

# BA-PHALABORWA MUNICIPALITY



## FINANCIAL PERFORMANCE REPORT

AS AT 31 JULY 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 – M01  
July

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
R thousands									
<u>Financial Performance</u>									
Property rates	–	70,634	–	5,606	5,606	5,886	(280)	-5%	70,634
Service charges	–	106,664	–	6,492	6,492	8,889	(2,396)	-27%	106,664
Investment revenue	–	260	–	75	75	22	53	246%	74,904
Transfers recognised – operational	–	88,490	–	33,015	33,015	7,374	25,640	348%	88,490
Other own revenue	–	90,204	–	6,013	6,013	7,517	(1,504)	-20%	90,204
Total Revenue (excluding capital transfers and contributions)	–	356,251	–	51,200	51,200	29,688	21,513	72%	430,895
Employee costs	–	118,379	–	8,851	8,851	9,865	(1,014)	-10%	118,379
Remuneration of Councillors	–	12,855	–	1,036	1,036	1,071	(35)	-3%	12,855
Depreciation & asset impairment	–	74,909	–	–	–	6,242	(6,242)	-100%	74,909
Finance charges	–	848	–	98	98	71	28	39%	848
Materials and bulk purchases	–	82,573	–	7,895	7,895	6,881	1,014	15%	82,573

Other expenditure	-	149,254	-	7,657	7,657	12,438	(4,781)	-38%	149,254
Total Expenditure	-	438,819	-	25,537	25,537	36,568	(11,032)	-30%	438,819
Surplus/ (Deficit)	-	(82,567)	-	25,664	25,664	(6,881)	32,544	-473%	(7,924)
Transfers recognised - capital	-	37,279	-	10,831	10,831	3,107	7,724	249%	37,279
Contributions & Contributed assets	-	-	-	-	-	-	-		-
Surplus/ (Deficit) after capital transfers & contributions	-	(45,289)	-	36,494	36,494	(3,774)	40,268	-1067%	29,355
Surplus/ (Deficit) for the year	-	(45,289)	-	36,494	36,494	(3,774)	40,268	-1067%	29,355
<u>Capital expenditure &amp; funds sources</u>									
Capital expenditure	-	61,179	-	9,500	9,500	5,098	4,402	86%	61,179
Capital transfers recognised	-	37,279	-	9,500	9,500	3,107	6,394	206%	37,279
Internally generated funds	-	23,900	-	-	-	1,992	(1,992)	-100%	23,900
Total sources of capital funds	-	61,179	-	9,500	9,500	5,098	4,402	86%	61,179
<u>Financial position</u>									
Total current assets	-	171,542	-		365,134				171,542
Total non current assets	-	1,284,539	-		1,284,139				1,284,539
Total current liabilities	-	1,500	-		16,414				1,500

Total non current liabilities	-	230,000	-		230,000				230,000
Community wealth/Equity	-	1,224,581	-		1,402,859				1,224,581
<u>Cash flows</u>									
Net cash from (used) operating	-	51,306	-	33,924	33,924	4,275	29,649	693%	51,306
Net cash from (used) investing	-	(51,179)	-	(10,831)	(10,831)	(4,265)	(6,566)	154%	(51,179)
Net cash from (used) financing	-	-	-	(21,433)	(21,433)	-	(21,433)		-
Cash/cash equivalents at the month/year end	-	2,227	-	-	2,151	2,111	41	2%	617
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	17,701	13,696	11,566	11,030	10,102	10,021	4,885	294,210	373,212
<u>Debtors Age Analysis</u>									
Total Creditors	-	-	-	696	-	-	-	-	696

**Notes**

- Operating Revenue (excluding capital transfers and contributions) is R51,200 million
- Operational Expenditure on financial Performances is R25,537
- Revenue Capital Contribution is R10,831 million
- Surplus for the month after capital transfers & contributions is R36,494 million
- The total capital expenditure for the month is R9,500 million excluding vat

## 1. FINANCIAL PERFORMANCE OF REVENUE AND EXPENDITURE BY VOTE

LIM334 Ba-Phalaborwa - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M01 July

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><u>Revenue - Standard</u></b>										
<b><i>Governance and administration</i></b>		–	<b>231,995</b>	–	<b>44,323</b>	<b>44,323</b>	<b>19,333</b>	24,990	129%	<b>231,995</b>
Budget and treasury office		–	231,665	–	44,310	44,310	19,305	25,004	130%	231,665
Corporate services		–	330	–	13	13	28	(14)	-52%	330
<b><i>Community and public safety</i></b>		–	<b>14,186</b>	–	<b>381</b>	<b>381</b>	<b>1,182</b>	(801)	-68%	<b>14,186</b>
Community and social services		–	11,565	–	381	381	964	(582)	-60%	11,565
Public safety		–	2,621	–	–	–	218	(218)	-100%	2,621
<b><i>Economic and environmental services</i></b>		–	<b>31,685</b>	–	<b>4,524</b>	<b>4,524</b>	<b>2,640</b>	1,884	71%	<b>31,685</b>
Road transport		–	31,685	–	4,524	4,524	2,640	1,884	71%	31,685
<b><i>Trading services</i></b>		–	<b>115,664</b>	–	<b>12,802</b>	<b>12,802</b>	<b>9,639</b>	3,163	33%	<b>115,664</b>
Electricity		–	104,327	–	11,842	11,842	8,694	3,148	36%	104,327
Waste management		–	11,337	–	960	960	945	16	2%	11,337
<b>Total Revenue - Standard</b>	2	–	<b>393,530</b>	–	<b>62,031</b>	<b>62,031</b>	<b>32,794</b>	<b>29,237</b>	<b>89%</b>	<b>393,530</b>
<b><u>Expenditure - Standard</u></b>	-									
<b><i>Governance and administration</i></b>		–	<b>166,186</b>	–	<b>10,116</b>	<b>10,116</b>	<b>13,849</b>	(3,733)	-27%	<b>166,186</b>
Executive and council		–	36,507	–	3,152	3,152	3,042	110	4%	36,507
Budget and treasury office		–	87,451	–	2,396	2,396	7,288	(4,891)	-67%	87,451
Corporate services		–	42,227	–	4,567	4,567	3,519	1,048	30%	42,227

<b>Community and public safety</b>		-	<b>58,282</b>	-	<b>3,940</b>	<b>3,940</b>	<b>4,857</b>	(917)	-19%	<b>58,282</b>
Community and social services		-	46,217	-	3,186	3,186	3,851	(665)	-17%	46,217
Public safety		-	12,066	-	753	753	1,005	(252)	-25%	12,066
<b>Economic and environmental services</b>		-	<b>101,776</b>	-	<b>1,731</b>	<b>1,731</b>	<b>8,481</b>	(6,750)	-80%	<b>101,776</b>
Planning and development		-	17,094	-	567	567	1,425	(857)	-60%	17,094
Road transport		-	84,682	-	1,164	1,164	7,057	(5,893)	-84%	84,682
<b>Trading services</b>		-	<b>112,575</b>	-	<b>9,750</b>	<b>9,750</b>	<b>9,381</b>	368	4%	<b>112,575</b>
Electricity		-	107,174	-	9,706	9,706	8,931	775	9%	107,174
Waste management		-	5,401	-	43	43	450	(407)	-90%	5,401
<b>Total Expenditure - Standard</b>	<b>3</b>	-	<b>438,819</b>	-	<b>25,537</b>	<b>25,537</b>	<b>36,568</b>	<b>(11,032)</b>	<b>-30%</b>	<b>438,819</b>
<b>Surplus/ (Deficit) for the year</b>		-	<b>(45,289)</b>	-	<b>36,494</b>	<b>36,494</b>	<b>(3,774)</b>	<b>40,268</b>	<b>-1067%</b>	<b>(45,289)</b>

**Notes:**

- Total revenue by vote is R62,031 million including capital contributions
- Total Operational Expenditure by vote is R25,537 million
- Surplus for the month is R36,494 million



## FINANCIAL PERFORMANCE REVENUE AND EXPENDITURE PER SOURCE

LIM334 Ba-Phalaborwa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July

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	-	5,606	5,606	5,886	(280)	-5%	70,634
Service charges - electricity revenue		-	95,327	-	5,532	5,532	7,944	(2,412)	-30%	95,327
Service charges - refuse revenue		-	11,337	-	960	960	945	16	2%	11,337
Rental of facilities and equipment		-	330	-	13	13	28	(14)	-52%	330
Interest earned - external investments		-	260	-	75	75	22	53	246%	260
Interest earned - outstanding debtors		-	74,644	-	5,610	5,610	6,220	(610)	-10%	74,644
Dividends received		-	3	-	-	-	0	(0)	-100%	3
Fines		-	2,600	-	-	-	217	(217)	-100%	2,600
Licences and permits		-	9,021	-	377	377	752	(375)	-50%	9,021
Agency services		-	2,255	-	-	-	188	(188)	-100%	2,255
Transfers recognised - operational		-	88,490	-	33,015	33,015	7,374	25,640	348%	88,490
Other revenue		-	1,352	-	12	12	113	(101)	-89%	1,352
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		-	<b>356,251</b>	-	<b>51,200</b>	<b>51,200</b>	<b>29,688</b>	<b>21,513</b>	<b>72%</b>	<b>356,251</b>

<b>Expenditure By Type</b>	-									
Employee related costs	-	118,379	-	8,851	8,851	9,865	(1,014)	-10%	118,379	
Remuneration of councillors	-	12,855	-	1,036	1,036	1,071	(35)	-3%	12,855	
Debt impairment	-	31,558	-	-	-	2,630	(2,630)	-100%	31,558	
Depreciation & asset impairment	-	74,909	-	-	-	6,242	(6,242)	-100%	74,909	
Finance charges	-	848	-	98	98	71	28	39%	848	
Bulk purchases	-	82,573	-	7,895	7,895	6,881	1,014	15%	82,573	
Contracted services	-	45,536	-	2,678	2,678	3,795	(1,117)	-29%	45,536	
Other expenditure	-	72,160	-	4,979	4,979	6,013	(1,034)	-17%	72,160	
Loss on disposal of PPE	-	-	-	-	-	-	-		-	
<b>Total Expenditure</b>	-	<b>438,819</b>	-	<b>25,537</b>	<b>25,537</b>	<b>36,568</b>	<b>(11,032)</b>	<b>-30%</b>	<b>438,819</b>	
<b>Surplus/(Deficit)</b>	-	<b>(82,567)</b>	-	<b>25,664</b>	<b>25,664</b>	<b>(6,881)</b>	<b>32,544</b>	<b>(0)</b>	<b>(82,567)</b>	
Transfers recognised - capital	-	37,279	-	10,831	10,831	3,107	7,724	0	37,279	
Share of surplus/ (deficit) of associate										
<b>Surplus/ (Deficit) for the year</b>	-	<b>(45,289)</b>	-	<b>36,494</b>	<b>36,494</b>	<b>(3,774)</b>			<b>(45,289)</b>	

**Notes:**

- Operating Revenue (excluding capital transfers and contributions) is R51,200 million
- Operational Expenditure on financial Performances is R25,537 million
- Revenue Capital Contribution is R10,831 million
- Surplus for the month after capital transfers & contributions is R36,494 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) - M01 July

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	-	-	-	375	(375)	-100%	4,500
Vote 4 - COMMUNITY AND SOCIAL SERVICES		-	1,600	-	-	-	133	(133)	-100%	1,600
Vote 6 - TECHNICAL SERVICES DEPARTMENT		-	55,079	-	9,500	9,500	4,590	4,911	107%	55,079
<b>Total Capital single-year expenditure</b>	4	-	61,179	-	9,500	9,500	5,098	4,402	86%	61,179
<b>Total Capital Expenditure</b>		-	61,179	-	9,500	9,500	5,098	4,402	86%	61,179
<b>Capital Expenditure - Standard Classification</b>										
<b>Governance and administration</b>		-	4,500	-	-	-	375	(375)	-100%	4,500
Corporate services			4,500				375	(375)	-100%	4,500
<b>Community and public safety</b>		-	1,600	-	-	-	133	(133)	-100%	1,600
Community and social services			1,000				83	(83)	-100%	1,000
Public safety			600				50	(50)	-100%	600
<b>Economic and environmental services</b>		-	27,279	-	3,649	3,649	2,273	1,376	61%	27,279
Road transport			27,279		3,649	3,649	2,273	1,376	61%	27,279
<b>Trading services</b>		-	27,800	-	5,852	5,852	2,317	3,535	153%	27,800
Electricity			27,800		5,852	5,852	2,317	3,535	153%	27,800

<b>Total Capital Expenditure - Standard Classification</b>	3	-	61,179	-	9,500	9,500	5,098	4,402	86%	61,179
<b>Funded by:</b>										
National Government			37,279	-	9,500	9,500	3,107	6,394	206%	37,279
Internally generated funds			23,900	-	-	-	1,992	(1,992)	-100%	23,900
<b>Total Capital Funding</b>		-	61,179	-	9,500	9,500	5,098	4,402	86%	61,179

**Note:**

- Total monthly capital expenditure is R9,500 million excluding vat

## FINANCIAL POSITION

LIM334 Ba-Phalaborwa - Table C6 Monthly Budget Statement - Financial Position - M01 July

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	-	2,151	2,100
Call investment deposits			1,500	-	23,234	1,500
Consumer debtors			158,442	-	330,249	158,442
Inventory			9,500	-	9,500	9,500
<b>Total current assets</b>		-	<b>171,542</b>	-	<b>365,134</b>	<b>171,542</b>
<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>		-	<b>1,284,539</b>	-	<b>1,284,139</b>	<b>1,284,539</b>
<b>TOTAL ASSETS</b>		-	<b>1,456,081</b>	-	<b>1,649,273</b>	<b>1,456,081</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Consumer deposits			1,500	-	-	1,500
Trade and other payables			-	-	16,414	-
<b>Total current liabilities</b>		-	<b>1,500</b>	-	<b>16,414</b>	<b>1,500</b>
<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>		-	<b>230,000</b>	-	<b>230,000</b>	<b>230,000</b>

<b>TOTAL LIABILITIES</b>		-	231,500	-	246,414	231,500
<b>NET ASSETS</b>	2	-	1,224,581	-	1,402,859	1,224,581
<b><u>COMMUNITY WEALTH/EQUITY</u></b>						
Reserves			1,224,581	-	1,402,859	1,224,581
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	-	1,224,581	-	1,402,859	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 - M01 July

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	–	14,725	14,725	18,653	(3,928)	-21%	223,835	
Government - operating			88,490	–	34,555	34,555	7,374	27,181	369%	88,490	
Government - capital			37,279	–	12,571	12,571	3,107	9,464	305%	37,279	
Interest			4,054	–	435	435	338	97	29%	4,054	
<b>Payments</b>											
Suppliers and employees			(301,504)	–	(28,263)	(28,263)	(25,125)	3,138	-12%	(301,504)	
Finance charges			(848)	–	(98)	(98)	(71)	28	-39%	(848)	
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>			<b>–</b>	<b>51,306</b>	<b>–</b>	<b>33,924</b>	<b>33,924</b>	<b>4,275</b>	<b>29,649</b>	<b>693%</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)	–	(10,831)	(10,831)	(4,265)	6,566	-154%	(51,179)	
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>			<b>–</b>	<b>(51,179)</b>	<b>–</b>	<b>(10,831)</b>	<b>(10,831)</b>	<b>(4,265)</b>	<b>6,566</b>	<b>-154%</b>	<b>(51,179)</b>



<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Increase (decrease) in consumer deposits					(21,433)	(21,433)		(21,433)	#DIV/0!	
<b>Payments</b>										
Repayment of borrowing								-		
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		-	-	-	(21,433)	(21,433)	-	21,433	#DIV/0!	-
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		-	127	-	1,661	1,661	11			127
Cash/cash equivalents at beginning:			2,100	-		490	2,100			490
Cash/cash equivalents at month/year end:		-	2,227	-		2,151	2,111			617

**Note:**

The bank shows a positive balance of R2, 151 million as at 31 July 2014

#### 4. DEBTORS AGE ANALYSIS

LIM334 Ba-Phalaborwa - Supporting Table SC3 Monthly Budget Statement - aged debtors - M01 July

Description	NT Code	Budget Year 2013/14									Total	Total over 90 days
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr			
<b>R thousands</b>												
<b>Debtors Age Analysis By Income Source</b>												
Trade and Other Receivables from Exchange Transactions - Electricity	1300	5,266	2,435	1,663	1,481	678	699	760	22,155	35,135	25,771	
Receivables from Non-exchange Transactions - Property Rates	1400	5,420	4,450	3,276	3,151	3,123	3,115	3,020	94,465	120,020	106,874	
Receivables from Exchange Transactions - Waste Management	1600	1,068	814	717	663	650	636	640	30,528	35,715	33,117	
Other	1900	5,948	5,998	5,909	5,736	5,651	5,572	466	147,063	182,341	164,487	
<b>Total By Income Source</b>	<b>2000</b>	<b>17,701</b>	<b>13,696</b>	<b>11,566</b>	<b>11,030</b>	<b>10,102</b>	<b>10,021</b>	<b>4,885</b>	<b>294,210</b>	<b>373,212</b>	<b>330,249</b>	
<b>2012/13 - totals only</b>										-	-	
<b>Debtors Age Analysis By Customer Group</b>												
Organs of State	2200	2,527	1,664	704	1,491	899	976	314	11,496	20,070	15,175	
Commercial	2300	3,955	2,594	1,962	1,522	1,511	1,200	836	31,204	44,784	36,273	
Households	2400	10,626	8,792	8,268	7,117	7,088	7,346	3,465	245,302	298,003	270,318	
Other	2500	593	646	633	900	604	500	270	6,209	10,354	8,483	
<b>Total By Customer Group</b>	<b>2600</b>	<b>17,701</b>	<b>13,696</b>	<b>11,566</b>	<b>11,030</b>	<b>10,102</b>	<b>10,021</b>	<b>4,885</b>	<b>294,210</b>	<b>373,212</b>	<b>330,249</b>	

**Note:**

- The Debtor's age analysis shows a total figure of R373, 212 million from 30 days to over a year.

## 5. CREDITORS AGE ANALYSIS

### LIM334 Ba-Phalaborwa - Supporting Table SC4 Monthly Budget Statement - aged creditors - M01 July

Description R thousands	NT Code	Budget Year 2014/15								Total
		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	
<b>Creditors Age Analysis By Customer Type</b>										
Bulk Electricity	0100									-
Bulk Water	0200									-
PAYE deductions	0300									-
VAT (output less input)	0400									-
Pensions / Retirement deductions	0500									-
Loan repayments	0600									-
Trade Creditors	0700	-	-	-	696					696
Auditor General	0800									-
Other	0900									-
<b>Total By Customer Type</b>	<b>1000</b>	-	-	-	696	-	-	-	-	696

#### Notes:

- The creditor's age analysis shows a total figure of R696 thousand.

## 6. INVESTMENT PORTFOLIO

LIM334 Ba-Phalaborwa - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M01 July

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		75		66	23,075	23,140
<b>TOTAL INVESTMENTS AND INTEREST</b>	2				75		159	23,075	23,234

### Notes:

Total Investment is standing at R23, 234 million as at 31 July 2014

## 7. TRANSFERS AND GRANT EXPENDITURES

LIM334 Ba-Phalaborwa - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M01 July

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	-	33,015	33,015	33,391	(377)	-1.1%	88,490
Local Government Equitable Share			83,256		32,955	32,955	32,955	-		83,256
Finance Management			1,600		60	60	133	(74)	-55.3%	1,600
Municipal Systems Improvement			934		-	-	78	(78)	-100.0%	934
EPWP Incentive			1,212		-	-	101	(101)	-100.0%	1,212
Operating Grant: MIG (5% of MIG Grants for PMU)			1,488		-	-	124	(124)	-100.0%	1,488
<b>Total operating expenditure of Transfers and Grants:</b>		-	88,490	-	33,015	33,015	33,391	(377)	-1.1%	88,490
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>										
		-	37,279	-	10,831	10,831	3,107	7,724	248.6%	37,279
Municipal Infrastructure Grant (MIG)			28,279		4,521	4,521	2,357	2,164	91.8%	28,279
INEG			9,000		6,310	6,310	750	5,560	741.3%	9,000
<b>Total capital expenditure of Transfers and Grants</b>		-	37,279	-	10,831	10,831	3,107	7,724	248.6%	37,279
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		-	125,769	-	43,845	43,845	36,498	7,347	20.1%	125,769

### Notes:

- The total monthly operating transfers and grants expenditure is R33, 015 million
- Capital transfers and grants expenditures R10,831 million

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

### LIM334 Ba-Phalaborwa - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M01 July

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		770	770	798	(28)	-4%	9,572
Motor Vehicle Allowance			2,783		204	204	232	(28)	-12%	2,783
Cellphone Allowance			501		63	63	42	21	50%	501
<b>Sub Total - Councillors</b>		-	<b>12,855</b>	-	<b>1,036</b>	<b>1,036</b>	<b>1,071</b>	<b>(35)</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	298	303	(5)	-2%	3,637
Pension and UIF Contributions			10				1	(1)	-100%	10
Motor Vehicle Allowance			2,345		125	125	195	(71)	-36%	2,345
Cellphone Allowance			82		27	27	7	20	295%	82
Other benefits and allowances			747		15	15	62	(48)	-77%	747
<b>Sub Total - Senior Managers of Municipality</b>		-	<b>6,821</b>	-	<b>464</b>	<b>464</b>	<b>568</b>	<b>(104)</b>	<b>-18%</b>	<b>6,821</b>
<b><u>Other Municipal Staff</u></b>										
Basic Salaries and Wages			68,254		5,151	5,151	5,688	(536)	-9%	68,254
Pension and UIF Contributions			14,895		1,011	1,011	1,241	(230)	-19%	14,895
Medical Aid Contributions			4,855		328	328	405	(76)	-19%	4,855
Overtime			3,824		331	331	319	13	4%	3,824
Motor Vehicle Allowance			11,549		788	788	962	(175)	-18%	11,549
Cellphone Allowance			972		75	75	81	(6)	-8%	972
Housing Allowances			1,655		52	52	138	(86)	-63%	1,655
Other benefits and allowances			5,555		650	650	463	187	40%	5,555

Sub Total - Other Municipal Staff		-	111,558	-	8,387	8,387	9,297	(910)	-10%	111,558
Total Parent Municipality		-	131,235	-	9,887	9,887	10,936	(1,050)	-10%	131,235
TOTAL SALARY, ALLOWANCES & BENEFITS		-	131,235	-	9,887	9,887	10,936	(1,050)	-10%	131,235
TOTAL MANAGERS AND STAFF		-	118,379	-	8,851	8,851	9,865	(1,014)	-10%	118,379

**Notes:**

- Political office bearer's remunerations for the month of July amounted to R1, 036 million
- Employee related costs R8, 851 million
- The municipality has total employee related cost& Remuneration of councillors of R9, 887 million for the month of July 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 - M01 July

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>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>Budget</b>
<b>Cash Receipts By Source</b>													
Property rates		2,242	5,502	2,154	2,544	2,725	1,633	2,175	2,548	2,542	2,154	2,544	6,869
Service charges - electricity revenue		7,773	4,420	3,238	3,209	3,991	3,457	4,834	5,799	7,389	5,834	5,944	4,439
Service charges - water revenue		3,302	4,420	3,238	3,209	3,991	3,457	4,834	5,799	7,389	3,238	3,209	11,096
Service charges - sanitation revenue		512	3,991	3,109	3,296	4,573	3,140	4,230	4,366	3,304	3,109	3,296	9,272
Service charges - refuse		488	892	338	290	372	330	443	404	458	452	452	617
Rental of facilities and equipment		13	31	25	35	9	9	15	17	26	9	15	21
Interest earned - external investments		75	14	10	17	46	63	52		29	63	52	(10)
Interest earned - outstanding debtors		360	342	308	360	342	179	195	344	261	179	195	580
Dividends received		-	0	0	0	0	0	0	0	0	0	0	0
Fines		-	217	217	217	217	217	217	217	217	217	217	433
Licences and permits		377	1,113	3,018	710	1,225	310	760	1,835	752	752	752	1,417
Agency services		-	188	188	188	188	188	188	188	188	188	188	376
Transfer receipts - operating		34,555				29,497				29,497			(5,058)
Other revenue		17	16	19	18	260	22	113	16	19	18	153	182
<b>Cash Receipts by Source</b>		<b>49,715</b>	<b>21,146</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>30,234</b>
<b>Other Cash Flows by Source</b>													-
Transfer receipts - capital		12,571	-	-	-	12,426	-	-	-	12,426	-	-	(145)
<b>Total Cash Receipts by Source</b>		<b>62,286</b>	<b>21,146</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>30,089</b>
													-



<b>Cash Payments by Type</b>													-
Employee related costs	8,851	9,865	9,865	9,865	9,865	9,865	9,865	9,865	9,865	9,865	9,865	9,865	10,879
Remuneration of councillors	1,036	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,107
Interest paid	98	71	71	71	71	71	71	71	71	71	71	71	43
Bulk purchases - Electricity	9,000	6,881	6,881	6,881	6,881	6,881	6,881	6,881	6,881	6,881	6,881	6,881	4,762
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services	3,053	3,025	865	4,377	4,353	5,007	4,259	2,706	3,903	2,303	2,409	2,409	(723)
Grants and subsidies paid - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other	-	-	-	-	-	-	-	-	-	-	-	-	-
General expenses	6,324	3,253	2,760	13,297	1,824	2,340	2,630	3,454	3,613	6,013	6,013	6,013	637
<b>Cash Payments by Type</b>	<b>28,361</b>	<b>24,167</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>16,705</b>
<b>Other Cash Flows/Payments by Type</b>													-
Capital assets	10,831	3,353	325	1,612	7,823	3,302	2,332	838	3,611	7,823	3,302	3,302	6,027
Repayment of borrowing													-
Other Cash Flows/Payments	21,433												(21,433)
<b>Total Cash Payments by Type</b>	<b>60,625</b>	<b>27,519</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>1,300</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>1,661</b>	<b>(6,373)</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>28,789</b>
Cash/cash equivalents at the month/year beginning:	490	2,151	(4,222)	(10,196)	(33,275)	(5,301)	(20,834)	(29,889)	(33,243)	2,238	(15,575)	(15,575)	(28,172)
Cash/cash equivalents at the month/year end:	2,151	(4,222)	(10,196)	(33,275)	(5,301)	(20,834)	(29,889)	(33,243)	2,238	(15,575)	(28,172)	(28,172)	617

**Notes**

- Total actual cash receipts for the month amount to R62, 286 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 R39, 192 million
- Other outflow amount to R21, 433 million. Included in this amount is the transfer made from the main primary account to call accounts.
- Favourable balance of R2,151 million as at 31 July 2014

## 12. CAPITAL EXPENDITURE TREND

LIM334 Ba-Phalaborwa - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M01 July

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
<b>R thousands</b>									
<b>Monthly expenditure performance trend</b>									
July		5,098	-	9,500	9,500	5,098	(4,402)	-86.3%	16%
August		5,098	-			10,196	-		
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>9,500</b>					

### Notes:

- The total capital expenditure trend gives a monthly actual of R9,500 million excluding vat

### 13. BANK RECONCILIATION

#### BA-PHALABORWA MUNICIPALITY

#### TRANSACTIONS STATEMENT FOR JULY 2014

Statement Description	Statement Amt
Outstanding C/F	489,986.79
Current - Cheques	-82,757.50
Current - ACBs	-29,250,905.70
Current - ACB Rejects	-
Current - Deposits	30,019,880.82
Current - RD Cheques	-8,270.68
Current - Redeposit's	-
Current - Transfers	1,081,795.93
Current - Bank Charges	-98,332.80
Current - Already Reconciled	
Current - C/F	2,151,396.86

#### Notes

- The closing balance as at 31 July 2014 is R2,151,396.86

## 14. RECOMMENDATIONS

### a. That the following be noted:

1. The financial report for the period ended 31 July 2014 **excluding Water and Waste Water management**
2. The summary of monthly budget statement report for the month ended 31 July 2014
3. The financial performance for the month ended 31 July 2014
4. The financial position as at 31 July 2014
5. The actual operating revenue for the month ended 31 July 2014 is R51, 200 million excluding capital contribution
6. That the Municipality received the following grants during the month of July 2014
  - 6.1 Equitable Shares R32, 955 million
  - 6.2 Finance Management Grant R1, 600 million
  - 6.3 Municipal Infrastructure Grant R3, 571 million and
  - 6.4 INEG R9, 000 million
7. The actual Operating Expenditure for the month ended 31 July 2014 is R25, 537 million

8. Surplus for the month ended 31 July 2014 is R36, 494 million
9. The actual Capital Expenditure for the month ended 31 July 2014 is R9, 500 million
10. Surplus for the month ended 31 July 2014 is R36, 494 million
11. The creditors age analysis amount to R696 thousand
12. Consolidated call deposit accounts held at STD Bank and ABSA closed with a balance of R23, 234 on 31 July 2014
13. That councillors and Staff Benefits for July 2014 amount to R9, 887 million
14. Municipal Primary Bank reconciliation closed with a positive balance of R2, 151 million as at 31 July 2014.