

## **Vision**

*“Best tourist destination in  
Limpopo by 2020”*

## **BA-PHALABORWA MUNICIPALITY**



## **FINANCIAL PERFORMANCE REPORT**

**AS AT 30 JUNE 2014**

## 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 - M12 June

Description	2012/13	Budget Year 2013/14							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	60,257	65,100	65,100	5,136	62,736	65,100	(2,364)	-4%	65,100
Service charges	79,414	101,515	102,770	6,084	94,187	102,770	(8,583)	-8%	102,770
Investment revenue	332	250	310	79	359	310	49	16%	84,878
Transfers recognised - operational	65,471	74,154	74,154	2,788	73,626	74,154	(528)	-1%	74,154
Other own revenue	50,508	93,771	100,163	6,927	71,507	100,163	(28,656)	-29%	100,163
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>255,983</b>	<b>334,790</b>	<b>342,497</b>	<b>21,014</b>	<b>302,415</b>	<b>342,497</b>	<b>(40,082)</b>	<b>-12%</b>	<b>427,065</b>
Employee costs	93,712	111,154	111,750	8,283	97,406	111,750	(14,344)	-13%	111,750
Remuneration of Councillors	9,052	12,185	11,175	1,044	12,130	11,175	954	9%	11,175
Depreciation & asset impairment	69,182	76,500	76,500	–	–	76,500	(76,500)	-100%	76,500
Finance charges	226	803	963	–	1,402	963	439	46%	963
Materials and bulk purchases	53,402	82,060	81,060	1,424	64,332	81,060	(16,728)	-21%	81,060
Other expenditure	172,461	187,557	188,981	10,683	142,870	188,981	(46,111)	-24%	188,981
<b>Total Expenditure</b>	<b>398,036</b>	<b>470,260</b>	<b>470,430</b>	<b>21,435</b>	<b>318,140</b>	<b>470,430</b>	<b>(152,291)</b>	<b>-32%</b>	<b>470,430</b>
<b>Surplus/(Deficit)</b>	<b>(142,052)</b>	<b>(135,470)</b>	<b>(127,933)</b>	<b>(421)</b>	<b>(15,725)</b>	<b>(127,933)</b>	<b>112,209</b>	<b>-88%</b>	<b>(43,365)</b>
Transfers recognised - capital	32,895	29,333	24,333	(494)	31,537	24,333	7,204	30%	24,333
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–

<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	(109,157)	(106,137)	(103,600)	(914)	15,813	(103,600)	119,413	-115%	(19,032)
<b>Surplus/ (Deficit) for the year</b>	(109,157)	(106,137)	(103,600)	(914)	15,813	(103,600)	119,413	-115%	(19,032)
<b><u>Capital expenditure &amp; funds sources</u></b>									
<b>Capital expenditure</b>	<b>42,949</b>	<b>60,620</b>	<b>48,530</b>	<b>1,789</b>	<b>40,204</b>	<b>48,530</b>	<b>(8,326)</b>	<b>-17%</b>	<b>48,530</b>
Capital transfers recognised	29,238	29,333	24,220	341	28,439	24,220	4,219	17%	24,220
Internally generated funds	13,711	31,287	24,310	1,448	11,766	24,310	(12,545)	-52%	24,310
<b>Total sources of capital funds</b>	<b>42,949</b>	<b>60,620</b>	<b>48,530</b>	<b>1,789</b>	<b>40,204</b>	<b>48,530</b>	<b>(8,326)</b>	<b>-17%</b>	<b>48,530</b>
<b><u>Financial position</u></b>									
Total current assets	56,845	182,428	182,428		377,941				182,428
Total non current assets	1,057,189	1,231,748	1,231,748		1,217,767				1,231,748
Total current liabilities	373,494	9,000	9,000		17,985				9,000
Total non current liabilities	33,736	189	189		9,009				189
<b>Community wealth/Equity</b>	<b>706,805</b>	<b>1,404,987</b>	<b>1,404,987</b>		<b>1,568,714</b>				<b>1,404,987</b>
<b><u>Cash flows</u></b>									
Net cash from (used) operating	43,315	61,635	39,965	(3,969)	1,934	39,965	(38,031)	-95%	61,635
Net cash from (used) investing	(42,949)	(60,620)	(38,530)	(2,040)	(46,244)	(38,530)	(7,714)	20%	(60,620)
Net cash from (used) financing	(941)	-	-	16,267	43,663	-	43,663	!	-
<b>Cash/cash equivalents at the month/year end</b>	<b>2,066</b>	<b>4,015</b>	<b>2,572</b>	<b>-</b>	<b>490</b>	<b>4,435</b>	<b>(3,945)</b>	<b>-89%</b>	<b>2,153</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><u>Debtors Age Analysis</u></b>									
Total By Income Source	18,172	13,248	12,866	10,997	11,340	5,220	10,202	286,215	368,261
<b><u>Creditors Age Analysis</u></b>									
Total Creditors	-	-	-	-	-	-	-	-	-

**Notes**

- Total Revenue (excluding capital transfers and contributions) is R21,014 million
- Total Expenditure on financial Performances is R21,435 million
- Revenue Capital Contribution is negative R494 thousand
- Deficit for the month after capital transfers & contributions is R914 thousand
- The total capital expenditure for the month is R1,789 million excluding vat

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

LIM334 Ba-Phalaborwa - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M12 June

Description	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Revenue - Standard</b>										
<b>Governance and administration</b>		<b>170,792</b>	<b>222,410</b>	<b>222,428</b>	<b>13,610</b>	<b>190,858</b>	<b>222,428</b>	(31,570)	-14%	<b>222,428</b>
Budget and treasury office		170,288	222,102	222,121	13,596	190,630	222,121	(31,490)	-14%	222,121
Corporate services		504	308	308	14	228	308	(80)	-26%	308
<b>Community and public safety</b>		<b>4,777</b>	<b>7,889</b>	<b>13,943</b>	<b>1,113</b>	<b>14,997</b>	<b>13,943</b>	1,054	8%	<b>13,943</b>
Community and social services		3,906	5,969	11,423	1,113	13,319	11,423	1,896	17%	11,423
Public safety		871	1,920	2,520	-	1,679	2,520	(841)	-33%	2,520
<b>Economic and environmental services</b>		<b>29,895</b>	<b>32,309</b>	<b>27,689</b>	<b>(287)</b>	<b>33,910</b>	<b>27,689</b>	6,221	22%	<b>27,689</b>
Planning and development		-	15	395	-	170	395	(225)	-57%	395
Road transport		29,895	32,294	27,294	(287)	33,740	27,294	6,446	24%	27,294
<b>Trading services</b>		<b>83,414</b>	<b>101,515</b>	<b>102,770</b>	<b>6,084</b>	<b>94,187</b>	<b>102,770</b>	(8,583)	-8%	<b>102,770</b>
Electricity		74,292	92,002	92,002	5,316	83,761	92,002	(8,241)	-9%	92,002
Waste management		9,123	9,513	10,768	768	10,426	10,768	(342)	-3%	10,768
<b>Other</b>	4	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
<b>Total Revenue - Standard</b>	2	<b>288,879</b>	<b>364,123</b>	<b>366,830</b>	<b>20,520</b>	<b>333,952</b>	<b>366,830</b>	<b>(32,878)</b>	<b>-9%</b>	<b>366,830</b>

<b>Expenditure - Standard</b>	-									
<b>Governance and administration</b>		<b>194,353</b>	<b>167,814</b>	<b>166,219</b>	<b>7,725</b>	<b>117,127</b>	<b>166,219</b>	(49,092)	-30%	<b>166,219</b>
Executive and council		25,772	36,456	33,534	1,932	24,737	33,534	(8,796)	-26%	33,534
Budget and treasury office		144,420	87,659	92,142	3,386	61,597	92,142	(30,545)	-33%	92,142
Corporate services		24,160	43,699	40,544	2,407	30,793	40,544	(9,751)	-24%	40,544
<b>Community and public safety</b>		<b>33,767</b>	<b>52,146</b>	<b>53,096</b>	<b>3,815</b>	<b>46,277</b>	<b>53,096</b>	(6,819)	-13%	<b>53,096</b>
Community and social services		25,244	41,185	42,880	3,172	36,392	42,880	(6,488)	-15%	42,880
Public safety		8,523	10,961	10,215	643	9,884	10,215	(331)	-3%	10,215
<b>Economic and environmental services</b>		<b>90,450</b>	<b>119,151</b>	<b>119,574</b>	<b>2,376</b>	<b>46,909</b>	<b>119,574</b>	(72,665)	-61%	<b>119,574</b>
Planning and development		7,038	11,910	11,505	539	7,506	11,505	(3,999)	-35%	11,505
Road transport		83,412	107,241	108,069	1,837	39,404	108,069	(68,666)	-64%	108,069
Environmental protection		-	-	-	-	-	-	-		-
<b>Trading services</b>		<b>79,467</b>	<b>131,149</b>	<b>131,541</b>	<b>7,518</b>	<b>107,827</b>	<b>131,541</b>	(23,714)	-18%	<b>131,541</b>
Electricity		75,856	125,959	126,269	7,201	99,099	126,269	(27,169)	-22%	126,269
Water		-	-	-	-	5,000	-	5,000	#DIV/0!	-
Waste management		3,611	5,190	5,272	317	3,727	5,272	(1,545)	-29%	5,272
<b>Total Expenditure - Standard</b>	<b>3</b>	<b>398,036</b>	<b>470,260</b>	<b>470,430</b>	<b>21,435</b>	<b>318,140</b>	<b>470,430</b>	<b>(152,291)</b>	<b>-32%</b>	<b>470,430</b>
<b>Surplus/ (Deficit) for the year</b>		<b>(109,157)</b>	<b>(106,137)</b>	<b>(103,600)</b>	<b>(914)</b>	<b>15,813</b>	<b>(103,600)</b>	<b>119,413</b>	<b>-115%</b>	<b>(103,600)</b>

## Notes:

- Financial performance of revenue by vote is R20,520 million including capital contributions
- Financial performance of Expenditure by vote is R21,435 million
- The deficit for the month is R914 thousand

## FINANCIAL PERFORMANCE REVENUE AND EXPENDITURE PER SOURCE

LIM334 Ba-Phalaborwa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

Description	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue By Source</b>										
Property rates		60,257	65,100	65,100	5,136	62,736	65,100	(2,364)	-4%	65,100
Service charges - electricity revenue		70,292	92,002	92,002	5,316	83,761	92,002	(8,241)	-9%	92,002
Service charges - refuse revenue		9,123	9,513	10,768	768	10,426	10,768	(342)	-3%	10,768
Rental of facilities and equipment		295	308	308	14	228	308	(80)	-26%	308
Interest earned - external investments		332	250	310	79	359	310	49	16%	310
Interest earned - outstanding debtors		42,369	84,568	84,568	5,771	55,541	84,568	(29,027)	-34%	84,568
Dividends received			2	2	-	-	2	(2)	-100%	2
Fines		871	1,900	2,500	-	1,670	2,500	(830)	-33%	2,500
Licences and permits		2,375	5,690	11,185	1,097	13,117	11,185	1,932	17%	11,185
Agency services		1,531		-			-			
Transfers recognised - operational		65,471	74,154	74,154	2,788	73,626	74,154	(528)	-1%	74,154
Other revenue		3,068	1,303	1,601	45	951	1,601	(649)	-41%	1,601
Gains on disposal of PPE				-			-			
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>255,983</b>	<b>334,790</b>	<b>342,497</b>	<b>21,014</b>	<b>302,415</b>	<b>342,497</b>	<b>(40,082)</b>	<b>-12%</b>	<b>342,497</b>
<b>Expenditure By Type</b>										
Employee related costs		93,712	111,154	111,750	8,283	97,406	111,750	(14,344)	-13%	111,750
Remuneration of councillors		9,052	12,185	11,175	1,044	12,130	11,175	954	9%	11,175
Debt impairment		108,991	29,913	27,100		12,186	27,100	(14,914)	-55%	27,100
Depreciation & asset impairment		69,182	76,500	76,500		-	76,500	(76,500)	-100%	76,500
Finance charges		226	803	963		1,402	963	439	46%	963
Bulk purchases		53,402	82,060	81,060	1,424	64,332	81,060	(16,728)	-21%	81,060
Contracted services		10,096	28,453	42,868	1,406	39,715	42,868	(3,153)	-7%	42,868
Other expenditure		53,460	129,191	119,013	9,277	90,969	119,013	(28,044)	-24%	119,013
Loss on disposal of PPE		(86)		-			-			



<b>Total Expenditure</b>		398,036	470,260	470,430	21,435	318,140	470,430	(152,291)	-32%	470,430
<b>Surplus/(Deficit)</b>		(142,052)	(135,470)	(127,933)	(421)	(15,725)	(127,933)	112,209	(0)	(127,933)
Transfers recognised - capital		32,895	29,333	24,333	(494)	31,537	24,333	7,204	0	24,333
<b>Surplus/ (Deficit) for the year</b>		(109,157)	(106,137)	(103,600)	(914)	15,813	(103,600)			(103,600)

**Notes**

- Total Revenue (excluding capital transfers and contributions) is R21,014 million
- Total Expenditure on financial Performances is R21,435 million
- Revenue Capital Contribution is negative R494 thousand
- Deficit for the month after capital transfers & contributions is R914 thousand

## 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) - M12 June

Vote Description	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b><u>Single Year expenditure appropriation</u></b>	2									
Vote 1 - EXECUTIVE AND COUNCIL		–	1,900	600	–	994	600	394	66%	600
Vote 2 - BUDGET AND TREASURY DEPARTMENT		–	1,500	1,680	654	967	1,680	(713)	-42%	1,680
Vote 3 - CORPORATE SERVICES		3,398	5,400	2,356	53	617	2,356	(1,739)	-74%	2,356
Vote 4 - COMMUNITY AND SOCIAL SERVICES		1,711	7,000	–	–	–	–	–	–	–
Vote 5 - PLANNING AND DEVELOPMENT		–	2,700	2,000	–	–	2,000	(2,000)	-100%	2,000
Vote 6 - TECHNICAL SERVICES DEPARTMENT		37,840	42,120	41,894	1,083	37,626	41,894	(4,268)	-10%	41,894
<b>Total Capital single-year expenditure</b>	4	42,949	60,620	48,530	1,789	40,204	48,530	(8,326)	-17%	48,530
<b>Total Capital Expenditure</b>		<b>42,949</b>	<b>60,620</b>	<b>48,530</b>	<b>1,789</b>	<b>40,204</b>	<b>48,530</b>	<b>(8,326)</b>	<b>-17%</b>	<b>48,530</b>
<b><u>Capital Expenditure - Standard Classification</u></b>										
<b><i>Governance and administration</i></b>		<b>3,398</b>	<b>8,800</b>	<b>4,636</b>	<b>707</b>	<b>2,578</b>	<b>4,636</b>	(2,058)	-44%	<b>4,636</b>
Executive and council			1,900	600		994	600	394	66%	600
Budget and treasury office			1,500	1,680	654	967	1,680	(713)	-42%	1,680
Corporate services		3,398	5,400	2,356	53	617	2,356	(1,739)	-74%	2,356

<b>Community and public safety</b>		1,711	7,000	-	-	-	-	-	-	-
Community and social services		1,711	6,000	-	-	-	-	-	-	-
Public safety			1,000	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		26,169	24,820	23,814	190	19,259	23,814	(4,555)	-19%	23,814
Planning and development			2,700	2,000	-	-	2,000	(2,000)	-100%	2,000
Road transport		26,169	22,120	21,814	190	19,259	21,814	(2,555)	-12%	21,814
Environmental protection				-	-	-	-	-	-	-
<b>Trading services</b>		11,672	20,000	20,080	893	18,367	20,080	(1,713)	-9%	20,080
Electricity		11,672	20,000	20,080	893	18,367	20,080	(1,713)	-9%	20,080
<b>Total Capital Expenditure - Standard Classification</b>	3	42,949	60,620	48,530	1,789	40,204	48,530	(8,326)	-17%	48,530
<b>Funded by:</b>										
National Government		29,238	29,333	24,220	341	28,439	24,220	4,219	17%	24,220
<b>Internally generated funds</b>		13,711	31,287	24,310	1,448	11,766	24,310	(12,545)	-52%	24,310
<b>Total Capital Funding</b>		42,949	60,620	48,530	1,789	40,204	48,530	(8,326)	-17%	48,530

## Notes:

- The total monthly capital expenditure is R1,789 million excluding vat

**FINANCIAL POSITION**

LIM334 Ba-Phalaborwa - Table C6 Monthly Budget Statement - Financial Position - M12 June

Description	Ref	2012/13	Budget Year 2013/14		YearTD actual	Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget		
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		2,066	2,500	2,500	490	2,500
Call investment deposits			500	500	159	500
Consumer debtors		45,372	150,087	150,087	368,261	150,087
Other debtors		4				
Current portion of long-term receivables			20,000	20,000	-	20,000
Inventory		9,403	9,341	9,341	9,032	9,341
<b>Total current assets</b>		<b>56,845</b>	<b>182,428</b>	<b>182,428</b>	<b>377,941</b>	<b>182,428</b>
<b>Non current assets</b>						
Long-term receivables					25,847	
Investments						
Investment property			6,000	6,000		6,000
Investments in Associate						
Property, plant and equipment		1,056,876	1,222,960	1,222,960	1,191,694	1,222,960
Agricultural			250	250		250
Biological assets		313	238	238	227	238
Intangible assets			2,300	2,300		2,300
Other non-current assets						
<b>Total non current assets</b>		<b>1,057,189</b>	<b>1,231,748</b>	<b>1,231,748</b>	<b>1,217,767</b>	<b>1,231,748</b>
<b>TOTAL ASSETS</b>		<b>1,114,035</b>	<b>1,414,176</b>	<b>1,414,176</b>	<b>1,595,708</b>	<b>1,414,176</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>	-					
Borrowing			4,200	4,200	4,200	4,200
Consumer deposits		2,981			1,231	
Trade and other payables		370,513	-	-	12,554	-
Provisions			4,800	4,800		4,800

<b>Total current liabilities</b>		<b>373,494</b>	<b>9,000</b>	<b>9,000</b>	<b>17,985</b>	<b>9,000</b>
<b>Non current liabilities</b>						
Borrowing			189	189	189	189
Provisions		33,736			8,820	
<b>Total non current liabilities</b>		<b>33,736</b>	<b>189</b>	<b>189</b>	<b>9,009</b>	<b>189</b>
<b>TOTAL LIABILITIES</b>		<b>407,230</b>	<b>9,189</b>	<b>9,189</b>	<b>26,994</b>	<b>9,189</b>
<b>NET ASSETS</b>	2	<b>706,805</b>	<b>1,404,987</b>	<b>1,404,987</b>	<b>1,568,714</b>	<b>1,404,987</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)			(106,137)	(106,137)		(106,137)
Reserves		706,805	1,511,124	1,511,124	1,568,714	1,511,124
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>706,805</b>	<b>1,404,987</b>	<b>1,404,987</b>	<b>1,568,714</b>	<b>1,404,987</b>

**Notes:**

- The financial position shows only year to date actual

### 3. CASH FLOW

LIM334 Ba-Phalaborwa - Table C7 Monthly Budget Statement - Cash Flow - M12 June

Description	Ref	2012/13	Budget Year							
		Audited Outcome	2013/14	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
<b>R thousands</b>	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Ratepayers and other		162,582	230,440	244,710	12,710	192,716	244,710	(51,994)	-21%	230,440
Government - operating		64,589	74,154	74,154	–	70,361	74,154	(3,793)	-5%	74,154
Government - capital		33,778	29,333	24,333	–	39,432	24,333	15,099	62%	29,333
Interest		42,701	250	311	79	594	311	284	91%	250
<b>Payments</b>										
Suppliers and employees		(260,109)	(271,738)	(302,731)	(16,757)	(299,765)	(302,731)	(2,966)	1%	(271,738)
Finance charges		(226)	(803)	(812)		(1,403)	(812)	592	-73%	(803)
Transfers and Grants				–				–		
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>43,315</b>	<b>61,635</b>	<b>39,965</b>	<b>(3,969)</b>	<b>1,934</b>	<b>39,965</b>	<b>(38,031)</b>	<b>-95%</b>	<b>61,635</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE								–		
<b>Payments</b>										
Capital assets		(42,949)	(60,620)	(38,530)	(2,040)	(46,244)	(38,530)	7,714	-20%	(60,620)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(42,949)</b>	<b>(60,620)</b>	<b>(38,530)</b>	<b>(2,040)</b>	<b>(46,244)</b>	<b>(38,530)</b>	<b>7,714</b>	<b>-20%</b>	<b>(60,620)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans								–		

Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits					16,267	43,663		43,663	#DIV/0!	
<b>Payments</b>										
Repayment of borrowing		(941)						-		
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(941)</b>	<b>-</b>	<b>-</b>	<b>16,267</b>	<b>43,663</b>	<b>-</b>	<b>(43,663)</b>	<b>#DIV/0!</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(575)</b>	<b>1,015</b>	<b>1,435</b>	<b>10,259</b>	<b>(648)</b>	<b>1,435</b>			<b>1,015</b>
Cash/cash equivalents at beginning:		2,642	3,000	1,137		1,137	3,000			1,137
Cash/cash equivalents at month/year end:		2,066	4,015	2,572		490	4,435			2,153

**Notes:**

The bank shows a positive balance of R490 thousand as at 30 June 2014

#### 4. DEBTORS AGE ANALYSIS

LIM334 Ba-Phalaborwa - Supporting Table SC3 Monthly Budget Statement - aged debtors - M12 June

Description	Budget Year 2013/14									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days
<b>R thousands</b>										
<b>Debtors Age Analysis By Income Source</b>										
Trade and Other Receivables from Exchange Transactions - Electricity	5,425	2,823	3,016	1,434	1,883	1,017	1,207	22,119	38,925	27,661
Receivables from Non-exchange Transactions - Property Rates	5,673	3,670	3,360	3,192	3,171	3,055	3,000	91,996	117,117	104,414
Receivables from Exchange Transactions - Waste Management	1,036	794	714	690	675	672	642	29,997	35,221	32,676
Other	6,038	5,961	5,776	5,680	5,612	476	5,352	142,103	176,998	159,223
<b>Total By Income Source</b>	<b>18,172</b>	<b>13,248</b>	<b>12,866</b>	<b>10,997</b>	<b>11,340</b>	<b>5,220</b>	<b>10,202</b>	<b>286,215</b>	<b>368,261</b>	<b>323,974</b>
<b>2009/10 - totals only</b>									-	-
<b>Debtors Age Analysis By Customer Group</b>										
Organs of State	2,594	1,610	783	1,486	1,010	509	655	11,183	19,829	14,842
Commercial	4,061	2,510	2,182	1,518	1,696	625	1,746	30,356	44,693	35,940
Households	10,909	8,504	9,198	7,096	7,957	3,826	7,237	238,635	293,361	264,751
Other	608	625	704	897	678	260	564	6,041	10,377	8,440
<b>Total By Customer Group</b>	<b>18,172</b>	<b>13,248</b>	<b>12,866</b>	<b>10,997</b>	<b>11,340</b>	<b>5,220</b>	<b>10,202</b>	<b>286,215</b>	<b>368,261</b>	<b>323,974</b>

#### Notes:

- The debtor's age analysis shows a total figure of R368, 261 million from 30 days to over a year.



## 5. CREDITORS AGE ANALYSIS

LIM334 Ba-Phalaborwa - Supporting Table SC4 Monthly Budget Statement - aged creditors - M12 June

Description R thousands	NT Code	Budget Year 2013/14									Prior year totals for chart (same period)	
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total		
<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	911	212	-	1,278						2,401	
Auditor General	0800										-	
Other	0900										-	
<b>Total By Customer Type</b>	<b>1000</b>	<b>911</b>	<b>212</b>	<b>-</b>	<b>1,278</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,401</b>	<b>-</b>

### Notes:

- The creditor's age analysis shows a total figure of R2, 401 million.

## 6. INVESTMENT PORTFOLIO

LIM334 Ba-Phalaborwa - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M12 June

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		0		93	0	93
Call deposit a/c - STD Bank			Call Account		79		8,136	(8,070)	66
<b>TOTAL INVESTMENTS AND INTEREST</b>	2				79		8,229	(8,070)	159

### Notes:

Total Investment is standing at R159 thousand as at 30 June 2014

## 7. TRANSFERS AND GRANT EXPENDITURES

LIM334 Ba-Phalaborwa - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M12 June

Description	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>EXPENDITURE</b>										
-										
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		-	74,154	74,154	277	71,114	54,283	16,832	31.0%	74,154
Local Government Equitable Share			69,433	69,433		66,921	49,562	17,359	35.0%	69,433
Finance Management			1,550	1,550	92	1,550	1,550	-		1,550
Municipal Systems Improvement			890	890		890	890	-		890
EPWP Incentive			1,000	1,000		1,000	1,000	-		1,000
Operating Grant: MIG (5% of MIG Grants for PMU)			1,281	1,281	185	753	1,281	(527)	-41.2%	1,281
<b>Total operating expenditure of Transfers and Grants:</b>		-	74,154	74,154	277	71,114	54,283	16,832	31.0%	74,154
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		-	29,333	24,333	389	31,537	22,306	9,232	41.4%	24,333
Municipal Infrastructure Grant (MIG)			24,333	24,333	389	31,537	22,306	9,232	41.4%	24,333
Neighbourhood Development Partnership			5,000	-	-	-	-	-		-
<b>Total capital expenditure of Transfers and Grants</b>		-	29,333	24,333	389	31,537	22,306	9,232	41.4%	24,333
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		-	103,487	98,487	666	102,652	76,588	26,064	34.0%	98,487

### Notes:

- The total monthly operating transfers and grants expenditure is R277 thousand
- Capital transfers and grants expenditure on MIG is R389 thousand

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

**LIM334 Ba-Phalaborwa - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M12 June**

Summary of Employee and Councillor remuneration	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
	1	A	B	C						D
<b><u>Councillors (Political Office Bearers plus Other)</u></b>										
Basic Salaries and Wages			9,605	7,863	769	8,406	7,863	543	7%	7,863
Motor Vehicle Allowance			2,638	2,838	213	3,152	2,838	315	11%	2,838
Cellphone Allowance			475	475	63	571	475	96	20%	475
<b>Sub Total - Councillors</b>			<b>12,718</b>	<b>11,175</b>	<b>1,044</b>	<b>12,130</b>	<b>11,175</b>	<b>954</b>	<b>9%</b>	<b>11,175</b>
<b><u>Senior Managers of the Municipality</u></b>	3									
Basic Salaries and Wages			3,418			1,408	-	1,408	#DIV/0!	
Pension and UIF Contributions			10			3	-	3	#DIV/0!	
Motor Vehicle Allowance			2,204			625	-	625	#DIV/0!	
Cellphone Allowance			77			21	-	21	#DIV/0!	
Other benefits and allowances			702			316	-	316	#DIV/0!	
<b>Sub Total - Senior Managers of Municipality</b>			<b>6,411</b>	<b>-</b>	<b>-</b>	<b>2,374</b>	<b>-</b>	<b>2,374</b>	<b>#DIV/0!</b>	<b>-</b>
<b><u>Other Municipal Staff</u></b>										
Basic Salaries and Wages			64,044	69,643	5,237	61,544	69,643	(8,099)	-12%	69,643
Pension and UIF Contributions			13,999	13,569	982	11,873	13,569	(1,696)	-13%	13,569
Medical Aid Contributions			4,563	4,029	309	3,418	4,029	(611)	-15%	4,029
Overtime			3,594	3,494	456	3,220	3,494	(275)	-8%	3,494
Motor Vehicle Allowance			8,248	11,740	866	9,446	11,740	(2,293)	-20%	11,740
Cellphone Allowance			913	1,019	65	755	1,019	(265)	-26%	1,019
Housing Allowances			1,555	1,058	53	637	1,058	(422)	-40%	1,058
Other benefits and allowances			7,828	7,198	315	4,140	7,198	(3,058)	-42%	7,198

Sub Total - Other Municipal Staff		-	104,743	111,750	8,283	95,032	111,750	(16,718)	-15%	111,750
Total Parent Municipality		-	123,872	122,926	9,328	109,536	122,926	(13,390)	-11%	122,926
TOTAL SALARY, ALLOWANCES & BENEFITS		-	123,872	122,926	9,328	109,536	122,926	(13,390)	-11%	122,926
TOTAL MANAGERS AND STAFF		-	111,154	111,750	8,283	97,406	111,750	(14,344)	-13%	111,750

## Notes:

Political office bearer's remunerations for the month of June amounted to R1, 044 million

Employee related costs R8, 283 million

The municipality has total employee related cost & Remuneration of councillors of R9, 328 million for the month of June 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 - M12 June

Description	Ref	Budget Year 2013/14											
		July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June
R thousands	1	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome
<b>Cash Receipts By Source</b>													
Property rates		3,205	5,502	2,154	2,544	2,725	1,633	2,175	2,548	2,542	10,793	1,827	2,241
Service charges - electricity revenue		8,600	4,420	3,238	3,209	3,991	3,457	4,834	5,799	7,389	4,006	3,959	4,862
Service charges - water revenue		5,554		3,109	3,296	4,573	3,140	4,230	4,366	3,304	4,194	3,820	3,186
Service charges - sanitation revenue		271		536	410	547	413	503	555	596	471	464	517
Service charges - refuse		432	892	338	290	372	330	443	404	458	380	346	414
Rental of facilities and equipment		19	31	25	35	9	9	15	17	26	194	20	14
Interest earned - external investments		5	14	10	17	46	63	52		29	280	-	79
Interest earned - outstanding debtors		684	-	308	360	342	179	195	344	261	1,499	164	264
Fines		200	250			460	-	200	-	150	140	-	-
Licences and permits		2	1,113	3,018	710	1,225	310	760	1,835	316	1,804	926	1,097
Transfer receipts - operating		28,851	1,290	-	-	22,561	-	-	-	17,659	-	-	-
Other revenue		12,912	6,492	2,518	24	16	19	18	260	22	20	34	36
<b>Cash Receipts by Source</b>		<b>60,736</b>	<b>20,005</b>	<b>15,256</b>	<b>10,897</b>	<b>36,867</b>	<b>9,553</b>	<b>13,425</b>	<b>16,128</b>	<b>32,752</b>	<b>23,783</b>	<b>11,561</b>	<b>12,710</b>
<b>Other Cash Flows by Source</b>													
Transfer receipts - capital		12,347	-	-	10,034					17,051			-
<b>Total Cash Receipts by Source</b>		<b>73,083</b>	<b>20,005</b>	<b>15,256</b>	<b>20,931</b>	<b>36,867</b>	<b>9,553</b>	<b>13,425</b>	<b>16,128</b>	<b>49,803</b>	<b>23,783</b>	<b>11,561</b>	<b>12,710</b>
<b>Cash Payments by Type</b>													
Employee related costs		8,351	8,259	8,035	7,779	7,596	7,895	8,489	7,895	8,309	8,426	8,088	8,283
Remuneration of councillors		1,005	1,040	1,020	984	973	998	978	990	1,055	1,024	1,019	1,044
Interest paid		44	88	39		197	38	40	385	195	182	195	-

Bulk purchases - Electricity	14,024		-	5,000	7,207	5,000			11,063	5,000	5,333	1,623
Bulk purchases - Water & Sewer				5,000								-
Other materials												-
Contracted services	5,827	3,025	865	6,377	7,353	5,007	4,259	2,706	3,903	1,740	2,611	1,603
Grants and subsidies paid - other municipalities												-
Grants and subsidies paid - other												-
General expenses	24,238	13,811	5,386	3,253	2,760	13,297	1,824	2,340	2,630	8,080	3,879	4,203
<b>Cash Payments by Type</b>	<b>53,488</b>	<b>26,224</b>	<b>15,346</b>	<b>28,393</b>	<b>26,086</b>	<b>32,235</b>	<b>15,591</b>	<b>14,316</b>	<b>27,155</b>	<b>24,452</b>	<b>21,126</b>	<b>16,757</b>
<b>Other Cash Flows/Payments by Type</b>												
Capital assets	9,880	3,353	325	1,612	7,823	3,302	2,332	838	3,611	3,865	7,263	2,040
Repayment of borrowing												-
Other Cash Flows/Payments					(21,875)		(4,511)			13,746	(14,756)	(16,267)
<b>Total Cash Payments by Type</b>	<b>63,368</b>	<b>29,577</b>	<b>15,671</b>	<b>30,005</b>	<b>12,034</b>	<b>35,537</b>	<b>13,412</b>	<b>15,154</b>	<b>30,766</b>	<b>42,064</b>	<b>13,633</b>	<b>2,530</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>9,715</b>	<b>(9,572)</b>	<b>(415)</b>	<b>(9,074)</b>	<b>24,832</b>	<b>(25,985)</b>	<b>13</b>	<b>974</b>	<b>19,036</b>	<b>(18,280)</b>	<b>(2,072)</b>	<b>10,180</b>
Cash/cash equivalents at the month/year beginning:	1,137	10,852	1,281	865	(8,209)	16,624	(9,361)	(9,348)	(8,374)	10,662	(7,618)	(9,690)
Cash/cash equivalents at the month/year end:	10,852	1,281	865	(8,209)	16,624	(9,361)	(9,348)	(8,374)	10,662	(7,618)	(9,690)	490

**Notes**

- Total actual cash receipts for the month amount to R12, 710 million. This is the total of all municipal service charges including Water, sanitation and Licence & permits.
- Other Inflow amount to R16, 267 million. Included in this amount is the transfer made from call accounts to the main primary account.
- While the total actual cash payed out for the month amount to R18, 797 million
- Favourable balance of R490 thousand as at 30 June 2014

## 12. CAPITAL EXPENDITURE TREND

LIM334 Ba-Phalaborwa - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M12 June

Month	2012/13	Budget Year 2013/14							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
<b>Monthly expenditure performance trend</b>									
July		5,052	4,044	8,667	8,667	4,044	(4,623)	-114.3%	14%
August		5,052	4,044	2,580	11,247	8,088	(3,158)	-39.0%	19%
September		5,052	4,044	285	11,532	12,133	601	5.0%	19%
October		5,052	4,044	1,414	12,946	16,177	3,231	20.0%	21%
November		5,052	4,044	6,862	19,808	20,221	413	2.0%	33%
December		5,052	4,044	2,897	22,705	24,265	1,560	6.4%	37%
January		5,052	4,044	2,046	24,750	28,309	3,559	12.6%	41%
February		5,052	4,044	735	25,485	32,353	6,868	21.2%	42%
March		5,052	4,044	3,168	28,653	36,398	7,745	21.3%	47%
April		5,052	4,044	3,391	32,044	40,442	8,398	20.8%	0
May		5,052	4,044	6,371	38,415	44,486	6,071	13.6%	0
June		5,052	4,044	1,789	40,204	48,530	8,326	17.2%	0
<b>Total Capital expenditure</b>	-	<b>60,620</b>	<b>48,530</b>	<b>40,204</b>					

### Notes:

- The total capital expenditure trend gives a year to date actual of R40,204 million excluding vat



**13.BANK RECONCILIATION**Ba-Phalaborwa Municipality  
**TRANSACTIONS STATEMENT FOR JUNE 2014**

<b>Opening balance</b>	<b>-9,690,187.95</b>
Cheques	-160,506.60
ELE Payments	-9,367,928.23
Deposits	21,867,401.32
RD Cheques	-14,370.00
Bank charges	-76,008.65
Debit orders and Miscellaneous	-1,105,967.44
Call accounts	9,080,000.00
Errors	-400.15
Salaries, Welfare, EPWP and Experiential Training	-10,372,045.61
Traffic Fines	330,000.00
<b>Closing balance</b>	<b>489,986.69</b>

**Notes**

- The closing balance as at 30 June 2014 is R489,986.79

## 14.RECOMMENDATIONS

### a. That the following be noted:

- i. The financial report for the period ended 30 June 2014 **excluding Water and Waste Water management**
- ii. The summary of monthly budget statement report for the month ended 30 June 2014
- iii. The financial performance for the month ended 30 June 2014
- iv. The financial position as at 30 June 2014
- v. The actual operating revenue for the month ended 30 June 2014 is R21,014 million excluding capital contribution
- vi. That the Municipality fully received all the grants as per DoRA
- vii. The actual expenditure for the month ended 30 June 2014 is R21,435 million (Total expenditure inclusive of Capex R1,789 million, Salaries R9,328 million) be approved.
- viii. The deficit for the month ended 30 June 2014 is R914 thousand
- ix. The creditors age analysis amount to R2,401 million
- x. Consolidated call deposit accounts held at STD Bank and ABSA closed with a balance of R159 thousand on 30 June 2014
- xi. That councillors and Staff Benefits for June 2014 amount to R9,328 million
- xii. Municipal Primary Bank reconciliation closed with a positive balance of **R489,986.79** as at 30 June 2014