

BA-PHALABORWA MUNICIPALITY

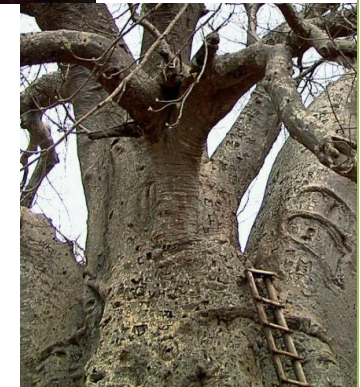


FINANCIAL PERFORMANCE REPORT

AS AT 30 SEPTEMBER 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 - M03 September

Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	-	106,776	-	7,628	21,838	26,694	(4,856)	-18%	106,776
Service charges	-	133,683	-	7,347	25,436	33,421	(7,985)	-24%	133,683
Investment revenue	-	506	-	88	242	126	116	91%	506
Transfers recognised - operational	-	114,153	-	205	46,678	28,538	18,139	64%	114,153
Other own revenue	-	92,307	-	1,841	11,358	23,077	(11,719)	-51%	92,307
Total Revenue (excluding capital transfers and contributions)	-	447,425	-	17,110	105,551	111,856	(6,305)	-6%	447,425
Employee costs	-	129,304	-	9,623	28,573	32,326	(3,753)	-12%	129,304
Remuneration of Councillors	-	13,784	-	1,049	3,163	3,446	(283)	-8%	13,784
Depreciation & asset impairment	-	66,899	-	4,983	14,871	16,725	(1,854)	-11%	66,899
Finance charges	-	1,519	-	54	155	380	(225)	-59%	1,519
Materials and bulk purchases	-	92,259	-	8,772	21,228	23,065	(1,837)	-8%	92,259
Transfers and grants	-	-	-	-	-	-	-		-
Other expenditure	-	172,589	-	10,255	20,419	43,147	(22,728)	-53%	172,589
Total Expenditure	-	476,355	-	34,736	88,410	119,089	(30,679)	-26%	476,355
Surplus/(Deficit)	-	(28,930)	-	(17,627)	17,141	(7,233)	24,374	-337%	(28,930)
Transfers recognised - capital	-	29,460	-	1,400	11,398	7,365	4,033	55%	29,460
Contributions & Contributed assets	-	-	-	-	-	-	-		-
	-	530	-	(16,227)	28,539	132	28,407	21442%	530
Surplus/(Deficit) after capital transfers & contributions	-	-	-	-	-	-	-		-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-		-
Surplus/ (Deficit) for the year	-	530	-	(16,227)	28,539	132	28,407	21442%	530
Capital expenditure & funds sources									

Capital expenditure	-	48,460	-	1,357	12,330	12,115	215	2%	48,460
Capital transfers recognised	-	29,460	-	1,228	9,998	7,365	2,633	36%	29,460
Public contributions & donations	-	-	-	-	-	-	-		-
Borrowing	-	-	-	-	-	-	-		-
Internally generated funds	-	19,000	-	129	2,332	4,750	(2,418)	-51%	19,000
Total sources of capital funds	-	48,460	-	1,357	12,330	12,115	215	2%	48,460
Financial position									
Total current assets	-	228,925	-		1,065,656				228,925
Total non current assets	-	1,068,923	-		919,384				1,068,923
Total current liabilities	-	3,060	-		24,200				3,060
Total non current liabilities	-	43,000	-		215,050				43,000
Community wealth/Equity	-	1,251,789	-		1,745,789				1,251,789
Cash flows									
Net cash from (used) operating	-	40,309	-	(17,694)	10,955	10,077	(877)	-9%	40,309
Net cash from (used) investing	-	(40,160)	-	18,836	(10,180)	(10,040)	140	-1%	(40,160)
Net cash from (used) financing	-	-	-	-	-	-	-		-
Cash/cash equivalents at the month/year end	-	1,849	-	-	3,189	1,737	(1,451)	-84%	2,563
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	17,739	16,323	14,206	12,411	11,849	11,292	70,579	433,824	588,224
Creditors Age Analysis									
Total Creditors	12,189	4,255	-	3	-	-	-	-	16,447

Notes

- Operating Revenue (excluding capital transfers and contributions) is R17.1 million

Transfers recognised – capital amount in the month of September 2016 is R1.4 million (MIG Conditions met including Vat)

- Operational Expenditure on financial Performances is R34.7 million

- Capital expenditure incurred during the month of September 2016 amount to R1.4 million (MIG and internal capital expenditure excluding vat)

LIM334 Ba-Phalaborwa - Supporting Table SC1 Material variance explanations - M02 August

Ref	Description R thousands	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
1	Revenue By Source			
	Property rates	(3,587)	Changes in the categories of property on the Valuation roll	Constant monitoring
	Service charges	(4,191)	Electricity losses caused by old infrastructure and illegal connections	investigations and audit to be conducted
	Investment revenue	70	The call accounts yielded more interest than we expected	None
	Other own revenue	(5,868)		None
2	Expenditure By Type			
	Employee costs	(2,601)	changes in staff complement	None
	Depreciation & asset impairment	(1,262)		
	Finance charges	(152)		None
3	Capital Expenditure			
	Materials and bulk purchases	(2,920)	Under billing and low consumptions	
	Capital transfers recognised	3,860		Tto continue spending according to plan
	Internally generated funds	(964)		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) - M03 September

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Standard										
<i>Governance and administration</i>		-	279,451	-	8,251	73,340	69,863	3,478	5%	279,451
Executive and council		-	-	-	-	-	-	-		-
Budget and treasury office		-	278,839	-	8,192	73,173	69,710	3,463	5%	278,839
Corporate services		-	612	-	59	167	153	14	9%	612
<i>Community and public safety</i>		-	14,422	-	512	2,909	3,606	(697)	-19%	14,422
Community and social services		-	14,155	-	504	2,811	3,539	(728)	-21%	14,155
Public safety		-	267	-	8	98	67	31	46%	267
<i>Economic and environmental services</i>		-	32,421	-	2,032	13,255	8,105	5,150	64%	32,421
Planning and development		-	59	-	452	1,298	15	1,284	8758%	59
Road transport		-	32,363	-	1,580	11,957	8,091	3,866	48%	32,363
Environmental protection		-	-	-	-	-	-	-		-
<i>Trading services</i>		-	150,590	-	7,715	27,445	37,648	(10,203)	-27%	150,590
Electricity		-	127,845	-	6,396	22,927	31,961	(9,034)	-28%	127,845
Waste management		-	22,745	-	1,319	4,518	5,686	(1,168)	-21%	22,745
<i>Other</i>	4	-	-	-	-	-	-	-		-
Total Revenue - Standard	2	-	476,885	-	18,510	116,949	119,221	(2,272)	-2%	476,885
Expenditure - Standard	-									
<i>Governance and administration</i>		-	194,932	-	11,503	27,962	48,733	(20,771)	-43%	194,932
Executive and council		-	48,056	-	3,491	9,829	12,014	(2,185)	-18%	48,056
Budget and treasury office		-	99,999	-	4,916	9,687	25,000	(15,313)	-61%	99,999
Corporate services		-	46,877	-	3,096	8,446	11,719	(3,273)	-28%	46,877
<i>Community and public safety</i>		-	59,627	-	4,514	10,961	14,907	(3,945)	-26%	59,627

Community and social services		-	48,993	-	3,807	8,901	12,248	(3,347)	-27%	48,993
Sport and recreation		-	-	-	-	-	-	-		-
Public safety		-	10,634	-	707	2,060	2,659	(598)	-23%	10,634
Economic and environmental services		-	88,811	-	8,328	23,443	22,203	1,240	6%	88,811
Planning and development		-	11,192	-	1,079	2,387	2,798	(411)	-15%	11,192
Road transport		-	77,619	-	7,250	21,055	19,405	1,651	9%	77,619
Environmental protection		-	-	-	-	-	-	-		-
Trading services		-	132,985	-	10,390	26,044	33,246	(7,202)	-22%	132,985
Electricity		-	124,864	-	9,625	24,828	31,216	(6,388)	-20%	124,864
Waste management		-	8,121	-	765	1,216	2,030	(815)	-40%	8,121
Other		-	-	-	-	-	-	-		-
Total Expenditure - Standard	3	-	476,355	-	34,736	88,410	119,089	(30,679)	-26%	476,355
Surplus/ (Deficit) for the year		-	530	-	(16,227)	28,539	132	28,407	21442%	530

Notes:

- Total revenue by vote amount to R18.5 million including transfers – capital recognition.
- Operational Expenditure on financial Performances is R34.7 million.

FINANCIAL PERFORMANCE REVENUE AND EXPENDITURE PER SOURCE

LIM334 Ba-Phalaborwa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

Description	Ref	2015/16	Budget Year 2016/17								
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	
R thousands											
Revenue By Source											
Property rates			106,776	-	7,628	21,838	26,694	(4,856)	-18%	106,776	
Service charges - electricity revenue			116,655	-	6,254	22,152	29,164	(7,012)	-24%	116,655	
Service charges - refuse revenue			17,029	-	1,093	3,284	4,257	(973)	-23%	17,029	
Rental of facilities and equipment			470	-	44	94	117	(23)	-20%	470	
Interest earned - external investments			506	-	88	242	126	116	91%	506	
Interest earned - outstanding debtors			76,042	-	746	6,854	19,011	(12,157)	-64%	76,042	
Fines			423	-	9	99	106	(7)	-7%	423	
Licences and permits			11,205	-	397	2,662	2,801	(139)	-5%	11,205	
Agency services			2,539	-	99	99	635	(535)	-84%	2,539	
Transfers recognised - operational			114,153	-	205	46,678	28,538	18,139	64%	114,153	
Other revenue			1,628	-	545	1,549	407	1,143	281%	1,628	
Gains on disposal of PPE							-	-			
Total Revenue (excluding capital transfers and contributions)			-	447,425	-	17,110	105,551	111,856	(6,305)	-6%	447,425
Expenditure By Type											
Employee related costs			129,304	-	9,623	28,573	32,326	(3,753)	-12%	129,304	
Remuneration of councillors			13,784	-	1,049	3,163	3,446	(283)	-8%	13,784	
Debt impairment			35,525	-	-	-	8,881	(8,881)	-100%	35,525	
Depreciation & asset impairment			66,899	-	4,983	14,871	16,725	(1,854)	-11%	66,899	
Finance charges			1,519	-	54	155	380	(225)	-59%	1,519	
Bulk purchases			92,259	-	8,772	21,228	23,065	(1,837)	-8%	92,259	
Other materials			-	-	-	-	-	-			
Contracted services			50,055	-	5,274	8,841	12,514	(3,673)	-29%	50,055	
Transfers and grants			-	-	-	-	-	-			
Other expenditure			87,009	-	4,982	11,578	21,752	(10,174)	-47%	87,009	

Total Expenditure		-	476,355	-	34,736	88,410	119,089	(30,679)	-26%	476,355
Surplus/(Deficit)		-	(28,930)	-	(17,627)	17,141	(7,233)	24,374	(0)	(28,930)
Transfers recognised - capital			29,460	-	1,400	11,398	7,365	4,033	0	29,460
Contributions recognised - capital								-		
Contributed assets								-		
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		-	530	-	(16,227)	28,539	132			530

Notes:

- ❖ Operating Revenue (excluding capital transfers and contributions) is R17.1 million for the month ended 30 September 2016.
- ❖ Transfers capital recognised amount to R1.4 million
- ❖ Operational Expenditure on financial Performances is R34.7 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) - M03 September

Vote Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Single Year expenditure appropriation	2									
Vote 1 - Executive and Council		-	500	-	129	129	125	4	3%	500
Vote 2 - Budget and Treasury Department		-	1,000	-	-	-	250	(250)	-100%	1,000
Vote 3 - Corporate Services		-	4,900	-	-	7	1,225	(1,218)	-99%	4,900
Vote 6 - Technical Services Department		-	42,060	-	1,228	12,194	10,515	1,679	16%	42,060
Total Capital single-year expenditure	4	-	48,460	-	1,357	12,330	12,115	215	2%	48,460
Total Capital Expenditure		-	48,460	-	1,357	12,330	12,115	215	2%	48,460
Capital Expenditure - Standard Classification										
Governance and administration		-	6,400	-	129	135	1,600	(1,465)	-92%	6,400
Executive and council			500		129	129	125	4	3%	500
Budget and treasury office			1,000		-	-	250	(250)	-100%	1,000
Corporate services			4,900		-	7	1,225	(1,218)	-99%	4,900
Economic and environmental services		-	30,460	-	1,228	9,998	7,615	2,383	31%	30,460
Road transport			30,460		1,228	9,998	7,615	2,383	31%	30,460
Environmental protection								-		
Trading services		-	11,600	-	-	2,197	2,900	(703)	-24%	11,600
Total Capital Expenditure - Standard Classification	3	-	48,460	-	1,357	12,330	12,115	215	2%	48,460
Funded by:										
National Government			29,460		1,228	9,998	7,365	2,633	36%	29,460
Provincial Government								-		
Other transfers and grants								-		

Transfers recognised - capital		-	29,460	-	1,228	9,998	7,365	2,633	36%	29,460
Public contributions & donations	5							-		
Borrowing	6							-		
Internally generated funds			19,000		129	2,332	4,750	(2,418)	-51%	19,000
Total Capital Funding		-	48,460	-	1,357	12,330	12,115	215	2%	48,460

Note:

- Capital expenditure incurred during the month of September 2016 excluding vat amount to R1.4\ million.

3. FINANCIAL POSITION

LIM334 Ba-Phalaborwa - Table C6 Monthly Budget Statement - Financial Position - M03 September

Description	Ref	2015/16	Budget Year 2016/17			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash			1,849		3,189	1,849
Call investment deposits			1,800		22,526	1,800
Consumer debtors			144,976		588,224	144,976
Other debtors						
Current portion of long-term receivables						
Inventory			80,300		451,717	80,300
Total current assets			228,925		1,065,656	228,925
Non current assets						
Long-term receivables			–			–
Investments			–			–
Investment property			42,999		43,858	42,999
Investments in Associate			–			–
Property, plant and equipment			1,023,821		879,105	1,023,821
Agricultural			–			–
Biological assets			388		267	388
Intangible assets			1,715		1,285	1,715
Other non-current assets			–			–
Total non current assets			1,068,923		924,514	1,068,923
TOTAL ASSETS			1,297,849		1,990,170	1,297,849
LIABILITIES						
Current liabilities						

Consumer deposits			3,060			3,060
Trade and other payables			-		24,200	-
Provisions						
Total current liabilities		-	3,060	-	24,200	3,060
Non current liabilities						
Borrowing			28,000			28,000
Provisions			15,000		215,050	15,000
Total non current liabilities		-	43,000	-	215,050	43,000
TOTAL LIABILITIES		-	46,060	-	239,250	46,060
NET ASSETS	2	-	1,251,789	-	1,750,919	1,251,789
<u>COMMUNITY WEALTH/EQUITY</u>						
Accumulated Surplus/(Deficit)			1,251,789		1,745,789	1,251,789
Reserves			-			-
TOTAL COMMUNITY WEALTH/EQUITY	2	-	1,251,789	-	1,745,789	1,251,789

Note:

- The financial position shows only year to date actual

4. CASH FLOW

LIM334 Ba-Phalaborwa - Table C7 Monthly Budget Statement - Cash Flow - M03 September

Description	Ref	2015/16	Budget Year	Adjusted	Monthly	YearTD	YearTD	YTD	YTD	Full Year
		Audited	2016/17							
R thousands	1	Outcome	Original	Budget	actual	actual	budget	variance	%	Forecast
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates, penalties & collection charges			69,404	–	2,846	7,954	17,351	(9,397)	-54%	69,404
Service charges			86,894	–	12,648	36,226	21,724	14,502	67%	86,894
Other revenue			10,572	–	1,095	5,217	2,643	2,574	97%	10,572
Government - operating			114,153	–	–	48,412	28,538	19,874	70%	114,153
Government - capital			29,460	–	–	11,181	7,365	3,816	52%	29,460
Interest			49,756	–	319	784	12,439	(11,655)	-94%	49,756
Dividends			–	–	–	–	–	–		–
Payments										
Suppliers and employees			(318,412)	–	(34,548)	(98,665)	(79,603)	19,062	-24%	(318,412)
Finance charges			(1,519)	–	(54)	(155)	(380)	(225)	59%	(1,519)
Transfers and Grants			–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES			–	–	(17,694)	10,955	10,077	(877)	-9%	40,309
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Decrease (increase) in non-current investments					20,383	2,183		2,183	#DIV/0!	
Payments										
Capital assets			(40,160)		(1,547)	(12,363)	(10,040)	2,323	-23%	(40,160)
NET CASH FROM/(USED) INVESTING ACTIVITIES			–	–	18,836	(10,180)	(10,040)	140	-1%	(40,160)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Payments										

Repayment of borrowing										
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		-	149	-	1,142	775	37			149
Cash/cash equivalents at beginning:			1,700			2,414	1,700			2,414
Cash/cash equivalents at month/year end:		-	1,849	-		3,189	1,737			2,563

Note:

The bank shows favourable closing balance of **R3 million** as at 30 September 2016.

5. DEBTORS AGE ANALYSIS

LIM334 Ba-Phalaborwa - Supporting Table SC3 Monthly Budget Statement - aged debtors - M03 September

Description	Budget Year 2016/17									
	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
R thousands										
Debtors Age Analysis By Income Source										
Trade and Other Receivables from Exchange Transactions - Water									-	-
Trade and Other Receivables from Exchange Transactions - Electricity	5,821	2,376	1,857	1,478	1,355	927	5,656	31,401	50,873	40,818
Receivables from Non-exchange Transactions - Property Rates	7,257	5,909	4,596	3,432	3,126	2,944	23,503	104,730	155,498	137,735
Receivables from Exchange Transactions - Waste Management	1,448	1,045	928	781	764	921	4,472	50,924	61,283	57,862
Other	3,213	6,993	6,825	6,720	6,603	6,499	36,948	246,770	320,570	303,540
Total By Income Source	17,739	16,323	14,206	12,411	11,849	11,292	70,579	433,824	588,224	539,955
2015/16 - totals only									-	-
Debtors Age Analysis By Customer Group										
Organs of State	1,314	983	625	657	625	585	3,351	15,069	23,209	20,287
Commercial	2,820	2,624	2,849	1,530	1,490	1,123	9,060	61,169	82,664	74,370
Households	12,396	11,991	10,044	9,791	9,301	9,090	55,312	352,323	470,248	435,817
Other	1,209	725	687	434	433	494	2,857	5,263	12,102	9,481
Total By Customer Group	17,739	16,323	14,206	12,411	11,849	11,292	70,579	433,824	588,224	539,955

Note:

- The Debtor's age analysis shows a total figure of R588 million from 30 days to over a year excluding Water and Waste Water Management.

6. CREDITORS AGE ANALYSIS

LIM334 Ba-Phalaborwa - Supporting Table SC4 Monthly Budget Statement - aged creditors - M03 September

Description	NT Code	Budget Year 2016/17									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	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	8,491	4,255							12,746	
Trade Creditors	0700	3,698			3					3,701	
Other	0900									-	
Total By Customer Type	1000	12,189	4,255	-	3	-	-	-	-	16,447	-

Notes:

- The creditor's age analysis shows a total figure of R16.4 million
- Top creditor included in trade and other creditors is Department of Roads and Transport

7. INVESTMENT PORTFOLIO

LIM334 Ba-Phalaborwa - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M03 September

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							
R thousands									
Municipality									
ABSA BANK			CALL ACC				3	-	3
ABSA BANK			FIXED				88	3	91
STD BANK 238711102-001			CALL ACC				20,289	(933)	19,356
STD BANK 238711102-002			CALL ACC				2,264	(1,991)	272
STD BANK 238711102-004			CALL ACC				2,513	11	2,524
STD BANK 238711102-005			CALL ACC				277	1	279
TOTAL INVESTMENTS AND INTEREST	2				-		25,435	(2,909)	22,526

Notes:

Total Investment is standing at R22.5 million as at 30 September 2016.

8. TRANSFERS AND GRANT EXPENDITURES

LIM334 Ba-Phalaborwa - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M03 September

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
-										
Operating expenditure of Transfers and Grants										
National Government:										
		-	114,153	-	205	46,678	28,538	18,139	63.6%	114,153
Local Government Equitable Share			110,235	-	-	45,931	27,559	18,372	66.7%	110,235
Finance Management			1,810	-	93	292	453	(160)	-35.4%	1,810
Municipal Systems Improvement			-	-	-	-	-	-		-
EPWP Incentive			1,000	-	105	250	250	-		1,000
Operating Grant: MIG (5% of MIG Grants for PMU)			1,108	-	7	204	277	(73)	-26.2%	1,108
Total operating expenditure of Transfers and Grants:		-	114,153	-	205	46,678	28,538	18,139	63.6%	114,153
Capital expenditure of Transfers and Grants										
National Government:										
		-	29,460	-	1,400	11,398	7,365	4,033	54.8%	29,460
Municipal Infrastructure Grant (MIG)			29,460	-	1,400	11,398	7,365	4,033	54.8%	29,460
Total capital expenditure of Transfers and Grants		-	29,460	-	1,400	11,398	7,365	4,033	54.8%	29,460
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		-	143,613	-	1,605	58,075	35,903	22,172	61.8%	143,613

Notes:

- The monthly operating transfers and grants expenditure is R205 thousand and Capital is R1.6 million

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

LIM334 Ba-Phalaborwa - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M03 September

Summary of Employee and Councillor remuneration R thousands	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
	1	A	B	C						D
<u>Councillors (Political Office Bearers plus Other)</u>										
Basic Salaries and Wages			9,549	–	730	2,249	2,387	(138)	-6%	9,549
Motor Vehicle Allowance			3,345	–	255	726	836	(110)	-13%	3,345
Cellphone Allowance			891	–	64	188	223	(35)	-16%	891
Other benefits and allowances								–		
Sub Total - Councillors		–	13,784	–	1,049	3,163	3,446	(283)	-8%	13,784
<u>Senior Managers of the Municipality</u>	3									
Basic Salaries and Wages			3,797	–	267	802	949	(147)	-16%	3,797
Pension and UIF Contributions			11	–	1	2	3	(0)	-16%	11
Motor Vehicle Allowance			1,381	–	142	424	345	79	23%	1,381
Cellphone Allowance			86	–	6	18	21	(3)	-16%	86
Other benefits and allowances			780	–	12	79	195	(116)	-59%	780
Sub Total - Senior Managers of Municipality		–	6,055	–	428	1,326	1,514	(188)	-12%	6,055
<u>Other Municipal Staff</u>										
Basic Salaries and Wages			76,265	–	5,617	16,914	19,066	(2,152)	-11%	76,265
Pension and UIF Contributions			15,330	–	1,191	3,494	3,833	(338)	-9%	15,330
Medical Aid Contributions			4,992	–	393	1,169	1,248	(79)	-6%	4,992
Overtime			3,194	–	358	922	799	124	16%	3,194
Motor Vehicle Allowance			11,086	–	801	2,397	2,772	(374)	-13%	11,086

Cellphone Allowance			1,094	–	80	241	273	(32)	-12%	1,094
Housing Allowances			968	–	76	199	242	(43)	-18%	968
Other benefits and allowances			6,980	–	506	1,341	1,745	(404)	-23%	6,980
Long service awards			3,341	–	174	569	835	(266)	-32%	3,341
Post-retirement benefit obligations	2				–		–	–		
Sub Total - Other Municipal Staff		–	123,249	–	9,195	27,247	30,812	(3,565)	-12%	123,249
% increase	4		#DIV/0!							#DIV/0!
Total Parent Municipality		–	143,088	–	10,672	31,736	35,772	(4,036)	-11%	143,088
TOTAL SALARY, ALLOWANCES & BENEFITS		–	143,088	–	10,672	31,736	35,772	(4,036)	-11%	143,088
% increase	4		#DIV/0!							#DIV/0!
TOTAL MANAGERS AND STAFF		–	129,304	–	9,623	28,573	32,326	(3,753)	-12%	129,304

Notes:

- Political office bearer's remunerations for the month of September amounted to R1 million.
- Employee related costs R9.6 million.
- The municipality has total employee related cost & Remuneration of councillors of R10.6 million for the month of September 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 - M03 September

Description	Ref	Budget Year 2016/17											
		July Outcome	August Outcome	Sept Outcome	October Budget	Nov Budget	Dec Budget	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget
R thousands	1												
Cash Receipts By Source													
Property rates		2,199	2,910	2,846	5,220	5,934	5,588	5,833	5,733	5,033	5,933	5,733	16,441
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		6,375	6,915	6,957	5,578	7,999	5,094	5,105	5,210	6,002	5,511	6,102	8,976
Service charges - water revenue		3,876	4,353	4,619									(12,848)
Service charges - sanitation revenue		479	663	630									(1,772)
Service charges - refuse		428	489	441	988	959	940	935	963	910	949	789	2,278
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		31	19	44	34	15	13	38	29	18	36	13	15
Interest earned - external investments		32	122	88	40	19	21	13	12	19	21	18	(78)
Interest earned - outstanding debtors		159	152	231	3,339	4,320	4,245	4,300	4,319	4,333	4,325	4,365	15,338
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-
Fines		59	30	9	15	17	1	42	29	22	69	26	(44)
Licences and permits		254	2,011	497	568	730	1	533	634	475	563	622	396
Agency services		-	-	-	59	15	100	19	121	25	28	132	1,150
Transfer receipts - operating		46,352	2,060	-	-	36,292	-	-	-	29,837	-	-	(388)
Other revenue		1,698	20	545	59	15	100	19	121	25	28	132	(1,705)
Cash Receipts by Source		61,942	19,744	16,908	15,899	56,314	16,102	16,839	17,173	46,702	17,465	17,934	27,759
													-

Other Cash Flows by Source													-
Transfer receipts - capital		11,181	-	-	10,267	-	-	-	-	3,429	-	-	4,583
Change in non-current investments													-
Total Cash Receipts by Source		73,123	19,744	16,908	26,166	56,314	16,102	16,839	17,173	50,131	17,465	17,934	32,342
Cash Payments by Type													-
Employee related costs		9,654	9,296	9,623	10,888	10,418	10,678	10,667	10,466	10,563	10,667	10,125	12,260
Remuneration of councillors		1,163	951	1,049	1,137	1,171	1,128	1,113	1,120	1,150	1,109	1,111	1,583
Interest paid		51	50	54	118	138	126	122	113	106	100	119	422
Bulk purchases - Electricity		15,149	6,200	10,000	10,500	4,500	7,000	6,167	7,157	7,525	7,990	6,994	(6,922)
Bulk purchases - Water & Sewer													-
Other materials													-
Contracted services		4,067	77	4,909	3,986	2,426	8,595	3,167	3,248	1,549	3,857	3,268	907
Grants and subsidies paid - other municipalities													-
Grants and subsidies paid - other													-
General expenses		6,121	11,438	8,967	4,771	6,099	7,158	5,833	2,153	4,687	5,235	1,987	(7,442)
Cash Payments by Type		36,205	28,012	34,603	31,400	24,752	34,685	27,068	24,257	25,580	28,957	23,604	808
Other Cash Flows/Payments by Type													-
Capital assets		4,149	6,668	1,547	8,509	2,443	3,273	1,000	2,000	-	10,410	5,950	(5,787)
Repayment of borrowing													-
Other Cash Flows/Payments			18,200	(20,383)									2,183
Total Cash Payments by Type		40,354	52,879	15,766	39,909	27,195	37,958	28,068	26,257	25,580	39,367	29,554	(2,796)
NET INCREASE/(DECREASE) IN CASH HELD		32,769	(33,136)	1,142	(13,742)	29,119	(21,856)	(11,229)	(9,084)	24,551	(21,902)	(11,620)	35,138
Cash/cash equivalents at the month/year beginning:		2,414	35,183	2,047	3,189	(10,553)	18,566	(3,290)	(14,519)	(23,603)	948	(20,954)	(32,575)
Cash/cash equivalents at the month/year end:		35,183	2,047	3,189	(10,553)	18,566	(3,290)	(14,519)	(23,603)	948	(20,954)	(32,575)	2,563

Notes

Total actual cash receipts for the month amount to R16.9 million. Water and sanitation service charges.

Total actual cash payments made for the month amount to R36.1 million. The closing balance on the primary bank account shows favourable bank balance of R3 million

11.CAPITAL EXPENDITURE TREND

LIM334 Ba-Phalaborwa - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M03 September

Month	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
<u>Monthly expenditure performance trend</u>									
July		4,038	–	3,639	3,639	4,038	399	9.9%	8%
August		4,038	–	7,334	10,973	8,077	(2,896)	-35.9%	23%
September		4,038	–	1,357	12,330	12,115	(215)	-1.8%	25%
October		4,038	–			16,153	–		
November		4,038	–			20,192	–		
December		4,038	–			24,230	–		
January		4,038	–			28,268	–		
February		4,038	–			32,307	–		
March		4,038	–			36,345	–		
April		4,038	–			40,383	–		
May		4,038	–			44,422	–		
June		4,038	–			48,460	–		
Total Capital expenditure	–	48,460	–	12,330					

Notes:

- Capital expenditure incurred during the month of September 2016 amount to R1.4 million (MIG and Internal Capital expenditure excluding vat)

12.BANK RECONCILIATION

BA-PHALBORWA MUNICIPALITY
TRANSACTION STATEMENT FOR SEPTEMBER 2016

ACC: 330451367

Statement Description	Statement Amt
Outstanding C/F	2,046,976.01
Current - Cheques	-67,949.85
Current - ACBs	-25,409,353.65
Current - ACB Rejects	-
Current - Deposits	4,800,956.25
Current - RD Cheques	-
Current - Redeposits	-
Current - Transfers	16,674,657.73
Current - Bank Charges	-24,571.03
Current- Other Transfers	5,168,058.82
Current - Already Reconciled	-
Current - C/F	3,188,774.28

Notes

- The closing balance as at 30 September 2016 is **R3 million**

13.RECOMMENDATIONS

a. That the following be noted:

- 1) The financial report for the period ended 30 September 2016 **excluding Water and Waste Water management**
- 2) The summary of monthly budget statement report for the month ended 30 September 2016
- 3) The financial performance for the month ended 30 September 2016
- 4) The financial position as at 30 September 2016
- 5) The actual operating revenue (as per GRAP) for the month ended 30 September 2016 is R17.1 million
- 6) Revenue Capital Contribution recognised amount to R1.4 million (MIG Including vat)
- 7) Operational Expenditure on financial Performances is R34.7 million.
- 8) Capital Expenditure incurred during the month ended 30 September 2016 amount to R1.3 million (MIG and internal Capital Expenditure excluding vat)
- 9) The municipality did not receive any grant allocation as per DoRA

-
- 10) Consolidated call deposit accounts held at STD Bank and ABSA closed with a balance of R22.5 million on 30 September 2016
 - 11) That councillors and Staff Benefits for September 2016 amount to R10.6 million be approved
 - 12) Municipal Primary Bank reconciliation closed with a positive balance of **R3 million** as at 30 September 2016