b>	-	<b>2,227</b>	-	<b>-</b>	<b>1,857</b>	<b>2,121</b>	<b>(265)</b>	<b>-12%</b>	<b>617</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	18,640	13,412	12,705	11,155	10,800	9,958	9,910	297,767	384,347
<b>Creditors Age Analysis</b>									
Total Creditors	-	-	-	-	-	-	-	-	-

**Notes**

- Operating Revenue (excluding capital transfers and contributions) is R25,138 million
- Operational Expenditure on financial Performances is R19,614 million
- Revenue Capital Contribution is R3,781 million
- Surplus for the month after capital transfers & contributions is R9,305 million
- The total capital expenditure for the month is R6,209 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	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Revenue - Standard</b>										
<b>Governance and administration</b>		–	231,995	–	12,525	56,848	38,666	18,183	47%	231,995
Budget and treasury office		–	231,665	–	12,451	56,761	38,611	18,150	47%	231,665
Corporate services		–	330	–	74	88	55	33	59%	330
<b>Community and public safety</b>		–	14,186	–	2,201	2,583	2,364	219	9%	14,186
Community and social services		–	11,565	–	2,197	2,578	1,928	650	34%	11,565
Public safety		–	2,621	–	5	5	437	(432)	-99%	2,621
<b>Economic and environmental services</b>		–	31,685	–	3,905	8,430	5,281	3,149	60%	31,685
Planning and development		–	–	–	4	4	–	4	#DIV/0!	–
Road transport		–	31,685	–	3,902	8,426	5,281	3,145	60%	31,685
<b>Trading services</b>		–	115,664	–	10,286	23,088	19,277	3,811	20%	115,664
Electricity		–	104,327	–	9,324	21,165	17,388	3,777	22%	104,327
Waste management		–	11,337	–	962	1,923	1,889	33	2%	11,337
<b>Other</b>	4	–	–	–	–	–	–	–	–	–
<b>Total Revenue - Standard</b>	2	–	393,530	–	28,918	90,949	65,588	25,361	39%	393,530
<b>Expenditure - Standard</b>	-									
<b>Governance and administration</b>		–	166,186	–	7,691	17,807	27,698	(9,891)	-36%	166,186
Executive and council		–	36,507	–	2,807	5,959	6,084	(125)	-2%	36,507
Budget and treasury office		–	87,451	–	2,939	5,335	14,575	(9,240)	-63%	87,451
Corporate services		–	42,227	–	1,945	6,512	7,038	(526)	-7%	42,227
<b>Community and public safety</b>		–	58,282	–	3,066	7,006	9,714	(2,708)	-28%	58,282

Community and social services		-	46,217	-	2,241	5,428	7,703	(2,275)	-30%	46,217
Public safety		-	12,066	-	825	1,578	2,011	(433)	-22%	12,066
<b>Economic and environmental services</b>		-	<b>101,776</b>	-	<b>2,884</b>	<b>4,616</b>	<b>16,963</b>	(12,347)	-73%	<b>101,776</b>
Planning and development		-	17,094	-	1,046	1,613	2,849	(1,236)	-43%	17,094
Road transport		-	84,682	-	1,839	3,002	14,114	(11,111)	-79%	84,682
<b>Trading services</b>		-	<b>112,575</b>	-	<b>5,972</b>	<b>15,722</b>	<b>18,762</b>	(3,041)	-16%	<b>112,575</b>
Electricity		-	107,174	-	5,201	14,907	17,862	(2,955)	-17%	107,174
Waste management		-	5,401	-	771	815	900	(86)	-10%	5,401
<b>Other</b>		-	-	-	-	-	-	-		-
<b>Total Expenditure - Standard</b>	<b>3</b>	-	<b>438,819</b>	-	<b>19,614</b>	<b>45,150</b>	<b>73,136</b>	<b>(27,986)</b>	<b>-38%</b>	<b>438,819</b>
<b>Surplus/ (Deficit) for the year</b>		-	<b>(45,289)</b>	-	<b>9,305</b>	<b>45,799</b>	<b>(7,548)</b>	<b>53,347</b>	<b>-707%</b>	<b>(45,289)</b>

**Notes:**

- Total revenue by vote is R28,918 million including capital contributions
- Total Operational Expenditure by vote is R19,614 million
- Surplus for the month is R9,305 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	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue By Source</b>										
Property rates		-	70,634	-	5,680	11,286	11,772	(487)	-4%	70,634
Service charges - electricity revenue		-	95,327	-	9,324	14,856	15,888	(1,032)	-6%	95,327
Service charges - refuse revenue		-	11,337	-	962	1,923	1,889	33	2%	11,337
Rental of facilities and equipment		-	330	-	74	88	55	33	59%	330
Interest earned - external investments		-	260	-	56	131	43	88	202%	260
Interest earned - outstanding debtors		-	74,644	-	5,868	11,478	12,441	(963)	-8%	74,644
Dividends received		-	3	-	-	-	0	(0)	-100%	3
Fines		-	2,600	-	-	-	433	(433)	-100%	2,600
Licences and permits		-	9,021	-	2,127	2,504	1,503	1,001	67%	9,021
Agency services		-	2,255	-	-	-	376	(376)	-100%	2,255
Transfers recognised - operational		-	88,490	-	892	33,907	14,748	19,158	130%	88,490
Other revenue		-	1,352	-	155	167	225	(58)	-26%	1,352
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		-	<b>356,251</b>	-	<b>25,138</b>	<b>76,338</b>	<b>59,375</b>	<b>16,963</b>	<b>29%</b>	<b>356,251</b>
<b>Expenditure By Type</b>										
Employee related costs	-	-	118,379	-	8,486	17,337	19,730	(2,393)	-12%	118,379
Remuneration of councillors		-	12,855	-	1,053	2,089	2,143	(54)	-3%	12,855
Debt impairment		-	31,558	-	-	-	5,260	(5,260)	-100%	31,558
Depreciation & asset impairment		-	74,909	-	-	-	12,485	(12,485)	-100%	74,909
Finance charges		-	848	-	86	184	141	43	31%	848
Bulk purchases		-	82,573	-	3,472	11,367	13,762	(2,395)	-17%	82,573



Contracted services		-	45,536	-	2,526	5,203	7,589	(2,386)	-31%	45,536
Other expenditure		-	72,160	-	3,991	8,970	12,027	(3,056)	-25%	72,160
Loss on disposal of PPE		-	-	-	-	-	-	-		-
<b>Total Expenditure</b>		-	<b>438,819</b>	-	<b>19,614</b>	<b>45,150</b>	<b>73,136</b>	<b>(27,986)</b>	<b>-38%</b>	<b>438,819</b>
<b>Surplus/(Deficit)</b>		-	<b>(82,567)</b>	-	<b>5,524</b>	<b>31,188</b>	<b>(13,761)</b>	<b>44,949</b>	<b>(0)</b>	<b>(82,567)</b>
Transfers recognised - capital		-	37,279	-	3,781	14,611	6,213	8,398	0	37,279
Contributions recognised - capital								-		
Contributed assets								-		
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		-	<b>(45,289)</b>	-	<b>9,305</b>	<b>45,799</b>	<b>(7,548)</b>			<b>(45,289)</b>
Share of surplus/ (deficit) of associate										
<b>Surplus/ (Deficit) for the year</b>		-	<b>(45,289)</b>	-	<b>9,305</b>	<b>45,799</b>	<b>(7,548)</b>			<b>(45,289)</b>

**Notes:**

- Operating Revenue (excluding capital transfers and contributions) is R25,138 million
- Operational Expenditure on financial Performances is R19,614 million
- Revenue Capital Contribution is R3,781 million
- Surplus for the month after capital transfers & contributions is R9,305 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) - M02 August

Vote Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>R thousands</b>	1								%	
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	-	-	-	-	-
Vote 2 - BUDGET AND TREASURY DEPARTMENT		-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	4,500	-	261	261	750	(489)	-65%	4,500
Vote 4 - COMMUNITY AND SOCIAL SERVICES		-	1,600	-	-	-	267	(267)	-100%	1,600
Vote 5 - PLANNING AND DEVELOPMENT		-	-	-	-	-	-	-	-	-
Vote 6 - TECHNICAL SERVICES DEPARTMENT		-	55,079	-	5,948	15,448	9,180	6,269	68%	55,079
<b>Total Capital single-year expenditure</b>	4	-	61,179	-	6,209	15,709	10,196	5,513	54%	61,179
<b>Total Capital Expenditure</b>		-	61,179	-	6,209	15,709	10,196	5,513	54%	61,179
<b>Capital Expenditure - Standard Classification</b>										
<b>Governance and administration</b>		-	4,500	-	261	261	750	(489)	-65%	4,500
Corporate services		-	4,500	-	261	261	750	(489)	-65%	4,500
<b>Community and public safety</b>		-	1,600	-	-	-	267	(267)	-100%	1,600
Community and social services		-	1,000	-	-	-	167	(167)	-100%	1,000
Public safety		-	600	-	-	-	100	(100)	-100%	600
<b>Economic and environmental services</b>		-	27,279	-	893	4,542	4,546	(4)	0%	27,279
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	27,279	-	893	4,542	4,546	(4)	0%	27,279
<b>Trading services</b>		-	27,800	-	5,054	10,906	4,633	6,273	135%	27,800

Electricity			27,800		5,054	10,906	4,633	6,273	135%	27,800
<i>Other</i>							-	-		
<b>Total Capital Expenditure - Standard Classification</b>	3	-	<b>61,179</b>	-	<b>6,209</b>	<b>15,709</b>	<b>10,196</b>	<b>5,513</b>	<b>54%</b>	<b>61,179</b>
<b>Funded by:</b>										
National Government			37,279	-	3,316	12,817	6,213	6,604	106%	37,279
<b>Internally generated funds</b>			23,900	-	2,893	2,893	3,983	(1,091)	-27%	23,900
<b>Total Capital Funding</b>		-	<b>61,179</b>	-	<b>6,209</b>	<b>15,709</b>	<b>10,196</b>	<b>5,513</b>	<b>54%</b>	<b>61,179</b>

**Note:**

- Total monthly capital expenditure is R6,09 million excluding vat

## FINANCIAL POSITION

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

Description	Ref	2013/14	Budget Year 2014/15		YearTD actual	Full Year Forecast	
		Audited Outcome	Original Budget	Adjusted Budget			
<b>R thousands</b>	1						
<b>ASSETS</b>							
<b>Current assets</b>							
Cash			2,100	-	1,857	2,100	
Call investment deposits			1,500	-	9,790	1,500	
Consumer debtors			158,442	-	384,347	158,442	
Inventory			9,500	-	9,500	9,500	
<b>Total current assets</b>			-	171,542	-	405,493	171,542
<b>Non current assets</b>							
Property, plant and equipment			1,284,139	-	1,284,139	1,284,139	
Biological assets			400	-		400	
<b>Total non current assets</b>			-	1,284,539	-	1,284,139	1,284,539
<b>TOTAL ASSETS</b>			-	1,456,081	-	1,689,632	1,456,081
<b>LIABILITIES</b>							
<b>Current liabilities</b>	-						
Consumer deposits			1,500	-	-	1,500	
Trade and other payables			-	-	12,168	-	
Provisions				-			
<b>Total current liabilities</b>			-	1,500	-	12,168	1,500
<b>Non current liabilities</b>							
Borrowing			210,000	-	210,000	210,000	
Provisions			20,000	-	20,000	20,000	

<b>Total non current liabilities</b>		-	230,000	-	230,000	230,000
<b>TOTAL LIABILITIES</b>		-	231,500	-	242,168	231,500
<b>NET ASSETS</b>	2	-	1,224,581	-	1,447,464	1,224,581
<b><u>COMMUNITY WEALTH/EQUITY</u></b>						
Accumulated Surplus/(Deficit)						
Reserves			1,224,581	-	1,447,464	1,224,581
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	-	1,224,581	-	1,447,464	1,224,581

**Note:**

- 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	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Ratepayers and other			223,835	-	15,512	30,238	37,306	(7,068)	-19%	223,835
Government - operating			88,490	-	1,419	35,974	14,748	21,226	144%	88,490
Government - capital			37,279	-	-	12,571	6,213	6,358	102%	37,279
Interest			4,054	-	308	743	676	67	10%	4,054
Dividends							-	-		
<b>Payments</b>										
Suppliers and employees			(301,504)	-	(24,369)	(52,632)	(50,251)	2,382	-5%	(301,504)
Finance charges			(848)	-	(86)	(184)	(141)	43	-31%	(848)
Transfers and Grants								-		
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>			<b>51,306</b>	<b>-</b>	<b>(7,216)</b>	<b>26,709</b>	<b>8,551</b>	<b>18,158</b>	<b>212%</b>	<b>51,306</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE								-		
<b>Payments</b>										
Capital assets			(51,179)	-	(7,078)	(17,909)	(8,530)	9,379	-110%	(51,179)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>			<b>(51,179)</b>	<b>-</b>	<b>(7,078)</b>	<b>(17,909)</b>	<b>(8,530)</b>	<b>9,379</b>	<b>-110%</b>	<b>(51,179)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										

<b>Receipts</b>										
Increase (decrease) in consumer deposits					13,999	(7,434)		(7,434)	#DIV/0!	
<b>Payments</b>										
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		-	-	-	13,999	(7,434)	-	7,434	#DIV/0!	-
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		-	127	-	(295)	1,367	21			127
Cash/cash equivalents at beginning:			2,100	-		490	2,100			490
Cash/cash equivalents at month/year end:		-	2,227	-		1,857	2,121			617

**Note:**

The bank shows a positive balance of R1, 857 million as at 31 August 2014

#### 4. DEBTORS AGE ANALYSIS

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

Description	NT Code	Budget Year 2013/14										
		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	
<b>R thousands</b>												
<b>Debtors Age Analysis By Income Source</b>												
Trade and Other Receivables from Exchange Transactions - Electricity	1300	6,097	2,553	1,883	1,441	1,388	625	665	22,576	37,229	26,696	
Receivables from Non-exchange Transactions - Property Rates	1400	5,385	4,087	4,102	3,143	3,080	3,074	3,075	96,849	122,796	109,222	
Receivables from Exchange Transactions - Waste Management	1600	1,129	848	744	677	646	637	628	31,059	36,367	33,646	
Other	1900	6,028	5,924	5,976	5,894	5,686	5,622	5,542	147,283	187,954	170,026	
<b>Total By Income Source</b>	<b>2000</b>	<b>18,640</b>	<b>13,412</b>	<b>12,705</b>	<b>11,155</b>	<b>10,800</b>	<b>9,958</b>	<b>9,910</b>	<b>297,767</b>	<b>384,347</b>	<b>339,590</b>	
<b>2012/13 - totals only</b>										-	-	
<b>Debtors Age Analysis By Customer Group</b>												
Organs of State	2200	2,661	1,630	773	1,507	961	970	636	11,635	20,773	15,710	
Commercial	2300	4,165	2,541	2,155	1,539	1,615	1,192	1,696	31,581	46,484	37,624	
Households	2400	11,189	8,609	9,082	7,198	7,578	7,299	7,030	248,267	306,252	277,371	
Other	2500	624	633	695	910	646	496	548	6,285	10,836	8,885	
<b>Total By Customer Group</b>	<b>2600</b>	<b>18,640</b>	<b>13,412</b>	<b>12,705</b>	<b>11,155</b>	<b>10,800</b>	<b>9,958</b>	<b>9,910</b>	<b>297,767</b>	<b>384,347</b>	<b>339,590</b>	

#### Note:

- The Debtor's age analysis shows a total figure of R384, 347 million from 30 days to over a year.



## 5. CREDITORS AGE ANALYSIS

**Notes:**

- The creditor's age analysis shows a total figure of

## 6. INVESTMENT PORTFOLIO

### LIM334 Ba-Phalaborwa - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M02 August

Investments by maturity Name of institution & investment ID	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							
<b>R thousands</b>									
<b>Municipality</b>									
ABSA - Call Account			Fixed deposit				93	0	93
Call deposit a/c - STD Bank			Call Account		56		23,140	(13,444)	9,697
<b>TOTAL INVESTMENTS AND INTEREST</b>	2				56		23,234	(13,444)	9,790

#### Notes:

Total Investment is standing at R9, 790 million as at 31 August 2014

## 7. TRANSFERS AND GRANT EXPENDITURES

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

Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		-	88,490	-	892	33,907	33,827	79	0.2%	88,490
Local Government Equitable Share			83,256		-	32,955	32,955	-		83,256
Finance Management			1,600		421	480	267	214	80.1%	1,600
Municipal Systems Improvement			934		400	400	156	244	157.0%	934
EPWP Incentive			1,212		71	71	202	(131)	-64.7%	1,212
Operating Grant: MIG (5% of MIG Grants for PMU)			1,488		-	-	248	(248)	-100.0%	1,488
<b>Total operating expenditure of Transfers and Grants:</b>		-	88,490	-	892	33,907	33,827	79	0.2%	88,490
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		-	37,279	-	3,781	14,611	6,213	8,398	135.2%	37,279
Municipal Infrastructure Grant (MIG)			28,279		3,781	8,301	4,713	3,588	76.1%	28,279
INEG			9,000		-	6,310	1,500	4,810	320.6%	9,000
<b>Total capital expenditure of Transfers and Grants</b>		-	37,279	-	3,781	14,611	6,213	8,398	135.2%	37,279
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		-	125,769	-	4,672	48,518	40,041	8,477	21.2%	125,769

### Notes:

- The total monthly operating transfers and grants expenditure is R892 thousand
- Capital transfers and grants expenditure is R3,7,81 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	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
-	1	A	B	C						D
<b><u>Councillors (Political Office Bearers plus Other)</u></b>										
Basic Salaries and Wages			9,572		769	1,538	1,595	(57)	-4%	9,572
Motor Vehicle Allowance			2,783		221	425	464	(39)	-8%	2,783
Cellphone Allowance			501		63	125	83	42	50%	501
<b>Sub Total - Councillors</b>		-	<b>12,855</b>	-	<b>1,053</b>	<b>2,089</b>	<b>2,143</b>	<b>(54)</b>	<b>-3%</b>	<b>12,855</b>
<b><u>Senior Managers of the Municipality</u></b>	3									
Basic Salaries and Wages			3,637			298	606	(308)	-51%	3,637
Pension and UIF Contributions			10				2	(2)	-100%	10
Motor Vehicle Allowance			2,345			125	391	(266)	-68%	2,345
Cellphone Allowance			82			27	14	13	98%	82
Other benefits and allowances			747			15	125	(110)	-88%	747
<b>Sub Total - Senior Managers of Municipality</b>		-	<b>6,821</b>	-	-	<b>464</b>	<b>1,137</b>	<b>(673)</b>	<b>-59%</b>	<b>6,821</b>
<b><u>Other Municipal Staff</u></b>										
Basic Salaries and Wages			68,254		5,406	10,558	11,376	(818)	-7%	68,254
Pension and UIF Contributions			14,895		1,010	2,021	2,483	(461)	-19%	14,895
Medical Aid Contributions			4,855		315	644	809	(165)	-20%	4,855
Overtime			3,824		368	699	637	62	10%	3,824
Motor Vehicle Allowance			11,549		900	1,688	1,925	(237)	-12%	11,549

Cellphone Allowance		972		71	145	162	(17)	-10%	972
Housing Allowances		1,655		52	103	276	(173)	-63%	1,655
Other benefits and allowances		5,555		363	1,014	926	88	9%	5,555
<b>Sub Total - Other Municipal Staff</b>		<b>111,558</b>	<b>-</b>	<b>8,486</b>	<b>16,873</b>	<b>18,593</b>	<b>(1,720)</b>	<b>-9%</b>	<b>111,558</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>131,235</b>	<b>-</b>	<b>9,539</b>	<b>19,425</b>	<b>21,872</b>	<b>(2,447)</b>	<b>-11%</b>	<b>131,235</b>
<b>TOTAL MANAGERS AND STAFF</b>		<b>118,379</b>	<b>-</b>	<b>8,486</b>	<b>17,337</b>	<b>19,730</b>	<b>(2,393)</b>	<b>-12%</b>	<b>118,379</b>

**Notes:**

- Political office bearer's remunerations for the month of August amounted to R1, 053 million
- Employee related costs R8, 486 million
- The municipality has total employee related cost & Remuneration of councillors of R9, 539 million for the month of August 2014

## 11. ACTUALS AND REVISED TARGETS FOR CASH RECEIPT

LIM334 Ba-Phalaborwa - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M02 August

Description	Ref	Budget Year 2014/15											
		July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June
<b>R thousands</b>	1	<b>Outcome</b>	<b>Outcome</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
<b>Cash Receipts By Source</b>													
Property rates		2,242	2,444	2,154	2,544	2,725	1,633	2,175	2,548	2,542	2,154	2,544	9,927
Service charges - electricity revenue		7,773	3,254	3,238	3,209	3,991	3,457	4,834	5,799	7,389	5,834	5,944	5,605
Service charges - water revenue		3,302	6,691	3,238	3,209	3,991	3,457	4,834	5,799	7,389	3,238	3,209	8,825
Service charges - sanitation revenue		512	506	3,109	3,296	4,573	3,140	4,230	4,366	3,304	3,109	3,296	12,757
Service charges - refuse		488	380	338	290	372	330	443	404	458	452	452	1,129
Rental of facilities and equipment		13	74	25	35	9	9	15	17	26	9	15	(22)
Interest earned - external investments		75	56	10	17	46	63	52		29	63	52	(52)
Interest earned - outstanding debtors		360	252	308	360	342	179	195	344	261	179	195	669
Dividends received		-	-	0	0	0	0	0	0	0	0	0	1
Fines		-	-	217	217	217	217	217	217	217	217	217	650
Licences and permits		377	2,127	3,018	710	1,225	310	760	1,835	752	752	752	403
Agency services		-	-	188	188	188	188	188	188	188	188	188	564
Transfer receipts - operating		34,555	1,419	-	-	29,497	-	-	-	29,497	-	-	(6,477)
Other revenue		17	36	19	18	260	22	113	16	19	18	153	161
<b>Cash Receipts by Source</b>		<b>49,715</b>	<b>17,240</b>	<b>15,864</b>	<b>14,095</b>	<b>47,435</b>	<b>13,004</b>	<b>18,055</b>	<b>21,532</b>	<b>52,071</b>	<b>16,213</b>	<b>17,016</b>	<b>34,140</b>
<b>Other Cash Flows by Source</b>													
Transfer receipts - capital		12,571	-	-	-	12,426	-	-	-	12,426	-	-	(145)
Receipt of non-current receivables													-
Change in non-current investments													-
<b>Total Cash Receipts by Source</b>		<b>62,286</b>	<b>17,240</b>	<b>15,864</b>	<b>14,095</b>	<b>59,861</b>	<b>13,004</b>	<b>18,055</b>	<b>21,532</b>	<b>64,497</b>	<b>16,213</b>	<b>17,016</b>	<b>33,995</b>

<b>Cash Payments by Type</b>													-
													-
Employee related costs	8,851	8,486	9,865	9,865	9,865	9,865	9,865	9,865	9,865	9,865	9,865	9,865	12,258
Remuneration of councillors	1,036	1,053	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,125
Interest paid	98	86	71	71	71	71	71	71	71	71	71	71	28
Bulk purchases - Electricity	9,000	2,000	6,881	6,881	6,881	6,881	6,881	6,881	6,881	6,881	6,881	6,881	9,643
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services	3,053	2,879	865	4,377	4,353	5,007	4,259	2,706	3,903	2,303	2,409	2,409	(577)
Grants and subsidies paid - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other	-	-	-	-	-	-	-	-	-	-	-	-	-
General expenses	6,324	9,951	2,760	13,297	1,824	2,340	2,630	3,454	3,613	6,013	6,013	6,013	(6,061)
<b>Cash Payments by Type</b>	<b>28,361</b>	<b>24,455</b>	<b>21,512</b>	<b>35,562</b>	<b>24,065</b>	<b>25,234</b>	<b>24,778</b>	<b>24,048</b>	<b>25,405</b>	<b>26,204</b>	<b>26,310</b>	<b>26,310</b>	<b>16,416</b>
<b>Other Cash Flows/Payments by Type</b>													-
Capital assets	10,831	7,078	325	1,612	7,823	3,302	2,332	838	3,611	7,823	3,302	3,302	2,302
Repayment of borrowing													-
Other Cash Flows/Payments	21,433	(13,999)											(7,434)
<b>Total Cash Payments by Type</b>	<b>60,625</b>	<b>17,534</b>	<b>21,838</b>	<b>37,174</b>	<b>31,888</b>	<b>28,536</b>	<b>27,110</b>	<b>24,886</b>	<b>29,016</b>	<b>34,027</b>	<b>29,612</b>	<b>29,612</b>	<b>11,284</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>1,661</b>	<b>(295)</b>	<b>(5,974)</b>	<b>(23,079)</b>	<b>27,973</b>	<b>(15,533)</b>	<b>(9,055)</b>	<b>(3,354)</b>	<b>35,482</b>	<b>(17,814)</b>	<b>(12,597)</b>	<b>(12,597)</b>	<b>22,711</b>
Cash/cash equivalents at the month/year beginning:	490	2,151	1,857	(4,117)	(27,196)	777	(14,756)	(23,811)	(27,165)	8,317	(9,497)	(9,497)	(22,093)
Cash/cash equivalents at the month/year end:	2,151	1,857	(4,117)	(27,196)	777	(14,756)	(23,811)	(27,165)	8,317	(9,497)	(22,093)	(22,093)	617

**Notes**

- Total actual cash receipts for the month amount to R17, 240 million. This is the total of all municipal service charges including Water, sanitation and Licence & permits.
- While the total actual cash-payments made for the month amount to R31, 533 million
- Other inflow amount to R13, 999 million. Included in this amount is the transfer made from the call accounts to main account.
- Favourable balance of R1,857 million as at 31 August 2014



## 12. CAPITAL EXPENDITURE TREND

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

Month	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
<b>Monthly expenditure performance trend</b>									
July		5,098	-	9,500	9,500	5,098	(4,402)	-86.3%	16%
August		5,098	-	6,209	15,709	10,196	(5,513)	-54.1%	26%
September		5,098	-			15,295	-		
October		5,098	-			20,393	-		
November		5,098	-			25,491	-		
December		5,098	-			30,589	-		
January		5,098	-			35,688	-		
February		5,098	-			40,786	-		
March		5,098	-			45,884	-		
April		5,098	-			50,982	-		
May		5,098	-			56,080	-		
June		5,098	-			61,179	-		
<b>Total Capital expenditure</b>	-	<b>61,179</b>	-	<b>15,709</b>					

### Notes:

- The total capital expenditure gives a monthly actual of R6,209 million excluding vat

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### 13. BANK RECONCILIATION

#### Notes

- The closing balance as at 31 August 2014 is R1,856,543.69

## 14.RECOMMENDATIONS

### a. That the following be noted:

- 1) The financial report for the period ended 31 August 2014 **excluding Water and Waste Water management**
- 2) The summary of monthly budget statement report for the month ended 31 August 2014
- 3) The financial performance for the month ended 31 August 2014
- 4) The financial position as at 31 August 2014
- 5) The actual operating revenue (as per GRAP) for the month ended 31 August 2014 is R25,138 million excluding capital contribution
- 6) That the Municipality received the following grants during the month of August 2014
  - MSIG R934 thousand
  - EPWP R485 thousand
- 7) The actual Operating Expenditure for the month ended 31 August 2014 is R19, 634 million
- 8) Surplus for the month ended 31 August 2014 is R9,305 million
- 9) The actual Capital Expenditure for the month ended 31 August 2014 is R6,209 million

- 10) Consolidated call deposit accounts held at STD Bank and ABSA closed with a balance of R9,790 on 31 August 2014
- 11) That councillors and Staff Benefits for August 2014 amount to R9,539 million be approved
- 12) Municipal Primary Bank reconciliation closed with a positive balance of **R1,857 million** as at 31 August 2014