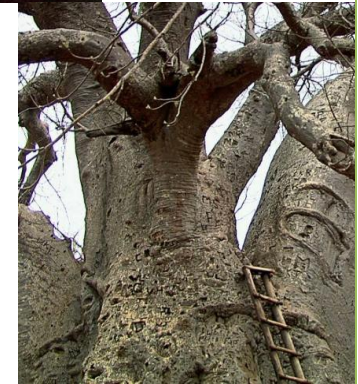


# BA-PHALABORWA MUNICIPALITY



## FINANCIAL PERFORMANCE REPORT

AS AT 31 DECEMBER 2015



## Values

- Efficiency and effectiveness;
- Accountability;
- Innovation and creativity;
- Professionalism and hospitality;
- Transparency and fairness;
- Continuous learning and
- Conversation conscious

*The Home of Marula and Wildlife Tourism*

## Vision

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

## Mission

*“To provide quality infrastructure and affordable services, promote sustainable economic growth, financial viability, sound administration and*

## SUMMARY

## LIM334 Ba-Phalaborwa - Table C1 Monthly Budget Statement Summary - M06 December

Description	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
<b>Financial Performance</b>									
Property rates	-	124 589	-	8 858	53 087	62 294	(9 208)	-15%	124 589
Service charges	-	117 637	-	9 213	52 657	58 818	(6 162)	-10%	117 637
Investment revenue	-	275	-	21	304	137	166	121%	275
Transfers recognised - operational	-	113 160	-	598	83 492	56 580	26 912	48%	113 160
Other own revenue	-	87 404	-	2 894	31 521	43 702	(12 181)	-28%	87 404
<b>Total Revenue (excluding capital transfers and contributions)</b>	-	<b>443 065</b>	-	<b>21 583</b>	<b>221 060</b>	<b>221 532</b>	<b>(472)</b>	<b>-0%</b>	<b>443 065</b>
Employee costs	-	122 693	-	8 678	50 135	61 346	(11 211)	-18%	122 693
Remuneration of Councillors	-	12 811	-	1 128	6 842	6 405	437	7%	12 811
Depreciation & asset impairment	-	70 104	-	-	-	35 052	(35 052)	-100%	70 104
Finance charges	-	2 109	-	126	733	1 055	(322)	-31%	2 109
Materials and bulk purchases	-	94 332	-	1 754	42 994	47 166	(4 172)	-9%	94 332
Other expenditure	-	167 944	-	6 677	50 691	83 972	(33 281)	-40%	167 944
<b>Total Expenditure</b>	-	<b>469 992</b>	-	<b>18 363</b>	<b>151 395</b>	<b>234 996</b>	<b>(83 601)</b>	<b>-36%</b>	<b>469 992</b>
<b>Surplus/(Deficit)</b>	-	<b>(26 927)</b>	-	<b>3 220</b>	<b>69 665</b>	<b>(13 464)</b>	<b>83 129</b>	<b>-617%</b>	<b>(26 927)</b>
Transfers recognised - capital	-	36 492	-	7 120	29 290	18 246	11 044	61%	36 492
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	-	<b>9 565</b>	-	<b>10 340</b>	<b>98 955</b>	<b>4 782</b>	<b>94 173</b>	<b>1969%</b>	<b>9 565</b>
<b>Surplus/ (Deficit) for the year</b>	-	<b>9 565</b>	-	<b>10 340</b>	<b>98 955</b>	<b>4 782</b>	<b>94 173</b>	<b>1969%</b>	<b>9 565</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	-	<b>53 792</b>	-	<b>9 011</b>	<b>31 295</b>	<b>26 896</b>	<b>4 399</b>	<b>16%</b>	<b>53 792</b>
Capital transfers recognised	-	36 492	-	6 381	26 034	18 246	7 788	43%	36 492
Internally generated funds	-	17 300	-	2 630	5 261	8 650	(3 389)	-39%	17 300
<b>Total sources of capital funds</b>	-	<b>53 792</b>	-	<b>9 011</b>	<b>31 295</b>	<b>26 896</b>	<b>4 399</b>	<b>16%</b>	<b>53 792</b>

<b>Financial position</b>									
Total current assets	-	184 644	-		525 569				184 644
Total non current assets	-	1 360 832	-		1 284 139				1 360 832
Total current liabilities	-	6 741	-		30 507				6 741
Total non current liabilities	-	198 000	-		230 000				198 000
<b>Community wealth/Equity</b>	-	<b>1 340 735</b>	-		<b>1 549 202</b>				<b>1 340 735</b>
<b>Cash flows</b>									
Net cash from (used) operating	-	54 592	-	(9 808)	49 791	27 296	(22 495)	-82%	54 592
Net cash from (used) investing	-	(53 792)	-	(10 273)	(36 345)	(26 896)	9 449	-35%	(53 792)
Net cash from (used) financing	-	-	-	-	397	-	(397)	#DIV/0!	-
<b>Cash/cash equivalents at the month/year end</b>	-	<b>1 612</b>	-	-	<b>15 694</b>	<b>1 212</b>	<b>(14 482)</b>	<b>-1195%</b>	<b>2 651</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	22 420	15 218	13 074	13 057	11 659	11 832	10 195	397 232	494 687
<b>Creditors Age Analysis</b>									
Total Creditors	12 043	1 016	667	2 225	-	-	-	-	15 951

## Notes

- Operating Revenue (excluding capital transfers and contributions) is R21, 583 million
- Transfers recognised – capital amount to R7, 120 million (Conditions met on MIG and INEG Capital grants including VAT)
- Operational Expenditure on financial Performances is R18, 363 million
- Capital expenditure incurred during the month of December R9, 011 million

## LIM334 Ba-Phalaborwa - Supporting Table SC1 Material variance explanations - M06 December

	Description R thousands	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
1	<b>Revenue By Source</b>			
	Property rates	(9,208)	Changes in the categories of property on the Valuation roll	Constant monitoring
	Service charges	(6,162)	Electricity losses caused by old infrastructure and illegal connections	investigations and audit to be conducted
	Investment revenue	166	The call accounts yielded more interest than we expected	None
	Transfers recognised - operational	26,912	The equitable share allocation	None
2	<b>Expenditure By Type</b>			
	Employee costs	(11,211)	changes in staff complement	None
	Depreciation & asset impairment	(35,052)	Depreciation not yet calculated	The depreciation will be done retrospectively
	Finance charges	(322)	The Overdraft was closed thus less bank charges	None
	Materials and bulk purchases	(4,172)	Under billing and low consumptions	
3	-			
	Capital transfers recognised	7,788	MIG received was spent in full for 2015/16.	INEG Capital expenditure to continue spending according to plan
	Internally generated funds	(3,389)	No projects are implemented	To have cash backed in order to spend on Internal funded Projects

## 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	2014/15	Budget Year 2015/16							
		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>										
<i>Governance and administration</i>		–	306 962	–	11 412	159 466	153 481	5 985	4%	306 962
Executive and council		–	–	–	–	–	–	–		–
Budget and treasury office		–	306 613	–	11 361	159 192	153 307	5 886	4%	306 613
Corporate services		–	349	–	50	274	174	100	57%	349
<i>Community and public safety</i>		–	14 980	–	10	5 544	7 490	(1 946)	-26%	14 980
Community and social services		–	12 213	–	10	3 772	6 107	(2 334)	-38%	12 213
Public safety		–	2 767	–	–	1 772	1 384	388	28%	2 767
<i>Economic and environmental services</i>		–	32 978	–	7 031	30 216	16 489	13 727	83%	32 978
Planning and development		–	–	–	8	30	–	30	#DIV/0!	–
Road transport		–	32 978	–	7 023	30 186	16 489	13 697	83%	32 978
<i>Trading services</i>		–	124 637	–	10 250	55 124	62 318	(7 194)	-12%	124 637
Electricity		–	112 666	–	8 675	46 765	56 333	(9 568)	-17%	112 666
Waste management		–	11 971	–	1 575	8 359	5 986	2 374	40%	11 971
<i>Other</i>	4	–	–	–	–	–	–	–		–
<b>Total Revenue - Standard</b>	2	–	479 557	–	28 703	250 350	239 778	10 572	4%	479 557
<b>Expenditure - Standard</b>										
<i>Governance and administration</i>		–	183 063	–	10 203	63 949	91 532	(27 582)	-30%	183 063
Executive and council		–	44 222	–	3 213	20 025	22 111	(2 086)	-9%	44 222
Budget and treasury office		–	91 301	–	4 843	28 848	45 650	(16 802)	-37%	91 301
Corporate services		–	47 540	–	2 148	15 076	23 770	(8 694)	-37%	47 540
<i>Community and public safety</i>		–	58 121	–	2 689	20 230	29 061	(8 830)	-30%	58 121
Community and social services		–	46 819	–	2 128	16 376	23 409	(7 033)	-30%	46 819
Public safety		–	11 303	–	561	3 854	5 651	(1 797)	-32%	11 303
<i>Economic and environmental services</i>		–	97 404	–	1 869	21 159	48 702	(27 543)	-57%	97 404
Planning and development		–	17 791	–	339	3 699	8 896	(5 197)	-58%	17 791
Road transport		–	79 613	–	1 530	17 460	39 806	(22 346)	-56%	79 613
<i>Trading services</i>		–	131 403	–	3 602	54 674	65 702	(11 028)	-17%	131 403
Electricity		–	124 296	–	3 245	53 135	62 148	(9 013)	-15%	124 296
Waste management		–	7 107	–	357	1 538	3 554	(2 015)	-57%	7 107
<i>Other</i>		–	–	–	–	–	–	–		–
<b>Total Expenditure - Standard</b>	3	–	469 992	–	18 363	160 013	234 996	(74 983)	-32%	469 992
<b>Surplus/ (Deficit) for the year</b>		–	9 565	–	10 340	90 338	4 782	85 555	1789%	9 565

**Notes:**

- Total revenue by vote including capital transfer contribution amount to R28, 703 million.
- Operational Expenditure on financial Performances is R18, 363 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	2014/15	Budget Year 2015/16								
		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			124 589			8 858	53 087	62 294	(9 208)	-15%	124 589
Property rates - penalties & collection charges									-		
Service charges - electricity revenue			105 666			8 085	45 614	52 833	(7 219)	-14%	105 666
Service charges - refuse revenue			11 971			1 128	7 043	5 986	1 057	18%	11 971
Rental of facilities and equipment			346			43	198	173	25	15%	346
Interest earned - external investments			275			21	304	137	166	121%	275
Interest earned - outstanding debtors			70 973			2 781	25 373	35 486	(10 113)	-28%	70 973
Dividends received			3			-	-	1	(1)	-100%	3
Fines			2 917			1	1 837	1 459	379	26%	2 917
Licences and permits			9 399			1	3 590	4 700	(1 110)	-24%	9 399
Agency services			2 381			-	-	1 191	(1 191)	-100%	2 381
Transfers recognised - operational			113 160			598	83 492	56 580	26 912	48%	113 160
Other revenue			1 385			69	522	693	(170)	-25%	1 385
Gains on disposal of PPE									-		
<b>Total Revenue (excluding capital transfers and contributions)</b>			<b>-</b>			<b>21 583</b>	<b>221 060</b>	<b>221 532</b>	<b>(472)</b>	<b>0%</b>	<b>443 065</b>
<b>Expenditure By Type</b>											
Employee related costs			122 693			8 678	50 135	61 346	(11 211)	-18%	122 693
Remuneration of councillors			12 811			1 128	6 842	6 405	437	7%	12 811
Debt impairment			33 326			-	-	16 663	(16 663)	-100%	33 326
Depreciation & asset impairment			70 104			-	-	35 052	(35 052)	-100%	70 104
Finance charges			2 109			126	733	1 055	(322)	-31%	2 109
Bulk purchases			94 332			1 754	42 994	47 166	(4 172)	-9%	94 332
Other materials									-		
Contracted services			52 256			3 112	25 129	26 128	(999)	-4%	52 256
Transfers and grants									-		
Other expenditure			82 362			3 565	25 561	41 181	(15 620)	-38%	82 362
Loss on disposal of PPE									-		
<b>Total Expenditure</b>			<b>-</b>			<b>18 363</b>	<b>151 395</b>	<b>234 996</b>	<b>(83 601)</b>	<b>-36%</b>	<b>469 992</b>
<b>Surplus/(Deficit)</b>			<b>-</b>			<b>3 220</b>	<b>69 665</b>	<b>(13 464)</b>	<b>83 129</b>	<b>(0)</b>	<b>(26 927)</b>



Transfers recognised - capital		36 492		7 120	29 290	18 246	11 044	0	36 492
Contributions recognised - capital							-		
Contributed assets							-		
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	-	<b>9 565</b>	-	<b>10 340</b>	<b>98 955</b>	<b>4 782</b>			<b>9 565</b>
Taxation							-		
<b>Surplus/(Deficit) after taxation</b>	-	<b>9 565</b>	-	<b>10 340</b>	<b>98 955</b>	<b>4 782</b>			<b>9 565</b>
Attributable to minorities									
<b>Surplus/(Deficit) attributable to municipality</b>	-	<b>9 565</b>	-	<b>10 340</b>	<b>98 955</b>	<b>4 782</b>			<b>9 565</b>
Share of surplus/ (deficit) of associate									
<b>Surplus/ (Deficit) for the year</b>	-	<b>9 565</b>	-	<b>10 340</b>	<b>98 955</b>	<b>4 782</b>			<b>9 565</b>

**Notes:**

- Operating Revenue (excluding capital transfers and contributions) is R21, 583 million
- Transfers recognised – capital amount to R7, 120 million (Conditions met on MIG and ENEG.
- Operational Expenditure on financial Performances is R18, 363 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	2014/15	Budget Year 2015/16							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
<b>Single Year expenditure appropriation</b>	2									
Vote 3 - CORPORATE SERVICES		-	5 700	-	-	1 110	2 850	(1 740)	-61%	5 700
Vote 6 - TECHNICAL SERVICES DEPARTMENT		-	48 092	-	9 011	30 185	24 046	6 139	26%	48 092
0		-	-	-	-	-	-	-		-
<b>Total Capital single-year expenditure</b>	4	-	53 792	-	9 011	31 295	26 896	4 399	16%	53 792
<b>Total Capital Expenditure</b>		-	53 792	-	9 011	31 295	26 896	4 399	16%	53 792
<b>Capital Expenditure - Standard Classification</b>										
<b>Governance and administration</b>		-	5 700	-	-	1 110	2 850	(1 740)	-61%	5 700
Corporate services			5 700			1 110	2 850	(1 740)	-61%	5 700
<b>Economic and environmental services</b>		-	35 492	-	8 742	26 392	17 746	8 646	49%	35 492
Road transport			35 492		8 742	26 392	17 746	8 646	49%	35 492
<b>Trading services</b>		-	12 600	-	269	3 793	6 300	(2 507)	-40%	12 600
Electricity			12 600		269	3 793	6 300	(2 507)	-40%	12 600
<b>Total Capital Expenditure - Standard Classification</b>	3	-	53 792	-	9 011	31 295	26 896	4 399	16%	53 792
<b>Funded by:</b>										
National Government			36 492		6 381	26 034	18 246	7 788	43%	36 492
Other transfers and grants								-		

Transfers recognised - capital		-	36 492	-	6 381	26 034	18 246	7 788	43%	36 492
Internally generated funds			17 300		2 630	5 261	8 650	(3 389)	-39%	17 300
<b>Total Capital Funding</b>		-	<b>53 792</b>	-	<b>9 011</b>	<b>31 295</b>	<b>26 896</b>	<b>4 399</b>	<b>16%</b>	<b>53 792</b>

**Note:**

- Capital expenditure incurred during the month of December 2015 amount to R9,011 million (Own Funding, MIG and INEG capital expenditure excluding vat)

### 3. FINANCIAL POSITION

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

Description	Ref	2014/15	Budget Year 2015/16		YearTD actual	Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget		
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash			1 612		15 694	1 612
Call investment deposits			1 700		5 688	1 700
Consumer debtors			161 832		494 687	161 832
Inventory			19 500		9 500	19 500
<b>Total current assets</b>		-	<b>184 644</b>	-	<b>525 569</b>	<b>184 644</b>
<b>Non current assets</b>						
Property, plant and equipment			1 360 432		1 284 139	1 360 432
Biological assets			400			400
<b>Total non current assets</b>		-	<b>1 360 832</b>	-	<b>1 284 139</b>	<b>1 360 832</b>
<b>TOTAL ASSETS</b>		-	<b>1 545 477</b>	-	<b>1 809 708</b>	<b>1 545 477</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Trade and other payables	-		5 091		30 507	5 091
<b>Total current liabilities</b>		-	<b>6 741</b>	-	<b>30 507</b>	<b>6 741</b>
<b>Non current liabilities</b>						
Borrowing			180 000		210 000	180 000
Provisions			18 000		20 000	18 000
<b>Total non current liabilities</b>		-	<b>198 000</b>	-	<b>230 000</b>	<b>198 000</b>
<b>TOTAL LIABILITIES</b>		-	<b>204 741</b>	-	<b>260 507</b>	<b>204 741</b>
<b>NET ASSETS</b>	2	-	<b>1 340 735</b>	-	<b>1 549 202</b>	<b>1 340 735</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Reserves			1 340 735		1 549 202	1 340 735
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	-	<b>1 340 735</b>	-	<b>1 549 202</b>	<b>1 340 735</b>

**Note:**

- The financial position shows only year to date actual

## 4. CASH FLOW

LIM334 Ba-Phalaborwa - Table C7 Monthly Budget Statement - Cash Flow - M06 December

Description	Ref	2014/15	Budget Year 2015/16							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1							%		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates, penalties & collection charges			37 772		3 588	21 249	18 886	2 363	13%	37 772
Service charges			197 813		11 216	65 696	98 906	(33 210)	-34%	197 813
Other revenue			16 411		44	5 731	8 205	(2 474)	-30%	16 411
Government - operating			113 160		-	84 316	56 580	27 736	49%	113 160
Government - capital			36 492		7 763	36 594	18 246	18 348	101%	36 492
Interest			19 504		266	2 183	9 752	(7 569)	-78%	19 504
Dividends			3		-	-	1	(1)	-100%	3
<b>Payments</b>										
Suppliers and employees			(364 453)		(32 559)	(165 246)	(182 227)	(16 981)	9%	(364 453)
Finance charges			(2 109)		(126)	(733)	(1 055)	(322)	31%	(2 109)
Transfers and Grants								-		
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>			<b>54 592</b>		<b>(9 808)</b>	<b>49 791</b>	<b>27 296</b>	<b>(22 495)</b>	<b>-82%</b>	<b>54 592</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Payments</b>										
Capital assets			(53 792)		(10 273)	(36 345)	(26 896)	9 449	-35%	(53 792)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>			<b>(53 792)</b>		<b>(10 273)</b>	<b>(36 345)</b>	<b>(26 896)</b>	<b>9 449</b>	<b>-35%</b>	<b>(53 792)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Increase (decrease) in consumer deposits						397		397	#DIV/0!	
<b>Payments</b>										
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>			<b>-</b>		<b>-</b>	<b>397</b>	<b>-</b>	<b>(397)</b>	<b>#DIV/0!</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>			<b>800</b>		<b>(20 081)</b>	<b>13 842</b>	<b>400</b>			<b>800</b>

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Cash/cash equivalents at beginning:			813			1 852	813			1 852
Cash/cash equivalents at month/year end:		-	1 612		-	15 694	1 212			2 651

**Note:**

The bank shows favourable closing balance of R15, 694 million as at 31 December 2015.

## 5. DEBTORS AGE ANALYSIS

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

Description	NT Code	Budget Year 2015/16										
		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	6 855	1 882	831	731	611	985	636	24 519	37 051	27 483	
Receivables from Non-exchange Transactions - Property Rates	1400	8 015	6 063	5 138	5 359	4 476	4 373	2 447	105 604	141 476	122 260	
Receivables from Exchange Transactions - Waste Management	1600	1 245	997	915	857	839	837	675	38 773	45 138	41 982	
Other	1900	6 305	6 276	6 191	6 109	5 732	5 636	6 436	228 336	271 021	252 250	
<b>Total By Income Source</b>	<b>2000</b>	<b>22 420</b>	<b>15 218</b>	<b>13 074</b>	<b>13 057</b>	<b>11 659</b>	<b>11 832</b>	<b>10 195</b>	<b>397 232</b>	<b>494 687</b>	<b>443 975</b>	
<b>2014/15 - totals only</b>										-	-	
<b>Debtors Age Analysis By Customer Group</b>												
Organs of State	2200	941	1 003	1 061	317	237	236	269	8 084	12 149	9 144	
Commercial	2300	3 688	2 431	2 520	1 658	1 516	1 216	1 338	56 844	71 211	62 571	
Households	2400	16 210	11 111	8 885	10 613	9 465	9 844	8 166	327 413	401 707	365 501	
Other	2500	1 581	672	608	470	441	535	422	4 891	9 620	6 759	
<b>Total By Customer Group</b>	<b>2600</b>	<b>22 420</b>	<b>15 218</b>	<b>13 074</b>	<b>13 057</b>	<b>11 659</b>	<b>11 832</b>	<b>10 195</b>	<b>397 232</b>	<b>494 687</b>	<b>443 975</b>	

#### Note:

- The Debtor's age analysis shows a total figure of R494, 687 million from 30 days to over a year.



## 6. CREDITORS AGE ANALYSIS

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

Description	NT Code	Budget Year 2015/16									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	
<b>R thousands</b>											
<b>Creditors Age Analysis By Customer Type</b>											
Bulk Electricity	0100	6 412								6 412	
Bulk Water	0200									-	
PAYE deductions	0300									-	
VAT (output less input)	0400									-	
Pensions / Retirement deductions	0500									-	
Loan repayments	0600									-	
Trade Creditors	0700	5 631	1 016	667	2 225					9 539	
Auditor General	0800									-	
Other	0900									-	
<b>Total By Customer Type</b>	<b>1000</b>	<b>12 043</b>	<b>1 016</b>	<b>667</b>	<b>2 225</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15 951</b>	<b>-</b>

#### Notes:

- The creditor's age analysis shows a total figure of R15,951 million
- Trade Creditors includes money owed to Dept. of Roads and Transport, Lepele Northern Water (December invoice) and other Contracted services such as KWCRS, Cigicel and MG.V.

## 7. INVESTMENT PORTFOLIO

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

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							
<b>Municipality</b>									
ABSA - Call Account			Fixed deposit				93	-	93
Call deposit a/c - STD Bank			Call Account				5 575	21	5 595
<b>TOTAL INVESTMENTS AND INTEREST</b>	2				-		5 668	21	5 688

#### Notes:

Total Investment is standing at R5, 688 million as at 31 December 2015.

## 8. TRANSFERS AND GRANT EXPENDITURES

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

Description	Ref	2014/15	Budget Year 2015/16							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>EXPENDITURE</b>										
-										
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		-	113 160	-	598	83 397	56 580	26 817	47.4%	113 160
Local Government Equitable Share			107 805		-	80 854	53 903	26 952	50.0%	107 805
Finance Management			1 675		100	846	838	9	1.0%	1 675
Municipal Systems Improvement			940		329	754	470	284	60.5%	940
EPWP Incentive			1 188		81	421	594	(173)	-29.2%	1 188
Operating Grant: MIG (5% of MIG Grants for PMU)			1 552		88	507	776	(269)	-34.7%	1 552
OP GR : SITA			-		-	15	-	15	#DIV/0!	-
<b>Total operating expenditure of Transfers and Grants:</b>		-	113 160	-	598	83 397	56 580	26 817	47.4%	113 160
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		-	36 492	-	7 120	29 384	18 246	11 138	61.0%	36 492
Municipal Infrastructure Grant (MIG)			29 492		6 814	29 078	14 746	14 332	97.2%	29 492
Intergrated National Electrification Grant			7 000		306	306	3 500	(3 194)	-91.2%	7 000
<b>Total capital expenditure of Transfers and Grants</b>		-	36 492	-	7 120	29 384	18 246	11 138	61.0%	36 492
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		-	149 652	-	7 719	112 781	74 826	37 955	50.7%	149 652

Notes:

- The monthly operating transfers and grants expenditure is R7, 719 million
- Capital transfers and grants expenditure for the month of December 2015 is R7, 120 million.

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

Summary of Employee and Councillor remuneration	Ref	2014/15	Budget Year 2015/16							
		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			8 874		834	5 018	4 437	580	13%	8 874
Motor Vehicle Allowance			3 109		231	1 449	1 554	(105)	-7%	3 109
Cellphone Allowance			828		63	376	414	(38)	-9%	828
<b>Sub Total - Councillors</b>			<b>12 811</b>		<b>1 128</b>	<b>6 842</b>	<b>6 405</b>	<b>437</b>	<b>7%</b>	<b>12 811</b>
<b>% increase</b>	4	-	<b>#DIV/0!</b>	-						<b>#DIV/0!</b>
<b><u>Senior Managers of the Municipality</u></b>	3									
Basic Salaries and Wages			3 797		276	1 193	1 898	(705)	-37%	3 797
Pension and UIF Contributions			11		1	3	5	(2)	-47%	11
Motor Vehicle Allowance			2 448		132	528	1 224	(696)	-57%	2 448
Cellphone Allowance			86		6	20	43	(23)	-54%	86
Other benefits and allowances			780		61	334	390	(56)	-14%	780
<b>Sub Total - Senior Managers of Municipality</b>			<b>7 121</b>		<b>476</b>	<b>2 078</b>	<b>3 561</b>	<b>(1 483)</b>	<b>-42%</b>	<b>7 121</b>
<b>% increase</b>	4	-	<b>#DIV/0!</b>	-						<b>#DIV/0!</b>
<b><u>Other Municipal Staff</u></b>										
Basic Salaries and Wages			73 101		5 304	31 614	36 551	(4 937)	-14%	73 101
Pension and UIF Contributions			14 153		1 066	6 311	7 077	(766)	-11%	14 153
Medical Aid Contributions			4 567		361	2 114	2 284	(170)	-7%	4 567
Overtime			4 153		258	910	2 076	(1 167)	-56%	4 153
Motor Vehicle Allowance			12 974		689	4 498	6 487	(1 989)	-31%	12 974
Cellphone Allowance			1 044		70	421	522	(102)	-19%	1 044
Housing Allowances			913		61	375	456	(81)	-18%	913

Other benefits and allowances			4 004		331	1 662	2 002	(340)	-17%	4 004
Long service awards			662		63	800	331	469	142%	662
Post-retirement benefit obligations	2				-			-		
<b>Sub Total - Other Municipal Staff</b>		-	<b>115 571</b>	-	<b>8 202</b>	<b>48 704</b>	<b>57 786</b>	<b>(9 082)</b>	<b>-16%</b>	<b>115 571</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		-	<b>135 503</b>	-	<b>9 806</b>	<b>57 624</b>	<b>67 752</b>	<b>(10 127)</b>	<b>-15%</b>	<b>135 503</b>
% increase	4		#DIV/0!							#DIV/0!
<b>TOTAL MANAGERS AND STAFF</b>		-	<b>122 693</b>	-	<b>8 678</b>	<b>50 782</b>	<b>61 346</b>	<b>(10 565)</b>	<b>-17%</b>	<b>122 693</b>

**Notes:**

- Political office bearer's remunerations for the month of December amounted to R1, 128 million.
- Employee related costs R8, 678 million.
- The municipality has total employee related cost & Remuneration of councillors of R9, 806 million for the month of December 2015

NB: Senior Managers only contribute UIF and no pension fund contribution

## 10. ACTUALS AND REVISED TARGETS FOR CASH RECEIPT

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

Description	Ref	Budget Year 2015/16											
		July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget
<b>Cash Receipts By Source</b>	1												
Property rates		2,808	3,005	3,694	4,220	3,934	3,588	2,765	3,366	2,542	3,154	2,544	2,150
Service charges - electricity revenue		3,683	6,159	3,736	5,578	4,999	5,094	3,404	5,398	7,389	5,834	5,944	22,032
Service charges - water revenue		3,111	6,065	4,329	6,704	4,523	5,149	5,669	8,135	7,389	3,238	3,209	3,092
Service charges - sanitation revenue		596	608	594	767	626	533	4,472	3,670	4,304	4,109	3,296	25,397
Service charges - refuse		425	455	477	588	459	440	339	1,480	458	452	452	2,954
Rental of facilities and equipment		29	38	27	34	15	43	20	21	23	23	23	52
Interest earned - external investments		53	83	78	50	19	21	17	26	25	26	16	(140)
Interest earned - outstanding debtors		326	229	376	339	320	245	330	331	329	326	329	15,749
Dividends received		-	-	-	-	-	-	0	0	0	0	0	2
Fines		1,772	5	27	15	17	1	230	233	235	234	233	(252)
Licences and permits		175	541	1,576	568	730	1	763	1,163	964	866	1,165	1,033
Agency services		-	-	-	-	-	-	194	193	193	194	195	1,416
Transfer receipts - operating		47,549	475	-	-	36,292	-	-	-	37,720	-	-	(8,876)
Other revenue		59	14	18	59	15	-	79	76	74	75	76	842
<b>Cash Receipts by Source</b>		<b>60,585</b>	<b>17,676</b>	<b>14,932</b>	<b>18,921</b>	<b>51,948</b>	<b>15,114</b>	<b>18,283</b>	<b>24,092</b>	<b>61,646</b>	<b>18,532</b>	<b>17,482</b>	<b>65,451</b>
<b>Other Cash Flows by Source</b>													-
Transfer receipts - capital				2,800		-	7,763						(12,266)

		15,764			10,267					12,164			
<b>Total Cash Receipts by Source</b>		<b>76,349</b>	<b>17,676</b>	<b>17,732</b>	<b>29,188</b>	<b>51,948</b>	<b>22,877</b>	<b>18,283</b>	<b>24,092</b>	<b>73,810</b>	<b>18,532</b>	<b>17,482</b>	<b>53,185</b>
<b>Cash Payments by Type</b>													-
Employee related costs		8,024	7,535	8,593	8,888	8,418	8,678	10,660	10,681	10,694	10,540	10,591	19,391
Remuneration of councillors		1,150	1,120	1,137	1,137	1,171	1,128	1,159	1,161	1,165	1,163	1,167	154
Interest paid		69	166	116	118	138	126	79	80	79	76	75	987
Bulk purchases - Electricity		15,000	5,500	5,000	14,500	4,500	7,000	7,388	5,369	8,351	8,348	8,325	5,051
Contracted services		3,193	2,652	1,462	3,986	2,426	8,595	4,089	2,120	4,155	4,182	7,199	10,198
General expenses		13,515	276	2,636	4,771	6,099	7,158	6,562	3,529	6,510	6,590	6,523	16,193
<b>Cash Payments by Type</b>		<b>40,951</b>	<b>17,248</b>	<b>18,943</b>	<b>33,400</b>	<b>22,752</b>	<b>32,685</b>	<b>29,937</b>	<b>22,940</b>	<b>30,955</b>	<b>30,898</b>	<b>33,881</b>	<b>51,974</b>
<b>Other Cash Flows/Payments by Type</b>													-
Capital assets		13,387	14	1,720	8,509	2,443	10,273	5,015	2,004	5,116	4,009	5,011	(3,707)
Other Cash Flows/Payments		21,450		(3,615)	(18,231)								397
<b>Total Cash Payments by Type</b>		<b>75,788</b>	<b>17,262</b>	<b>17,048</b>	<b>23,677</b>	<b>25,195</b>	<b>42,958</b>	<b>34,952</b>	<b>24,944</b>	<b>36,071</b>	<b>34,907</b>	<b>38,891</b>	<b>48,663</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>561</b>	<b>415</b>	<b>684</b>	<b>5,511</b>	<b>26,753</b>	<b>(20,081)</b>	<b>(16,668)</b>	<b>(852)</b>	<b>37,739</b>	<b>(16,375)</b>	<b>(21,409)</b>	<b>4,522</b>
Cash/cash equivalents at the month/year beginning:		1,852	2,412	2,827	3,510	9,022	35,775	15,694	(974)	(1,826)	35,913	19,538	(1,871)
Cash/cash equivalents at the month/year end:		2,412	2,827	3,510	9,022	35,775	15,694	(974)	(1,826)	35,913	19,538	(1,871)	2,651

## Notes

Total actual cash receipts for the month amount to R22, 877 million. This total is including Water and sanitation service charges.

While the total actual cash-payments made for the month amount to R42, 958 million. The closing balance on the primary bank account shows favourable bank balance of R15, 694 million

## 11.CAPITAL EXPENDITURE TREND

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

Month	2014/15	Budget Year 2015/16							
	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		4 483		11 156	11 156	4 483	(6 674)	-148.9%	21%
August		4 483		12	11 169	8 965	(2 203)	-24.6%	21%
September		4 483		1 509	12 677	13 448	771	5.7%	24%
October		4 483		7 464	20 141	17 931	(2 211)	-12.3%	37%
November		4 483		2 143	22 284	22 413	129	0.6%	41%
December		4 483		9 011	31 295	26 896	(4 399)	-16.4%	58%
January		4 483				31 379	-		
February		4 483				35 861	-		
March		4 483				40 344	-		
April		4 483				44 827	-		
May		4 483				49 309	-		
June		4 483				53 792	-		
<b>Total Capital expenditure</b>		-	53 792	-	31 295				

Notes:



- Capital expenditure incurred during the month of December 2015 amount to R9, 011 million (MIG, INEG and Own Funding excluding vat)

## 12.BANK RECONCILIATION

BA-PHALBORWA MUNICIPALITY  
TRANSACTION STATEMENT FOR DECEMBER 2015

ACC: 330451367

Statement Description	Statement Amt
Outstanding C/F	35 775 197.43
Current - Cheques	-71 368.00
Current - ACBs	-34 664 073.79
Current - ACB Rejects	-
Current - Deposits	6 615 735.41
Current - RD Cheques	-
Current - Redeposit	-
Current - Transfers	16 445 820.14
Current - Bank Charges	-43 232.22
Current- Other Transfers	-8 364 000.51
Current - Already Reconciled	-
Current - C/F	15 694 078.46

## Notes

- The closing balance as at 31 December 2015 is R15, 694 million.

## 13.RECOMMENDATIONS

### a. That the following be noted:

- 1) The financial report for the period ended 31 December 2015 **excluding Water and Waste Water management**
- 2) The summary of monthly budget statement report for the month ended 31 December 2015
- 3) The financial performance for the month ended 31 December 2015
- 4) The financial position as at 31 December 2015
- 5) The actual operating revenue (as per GRAP) for the month ended 31 December 2015 is R21, 583 million
- 6) Revenue Capital Contribution recognised is R7, 120 million (MIG Conditions met including vat).
- 7) Operational Expenditure on financial Performances is R18, 363 million.

- 8) Capital Expenditure incurred during the month ended 31 December 2015 amount to R9,011 million (MIG, INEG and own funding excluding vat)
- 9) The municipality received MIG of R6, 463 million and INEG of R1, 300 million during the month of December 2015
- 10) Consolidated call deposit accounts held at STD Bank and ABSA closed with a balance of R5, 688 million on 31 December 2015
- 11) That councillors and Staff Benefits for December 2015 amount to R9, 806 million be approved
- 12) Municipal Primary Bank reconciliation closed with a positive balance of R15,694 million as at 31 December 2015