

Vision

*“Best tourist destination in
Limpopo by 2020”*

BA-PHALABORWA MUNICIPALITY



FINANCIAL PERFORMANCE REPORT

AS AT 31 DECEMBER 2013

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 - M06 December

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	60,257	65,100	–	5,201	32,247	32,550	(303)	-1%	65,100
Service charges	79,414	101,515	–	9,431	47,568	50,758	(3,190)	-6%	101,515
Investment revenue	332	250	–	63	155	125	30	24%	84,818
Transfers recognised - operational	65,471	74,154	–	–	51,812	37,077	14,736	40%	74,154
Other own revenue	50,508	93,771	–	5,913	36,098	46,885	(10,788)	-23%	93,771
Total Revenue (excluding capital transfers and contributions)	255,983	334,790	–	20,609	167,881	167,395	486	0%	419,358
Employee costs	93,712	111,154	–	7,895	47,916	55,577	(7,661)	-14%	111,154
Remuneration of Councillors	9,052	12,185	–	998	6,020	6,093	(73)	-1%	12,185
Depreciation & asset impairment	69,182	76,500	–	–	–	38,250	(38,250)	-100%	76,500
Finance charges	226	803	–	38	404	402	3	1%	803
Materials and bulk purchases	53,402	82,060	–	9,620	44,134	41,030	3,104	8%	82,060
Other expenditure	172,461	187,557	–	7,877	68,693	93,779	(25,086)	-27%	187,557
Total Expenditure	398,036	470,260	–	26,428	167,167	235,130	(67,963)	-29%	470,260
Surplus/(Deficit)	(142,052)	(135,470)	–	(5,819)	714	(67,735)	68,449	-101%	(50,902)
Transfers recognised - capital	32,895	29,333	–	3,302	19,652	14,667	4,985	34%	29,333
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(109,157)	(106,137)	–	(2,517)	20,366	(53,068)	73,434	-138%	(21,569)
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	(109,157)	(106,137)	–	(2,517)	20,366	(53,068)	73,434	-138%	(21,569)
Capital expenditure & funds sources									
Capital expenditure	42,949	60,620	–	2,897	22,705	30,310	(7,605)	-25%	60,620
Capital transfers recognised	29,238	29,333	–	2,897	17,239	14,667	2,572	18%	29,333
Public contributions & donations	–	–	–	–	–	–	–	–	–

Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	13,711	31,287	-	-	5,466	15,643	(10,177)	-65%	31,287
Total sources of capital funds	42,949	60,620	-	2,897	22,705	30,310	(7,605)	-25%	60,620
<u>Financial position</u>									
Total current assets	56,845	182,428	-	-	376,389				182,428
Total non current assets	1,057,189	1,231,748	-	-	1,217,767				1,231,748
Total current liabilities	373,494	9,000	-	-	31,218				9,000
Total non current liabilities	33,736	189	-	-	9,009				189
Community wealth/Equity	706,805	1,409,376	-	-	1,553,930				1,409,376
<u>Cash flows</u>									
Net cash from (used) operating	43,315	61,635	-	(22,682)	(6,078)	30,818	(36,896)	-120%	61,635
Net cash from (used) investing	(42,949)	(60,620)	-	(3,302)	(26,295)	(30,310)	4,015	-13%	(60,620)
Net cash from (used) financing	(941)	-	-	-	21,875	-	21,875	#DIV/0!	-
Cash/cash equivalents at the month/year end	2,066	4,015	-	-	(9,361)	3,508	(12,869)	-367%	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
<u>Debtors Age Analysis</u>									
Total By Income Source	20,198	14,459	13,880	10,488	9,528	9,830	9,163	259,347	346,892
<u>Creditors Age Analysis</u>									
Total Creditors	6,045	54	38	606	-	-	-	-	6,743

Notes

- Total Revenue (excluding capital transfers and contributions) is R20,609 million
- Total Expenditure on financial Performances is R26,428 million
- Deficit for the month after capital transfers & contributions is R2,517 million
- The total capital expenditure for the month on grants is R2,897 million excluding vat

1. FINANCIAL PERFORMANCE OF REVENUE AND EXPENDITURE BY VOTE

LIM334 Ba-Phalaborwa - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M06 December

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										
Governance and administration		170,792	222,410	-	10,752	111,631	111,205	426	0%	222,410
Executive and council		-	-	-	-	-	-	-		-
Budget and treasury office		170,288	222,102	-	10,743	111,503	111,051	452	0%	222,102
Corporate services		504	308	-	9	128	154	(26)	-17%	308
Community and public safety		4,777	2,199	-	321	7,662	1,100	6,563	597%	2,199
Community and social services		3,906	279	-	321	6,476	140	6,336	4542%	279
Sport and recreation		-	-	-	-	-	-	-		-
Public safety		871	1,920	-	-	1,187	960	227	24%	1,920
Economic and environmental services		29,895	37,999	-	3,407	20,670	19,000	1,670	9%	32,783
Planning and development		-	5,705	-	100	169	2,853	(2,684)	-94%	489
Road transport		29,895	32,294	-	3,307	20,501	16,147	4,354	27%	32,294
Environmental protection		-	-	-	-	-	-	-		-
Trading services		83,414	101,515	-	9,431	47,570	50,758	(3,187)	-6%	101,515
Electricity		74,292	92,002	-	8,544	42,332	46,001	(3,669)	-8%	92,002
Water		-	-	-	-	-	-	-		-
Waste water management		-	-	-	-	-	-	-		-
Waste management		9,123	9,513	-	887	5,238	4,757	482	10%	9,513
Other	4	-	-	-	-	-	-	-		-
Total Revenue - Standard	2	288,879	364,123	-	23,911	187,533	182,061	5,471	3%	358,907
Expenditure - Standard	-									
Governance and administration		194,353	167,814	-	9,306	54,018	83,907	(29,889)	-36%	167,814
Executive and council		25,772	36,456	-	1,801	11,824	18,228	(6,404)	-35%	36,456

Budget and treasury office		144,420	87,659	-	4,991	26,651	43,830	(17,178)	-39%	87,659
Corporate services		24,160	43,699	-	2,514	15,543	21,849	(6,306)	-29%	43,699
Community and public safety		33,767	52,146	-	3,723	23,572	26,073	(2,501)	-10%	52,146
Community and social services		25,244	41,185	-	3,254	19,143	20,592	(1,450)	-7%	41,185
Public safety		8,523	10,961	-	469	4,429	5,481	(1,051)	-19%	10,961
Economic and environmental services		90,450	119,151	-	2,713	27,001	59,576	(32,575)	-55%	119,151
Planning and development		7,038	11,910	-	626	3,536	5,955	(2,419)	-41%	11,910
Road transport		83,412	107,241	-	2,087	23,465	53,621	(30,156)	-56%	107,241
Environmental protection		-	-	-	-	-	-	-		-
Trading services		79,467	131,149	-	10,685	62,576	65,574	(2,998)	-5%	131,149
Electricity		75,856	125,959	-	10,438	55,912	62,979	(7,067)	-11%	125,959
Water		-	-	-	-	5,000	-	5,000	#DIV/0!	-
Waste water management		-	-	-	-	-	-	-		-
Waste management		3,611	5,190	-	247	1,663	2,595	(932)	-36%	5,190
Other		-	-	-	-	-	-	-		-
Total Expenditure - Standard	3	398,036	470,260	-	26,428	167,167	235,130	(67,963)	-29%	470,260
Surplus/ (Deficit) for the year		(109,157)	(106,137)	-	(2,517)	20,366	(53,068)	73,434	-138%	(111,353)

Notes:

- Financial performance of revenue by vote is R23,911 million including capital contributions
- Financial performance of Expenditure by vote is R26,428 million
- The deficit for the month is R2,897 million

FINANCIAL PERFORMANCE REVENUE AND EXPENDITURE PER SOURCE

LIM334 Ba-Phalaborwa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

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		60,257	65,100		5,201	32,247	32,550	(303)	-1%	65,100
Service charges - electricity revenue		70,292	92,002		8,544	42,332	46,001	(3,669)	-8%	92,002
Service charges - water revenue							-	-		
Service charges - sanitation revenue							-	-		
Service charges - refuse revenue		9,123	9,513		887	5,236	4,757	479	10%	9,513
Service charges - other							-	-		
Rental of facilities and equipment		295	308		9	128	154	(26)	-17%	308
Interest earned - external investments		332	250		63	155	125	30	24%	250
Interest earned - outstanding debtors		42,369	84,568		5,417	27,861	42,284	(14,423)	-34%	84,568
Dividends received			2		-	-	1	(1)	-100%	2
Fines		871	1,900			1,180	950	230	24%	1,900
Licences and permits		2,375	5,690		310	6,378	2,845	3,533	124%	5,690
Agency services		1,531					-	-		
Transfers recognised - operational		65,471	74,154		-	51,812	37,077	14,736	40%	74,154
Other revenue		3,068	1,303		178	551	652	(101)	-15%	1,303
Gains on disposal of PPE							-	-		
Total Revenue (excluding capital transfers and contributions)		255,983	334,790	-	20,609	167,881	167,395	486	0%	334,790
Expenditure By Type										
Employee related costs		93,712	111,154		7,895	47,916	55,577	(7,661)	-14%	111,154
Remuneration of councillors		9,052	12,185		998	6,020	6,093	(73)	-1%	12,185
Debt impairment		108,991	29,913				14,957	(14,957)	-100%	29,913
Depreciation & asset impairment		69,182	76,500				38,250	(38,250)	-100%	76,500
Finance charges		226	803		38	404	402	3	1%	803

Bulk purchases	53,402	82,060		9,620	44,134	41,030	3,104	8%	82,060
Other materials						-	-		
Contracted services	10,096	28,453		4,392	24,958	14,226	10,732	75%	28,453
Transfers and grants						-	-		
Other expenditure	53,460	129,191		3,485	43,734	64,596	(20,861)	-32%	129,191
Loss on disposal of PPE	(86)						-		
Total Expenditure	398,036	470,260	-	26,428	167,167	235,130	(67,963)	-29%	470,260
Surplus/(Deficit)	(142,052)	(135,470)	-	(5,819)	714	(67,735)	68,449	(0)	(135,470)
Transfers recognised - capital	32,895	29,333		3,302	19,652	14,667	4,985	0	29,333
Contributions recognised - capital							-		
Contributed assets							-		
Surplus/(Deficit) after capital transfers & contributions	(109,157)	(106,137)	-	(2,517)	20,366	(53,068)			(106,137)
Taxation							-		
Surplus/(Deficit) after taxation	(109,157)	(106,137)	-	(2,517)	20,366	(53,068)			(106,137)
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	(109,157)	(106,137)	-	(2,517)	20,366	(53,068)			(106,137)
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	(109,157)	(106,137)	-	(2,517)	20,366	(53,068)			(106,137)

Notes:

- Total Revenue per source(excluding capital transfers and contributions) is R20,609 million
- Total Expenditure per source is R26,428 million
- The deficit after capital transfers and contributions is R2,517 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) - M06 December

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									
Single Year expenditure appropriation	2									
Vote 1 - EXECUTIVE AND COUNCIL		-	1,900	-	-	-	950	(950)	-100%	1,900
Vote 2 - BUDGET AND TREASURY DEPARTMENT		-	1,500	-	-	-	750	(750)	-100%	1,500
Vote 3 - CORPORATE SERVICES		3,398	5,400	-	-	3	2,700	(2,697)	-100%	5,400
Vote 4 - COMMUNITY AND SOCIAL SERVICES		1,711	7,000	-	-	-	3,500	(3,500)	-100%	7,000
Vote 5 - PLANNING AND DEVELOPMENT		-	2,700	-	-	-	1,350	(1,350)	-100%	2,700
Vote 6 - TECHNICAL SERVICES DEPARTMENT		37,840	42,120	-	2,897	22,702	21,060	1,642	8%	42,120
Total Capital single-year expenditure	4	42,949	60,620	-	2,897	22,705	30,310	(7,605)	-25%	60,620
Total Capital Expenditure		42,949	60,620	-	2,897	22,705	30,310	(7,605)	-25%	60,620
Capital Expenditure - Standard Classification										
Governance and administration		3,398	8,800	-	-	3	4,400	(4,397)	-100%	8,800
Executive and council			1,900				950	(950)	-100%	1,900
Budget and treasury office			1,500				750	(750)	-100%	1,500
Corporate services		3,398	5,400			3	2,700	(2,697)	-100%	5,400
Community and public safety		1,711	7,000	-	-	-	3,500	(3,500)	-100%	7,000
Community and social services		1,711						-		
Sport and recreation								-		
Public safety			7,000				3,500	(3,500)	-100%	7,000
Housing								-		
Health								-		

Economic and environmental services		26,169	24,820	–	382	14,002	12,410	1,592	13%	24,820
Planning and development			2,700				1,350	(1,350)	-100%	2,700
Road transport		26,169	22,120		382	14,002	11,060	2,942	27%	22,120
Environmental protection							–	–		
Trading services		11,672	20,000	–	2,515	8,700	10,000	(1,300)	-13%	20,000
Electricity		11,672	20,000		2,515	8,700	10,000	(1,300)	-13%	20,000
Water								–		
Waste water management								–		
Waste management								–		
Other								–		
Total Capital Expenditure - Standard Classification	3	42,949	60,620	–	2,897	22,705	30,310	(7,605)	-25%	60,620
Funded by:										
National Government		29,238	29,333		2,897	17,239	14,667	2,572	18%	29,333
Provincial Government								–		
District Municipality								–		
Other transfers and grants								–		
Transfers recognised - capital		29,238	29,333	–	2,897	17,239	14,667	2,572	18%	29,333
Public contributions & donations	5							–		
Borrowing	6							–		
Internally generated funds		13,711	31,287			5,466	15,643	(10,177)	-65%	31,287
Total Capital Funding		42,949	60,620	–	2,897	22,705	30,310	(7,605)	-25%	60,620

Notes:

- The total capital expenditure is R2,897 million

FINANCIAL POSITION

LIM334 Ba-Phalaborwa - Table C6 Monthly Budget Statement - Financial Position - M06 December

Description	Ref	2012/13	Budget Year 2013/14		YearTD actual	Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget		
R thousands	1					
ASSETS						
Current assets						
Cash		2,066	2,500			2,500
Call investment deposits			500		20,465	500
Consumer debtors		45,372	150,087		346,892	150,087
Other debtors		4				
Current portion of long-term receivables			20,000			20,000
Inventory		9,403	9,341		9,032	9,341
Total current assets		56,845	182,428	-	376,389	182,428
Non current assets						
Long-term receivables					25,847	
Investments						
Investment property			6,000			6,000
Investments in Associate						
Property, plant and equipment		1,056,876	1,222,960		1,191,694	1,222,960
Agricultural			250			250
Biological assets		313	238		227	238
Intangible assets			2,300			2,300
Other non-current assets						
Total non current assets		1,057,189	1,231,748	-	1,217,767	1,231,748

TOTAL ASSETS		1,114,035	1,414,176	-	1,594,156	1,414,176
LIABILITIES						
Current liabilities	-					
Bank overdraft					9,361	
Borrowing			4,200		4,200	4,200
Consumer deposits		2,981			1,231	
Trade and other payables		370,513	-		16,426	-
Provisions			4,800			4,800
Total current liabilities		373,494	9,000	-	31,218	9,000
Non current liabilities						
Borrowing			189		189	189
Provisions		33,736			8,820	
Total non current liabilities		33,736	189	-	9,009	189
TOTAL LIABILITIES		407,230	9,189	-	40,227	9,189
NET ASSETS	2	706,805	1,404,987	-	1,553,930	1,404,987
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)			(106,137)			(106,137)
Reserves		706,805	1,515,513		1,553,930	1,515,513
TOTAL COMMUNITY WEALTH/EQUITY	2	706,805	1,409,376	-	1,553,930	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 - M06 December

Description	Ref	2012/13	Budget Year							
		Audited Outcome	2013/14	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
R thousands	1								%	
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Ratepayers and other		162,582	230,440		9,490	100,455	115,220	(14,765)	-13%	230,440
Government - operating		64,589	74,154			52,702	37,077	15,625	42%	74,154
Government - capital		33,778	29,333			22,381	14,667	7,714	53%	29,333
Interest		42,701	250		63	155	125	30	24%	250
Dividends								-		
Payments										
Suppliers and employees		(260,109)	(271,738)		(32,197)	(181,366)	(135,869)	45,496	-33%	(271,738)
Finance charges		(226)	(803)		(38)	(406)	(402)	4	-1%	(803)
Transfers and Grants								-		
NET CASH FROM/(USED) OPERATING ACTIVITIES		43,315	61,635	-	(22,682)	(6,078)	30,818	(36,896)	-120%	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		(42,949)	(60,620)		(3,302)	(26,295)	(30,310)	(4,015)	13%	(60,620)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(42,949)	(60,620)	-	(3,302)	(26,295)	(30,310)	(4,015)	13%	(60,620)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		

Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits						21,875		21,875	#DIV/0!	
Payments										
Repayment of borrowing		(941)						-		
NET CASH FROM/(USED) FINANCING ACTIVITIES		(941)	-	-	-	21,875	-	(21,875)	#DIV/0!	-
NET INCREASE/ (DECREASE) IN CASH HELD		(575)	1,015	-	(25,985)	(10,498)	508			1,015
Cash/cash equivalents at beginning:		2,642	3,000			1,137	3,000			1,137
Cash/cash equivalents at month/year end:		2,066	4,015			(9,361)	3,508			2,153

Notes:

- The bank shows an overdraft of R9, 361 as at 31 December 2013

4. DEBTORS AGE ANALYSIS

LIM334 Ba-Phalaborwa - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December

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	8,822	4,166	2,823	1,360	726	1,065	601	20,015	39,577	23,767			
Receivables from Non-exchange Transactions - Property Rates	1400	4,846	4,080	4,305	3,186	3,097	3,141	2,770	87,854	113,279	100,047			
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-			
Receivables from Exchange Transactions - Waste Management	1600	1,012	798	1,460	682	653	645	523	28,045	33,817	30,547			
Receivables from Exchange Transactions - Property Rental Debtors	1700													
Interest on Arrear Debtor Accounts	1810													
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820													
Other	1900	5,518	5,415	5,291	5,260	5,052	4,980	5,270	123,433	160,219	143,995			
Total By Income Source	2000	20,198	14,459	13,880	10,488	9,528	9,830	9,163	259,347	346,892	298,356	-	-	
2012/13 - totals only														
Debtors Age Analysis By Customer Group														
Organs of State	2200	766	1,184	196	873	467	466	294	9,892	14,138	11,992			
Commercial	2300	3,256	2,236	2,268	1,600	1,188	1,907	396	18,974	31,825	24,064			
Households	2400	15,619	10,581	10,833	7,346	7,212	6,839	8,138	225,661	292,230	255,196			
Other	2500	556	457	582	670	660	618	335	4,820	8,699	7,104			
Total By Customer Group	2600	20,198	14,459	13,880	10,488	9,528	9,830	9,163	259,347	346,892	298,356	-	-	

Notes:

- The debtors' age analysis shows a total figure of R346, 892 million from 30 days to over a year.

5. CREDITORS AGE ANALYSIS

LIM334 Ba-Phalaborwa - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December

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	5,331								5,331	
Bulk Water	0200									-	
PAYE deductions	0300									-	
VAT (output less input)	0400									-	
Pensions / Retirement deductions	0500									-	
Loan repayments	0600									-	
Trade Creditors	0700	714	54	38	606					1,412	
Auditor General	0800									-	
Other	0900									-	
Total By Customer Type	1000	6,045	54	38	606	-	-	-	-	6,743	-

Note

- The total trade creditors are standing at R6,743 Million

6. INVESTMENT PORTFOLIO

LIM334 Ba-Phalaborwa - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M06 December

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							
R thousands									
Municipality									
ABSA - Call Account			Fixed deposit		0		93	0	93
Call deposit a/c - STD Bank			Call Account		63		11,809	8,563	20,372
TOTAL INVESTMENTS AND INTEREST	2				63		11,902	8,563	20,465

Notes:

- Total Investment is standing at R20, 465 million as at 31 December 2013

7. TRANSFERS AND GRANT EXPENDITURES

LIM334 Ba-Phalaborwa - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M06 December

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	-	879	51,331	52,367	(1,036)	-2.0%	74,154
Local Government Equitable Share			69,433		-	49,562	49,562	-		69,433
Finance Management			1,550		58	718	775	(57)	-7.3%	1,550
Municipal Systems Improvement			890		660	890	890	-		890
EPWP Incentive			1,000		161	161	500	(339)	-67.9%	1,000
Operating Grant: MIG (5% of MIG Grants for PMU)			1,281		-	-	640	(640)	-100.0%	1,281
Total operating expenditure of Transfers and Grants:		-	74,154	-	879	51,331	52,367	(1,036)	-2.0%	74,154
Capital expenditure of Transfers and Grants										
National Government:		-	29,333	-	3,302	19,652	14,667	4,985	34.0%	29,333
Municipal Infrastructure Grant (MIG)			24,333		3,302	18,770	12,167	6,603	54.3%	24,333
Neighbourhood Development Partnership			5,000		-	883	2,500	(1,617)	-64.7%	5,000
Total capital expenditure of Transfers and Grants		-	29,333	-	3,302	19,652	14,667	4,985	34.0%	29,333
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		-	103,487	-	4,181	70,983	67,034	3,949	5.9%	103,487

Notes:

- The total monthly operating transfers and grants expenditure is R879 thousand
- Capital transfers and grants expenditure on MIG is R3,302 million

10.COUNCILLORS AND STAFF BENEFIT (section 66 of MFMA report)
LIM334 Ba-Phalaborwa - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December

Summary of Employee and Councillor remuneration	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		A	B	C					D	
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages			9,605		736	4,461	4,803	(341)	-7%	9,605
Motor Vehicle Allowance			2,638		222	1,317	1,319	(2)	0%	2,638
Cellphone Allowance			475		40	242	237	4	2%	475
Sub Total - Councillors			12,718		998	6,020	6,359	(339)	-5%	12,718
% increase	4	-	#DIV/0!	-						#DIV/0!
Senior Managers of the Municipality	3									
Basic Salaries and Wages			3,418			1,408	1,709	(301)	-18%	3,418
Pension and UIF Contributions			10			3	5	(2)	-35%	10
Motor Vehicle Allowance			2,204			625	1,102	(477)	-43%	2,204
Cellphone Allowance			77			21	38	(17)	-45%	77
Other benefits and allowances			702			316	351	(35)	-10%	702
Sub Total - Senior Managers of Municipality			6,411		-	2,374	3,205	(832)	-26%	6,411
% increase	4	-	#DIV/0!	-	-					#DIV/0!
Other Municipal Staff										
Basic Salaries and Wages			64,044		5,251	29,746	32,022	(2,275)	-7%	64,044
Pension and UIF Contributions			13,999		994	5,954	7,000	(1,046)	-15%	13,999
Medical Aid Contributions			4,563		271	1,606	2,281	(675)	-30%	4,563
Overtime			3,594		184	1,409	1,797	(388)	-22%	3,594
Performance Bonus			-			-	-	-		-
Motor Vehicle Allowance			8,248		839	4,388	4,124	265	6%	8,248
Cellphone Allowance			913		65	365	457	(92)	-20%	913
Housing Allowances			1,555		53	318	778	(459)	-59%	1,555

Other benefits and allowances			7,828		240	1,755	3,914	(2,159)	-55%	7,828
Payments in lieu of leave								-		
Long service awards								-		
Post-retirement benefit obligations	2							-		
Sub Total - Other Municipal Staff		-	104,743	-	7,895	45,542	52,372	(6,830)	-13%	104,743
% increase	4		#DIV/0!							#DIV/0!
Total Parent Municipality		-	123,872	-	8,893	53,936	61,936	(8,000)	-13%	123,872
			#DIV/0!							#DIV/0!
TOTAL SALARY, ALLOWANCES & BENEFITS		-	123,872	-	8,893	53,936	61,936	(8,000)	-13%	123,872
% increase	4		#DIV/0!							#DIV/0!
TOTAL MANAGERS AND STAFF		-	111,154	-	7,895	47,916	55,577	(7,661)	-14%	111,154

Notes:

- Political office bearers remunerations for the month of December amounted to R998 thousand
- Employee related costs R7, 895 million
- The municipality has total employee related cost& Remuneration of councillors of R8, 893 million for the month of December 2013

11. ACTUALS AND REVISED TARGETS FOR CASH RECEIPT

LIM334 Ba-Phalaborwa - Supporting Table SC9 Monthly Budget Statement - actual and revised targets for cash receipts - M06 December

Description	Ref	Budget Year 2013/14											
		July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget
R thousands	1												
Cash Receipts By Source													
Property rates		3,205	5,502	2,154	2,544	2,725	1,633	4,364	4,928	4,422	4,778	4,998	17,338
Service charges - electricity revenue		8,600	4,420	3,238	3,209	3,991	3,457	5,894	6,654	5,971	6,452	6,749	20,488
Service charges - water revenue		5,554		3,109	3,296	4,573	3,140	-	-	-	-	-	(19,673)
Service charges - sanitation revenue		271		536	410	547	413	-	-	-	-	-	(2,178)
Service charges - refuse		432	892	338	290	372	330	452	452	452	452	452	509
Rental of facilities and equipment		19	31	25	35	9	9	13	15	13	14	15	(23)
Interest earned - external investments		5	14	10	17	46	63	19	21	19	20	21	(6)
Interest earned - outstanding debtors		684		308	360	342	179	6,112	6,901	6,193	6,691	6,999	47,289
Dividends received								0	0	0	0	0	1
Fines		200	250			460		81	91	82	88	92	(261)
Licences and permits		2	1,113	3,018	710	1,225	310	242	273	245	264	277	(4,435)
Agency services								-	-	-	-	-	-
Transfer receipts - operating		28,851	1,290			22,561				24,718			(3,266)
Other revenue		12,912	6,492	2,518	24	16	19	55	62	56	61	63	(21,537)
Cash Receipts by Source		60,736	20,005	15,256	10,897	36,867	9,553	17,232	19,397	42,170	18,820	19,666	34,246
Other Cash Flows by Source													
Transfer receipts - capital		12,347	-	-	10,034					9,778			(2,825)
Total Cash Receipts by Source		73,083	20,005	15,256	20,931	36,867	9,553	17,232	19,397	51,947	18,820	19,666	31,421
Cash Payments by Type													
Employee related costs		8,351	8,259	8,035	7,779	7,596	7,895	8,280	9,348	8,388	9,064	9,481	18,678
Remuneration of councillors		1,005	1,040	1,020	984	973	998	908	1,025	920	994	1,039	1,280

Interest paid	44	88	39		197	38	60	68	61	66	69	75
Bulk purchases - Electricity	14,024		-	5,000	7,207	5,000	5,795	6,543	5,871	6,344	6,636	15,377
Bulk purchases - Water & Sewer				5,000			-	-	-	-	-	(5,000)
Other materials							-	-	-	-	-	-
Contracted services	5,827	3,025	865	6,377	7,353	5,007	2,104	2,375	2,131	2,303	2,409	(11,533)
Grants and subsidies paid - other municipalities							-	-	-	-	-	-
Grants and subsidies paid - other							-	-	-	-	-	-
General expenses	24,238	13,811	5,386	3,253	2,760	13,297	3,155	3,563	3,197	3,454	3,613	(37,367)
Cash Payments by Type	53,488	26,224	15,346	28,393	26,086	32,235	20,301	22,921	20,567	22,223	23,247	(18,490)
Other Cash Flows/Payments by Type												
Capital assets	9,880	3,353	325	1,612	7,823	3,302	4,515	5,098	4,575	4,943	5,171	10,023
Repayment of borrowing												-
Other Cash Flows/Payments					(21,875)							21,875
Total Cash Payments by Type	63,368	29,577	15,671	30,005	12,034	35,537	24,817	28,019	25,142	27,166	28,417	13,408
NET INCREASE/(DECREASE) IN CASH HELD	9,715	(9,572)	(415)	(9,074)	24,832	(25,985)	(7,585)	(8,622)	26,805	(8,346)	(8,751)	18,013
Cash/cash equivalents at the month/year beginning:	1,137	10,852	1,281	865	(8,209)	16,624	(9,361)	(16,946)	(25,568)	1,237	(7,109)	(15,860)
Cash/cash equivalents at the month/year end:	10,852	1,281	865	(8,209)	16,624	(9,361)	(16,946)	(25,568)	1,237	(7,109)	(15,860)	2,153

Notes

- Unfavourable balance of R9,361 million as at 31 December 2013

12. CAPITAL EXPENDITURE TREND

LIM334 Ba-Phalaborwa - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M06 December

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		285	11,532	15,155	3,623	23.9%	19%
October		5,052		1,414	12,946	20,207	7,261	35.9%	21%
November		5,052		6,862	19,808	25,258	5,450	21.6%	33%
December		5,052		2,897	22,705	30,310	7,605	25.1%	37%
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	-	22,705					

Notes:

- The total capital expenditure trend gives a year to date actual of R22,705 million excluding vat

13.BANK RECONCILIATION

BA-PHALABORWAMUNICIPALITY
TRANSACTION STATEMENT FOR DECEMBER 2013

Outstanding C/F		16,623,615.52
Current - Cheques	BS01	-25,731.50
Current - ACBs	BS02	-24,879,929.67
Current - ACB Rejects	BS03	-
Current - Deposits	BS04	18,003,127.82
Current - RD Cheques	BS05	-
Current - Redeposits	BS06	-
Current - Transfers	BS07	-19,044,075.55
Current - Bank Charges	BS08	-37,962.98
Current - Already Reconciled	BS09	-
Current - C/F		-9,360,956.36

Notes

- The closing overdraft of **R9,360,956.36**

14.RECOMMENDATIONS

a. That the following be noted:

- i. The financial report for the period ended 31 December 2013 **excluding Water and Waste Water management**
- ii. The summary of monthly budget statement report for the month ended 31 December 2013
- iii. The financial performance for the month ended 31 December 2013
- iv. The financial position as at 31 December 2013
- v. The actual operating revenue for the month ended 31 December 2013 is R20,609 million excluding capital contribution
- vi. That the Municipality did not receive any grant during the month of December 2013
- vii. The actual expenditure for the month ended 31 December 2013 is R26, 428 million (Total expenditure inclusive of Capex R2, 897 million, Salaries R8, 893 million) be approved.
- viii. The deficit for the month ended 31 December 2013 is R2,897 million
- ix. Outstanding creditors as at 31 December 2013 is R6,743 million for the current month
- x. Consolidated call deposit accounts held at STD Bank and ABSA closed with a balance of R20,465 million on December 2013
- xi. That councillors and Staff Benefits for December 2013 amount to R8,893 million
- xii. Municipal Primary Bank reconciliation closed with a negative balance of **R9,360,956.36** as at 31 December 2013