

# **BA-PHALABORWA MUNICIPALITY**



## **FINANCIAL PERFORMANCE REPORT**

**AS AT 30 JUNE 2016**



***The Home of Marula and Wildlife Tourism***

## Values

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

## 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 - M12 June

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><u>Financial Performance</u></b>									
Property rates	65,594	124,589	100,165	6,126	93,045	100,165	(7,120)	-7%	100,165
Service charges	99,013	117,637	121,640	7,320	109,692	121,640	(11,948)	-10%	121,640
Investment revenue	277	275	475	61	633	475	159	33%	475
Transfers recognised - operational	87,633	113,160	112,660	479	112,564	112,660	(96)	-0%	112,660
Other own revenue	53,897	87,404	86,231	5,606	61,869	86,231	(24,362)	-28%	86,231
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>306,414</b>	<b>443,065</b>	<b>421,170</b>	<b>19,593</b>	<b>377,803</b>	<b>421,170</b>	<b>(43,367)</b>	<b>-10%</b>	<b>421,170</b>
Employee costs	123,098	122,693	120,297	9,981	108,305	120,297	(11,992)	-10%	120,297
Remuneration of Councillors	11,790	12,811	12,811	1,145	14,210	12,811	1,400	11%	12,811
Depreciation & asset impairment	60,127	70,104	65,104	5,465	59,109	65,104	(5,995)	-9%	65,104
Finance charges	231	2,109	1,709	73	1,165	1,709	(545)	-32%	1,709
Materials and bulk purchases	65,626	94,332	84,332	1,754	77,729	84,332	(6,603)	-8%	84,332
Other expenditure	189,287	167,944	173,909	3,844	105,545	173,909	(68,364)	-39%	173,909
<b>Total Expenditure</b>	<b>450,159</b>	<b>469,992</b>	<b>458,162</b>	<b>22,262</b>	<b>366,063</b>	<b>458,162</b>	<b>(92,099)</b>	<b>-20%</b>	<b>458,162</b>
<b>Surplus/(Deficit)</b>	<b>(143,745)</b>	<b>(26,927)</b>	<b>(36,992)</b>	<b>(2,669)</b>	<b>11,740</b>	<b>(36,992)</b>	<b>48,732</b>	<b>-132%</b>	<b>(36,992)</b>
Transfers recognised - capital	38,768	36,492	56,992	6,707	55,405	56,992	(1,587)	-3%	56,992
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
	<b>(104,977)</b>	<b>9,565</b>	<b>20,000</b>	<b>4,037</b>	<b>67,145</b>	<b>20,000</b>	<b>47,145</b>	<b>236%</b>	<b>20,000</b>
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>									
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>(104,977)</b>	<b>9,565</b>	<b>20,000</b>	<b>4,037</b>	<b>67,145</b>	<b>20,000</b>	<b>47,145</b>	<b>236%</b>	<b>20,000</b>
<b><u>Capital expenditure &amp; funds sources</u></b>									
Capital expenditure	35,760	53,792	70,792	6,845	56,236	70,792	(14,556)	-21%	70,792

Capital transfers recognised	26,026	36,492	56,992	6,355	49,395	56,992	(7,597)	-13%	56,992
Internally generated funds	<b>9,734</b>	<b>17,300</b>	<b>13,800</b>	<b>490</b>	<b>6,842</b>	<b>13,800</b>	<b>(6,958)</b>	<b>-50%</b>	<b>13,800</b>
<b>Total sources of capital funds</b>	<b>35,760</b>	<b>53,792</b>	<b>70,792</b>	<b>6,845</b>	<b>56,236</b>	<b>70,792</b>	<b>(14,556)</b>	<b>-21%</b>	<b>70,792</b>
<b>Financial position</b>									
Total current assets	186,197	184,644	186,644		627,268				186,644
Total non current assets	923,298	1,360,832	1,005,535		920,426				1,005,535
Total current liabilities	368,045	6,741	287,741		21,357				287,741
Total non current liabilities	59,656	198,000	48,000		59,656				48,000
<b>Community wealth/Equity</b>	<b>681,794</b>	<b>1,340,735</b>	<b>856,438</b>		<b>1,466,681</b>				<b>856,438</b>
<b>Cash flows</b>									
Net cash from (used) operating	57,365	54,592	40,517	(2,303)	63,027	40,517	(22,510)	-56%	40,517
Net cash from (used) investing	(35,847)	(53,792)	(41,200)	(7,803)	(64,560)	(41,200)	23,360	-57%	(41,200)
Net cash from (used) financing	(495)	-	-	11,453	2,096	-	(2,096)	#DIV/0!	-
<b>Cash/cash equivalents at the month/year end</b>	<b>3,246</b>	<b>1,612</b>	<b>1,169</b>	<b>-</b>	<b>2,414</b>	<b>1,169</b>	<b>(1,246)</b>	<b>-107%</b>	<b>1,169</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	19,465	14,924	11,376	11,906	11,679	12,063	66,508	387,241	535,161
<b>Creditors Age Analysis</b>									
Total Creditors	11,156	6,353	51	1,854	-	-	-	-	19,414

**Notes**

- Operating Revenue (excluding capital transfers and contributions) is R19.6 million  
Transfers recognised – capital amount in the month of June 2016 is R6.7 million
- Operational Expenditure on financial Performances is R22.3 million
- Capital expenditure incurred during the month of June 2016 amount to R6,8 million (MIG, INEG and Own funding capital expenditure excluding vat)

## LIM334 Ba-Phalaborwa - Supporting Table SC1 Material variance explanations - M12 June

Ref	Description R thousands	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
1	<b>Revenue By Source</b>			
	Property rates	(7,120)	Changes in the categories of property on the Valuation roll	Constant monitoring
	Service charges	(11,948)	Electricity losses caused by old infrastructure and illegal connections	investigations and audit to be conducted
	Investment revenue	159	The call accounts yielded more interest than we expected	None
	Other own revenue	(24,362)		None
2	<b>Expenditure By Type</b>			
	Employee costs	(11,992)	changes in staff complement	None
	Depreciation & asset impairment	(5,995)		
	Finance charges	(545)	The Overdraft was closed thus less bank charges	None
	Materials and bulk purchases	(6,603)	Under billing and low consumptions	
3	<b>Capital Expenditure</b>			
	Capital transfers recognised	(7,597)	Unspent INEG of R1.9 million	Application of roll over
	Internally generated funds	(6,958)	Own funding projects not implemented	To have cash backed in order to spend on Internal funded Projects

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

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

Description	Ref	2014/15	Budget Year 2015/16							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Revenue - Standard</b>										
<b>Governance and administration</b>		<b>194,637</b>	<b>306,962</b>	<b>267,461</b>	<b>8,450</b>	<b>242,357</b>	<b>267,461</b>	(25,105)	-9%	<b>267,461</b>
Budget and treasury office		193,504	306,613	266,888	8,436	241,589	266,888	(25,298)	-9%	266,888
Corporate services		1,133	349	574	14	768	574	194	34%	574
<b>Community and public safety</b>		<b>14,758</b>	<b>14,980</b>	<b>13,529</b>	<b>843</b>	<b>14,555</b>	<b>13,529</b>	1,026	8%	<b>13,529</b>
Community and social services		5,935	12,213	13,278	830	12,812	13,278	(467)	-4%	13,278
Public safety		8,823	2,767	251	13	1,743	251	1,492	595%	251
<b>Economic and environmental services</b>		<b>27,774</b>	<b>32,978</b>	<b>53,033</b>	<b>8,064</b>	<b>54,980</b>	<b>53,033</b>	1,948	4%	<b>53,033</b>
Planning and development		7	-	55	1,897	2,410	55	2,355	4281%	55
Road transport		27,767	32,978	52,978	6,167	52,571	52,978	(407)	-1%	52,978
<b>Trading services</b>		<b>108,013</b>	<b>124,637</b>	<b>144,139</b>	<b>8,943</b>	<b>121,318</b>	<b>144,139</b>	(22,821)	-16%	<b>144,139</b>
Electricity		96,608	112,666	122,802	7,321	103,369	122,802	(19,433)	-16%	122,802
Waste management		11,405	11,971	21,337	1,623	17,949	21,337	(3,388)	-16%	21,337
<b>Other</b>	4	-	-	-	-	-	-	-		-
<b>Total Revenue - Standard</b>	2	<b>345,182</b>	<b>479,557</b>	<b>478,162</b>	<b>26,301</b>	<b>433,210</b>	<b>478,162</b>	<b>(44,952)</b>	<b>-9%</b>	<b>478,162</b>
<b>Expenditure - Standard</b>	-									
<b>Governance and administration</b>		<b>197,318</b>	<b>183,063</b>	<b>189,142</b>	<b>7,273</b>	<b>126,647</b>	<b>189,142</b>	(62,495)	-33%	<b>189,142</b>
Executive and council		48,368	44,222	45,046	2,876	41,069	45,046	(3,977)	-9%	45,046
Budget and treasury office		93,807	91,301	97,273	2,362	56,280	97,273	(40,993)	-42%	97,273
Corporate services		55,143	47,540	46,823	2,035	29,298	46,823	(17,525)	-37%	46,823
<b>Community and public safety</b>		<b>42,251</b>	<b>58,121</b>	<b>56,150</b>	<b>2,861</b>	<b>47,830</b>	<b>56,150</b>	(8,319)	-15%	<b>56,150</b>
Community and social services		33,365	46,819	46,229	1,992	39,371	46,229	(6,858)	-15%	46,229
Public safety		8,885	11,303	9,921	869	8,459	9,921	(1,461)	-15%	9,921
<b>Economic and environmental services</b>		<b>105,178</b>	<b>97,404</b>	<b>85,500</b>	<b>7,883</b>	<b>80,770</b>	<b>85,500</b>	(4,730)	-6%	<b>85,500</b>

Planning and development		11,069	17,791	10,721	549	7,021	10,721	(3,700)	-35%	10,721
Road transport		94,109	79,613	74,779	7,334	73,749	74,779	(1,030)	-1%	74,779
<b>Trading services</b>		<b>105,413</b>	<b>131,403</b>	<b>127,370</b>	<b>4,246</b>	<b>110,817</b>	<b>127,370</b>	(16,553)	-13%	<b>127,370</b>
Electricity		96,600	124,296	119,755	3,662	106,400	119,755	(13,355)	-11%	119,755
Waste management		8,812	7,107	7,615	584	4,417	7,615	(3,198)	-42%	7,615
<b>Other</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
<b>Total Expenditure - Standard</b>	<b>3</b>	<b>450,159</b>	<b>469,992</b>	<b>458,162</b>	<b>22,263</b>	<b>366,064</b>	<b>458,162</b>	<b>(92,097)</b>	<b>-20%</b>	<b>458,162</b>
<b>Surplus/ (Deficit) for the year</b>		<b>(104,977)</b>	<b>9,565</b>	<b>20,000</b>	<b>4,038</b>	<b>67,145</b>	<b>20,000</b>	<b>47,145</b>	<b>236%</b>	<b>20,000</b>

**Notes:**

- Total revenue by vote amount to R26.3 million including transfers – capital recognition.
- Operational Expenditure on financial Performances is R22.3 million.



## FINANCIAL PERFORMANCE REVENUE AND EXPENDITURE PER SOURCE

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

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		65,594	124,589	100,165	6,126	93,045	100,165	(7,120)	-7%	100,165
Service charges - electricity revenue		87,608	105,666	105,666	6,190	95,903	105,666	(9,762)	-9%	105,666
Service charges - refuse revenue		11,405	11,971	15,974	1,130	13,789	15,974	(2,185)	-14%	15,974
Rental of facilities and equipment		265	346	441	14	351	441	(89)	-20%	441
Interest earned - external investments		277	275	475	61	633	475	159	33%	475
Interest earned - outstanding debtors		29,899	70,973	70,973	2,836	42,542	70,973	(28,430)	-40%	70,973
Dividends received		-	3	-	-	-	-	-	-	-
Fines		8,823	2,917	381	14	2,030	381	1,649	433%	381
Licences and permits		2,257	9,399	10,512	(2,484)	9,936	10,512	(576)	-6%	10,512
Agency services		5,325	2,381	2,381	2,484	2,484	2,381	103	4%	2,381
Transfers recognised - operational		87,633	113,160	112,660	479	112,564	112,660	(96)	0%	112,660
Other revenue		7,328	1,385	1,543	1,935	4,525	1,543	2,982	193%	1,543
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>306,414</b>	<b>443,065</b>	<b>421,170</b>	<b>19,593</b>	<b>377,803</b>	<b>421,170</b>	<b>(43,367)</b>	<b>-10%</b>	<b>421,170</b>
<b>Expenditure By Type</b>										
Employee related costs		123,098	122,693	120,297	9,981	108,305	120,297	(11,992)	-10%	120,297
Remuneration of councillors		11,790	12,811	12,811	1,145	14,210	12,811	1,400	11%	12,811
Debt impairment		73,146	33,326	33,326	-	8,222	33,326	(25,104)	-75%	33,326
Depreciation & asset impairment		60,127	70,104	65,104	5,465	59,109	65,104	(5,995)	-9%	65,104
Finance charges		231	2,109	1,709	73	1,165	1,709	(545)	-32%	1,709
Bulk purchases		65,626	94,332	84,332	1,754	77,729	84,332	(6,603)	-8%	84,332
Contracted services		44,545	52,256	51,887	409	45,417	51,887	(6,470)	-12%	51,887
Other expenditure		71,596	82,362	88,697	3,435	51,907	88,697	(36,790)	-41%	88,697

<b>Total Expenditure</b>		<b>450,159</b>	<b>469,992</b>	<b>458,162</b>	<b>22,262</b>	<b>366,063</b>	<b>458,162</b>	<b>(92,099)</b>	<b>-20%</b>	<b>458,162</b>
<b>Surplus/(Deficit)</b>		<b>(143,745)</b>	<b>(26,927)</b>	<b>(36,992)</b>	<b>(2,669)</b>	<b>11,740</b>	<b>(36,992)</b>	<b>48,732</b>	<b>(0)</b>	<b>(36,992)</b>
Transfers recognised - capital		38,768	36,492	56,992	6,707	55,405	56,992	(1,587)	(0)	56,992
Share of surplus/ (deficit) of associate										
<b>Surplus/ (Deficit) for the year</b>		<b>(104,977)</b>	<b>9,565</b>	<b>20,000</b>	<b>4,037</b>	<b>67,145</b>	<b>20,000</b>			<b>20,000</b>

**Notes:**

- ❖ Operating Revenue (excluding capital transfers and contributions) is R19.6 million for the month ending 30 June 2016 which include amongst the following:
  - Property rates is R6.1 million and R93 million on year to date
  - Service Charges Electricity is R6.2 million and R95.9 million on year to date
  - Service Charges Refuse is R1.1 million and R13.8 million on year to date
  - Interest Outstanding debtors is R2.8 million and R42.5 million on year to date
  - Licenses & Permits is R807 thousand and 12.4 million on year to date
  - Transfers operational is R479 thousand and R112.5 million on year to date
- ❖ Total revenue on year to date is at R377.8 million which is 90% of total budgeted at R421.2 million
- ❖ Operational Expenditure on financial Performances is R22.3 million which includes amongst the following expenditure:
  - Employee Related Costs is R9.9 million and R108.3 million on year to date

- Remuneration of Councillors is R1.1 million and R14.2 million on year to date
- Depreciation is R5.5 million and R59.1 million on year to date
- Bulk Purchases is at R1.8 million and R77.7 million on year to date
- Contracted is at R409 thousand and R45.4 million on year to date
- Other expenditure is R3.4 million and R51.9 million on year to date
- ❖ Total operating expenditure is R366 million on year to date which is 80% of total is budgeted of R458.2 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) - M12 June

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
<b>R thousands</b>	1									
<b><u>Single Year expenditure appropriation</u></b>	2									
Vote 3 - CORPORATE SERVICES		2,627	5,700	4,200	490	2,011	4,200	(2,189)	-52%	4,200
Vote 6 - TECHNICAL SERVICES DEPARTMENT		33,133	48,092	66,592	6,355	54,226	66,592	(12,366)	-19%	66,592
0		-	-	-	-	-	-	-		-
<b>Total Capital single-year expenditure</b>	4	35,760	53,792	70,792	6,845	56,236	70,792	<b>(14,556)</b>	<b>-21%</b>	70,792
<b>Total Capital Expenditure</b>		<b>35,760</b>	<b>53,792</b>	<b>70,792</b>	<b>6,845</b>	<b>56,236</b>	<b>70,792</b>	<b>(14,556)</b>	<b>-21%</b>	<b>70,792</b>
<b><u>Capital Expenditure - Standard Classification</u></b>										
<b><i>Governance and administration</i></b>		<b>2,627</b>	<b>5,700</b>	<b>4,200</b>	<b>490</b>	<b>2,011</b>	<b>4,200</b>	(2,189)	-52%	<b>4,200</b>
Corporate services		2,627	5,700	4,200	490	2,011	4,200	(2,189)	-52%	4,200
<b><i>Economic and environmental services</i></b>		<b>24,886</b>	<b>35,492</b>	<b>55,992</b>	<b>5,636</b>	<b>45,617</b>	<b>55,992</b>	(10,375)	-19%	<b>55,992</b>
Road transport		24,886	35,492	55,992	5,636	45,617	55,992	(10,375)	-19%	55,992
<b><i>Trading services</i></b>		<b>8,247</b>	<b>12,600</b>	<b>10,600</b>	<b>719</b>	<b>8,608</b>	<b>10,600</b>	(1,992)	-19%	<b>10,600</b>
Electricity		8,247	12,600	10,600	719	8,608	10,600	(1,992)	-19%	10,600
<b><i>Other</i></b>								-		
<b>Total Capital Expenditure - Standard Classification</b>	3	<b>35,760</b>	<b>53,792</b>	<b>70,792</b>	<b>6,845</b>	<b>56,236</b>	<b>70,792</b>	<b>(14,556)</b>	<b>-21%</b>	<b>70,792</b>
<b><u>Funded by:</u></b>										
National Government		26,026	36,492	56,992	6,355	49,395	56,992	(7,597)	-13%	56,992
<b>Internally generated funds</b>		<b>9,734</b>	<b>17,300</b>	<b>13,800</b>	<b>490</b>	<b>6,842</b>	<b>13,800</b>	<b>(6,958)</b>	<b>-50%</b>	<b>13,800</b>
<b>Total Capital Funding</b>		<b>35,760</b>	<b>53,792</b>	<b>70,792</b>	<b>6,845</b>	<b>56,236</b>	<b>70,792</b>	<b>(14,556)</b>	<b>-21%</b>	<b>70,792</b>

**Note:**

- Capital expenditure incurred during the month of June 2016 amount to R6.8 million (MIG and INEG excluding vat).
- Total Capital Budgeted for the year is R70.8 million, spent R56.2 million which is divided into internally funded and National funded. The National funded is R49.4 million and internally funded spent R6.8 million to date.
- The total capital expenditure percentage is standing at 79%

### 3. FINANCIAL POSITION

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

Description	Ref	2014/15	Budget Year 2015/16			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		3,246	1,612	1,612	2,414	1,612
Call investment deposits			1,700	1,700	7,082	1,700
Consumer debtors		99,985	161,832	102,832	535,161	102,832
Current portion of long-term receivables		356				
Inventory		82,611	19,500	80,500	82,611	80,500
<b>Total current assets</b>		<b>186,197</b>	<b>184,644</b>	<b>186,644</b>	<b>627,268</b>	<b>186,644</b>
<b>Non current assets</b>						
Investment property		42,999		42,999	42,999	42,999
Property, plant and equipment		878,196	1,360,432	960,432	875,324	960,432
Biological assets		388	400	388	388	388
Intangible assets		1,715		1,715	1,715	1,715
<b>Total non current assets</b>		<b>923,298</b>	<b>1,360,832</b>	<b>1,005,535</b>	<b>920,426</b>	<b>1,005,535</b>
<b>TOTAL ASSETS</b>		<b>1,109,496</b>	<b>1,545,477</b>	<b>1,192,179</b>	<b>1,547,694</b>	<b>1,192,179</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Consumer deposits		3,738	1,650	3,650		3,650
Trade and other payables		364,307	5,091	284,091	21,357	284,091
Provisions						
<b>Total current liabilities</b>		<b>368,045</b>	<b>6,741</b>	<b>287,741</b>	<b>21,357</b>	<b>287,741</b>
<b>Non current liabilities</b>						
Borrowing		38,475	180,000	30,000	38,475	30,000
Provisions		21,182	18,000	18,000	21,182	18,000
<b>Total non current liabilities</b>		<b>59,656</b>	<b>198,000</b>	<b>48,000</b>	<b>59,656</b>	<b>48,000</b>

<b>TOTAL LIABILITIES</b>		<b>427,702</b>	<b>204,741</b>	<b>335,741</b>	<b>81,013</b>	<b>335,741</b>
<b>NET ASSETS</b>	2	<b>681,794</b>	<b>1,340,735</b>	<b>856,438</b>	<b>1,466,681</b>	<b>856,438</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		627,330		856,438	<b>1,466,681</b>	856,438
Reserves		54,464	1,340,735			
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>681,794</b>	<b>1,340,735</b>	<b>856,438</b>	<b>1,466,681</b>	<b>856,438</b>

**Note:**

- The financial position shows only year to date actual

## 4. CASH FLOW

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

Description	Ref	2014/15	Budget Year 2015/16							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates, penalties & collection charges		65,594	37,772	44,800	1,753	34,315	44,800	(10,485)	-23%	44,800
Service charges		88,228	197,813	137,811	11,948	137,316	137,811	(495)	0%	137,811
Other revenue		23,998	16,411	10,512	2,770	20,842	10,512	10,330	98%	10,512
Government - operating		87,633	113,160	113,160	-	111,868	113,160	(1,292)	-1%	113,160
Government - capital		37,279	36,492	36,492	-	58,044	36,492	21,552	59%	36,492
Interest		30,176	19,504	4,305	234	4,150	4,305	(155)	-4%	4,305
Dividends			3	-	-	-	-	-		-
<b>Payments</b>										
Suppliers and employees		(273,972)	(364,453)	(305,165)	(18,935)	(302,344)	(305,165)	(2,821)	1%	(305,165)
Finance charges		(1,570)	(2,109)	(1,398)	(73)	(1,165)	(1,398)	(233)	17%	(1,398)
Transfers and Grants								-		
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>57,365</b>	<b>54,592</b>	<b>40,517</b>	<b>(2,303)</b>	<b>63,027</b>	<b>40,517</b>	<b>(22,510)</b>	<b>-56%</b>	<b>40,517</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Payments</b>										
Capital assets		(35,847)	(53,792)	(41,200)	(7,803)	(64,560)	(41,200)	23,360	-57%	(41,200)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(35,847)</b>	<b>(53,792)</b>	<b>(41,200)</b>	<b>(7,803)</b>	<b>(64,560)</b>	<b>(41,200)</b>	<b>23,360</b>	<b>-57%</b>	<b>(41,200)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Increase (decrease) in consumer deposits					11,453	2,096		2,096	#DIV/0!	
<b>Payments</b>										
Repayment of borrowing		(495)						-		



<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(495)</b>	<b>-</b>	<b>-</b>	<b>11,453</b>	<b>2,096</b>	<b>-</b>	<b>(2,096)</b>	<b>#DIV/0!</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>21,023</b>	<b>800</b>	<b>(683)</b>	<b>1,348</b>	<b>563</b>	<b>(683)</b>			<b>(683)</b>
Cash/cash equivalents at beginning:		(17,777)	813	1,852		1,852	1,852			1,852
Cash/cash equivalents at month/year end:		3,246	1,612	1,169		2,414	1,169			1,169

**Note:**

The bank shows favourable closing balance of **R2.4 million** as at 30 June 2016.

## 5. 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	6,181	3,666	853	719	669	1,154	2,799	21,882	37,923	27,222
Receivables from Non-exchange Transactions - Property Rates	5,226	3,654	3,153	3,893	3,844	3,898	23,729	95,693	143,092	131,058
Receivables from Exchange Transactions - Waste Management	1,244	951	824	800	789	781	4,773	38,693	48,856	45,836
Other	6,814	6,653	6,544	6,493	6,378	6,230	35,206	230,973	305,291	285,280
<b>Total By Income Source</b>	<b>19,465</b>	<b>14,924</b>	<b>11,376</b>	<b>11,906</b>	<b>11,679</b>	<b>12,063</b>	<b>66,508</b>	<b>387,241</b>	<b>535,161</b>	<b>489,397</b>
<b>2012/13 - totals only</b>									-	-
<b>Debtors Age Analysis By Customer Group</b>										
Organs of State	1,231	921	586	615	586	548	3,139	14,117	21,742	19,005
Commercial	3,131	2,395	2,264	1,469	1,472	1,207	8,540	54,503	74,981	67,192
Households	13,762	10,946	7,980	9,405	9,193	9,776	52,136	313,931	427,129	394,441
Other	1,342	662	546	416	428	532	2,693	4,690	11,309	8,759
<b>Total By Customer Group</b>	<b>19,465</b>	<b>14,924</b>	<b>11,376</b>	<b>11,906</b>	<b>11,679</b>	<b>12,063</b>	<b>66,508</b>	<b>387,241</b>	<b>535,161</b>	<b>489,397</b>

#### Note:

- The Debtor's age analysis shows a total figure of R535.1 million from 30 days to over a year.

## 6. CREDITORS AGE ANALYSIS

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

Description R thousands	NT Code	Budget Year 2015/16								
		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	7,347	4,801	–	–					12,149
Trade Creditors	0700	3,809	1,552	51	1,854					7,265
Other	0900									–
<b>Total By Customer Type</b>	<b>1000</b>	<b>11,156</b>	<b>6,353</b>	<b>51</b>	<b>1,854</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>19,414</b>

### Notes:

- The creditor's age analysis shows a total figure of R19.4 million
- Bulk electricity is Eskom which is at 0–60 days
- Trade creditors consist of:
  - ✓ Limpopo province Administration at 0–30 days and 90 days plus.
  - ✓ Cigicell at 0–30 days
  - ✓ other suppliers at 0–30 days to 90 days plus

## 7. 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				93	-	93
Call deposit a/c - STD Bank			Call Account				15,618	(8,629)	6,989
<b>TOTAL INVESTMENTS AND INTEREST</b>	2						<b>15,711</b>	<b>(8,629)</b>	<b>7,082</b>

### Notes:

Total Investment is standing at R7 million as at 30 June 2016.

## 8. TRANSFERS AND GRANT EXPENDITURES

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

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										
<b>EXPENDITURE</b>										
-										
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		<b>88,490</b>	<b>113,160</b>	<b>112,660</b>	<b>479</b>	<b>112,470</b>	<b>112,660</b>	<b>(190)</b>	<b>-0.2%</b>	<b>112,660</b>
Local Government Equitable Share		83,256	107,805	107,805	-	107,805	107,805	-		107,805
Finance Management		1,600	1,675	1,675	210	1,675	1,675	-		1,675
Municipal Systems Improvement		934	940	940	-	940	940	-		940
EPWP Incentive		1,212	1,188	1,188	269	1,157	1,188	(31)	-2.6%	1,188
Operating Grant: MIG (5% of MIG Grants for PMU)		1,488	1,552	1,052	-	633	1,052	(419)	-39.8%	1,052
OP GR : SITA					-	260		260	#DIV/0!	-
<b>Total operating expenditure of Transfers and Grants:</b>		<b>88,490</b>	<b>113,160</b>	<b>112,660</b>	<b>479</b>	<b>112,470</b>	<b>112,660</b>	<b>(190)</b>	<b>-0.2%</b>	<b>112,660</b>
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		<b>37,279</b>	<b>36,492</b>	<b>56,992</b>	<b>6,707</b>	<b>55,499</b>	<b>56,992</b>	<b>(1,493)</b>	<b>-2.6%</b>	<b>36,992</b>
Municipal Infrastructure Grant (MIG)		28,279	29,492	49,992	5,887	50,411	49,992	419	0.8%	29,992
Intergrated National Electrification Grant		9,000	7,000	7,000	820	5,088	7,000	(1,912)	-27.3%	7,000
								-		
<b>Total capital expenditure of Transfers and Grants</b>		<b>37,279</b>	<b>36,492</b>	<b>56,992</b>	<b>6,707</b>	<b>55,499</b>	<b>56,992</b>	<b>(1,493)</b>	<b>-2.6%</b>	<b>36,992</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		<b>125,769</b>	<b>149,652</b>	<b>169,652</b>	<b>7,186</b>	<b>167,969</b>	<b>169,652</b>	<b>(1,683)</b>	<b>-1.0%</b>	<b>149,652</b>

### Notes:

- The monthly operating transfers and grants expenditure is R479 thousand and Capital is R6.7 million

## 9. 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	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	8,874	859	10,516	8,874	1,642	19%	8,874
Motor Vehicle Allowance			3,109	3,109	225	2,681	3,109	(428)	-14%	3,109
Cellphone Allowance			828	828	61	1,014	828	186	22%	828
<b>Sub Total - Councillors</b>		-	<b>12,811</b>	<b>12,811</b>	<b>1,145</b>	<b>14,211</b>	<b>12,811</b>	<b>1,400</b>	<b>11%</b>	<b>12,811</b>
<b><u>Senior Managers of the Municipality</u></b>	3									
Basic Salaries and Wages			3,797	2,731	261	2,709	2,731	(22)	-1%	2,731
Pension and UIF Contributions			11	11	1	7	11	(3)	-31%	11
Motor Vehicle Allowance			2,448	2,448	151	1,442	2,448	(1,006)	-41%	2,448
Cellphone Allowance			86	86	6	56	86	(30)	-35%	86
Other benefits and allowances			780	780	18	457	780	(323)	-41%	780
<b>Sub Total - Senior Managers of Municipality</b>		-	<b>7,121</b>	<b>6,055</b>	<b>437</b>	<b>4,671</b>	<b>6,055</b>	<b>(1,384)</b>	<b>-23%</b>	<b>6,055</b>
<b><u>Other Municipal Staff</u></b>										
Basic Salaries and Wages			73,101	74,462	6,068	64,478	74,462	(9,984)	-13%	74,462
Pension and UIF Contributions			14,153	14,320	1,185	12,928	14,320	(1,392)	-10%	14,320
Medical Aid Contributions			4,567	4,672	427	4,606	4,672	(66)	-1%	4,672
Overtime			4,153	2,965	394	2,883	2,965	(82)	-3%	2,965
Motor Vehicle Allowance			12,974	12,025	789	9,057	12,025	(2,968)	-25%	12,025
Cellphone Allowance			1,044	1,009	77	866	1,009	(144)	-14%	1,009
Housing Allowances			913	898	65	743	898	(155)	-17%	898
Other benefits and allowances			4,004	2,607	447	4,207	2,607	1,600	61%	2,607

Long service awards			662	1,284	93	3,865	1,284	2,582	201%	1,284
Post-retirement benefit obligations	2							-		
<b>Sub Total - Other Municipal Staff</b>		-	<b>115,571</b>	<b>114,242</b>	<b>9,545</b>	<b>103,633</b>	<b>114,242</b>	<b>(10,609)</b>	<b>-9%</b>	<b>114,242</b>
<b>Total Parent Municipality</b>		-	<b>135,503</b>	<b>133,108</b>	<b>11,126</b>	<b>122,515</b>	<b>133,108</b>	<b>(10,593)</b>	<b>-8%</b>	<b>133,108</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		-	<b>135,503</b>	<b>133,108</b>	<b>11,126</b>	<b>122,515</b>	<b>133,108</b>	<b>(10,593)</b>	<b>-8%</b>	<b>133,108</b>
<b>TOTAL MANAGERS AND STAFF</b>		-	<b>122,693</b>	<b>120,297</b>	<b>9,981</b>	<b>108,304</b>	<b>120,297</b>	<b>(11,993)</b>	<b>-10%</b>	<b>120,297</b>

**Notes:**

- Political office bearer's remunerations for the month of June amounted to R1.4 million.
- Employee related costs R9.8 million.
- The municipality has total employee related cost & Remuneration of councillors of R11.1 million for the month of June 2016

## 10. 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 2015/16											
		July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Outcome	Feb Outcome	March Outcome	April Outcome	May Outcome	June Outcome
<b>R thousands</b>	1												
<b><u>Cash Receipts By Source</u></b>													
Property rates		2,808	3,005	3,694	4,220	3,934	3,588	3,112	2,016	2,353	1,912	1,919	1,753
Service charges - electricity revenue		3,683	6,159	3,736	5,578	4,999	5,094	5,097	6,341	4,995	7,579	7,019	5,766
Service charges - water revenue		3,111	6,065	4,329	6,704	4,523	5,149	5,166	3,717	3,067	5,500	5,947	5,307
Service charges - sanitation revenue		596	608	594	767	626	533	655	436	606	614	622	484
Service charges - refuse		425	455	477	588	459	440	481	380	452	507	492	391
Rental of facilities and equipment		29	38	27	34	15	43	23	22	50	22	22	14
Interest earned - external investments		53	83	78	50	19	21	22	21	25	114	86	61
Interest earned - outstanding debtors		326	229	376	339	320	245	329	197	203	403	334	173
Fines		1,772	5	27	15	17	1	66	19	47	1	46	14
Licences and permits		175	541	1,576	568	730	1	2,712	887	1,463	1,274	1,687	807
Transfer receipts - operating		47,549	475	-	-	36,292	-	-	452	26,951	-	149	-
Other revenue		59	14	18	59	15	-	1,534	23	738	1,691	13	1,935
<b>Cash Receipts by Source</b>		<b>60,585</b>	<b>17,676</b>	<b>14,932</b>	<b>18,921</b>	<b>51,948</b>	<b>15,114</b>	<b>19,196</b>	<b>14,512</b>	<b>40,951</b>	<b>19,617</b>	<b>18,334</b>	<b>16,706</b>
<b>Other Cash Flows by Source</b>													
Transfer receipts - capital		15,764	-	2,800	10,267	-	7,763	-	1,450	20,000	-	-	-
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>51,948</b>	<b>22,877</b>	<b>19,196</b>	<b>15,962</b>	<b>60,951</b>	<b>19,617</b>	<b>18,334</b>	<b>16,706</b>
<b><u>Cash Payments by Type</u></b>													
Employee related costs		8,024	7,535	8,593	8,888	8,418	8,678	8,799	9,348	11,527	9,219	9,295	9,981
Remuneration of councillors		1,150	1,120	1,137	1,137	1,171	1,128	1,105	1,166	1,591	1,185	1,177	1,145



Interest paid	69	166	116	118	138	126	107	25	24	130	73	73
Bulk purchases - Electricity	15,000	5,500	5,000	14,500	4,500	7,000	8,000	4,000	10,000	7,000	3,500	2,000
Contracted services	3,193	2,652	1,462	3,986	2,426	8,595	4,378	3,035	1,600	1,492	1,470	1,476
General expenses	13,515	276	2,636	4,771	6,099	7,158	4,181	2,404	1,841	8,838	2,012	4,333
<b>Cash Payments by Type</b>	<b>40,951</b>	<b>17,248</b>	<b>18,943</b>	<b>33,400</b>	<b>22,752</b>	<b>32,685</b>	<b>26,569</b>	<b>19,978</b>	<b>26,583</b>	<b>27,865</b>	<b>17,527</b>	<b>19,008</b>
<b>Other Cash Flows/Payments by Type</b>												
Capital assets	13,387	14	1,720	8,509	2,443	10,273	3,129	26	1,902	9,409	5,945	7,803
Other Cash Flows/Payments	21,450		(3,615)	(18,231)						14,000	(4,246)	(11,453)
<b>Total Cash Payments by Type</b>	<b>75,788</b>	<b>17,262</b>	<b>17,048</b>	<b>23,677</b>	<b>25,195</b>	<b>42,958</b>	<b>29,699</b>	<b>20,004</b>	<b>28,485</b>	<b>51,274</b>	<b>19,226</b>	<b>15,358</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>561</b>	<b>415</b>	<b>684</b>	<b>5,511</b>	<b>26,753</b>	<b>(20,081)</b>	<b>(10,503)</b>	<b>(4,042)</b>	<b>32,466</b>	<b>(31,657)</b>	<b>(892)</b>	<b>1,348</b>
Cash/cash equivalents at the month/year beginning:	1,852	2,412	2,827	3,510	9,022	35,775	15,694	5,191	1,150	33,616	1,959	1,067
Cash/cash equivalents at the month/year end:	2,412	2,827	3,510	9,022	35,775	15,694	5,191	1,150	33,616	1,959	1,067	2,414

### Notes

Total actual cash receipts for the month amount to R16.7 million. This total is including Water and sanitation service charges.

While the total actual cash payments made for the month amount to R23 million. The closing balance on the primary bank account shows favourable bank balance of R2.4 million

## 11.CAPITAL EXPENDITURE TREND

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

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	2,980	4,483	11,156	11,156	11,156	11,156	-		21%
August	2,980	4,483	12	12	11,169	11,169	-		21%
September	2,980	4,483	1,509	1,509	12,677	12,677	-		24%
October	2,980	4,483	7,464	7,464	20,141	20,141	-		37%
November	2,980	4,483	2,143	2,143	22,284	22,284	-		41%
December	2,980	4,483	9,011	9,011	31,295	31,295	-		58%
January	2,980	4,483	3,250	2,745	34,040	34,544	504	1.5%	63%
February	2,980	4,483	3,250	23	34,063	37,794	3,731	9.9%	63%
March	2,980	4,483	3,250	1,668	35,731	41,043	5,312	12.9%	66%
April	2,980	4,483	8,250	8,254	43,985	49,293	5,308	10.8%	0
May	2,980	4,483	13,250	5,407	49,392	62,542	13,151	21.0%	0
June	2,980	4,483	8,250	6,845	56,236	70,792	14,556	20.6%	0
<b>Total Capital expenditure</b>	<b>35,760</b>	<b>53,792</b>	<b>70,792</b>	<b>56,236</b>					

### Notes:

- Capital expenditure incurred during the month of June 2016 amount to R6.8 million (MIG, INEG and Own funding capital expenditure exclude VAT)

## 12.BANK RECONCILIATION

BA-PHALABORWA MUNICIPALITY  
BANK TRANSACTIONS STATEMENT FOR JUNE 2016

Statement Description	Statement Amt
<b>Outstanding C/F</b>	<b>1,066,624.75</b>
Current - Cheques	-26,738,616.43
Current - Deposits	16,705,815.42
Current - RD Cheques	-
Current - Transfers	11,453,303.02
Current - Bank Charges	-72,942.45
<b>Current - C/F</b>	<b>2,414,184.31</b>

### Notes

- The closing balance as at 30 June 2016 is **R2.4 million**

## 13.RECOMMENDATIONS

### a. That the following be noted:

- 1) The financial report for the period ended 30 June 2016 **excluding Water and Waste Water management**
- 2) The summary of monthly budget statement report for the month ended 30 June 2016
- 3) The financial performance for the month ended 30 June 2016
- 4) The financial position as at 30 June 2016
- 5) The actual operating revenue (as per GRAP) for the month ended 30 June 2016 is R19.6 million
- 6) Revenue Capital Contribution recognised amount to R6.7 million (MIG and INEG Including vat)
- 7) Operational Expenditure on financial Performances is R22.2 million.
- 8) Capital Expenditure incurred during the month ended 30 June 2016 amount to R6.8 million (Capital Grant excluding vat)
- 9) The municipality received 100% allocation as per DoRA
- 10) Consolidated call deposit accounts held at STD Bank and ABSA closed with a balance of R7 million on 30 June 2016

11) That councillors and Staff Benefits for June 2016 amount to R11.1 million be approved

12) Municipal Primary Bank reconciliation closed with a positive balance of **R2.4 million** as at 30 June 2016