

# BA-PHALABORWA MUNICIPALITY



## FINANCIAL PERFORMANCE REPORT

AS AT 31 OCTOBER 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 - M04 October

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
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	-	124 589	-	8 791	35 438	41 530	(6 091)	-15%	124 589
Service charges	-	117 637	-	9 230	33 672	39 212	(5 540)	-14%	117 637
Investment revenue	-	275	-	50	263	92	172	188%	275
Transfers recognised - operational	-	113 160	-	924	46 480	37 720	8 760	23%	113 160
Other own revenue	-	87 404	-	3 320	24 342	29 135	(4 792)	-16%	87 404
<b>Total Revenue (excluding capital transfers and contributions)</b>	-	<b>443 065</b>	-	<b>22 315</b>	<b>140 196</b>	<b>147 688</b>	<b>(7 492)</b>	<b>-5%</b>	<b>443 065</b>
Employee costs	-	122 693	-	8 888	33 039	40 898	(7 858)	-19%	122 693
Remuneration of Councillors	-	12 811	-	1 137	4 544	4 270	273	6%	12 811
Depreciation & asset impairment	-	70 104	-	-	-	23 368	(23 368)	-100%	70 104
Finance charges	-	2 109	-	118	469	703	(234)	-33%	2 109
Materials and bulk purchases	-	94 332	-	7 000	26 298	31 444	(5 146)	-16%	94 332
Other expenditure	-	167 944	-	9 070	35 420	55 981	(20 562)	-37%	167 944
<b>Total Expenditure</b>	-	<b>469 992</b>	-	<b>26 213</b>	<b>99 769</b>	<b>156 664</b>	<b>(56 895)</b>	<b>-36%</b>	<b>469 992</b>
<b>Surplus/(Deficit)</b>	-	<b>(26 927)</b>	-	<b>(3 898)</b>	<b>40 427</b>	<b>(8 976)</b>	<b>49 402</b>	<b>-550%</b>	<b>(26 927)</b>
Transfers recognised - capital	-	36 492	-	7 309	21 417	12 164	9 253	76%	36 492
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	-	<b>9 565</b>	-	<b>3 411</b>	<b>61 843</b>	<b>3 188</b>	<b>58 655</b>	<b>1840%</b>	<b>9 565</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	-	<b>53 792</b>	-	<b>7 464</b>	<b>20 141</b>	<b>17 931</b>	<b>2 211</b>	<b>12%</b>	<b>53 792</b>
Capital transfers recognised	-	36 492	-	6 475	18 910	12 164	6 746	55%	36 492
Internally generated funds	-	17 300	-	989	1 231	5 767	(4 536)	-79%	17 300
<b>Total sources of capital funds</b>	-	<b>53 792</b>	-	<b>7 464</b>	<b>20 141</b>	<b>17 931</b>	<b>2 211</b>	<b>12%</b>	<b>53 792</b>

<b>Financial position</b>									
Total current assets	-	184 644	-		466 523				184 644
Total non current assets	-	1 360 832	-		1 284 139				1 360 832
Total current liabilities	-	6 741	-		40 001				6 741
Total non current liabilities	-	198 000	-		230 000				198 000
<b>Community wealth/Equity</b>	-	<b>1 340 735</b>	-		<b>1 480 661</b>				<b>1 340 735</b>
<b>Cash flows</b>									
Net cash from (used) operating	-	54 592	-	(4 211)	30 404	18 197	(12 207)	-67%	54 592
Net cash from (used) investing	-	(53 792)	-	(8 509)	(23 630)	(17 931)	5 700	-32%	(53 792)
Net cash from (used) financing	-	-	-	18 231	397	-	(397)	#DIV/0!	-
<b>Cash/cash equivalents at the month/year end</b>	-	<b>1 612</b>	-	-	<b>9 022</b>	<b>1 079</b>	<b>(7 943)</b>	<b>-736%</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	17 744	12 852	10 448	10 276	8 819	8 257	41 574	332 383	442 353
<b>Creditors Age Analysis</b>									
Total Creditors	14 538	5 167	1 334	3 866	-	-	-	-	24 905

## Notes

- Operating Revenue (excluding capital transfers and contributions) is R22, 315 million
- Transfers recognised – capital amount to R7,309 million ( Revenue recognized for MIG )
- Operational Expenditure on financial Performances is R26, 213 million
- Capital expenditure incurred during the month of October R7, 464 million. (MIG exp. and Internally funded projects )

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

LIM334 Ba-Phalaborwa - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M04 October

Description	Ref	2014/15	Budget Year							
		Audited Outcome	2015/16 Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Revenue - Standard</b>										
<b>Governance and administration</b>		-	<b>306 962</b>	-	<b>12 199</b>	<b>101 031</b>	<b>102 321</b>	(1 290)	-1%	<b>306 962</b>
Budget and treasury office		-	306 613	-	12 153	100 845	102 204	(1 360)	-1%	306 613
Corporate services		-	349	-	46	186	116	70	60%	349
<b>Community and public safety</b>		-	<b>14 980</b>	-	<b>611</b>	<b>4 765</b>	<b>4 993</b>	(228)	-5%	<b>14 980</b>
Community and social services		-	12 213	-	609	2 993	4 071	(1 078)	-26%	12 213
Public safety		-	2 767	-	1	1 772	922	849	92%	2 767
<b>Economic and environmental services</b>		-	<b>32 978</b>	-	<b>7 584</b>	<b>22 144</b>	<b>10 993</b>	11 152	101%	<b>32 978</b>
Planning and development		-	-	-	2	19	-	19	#DIV/0!	-
Road transport		-	32 978	-	7 583	22 125	10 993	11 133	101%	32 978
<b>Trading services</b>		-	<b>124 637</b>	-	<b>9 230</b>	<b>33 672</b>	<b>41 546</b>	(7 873)	-19%	<b>124 637</b>
Electricity		-	112 666	-	8 062	28 925	37 555	(8 631)	-23%	112 666
Waste management		-	11 971	-	1 168	4 748	3 990	757	19%	11 971
<b>Other</b>	4	-	-	-	-	-	-	-		-
<b>Total Revenue - Standard</b>	2	-	<b>479 557</b>	-	<b>29 624</b>	<b>161 613</b>	<b>159 852</b>	<b>1 760</b>	<b>1%</b>	<b>479 557</b>
<b>Expenditure - Standard</b>	-									
<b>Governance and administration</b>		-	<b>183 063</b>	-	<b>11 005</b>	<b>43 701</b>	<b>61 021</b>	(17 320)	-28%	<b>183 063</b>
Executive and council		-	44 222	-	3 519	13 332	14 741	(1 409)	-10%	44 222
Budget and treasury office		-	91 301	-	4 500	20 250	30 434	(10 183)	-33%	91 301
Corporate services		-	47 540	-	2 986	10 119	15 847	(5 728)	-36%	47 540
<b>Community and public safety</b>		-	<b>58 121</b>	-	<b>2 923</b>	<b>13 230</b>	<b>19 374</b>	(6 144)	-32%	<b>58 121</b>
Community and social services		-	46 819	-	2 304	10 583	15 606	(5 023)	-32%	46 819
Public safety		-	11 303	-	619	2 647	3 768	(1 121)	-30%	11 303
<b>Economic and environmental services</b>		-	<b>97 404</b>	-	<b>2 666</b>	<b>8 876</b>	<b>32 468</b>	(23 592)	-73%	<b>97 404</b>
Planning and development		-	17 791	-	662	2 971	5 930	(2 959)	-50%	17 791
Road transport		-	79 613	-	2 004	5 905	26 538	(20 633)	-78%	79 613
<b>Trading services</b>		-	<b>131 403</b>	-	<b>9 619</b>	<b>33 962</b>	<b>43 801</b>	(9 839)	-22%	<b>131 403</b>

Electricity		-	124 296	-	9 495	33 333	41 432	(8 099)	-20%	124 296
Waste management		-	7 107	-	124	629	2 369	(1 740)	-73%	7 107
<i>Other</i>		-	-	-	-	-	-	-		-
<b>Total Expenditure - Standard</b>	<b>3</b>	-	<b>469 992</b>	-	<b>26 213</b>	<b>99 770</b>	<b>156 664</b>	<b>(56 894)</b>	<b>-36%</b>	<b>469 992</b>
<b>Surplus/ (Deficit) for the year</b>		-	<b>9 565</b>	-	<b>3 411</b>	<b>61 843</b>	<b>3 188</b>	<b>58 655</b>	<b>1840%</b>	<b>9 565</b>

**Notes:**

- Total revenue by vote including capital transfer contribution amount to R29, 624 million
- Operational Expenditure on financial Performances is R26, 213 million.

## FINANCIAL PERFORMANCE REVENUE AND EXPENDITURE PER SOURCE

LIM334 Ba-Phalaborwa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M04 October

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		8 791	35 438	41 530	(6 091)	-15%	124 589
Service charges - electricity revenue			105 666		8 062	28 925	35 222	(6 297)	-18%	105 666
Service charges - refuse revenue			11 971		1 168	4 748	3 990	757	19%	11 971
Service charges - other							-	-		
Rental of facilities and equipment			346		34	128	115	12	11%	346
Interest earned - external investments			275		50	263	92	172	188%	275
Interest earned - outstanding debtors			70 973		2 643	19 233	23 658	(4 425)	-19%	70 973
Dividends received			3		-	-	1	(1)	-100%	3
Fines			2 917		15	1 819	972	847	87%	2 917
Licences and permits			9 399		568	2 859	3 133	(274)	-9%	9 399
Agency services			2 381		-	-	794	(794)	-100%	2 381
Transfers recognised - operational			113 160		924	46 480	37 720	8 760	23%	113 160
Other revenue			1 385		59	304	462	(158)	-34%	1 385
Gains on disposal of PPE								-		
<b>Total Revenue (excluding capital transfers and contributions)</b>			<b>443 065</b>		<b>22 315</b>	<b>140 196</b>	<b>147 688</b>	<b>(7 492)</b>	<b>-5%</b>	<b>443 065</b>
<b>Expenditure By Type</b>										
Employee related costs			122 693		8 888	33 039	40 898	(7 858)	-19%	122 693
Remuneration of councillors			12 811		1 137	4 544	4 270	273	6%	12 811
Debt impairment			33 326		-	-	11 109	(11 109)	-100%	33 326
Depreciation & asset impairment			70 104		-	-	23 368	(23 368)	-100%	70 104
Finance charges			2 109		118	469	703	(234)	-33%	2 109
Bulk purchases			94 332		7 000	26 298	31 444	(5 146)	-16%	94 332
Contracted services			52 256		3 207	17 447	17 419	28	0%	52 256
Other expenditure			82 362		5 863	17 972	27 454	(9 482)	-35%	82 362
Loss on disposal of PPE								-		

<b>Total Expenditure</b>		-	<b>469 992</b>	-	<b>26 213</b>	<b>99 769</b>	<b>156 664</b>	<b>(56 895)</b>	<b>-36%</b>	<b>469 992</b>
<b>Surplus/(Deficit)</b>		-	<b>(26 927)</b>	-	<b>(3 898)</b>	<b>40 427</b>	<b>(8 976)</b>	<b>49 402</b>	<b>(0)</b>	<b>(26 927)</b>
Transfers recognised - capital			36 492		7 309	21 417	12 164	9 253	0	36 492
Contributed assets								-		
<b>Surplus/ (Deficit) for the year</b>		-	<b>9 565</b>	-	<b>3 411</b>	<b>61 843</b>	<b>3 188</b>			<b>9 565</b>

**Notes:**

- Operating Revenue (excluding capital transfers and contributions) is R22, 315 million
- Transfers recognised – capital amount to R7,309 million
- Operational Expenditure on financial Performances is R26, 213 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) - M04 October

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	-	989	1 025	1 900	(875)	-46%	5 700
Vote 6 - TECHNICAL SERVICES DEPARTMENT		-	48 092	-	6 475	19 116	16 031	3 086	19%	48 092
<b>Total Capital single-year expenditure</b>	4	-	53 792	-	7 464	20 141	17 931	2 211	12%	53 792
<b>Total Capital Expenditure</b>		-	53 792	-	7 464	20 141	17 931	2 211	12%	53 792
<b>Capital Expenditure - Standard Classification</b>										
<b>Governance and administration</b>		-	5 700	-	989	1 025	1 900	(875)	-46%	5 700
Corporate services			5 700		989	1 025	1 900	(875)	-46%	5 700
<b>Community and public safety</b>		-	-	-	-	-	-	-		-
Sport and recreation										
<b>Economic and environmental services</b>		-	35 492	-	6 475	15 592	11 831	3 761	32%	35 492
Road transport			35 492		6 475	15 592	11 831	3 761	32%	35 492
<b>Trading services</b>		-	12 600	-	-	3 524	4 200	(676)	-16%	12 600
Electricity			12 600			3 524	4 200	(676)	-16%	12 600
Waste management										

<i>Other</i>										
<b>Total Capital Expenditure - Standard Classification</b>	3	-	53 792	16 617	7 464	20 141	17 931	2 211	12%	53 792
<b>Funded by:</b>										
National Government			36 492		6 475	18 910	12 164	6 746	55%	36 492
<b>Transfers recognised - capital</b>		-	<b>36 492</b>	-	<b>6 475</b>	<b>18 910</b>	<b>12 164</b>	<b>6 746</b>	<b>55%</b>	<b>36 492</b>
<b>Public contributions &amp; donations</b>	5									
<b>Internally generated funds</b>			17 300		989	1 231	5 767	(4 536)	-79%	17 300
<b>Total Capital Funding</b>		-	<b>53 792</b>	-	<b>7 464</b>	<b>20 141</b>	<b>17 931</b>	<b>2 211</b>	<b>12%</b>	<b>53 792</b>

**Note:**

- Capital expenditure incurred during the month of October 2015 amount to R7, 464 million excluding VAT. (R989 thousand funded Internally and R6,475 million funded by MIG)

### 3. FINANCIAL POSITION

LIM334 Ba-Phalaborwa - Table C6 Monthly Budget Statement - Financial Position - M04 October

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		9 022	1 612
Call investment deposits			1 700		5 648	1 700
Consumer debtors			161 832		442 353	161 832
Inventory			19 500		9 500	19 500
<b>Total current assets</b>			<b>184 644</b>		<b>466 523</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
Other non-current assets						
<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>1 750 662</b>	<b>1 545 477</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Consumer deposits			1 650			1 650
Trade and other payables			5 091		40 001	5 091
Provisions						
<b>Total current liabilities</b>			<b>6 741</b>		<b>40 001</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>270 001</b>	<b>204 741</b>

<b>NET ASSETS</b>	2	-	1 340 735	-	1 480 661	1 340 735
<b>COMMUNITY WEALTH/EQUITY</b>						
Reserves			1 340 735		1 480 661	1 340 735
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	-	1 340 735	-	1 480 661	1 340 735

**Note:**

- The financial position shows only year to date actual

## 4. CASH FLOW

LIM334 Ba-Phalaborwa - Table C7 Monthly Budget Statement - Cash Flow - M04 October

Description	Ref	2014/15	Budget Year							
		Audited Outcome	2015/16 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>										
Property rates, penalties & collection charges			37 772		4 220	13 727	12 591	1 137	9%	37 772
Service charges			197 813		13 636	43 874	65 938	(22 063)	-33%	197 813
Other revenue			16 411		676	4 911	5 470	(559)	-10%	16 411
Government - operating			113 160		-	48 024	37 720	10 304	27%	113 160
Government - capital			36 492		10 267	28 831	12 164	16 667	137%	36 492
Interest			19 504		389	1 578	6 501	(4 924)	-76%	19 504
Dividends			3		-	-	1	(1)	-100%	3
<b>Payments</b>										
Suppliers and employees			(364 453)		(33 282)	(110 073)	(121 484)	(11 411)	9%	(364 453)
Finance charges			(2 109)		(118)	(469)	(703)	(234)	33%	(2 109)
Transfers and Grants								-		
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>			<b>54 592</b>		<b>(4 211)</b>	<b>30 404</b>	<b>18 197</b>	<b>(12 207)</b>	<b>-67%</b>	<b>54 592</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Payments</b>										
Capital assets			(53 792)		(8 509)	(23 630)	(17 931)	5 700	-32%	(53 792)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>			<b>(53 792)</b>		<b>(8 509)</b>	<b>(23 630)</b>	<b>(17 931)</b>	<b>5 700</b>	<b>-32%</b>	<b>(53 792)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Increase (decrease) in consumer deposits					18 231	397		397	#DIV/0!	
Repayment of borrowing								-		
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>			<b>-</b>		<b>18 231</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>5 511</b>	<b>7 170</b>	<b>267</b>			<b>800</b>
Cash/cash equivalents at beginning:			813			1 852	813			1 852
Cash/cash equivalents at month/year end:			1 612			9 022	1 079			2 651

**Note:**

The bank shows favourable closing balance of R9, 022 million as at 31 October 2015

## 5. DEBTORS AGE ANALYSIS

### LIM334 Ba-Phalaborwa - Supporting Table SC3 Monthly Budget Statement - aged debtors - M04 October

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
<b>R thousands</b>										
<b>Debtors Age Analysis By Income Source</b>										
Trade and Other Receivables from Exchange Transactions - Electricity	1300	5 793	2 723	1 501	1 494	906	864	5 921	22 993	42 196
Receivables from Non-exchange Transactions - Property Rates	1400	4 923	3 672	3 044	2 954	2 645	2 473	12 071	106 173	137 955
Receivables from Exchange Transactions - Waste Management	1600	993	733	624	610	556	506	2 459	32 494	38 975
Other	1900	6 036	5 724	5 278	5 218	4 711	4 415	21 122	170 723	223 227
<b>Total By Income Source</b>	<b>2000</b>	<b>17 744</b>	<b>12 852</b>	<b>10 448</b>	<b>10 276</b>	<b>8 819</b>	<b>8 257</b>	<b>41 574</b>	<b>332 383</b>	<b>442 353</b>
<b>2014/15 - totals only</b>										-
<b>Debtors Age Analysis By Customer Group</b>										
Organs of State	2200	633	547	479	407	404	374	1 704	5 191	9 739
Commercial	2300	5 338	3 144	1 756	1 722	1 267	1 165	5 622	38 078	58 092
Households	2400	11 514	8 992	8 059	8 122	7 128	6 697	34 151	288 763	373 426
Other	2500	260	170	153	25	20	21	96	352	1 097
<b>Total By Customer Group</b>	<b>2600</b>	<b>17 744</b>	<b>12 852</b>	<b>10 448</b>	<b>10 276</b>	<b>8 819</b>	<b>8 257</b>	<b>41 574</b>	<b>332 383</b>	<b>442 353</b>

**Note:**

- The Debtor's age analysis shows a total figure of R442, 353 million from 30 days to over a year.

## 6. CREDITORS AGE ANALYSIS

LIM334 Ba-Phalaborwa - Supporting Table SC4 Monthly Budget Statement - aged creditors - M04 October

Description R thousands	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>Creditors Age Analysis By Customer Type</b>											
Bulk Electricity	0100	5 352									5 352
Bulk Water	0200										-
PAYE deductions	0300										-
VAT (output less input)	0400										-
Pensions / Retirement deductions	0500										-
Loan repayments	0600										-
Trade Creditors	0700	9 187	5 167	1 334	3 866						19 554
Auditor General	0800										-
Other	0900										-
<b>Total By Customer Type</b>	<b>1000</b>	<b>14 538</b>	<b>5 167</b>	<b>1 334</b>	<b>3 866</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24 905</b>	<b>-</b>

### Notes:

- The creditor's age analysis shows a total figure of R24,905 million



## 7. INVESTMENT PORTFOLIO

### LIM334 Ba-Phalaborwa - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M04 October

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				18 505	(12 950)	5 555
<b>Municipality sub-total</b>					-		18 598	(12 950)	5 648
<b>TOTAL INVESTMENTS AND INTEREST</b>	2				-		18 598	(12 950)	5 648

#### Notes:

Total Investment is standing at R5, 648 million as at 31 October 2015.

## 8. TRANSFERS AND GRANT EXPENDITURES

### LIM334 Ba-Phalaborwa - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M04 October

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	-	924	46 480	37 720	8 760	23.2%	113 160
Local Government Equitable Share			107 805		-	44 919	35 935	8 984	25.0%	107 805
Finance Management			1 675		365	652	558	94	16.8%	1 675
Municipal Systems Improvement			940		294	294	313	(19)	-6.1%	940
EPWP Incentive			1 188		102	261	396	(135)	-34.1%	1 188
Operating Grant: MIG (5% of MIG Grants for PMU)			1 552		163	339	517	(179)	-34.6%	1 552
OP GR : SITA			-			15	-	15	#DIV/0!	-
<i>[insert description]</i>								-		
<b>Total operating expenditure of Transfers and Grants:</b>		-	113 160	-	924	46 480	37 720	8 760	23.2%	113 160
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		-	36 492	-	7 309	21 417	12 164	9 253	76.1%	36 492
Municipal Infrastructure Grant (MIG)			29 492		7 309	21 417	9 831	11 586	117.9%	29 492
Integrated National Electrification Grant			7 000			-	2 333	(2 333)	-100.0%	7 000
								-		
<b>Total capital expenditure of Transfers and Grants</b>		-	36 492	-	7 309	21 417	12 164	9 253	76.1%	36 492
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		-	149 652	-	8 234	67 896	49 884	18 012	36.1%	149 652

#### Notes:

- The monthly operating transfers and grants expenditure is R924 thousand including Vat
- Capital transfers and grants expenditure for the month of October 2015 is R7,309 million Including Vat

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

LIM334 Ba-Phalaborwa - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M04 October

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		835	3 353	2 958	395	13%	8 874
Motor Vehicle Allowance			3 109		239	940	1 036	(96)	-9%	3 109
Cellphone Allowance			828		63	250	276	(25)	-9%	828
Other benefits and allowances								-		
<b>Sub Total - Councillors</b>			<b>12 811</b>		<b>1 137</b>	<b>4 544</b>	<b>4 270</b>	<b>273</b>	<b>6%</b>	<b>12 811</b>
<b>% increase</b>	4	-		-						
<b><u>Senior Managers of the Municipality</u></b>	3									
Basic Salaries and Wages			3 797		138	690	1 266	(575)	-45%	3 797
Pension and UIF Contributions			11		0	1	4	(2)	-58%	11
Motor Vehicle Allowance			2 448		63	291	816	(525)	-64%	2 448
Cellphone Allowance			86		2	9	29	(20)	-68%	86
Other benefits and allowances			780		217	261	260	1	0%	780
Post-retirement benefit obligations	2							-		
<b>Sub Total - Senior Managers of Municipality</b>			<b>7 121</b>		<b>421</b>	<b>1 252</b>	<b>2 374</b>	<b>(1 122)</b>	<b>-47%</b>	<b>7 121</b>
<b><u>Other Municipal Staff</u></b>										
Basic Salaries and Wages			73 101		5 440	21 041	24 367	(3 326)	-14%	73 101
Pension and UIF Contributions			14 153		1 075	4 167	4 718	(551)	-12%	14 153
Medical Aid Contributions			4 567		358	1 387	1 522	(135)	-9%	4 567
Overtime			4 153		196	467	1 384	(917)	-66%	4 153
Motor Vehicle Allowance			12 974		700	3 056	4 325	(1 269)	-29%	12 974
Cellphone Allowance			1 044		72	277	348	(71)	-20%	1 044

Housing Allowances			913		61	254	304	(50)	-17%	913
Other benefits and allowances			4 004		208	987	1 335	(348)	-26%	4 004
Long service awards			662		358	670	221	449	204%	662
Post-retirement benefit obligations	2							-		
<b>Sub Total - Other Municipal Staff</b>			<b>115 571</b>	<b>-</b>	<b>8 468</b>	<b>32 305</b>	<b>38 524</b>	<b>(6 219)</b>	<b>-16%</b>	<b>115 571</b>
<b>% increase</b>	4									
<b>Total Parent Municipality</b>		<b>-</b>	<b>135 503</b>	<b>-</b>	<b>10 025</b>	<b>38 101</b>	<b>45 168</b>	<b>(7 067)</b>	<b>-16%</b>	<b>135 503</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>-</b>	<b>135 503</b>	<b>-</b>	<b>10 025</b>	<b>38 101</b>	<b>45 168</b>	<b>(7 067)</b>	<b>-16%</b>	<b>135 503</b>
<b>% increase</b>	4									
<b>TOTAL MANAGERS AND STAFF</b>		<b>-</b>	<b>122 693</b>	<b>-</b>	<b>8 888</b>	<b>33 557</b>	<b>40 898</b>	<b>(7 340)</b>	<b>-18%</b>	<b>122 693</b>

**Notes:**

- Political office bearer's remunerations for the month of October amounted to R1, 137 million
- Employee related costs R8, 888 million
- The municipality has total employee related cost & Remuneration of councillors of R10, 025 million for the month of October 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 - M04 October

Description	Ref	Budget Year 2015/16											
		July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Budget	Dec Budget	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget
<b>R thousands</b>	1												
<b>Cash Receipts By Source</b>													
Property rates		2,808	3,005	3,694	4,220	3,375	2,765	2,765	3,366	2,542	3,154	2,544	3,533
Service charges - electricity revenue		3,683	6,159	3,736	5,578	6,069	3,404	3,404	5,398	7,389	5,834	5,944	22,653
Service charges - water revenue		3,111	6,065	4,329	6,704	2,571	5,669	5,669	8,135	7,389	3,238	3,209	4,524
Service charges - sanitation revenue		596	608	594	767	4,492	4,472	4,472	3,670	4,304	4,109	3,296	17,591
Service charges - refuse		425	455	477	588	371	339	339	1,480	458	452	452	3,143
Rental of facilities and equipment		29	38	27	34	22	21	20	21	23	23	23	66
Interest earned - external investments		53	83	78	50	29	28	17	26	25	26	16	(156)
Interest earned - outstanding debtors		326	229	376	339	330	330	330	331	329	326	329	15,654
Dividends received		-	-	-	-	0	0	0	0	0	0	0	1
Fines		1,772	5	27	15	231	232	230	233	235	234	233	(698)
Licences and permits		175	541	1,576	568	561	462	763	1,163	964	866	1,165	740
Agency services		-	-	-	-	196	195	194	193	193	194	195	1,025
Transfer receipts - operating		47,549	475	-	-	37,720	-	-	-	37,720	-	-	(10,304)
Other revenue		59	14	18	59	77	78	79	76	74	75	76	701
<b>Cash Receipts by Source</b>		<b>60,585</b>	<b>17,676</b>	<b>14,932</b>	<b>18,921</b>	<b>56,044</b>	<b>17,997</b>	<b>18,283</b>	<b>24,092</b>	<b>61,646</b>	<b>18,532</b>	<b>17,482</b>	<b>58,471</b>

<b>Other Cash Flows by Source</b>													-
Transfer receipts - capital		15,764		2,800	10,267	12,164					12,164		(16,667)
Change in non-current investments													-
<b>Total Cash Receipts by Source</b>		<b>76,349</b>	<b>17,676</b>	<b>17,732</b>	<b>29,188</b>	<b>68,208</b>	<b>17,997</b>	<b>18,283</b>	<b>24,092</b>	<b>73,810</b>	<b>18,532</b>	<b>17,482</b>	<b>41,804</b>
<b>Cash Payments by Type</b>													-
Employee related costs		8,024	7,535	8,593	8,888	10,621	10,636	10,660	10,681	10,694	10,540	10,591	15,229
Remuneration of councillors		1,150	1,120	1,137	1,137	1,158	1,159	1,159	1,161	1,165	1,163	1,167	136
Interest paid		69	166	116	118	79	78	79	80	79	76	75	1,095
Bulk purchases - Electricity		15,000	5,500	5,000	14,500	7,446	7,492	7,388	5,369	8,351	8,348	8,325	1,614
Contracted services		3,193	2,652	1,462	3,986	4,171	4,060	4,089	2,120	4,155	4,182	7,199	12,987
General expenses		13,515	276	2,636	4,771	6,441	6,592	6,562	3,529	6,510	6,590	6,523	16,416
<b>Cash Payments by Type</b>		<b>40,951</b>	<b>17,248</b>	<b>18,943</b>	<b>33,400</b>	<b>29,916</b>	<b>30,017</b>	<b>29,937</b>	<b>22,940</b>	<b>30,955</b>	<b>30,898</b>	<b>33,881</b>	<b>47,478</b>
<b>Other Cash Flows/Payments by Type</b>													-
Capital assets		13,387	14	1,720	8,509	4,156	4,021	5,015	2,004	5,116	4,009	5,011	831
Repayment of borrowing													-
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>34,072</b>	<b>34,038</b>	<b>34,952</b>	<b>24,944</b>	<b>36,071</b>	<b>34,907</b>	<b>38,891</b>	<b>48,705</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>561</b>	<b>415</b>	<b>684</b>	<b>5,511</b>	<b>34,137</b>	<b>(16,041)</b>	<b>(16,668)</b>	<b>(852)</b>	<b>37,739</b>	<b>(16,375)</b>	<b>(21,409)</b>	<b>(6,901)</b>
Cash/cash equivalents at the month/year beginning:		1,852	2,412	2,827	3,510	9,022	43,159	27,117	10,449	9,597	47,336	30,961	9,552
Cash/cash equivalents at the month/year end:		2,412	2,827	3,510	9,022	43,159	27,117	10,449	9,597	47,336	30,961	9,552	2,651

**Notes**

Total actual cash receipts for the month amount to R29, 188 million. This total is including Water and sanitation service charges.

While the total actual cash-payments made for the month amount to R41, 909 million. Transferred R18, 231 million from call account to main account. The closing balance on the primary bank account shows favourable bank balance of R9, 022 million

## 11.CAPITAL EXPENDITURE TREND

LIM334 Ba-Phalaborwa - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M04 October

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
<b>R thousands</b>									
<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				22 413	-		
December		4 483				26 896	-		
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>	-	<b>53 792</b>	-	<b>20 141</b>					

### Notes:

- Capital expenditure incurred during the month of October 2015 amount to R7,464 million excluding Vat. (R989 thousand funded Internally and R6,475 million funded by MIG)



## 12.BANK RECONCILIATION

BA-PHALABORWA MUNICIPALITY  
BANK TRANSACTIONS STATEMENT FOR OCTOBER 2015

Statement Description	CODE	Statement Amt
Outstanding C/F		3 510 491.33
Current - Cheques	BS001	(39 737.35)
Current - ACBs	BS002	(29 467 938.78)
Current - ACB Rejects	BS003	
Current - Deposits	BS004	5 084 949.80
Current - RD Cheques	BS005	
Current - Redeposits	BS006	
Current - Transfers	BS007	17 385 144.12
Current - Bank Charges	BS008	(45 653.98)
Current - Already Reconciled	BS009	12 594 702.03
Current - C/F		9 021 957.17

### Notes

- The closing balance as at 31 October 2015 is R9,022 million

## 13.RECOMMENDATIONS

### a. That the following be noted:

- 1) The financial report for the period ended 31 October 2015 **excluding Water and Waste Water management**
- 2) The summary of monthly budget statement report for the month ended 31 October 2015
- 3) The financial performance for the month ended 31 October 2015
- 4) The financial position as at 31 October 2015
- 5) The actual operating revenue (as per GRAP) for the month ended 31 October 2015 is 22, 315 million
- 6) Revenue Capital Contribution recognised is R7,309 million (Capital Part of MIG for the month including vat)
- 7) Operational Expenditure on financial Performances is R26, 213 million.
- 8) Total Capital Expenditure incurred during the month ended 31 October 2015 amount to R7, 464 million excluding vat. (R989 thousand funded Internally and R6,475 million funded by MIG)
- 9) The municipality received an MIG Grant of R10,267 million during the month of October 2015

- 
- 10) Consolidated call deposit accounts held at STD Bank and ABSA closed with a balance of R5, 648 million on 31 October 2015
  - 11) That councillors and Staff Benefits for October 2015 amount to R10,025 million be approved
  - 12) Municipal Primary Bank reconciliation closed with a positive balance of R9,022 million as at 31 October 2015