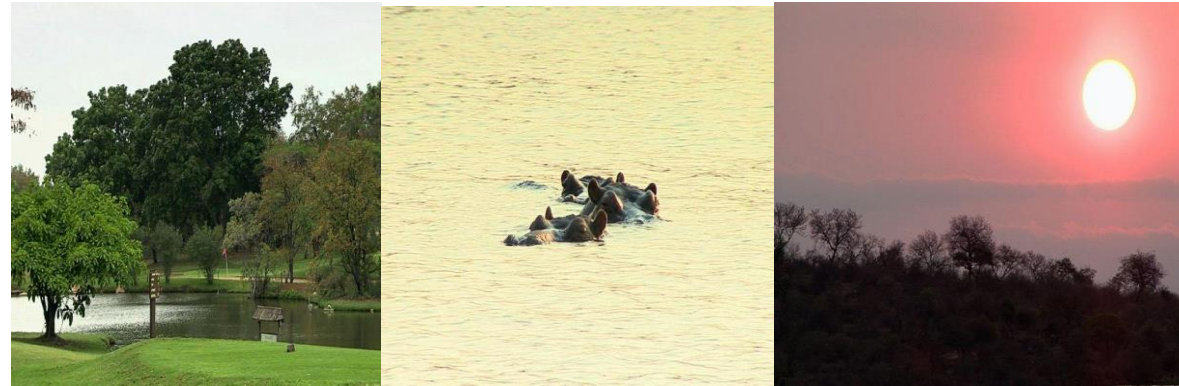


# BA-PHALABORWA MUNICIPALITY

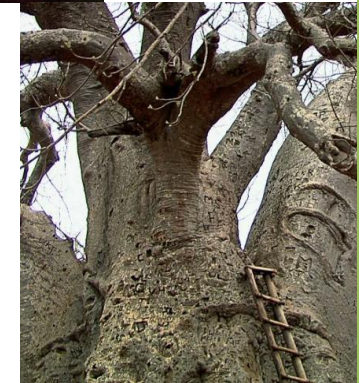


## FINANCIAL PERFORMANCE REPORT

AS AT 31 JULY 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 - M01 July

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
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	–	106,776	–	7,681	7,681	8,898	(1,217)	-14%	106,776
Service charges	–	133,683	–	9,528	9,528	11,140	(1,612)	-14%	133,683
Investment revenue	–	506	–	32	32	42	(10)	-24%	506
Transfers recognised - operational	–	114,153	–	46,014	46,014	9,513	36,501	384%	114,153
Other own revenue	–	92,307	–	3,828	3,828	7,692	(3,864)	-50%	92,307
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>–</b>	<b>447,425</b>	<b>–</b>	<b>67,083</b>	<b>67,083</b>	<b>37,285</b>	<b>29,797</b>	<b>80%</b>	<b>447,425</b>
Employee costs	–	129,304	–	9,654	9,654	10,775	(1,121)	-10%	129,304
Remuneration of Councillors	–	13,784	–	1,163	1,163	1,149	14	1%	13,784
Depreciation & asset impairment	–	66,899	–	–	–	5,575	(5,575)	-100%	66,899
Finance charges	–	1,519	–	51	51	127	(75)	-60%	1,519
Materials and bulk purchases	–	92,259	–	7,018	7,018	7,688	(671)	-9%	92,259
Transfers and grants	–	–	–	–	–	–	–	–	–
Other expenditure	–	172,589	–	5,312	5,312	14,382	(9,071)	-63%	172,589
<b>Total Expenditure</b>	<b>–</b>	<b>476,355</b>	<b>–</b>	<b>23,198</b>	<b>23,198</b>	<b>39,696</b>	<b>(16,498)</b>	<b>-42%</b>	<b>476,355</b>
<b>Surplus/(Deficit)</b>	<b>–</b>	<b>(28,930)</b>	<b>–</b>	<b>43,885</b>	<b>43,885</b>	<b>(2,411)</b>	<b>46,296</b>	<b>-1920%</b>	<b>(28,930)</b>
Transfers recognised - capital	–	29,460	–	4,149	4,149	2,455	1,694	69%	29,460
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>–</b>	<b>530</b>	<b>–</b>	<b>48,034</b>	<b>48,034</b>	<b>44</b>	<b>47,989</b>	<b>108668%</b>	<b>530</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
<b>Surplus/ (Deficit) for the year</b>	<b>–</b>	<b>530</b>	<b>–</b>	<b>48,034</b>	<b>48,034</b>	<b>44</b>	<b>47,989</b>	<b>108668%</b>	<b>530</b>
<b>Capital expenditure &amp; funds sources</b>									
Capital expenditure	–	48,460	–	3,639	3,639	4,038	(399)	-10%	48,460

Capital transfers recognised	-	29,460	-	3,639	3,639	2,455	1,184	48%	29,460
Public contributions & donations	-	-	-	-	-	-	-		-
Borrowing	-	-	-	-	-	-	-		-
Internally generated funds	-	19,000	-	-	-	1,583	(1,583)	-100%	19,000
<b>Total sources of capital funds</b>	-	<b>48,460</b>	-	<b>3,639</b>	<b>3,639</b>	<b>4,038</b>	<b>(399)</b>	<b>-10%</b>	<b>48,460</b>
<b>Financial position</b>									
Total current assets	-	228,925	-	-	670,744				228,925
Total non current assets	-	1,068,923	-	-	1,072,563				1,068,923
Total current liabilities	-	3,060	-	-	18,013				3,060
Total non current liabilities	-	43,000	-	-	-				43,000
<b>Community wealth/Equity</b>	-	<b>1,251,789</b>	-	-	<b>1,725,294</b>				<b>1,251,789</b>
<b>Cash flows</b>									
Net cash from (used) operating	-	40,309	-	36,917	36,917	3,359	(33,558)	-999%	40,309
Net cash from (used) investing	-	(40,160)	-	(4,149)	(4,149)	(3,347)	802	-24%	(40,160)
Net cash from (used) financing	-	-	-	-	-	-	-		-
<b>Cash/cash equivalents at the month/year end</b>	-	<b>1,849</b>	-	-	<b>35,183</b>	<b>1,712</b>	<b>(33,470)</b>	<b>-1955%</b>	<b>2,563</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	21,925	15,060	12,199	11,188	11,772	11,465	68,315	396,226	548,149
<b>Creditors Age Analysis</b>									
Total Creditors	10,191	-	452	-	-	-	-	-	10,642

**Notes**

- Operating Revenue (excluding capital transfers and contributions) is R67.1 million  
Transfers recognised – capital amount in the month of July 2016 is R4.1 million
- Operational Expenditure on financial Performances is R23.2 million
- Capital expenditure incurred during the month of July 2016 amount to R3.6 million (MIG capital expenditure excluding vat)

**LIM334 Ba-Phalaborwa - Supporting Table SC1 Material variance explanations - M01 July**

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
1	<b>Revenue By Source</b>			
	Property rates	(1,217)	Changes in the categories of property on the Valuation roll	Constant monitoring
	Service charges	(1,612)	Electricity losses caused by old infrastructure and illegal connections	investigations and audit to be conducted
	Investment revenue	(10)	The call accounts yielded more interest than we expected	None
	Other own revenue	(3,864)	The equitable share allocation	None
2	<b>Expenditure By Type</b>			
	Employee costs	(1,121)	changes in staff complement	None
	Depreciation & asset impairment	(5,575)		
	Finance charges	(75)	The Overdraft was closed thus less bank charges	None
	Materials and bulk purchases	(671)	Under billing and low consumptions	
3	<b>Capital Expenditure</b>			
	Capital transfers recognised	1,184		To continue spending according to plan
	Internally generated funds	(1,583)		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) - M01 July

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
<b>R thousands</b>	1									
<b>Revenue - Standard</b>										
<b>Governance and administration</b>		-	279,451	-	55,912	55,912	23,288	32,624	140%	279,451
Budget and treasury office		-	278,839	-	55,857	55,857	23,237	32,620	140%	278,839
Corporate services		-	612	-	55	55	51	4	9%	612
<b>Community and public safety</b>		-	14,422	-	336	336	1,202	(866)	-72%	14,422
Community and social services		-	14,155	-	276	276	1,180	(904)	-77%	14,155
Public safety		-	267	-	60	60	22	38	171%	267
<b>Economic and environmental services</b>		-	32,421	-	4,640	4,640	2,702	1,939	72%	32,421
Planning and development		-	59	-	399	399	5	394	8065%	59
Road transport		-	32,363	-	4,241	4,241	2,697	1,545	57%	32,363
<b>Trading services</b>		-	150,590	-	10,343	10,343	12,549	(2,206)	-18%	150,590
Electricity		-	127,845	-	8,747	8,747	10,654	(1,907)	-18%	127,845
Waste management		-	22,745	-	1,596	1,596	1,895	(299)	-16%	22,745
<b>Other</b>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	2	-	476,885	-	71,231	71,231	39,740	31,491	79%	476,885
<b>Expenditure - Standard</b>	-									
<b>Governance and administration</b>		-	194,932	-	9,024	9,024	16,244	(7,221)	-44%	194,932
Executive and council		-	48,056	-	3,226	3,226	4,005	(778)	-19%	48,056
Budget and treasury office		-	99,999	-	2,762	2,762	8,333	(5,571)	-67%	99,999
Corporate services		-	46,877	-	3,035	3,035	3,906	(871)	-22%	46,877
<b>Community and public safety</b>		-	59,627	-	2,839	2,839	4,969	(2,129)	-43%	59,627
Community and social services		-	48,993	-	2,117	2,117	4,083	(1,966)	-48%	48,993
Public safety		-	10,634	-	723	723	886	(164)	-18%	10,634
<b>Economic and environmental services</b>		-	88,811	-	2,579	2,579	7,401	(4,822)	-65%	88,811

Planning and development		-	11,192	-	549	549	933	(384)	-41%	11,192
Road transport		-	77,619	-	2,030	2,030	6,468	(4,438)	-69%	77,619
<b>Trading services</b>		-	<b>132,985</b>	-	<b>8,756</b>	<b>8,756</b>	<b>11,082</b>	<b>(2,326)</b>	<b>-21%</b>	<b>132,985</b>
Electricity		-	124,864	-	8,438	8,438	10,405	(1,968)	-19%	124,864
Water		-	-	-	-	-	-	-		-
Waste water management		-	-	-	-	-	-	-		-
Waste management		-	8,121	-	318	318	677	(359)	-53%	8,121
<b>Other</b>		-	-	-	-	-	-	-		-
<b>Total Expenditure - Standard</b>	<b>3</b>	-	<b>476,355</b>	-	<b>23,198</b>	<b>23,198</b>	<b>39,696</b>	<b>(16,498)</b>	<b>-42%</b>	<b>476,355</b>
<b>Surplus/ (Deficit) for the year</b>		-	<b>530</b>	-	<b>48,034</b>	<b>48,034</b>	<b>44</b>	<b>47,989</b>	<b>108668%</b>	<b>530</b>

**Notes:**

- Total revenue by vote amount to R71.2 million including transfers – capital recognition.
- Operational Expenditure on financial Performances is R23.2 million.



## FINANCIAL PERFORMANCE REVENUE AND EXPENDITURE PER SOURCE

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

Description	Ref	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	
<b>R thousands</b>											
<b>Revenue By Source</b>											
Property rates			106,776	–	7,681	7,681	8,898	(1,217)	-14%	106,776	
Service charges - electricity revenue			116,655	–	8,432	8,432	9,721	(1,289)	-13%	116,655	
Service charges - refuse revenue			17,029	–	1,096	1,096	1,419	(323)	-23%	17,029	
Rental of facilities and equipment			470	–	31	31	39	(8)	-21%	470	
Interest earned - external investments			506	–	32	32	42	(10)	-24%	506	
Interest earned - outstanding debtors			76,042	–	3,018	3,018	6,337	(3,319)	-52%	76,042	
Fines			423	–	59	59	35	24	68%	423	
Licences and permits			11,205	–	254	254	934	(679)	-73%	11,205	
Agency services			2,539	–	–	–	212	(212)	-100%	2,539	
Transfers recognised - operational			114,153	–	46,014	46,014	9,513	36,501	384%	114,153	
Other revenue			1,628	–	465	465	136	330	243%	1,628	
Gains on disposal of PPE								–			
<b>Total Revenue (excluding capital transfers and contributions)</b>			<b>–</b>	<b>447,425</b>	<b>–</b>	<b>67,083</b>	<b>67,083</b>	<b>37,285</b>	<b>29,797</b>	<b>80%</b>	<b>447,425</b>
<b>Expenditure By Type</b>											
Employee related costs			129,304	–	9,654	9,654	10,775	(1,121)	-10%	129,304	
Remuneration of councillors			13,784	–	1,163	1,163	1,149	14	1%	13,784	
Debt impairment			35,525	–	–	–	2,960	(2,960)	-100%	35,525	
Depreciation & asset impairment			66,899	–	–	–	5,575	(5,575)	-100%	66,899	
Finance charges			1,519	–	51	51	127	(75)	-60%	1,519	
Bulk purchases			92,259	–	7,018	7,018	7,688	(671)	-9%	92,259	
Contracted services			50,055	–	1,320	1,320	4,171	(2,851)	-68%	50,055	
Other expenditure			87,009	–	3,991	3,991	7,251	(3,260)	-45%	87,009	
Loss on disposal of PPE								–			
<b>Total Expenditure</b>			<b>–</b>	<b>476,355</b>	<b>–</b>	<b>23,198</b>	<b>23,198</b>	<b>39,696</b>	<b>(16,498)</b>	<b>-42%</b>	<b>476,355</b>

Surplus/(Deficit)		-	(28,930)	-	43,885	43,885	(2,411)	46,296	(0)	(28,930)
Transfers recognised - capital			29,460		4,149	4,149	2,455	1,694	0	29,460
Contributions recognised - capital								-		
<b>Surplus/ (Deficit) for the year</b>		-	530	-	48,034	48,034	44			530

**Notes:**

- ❖ Operating Revenue (excluding capital transfers and contributions) is R67.1 million for the month ending 31 July 2016 which include amongst the following:
  - Property rates billed R7.7 million
  - Service Charges Electricity is R8.4 million
  - Service Charges Refuse is R1.1 million
  - Interest Outstanding debtors is R3 million
  - Licenses & Permits is R254 thousand
- ❖ Transfers operational grants is R46 million. Total revenue for the month of July is R67 million which is 15% of total revenue budget of R447.4 million
- ❖ Operational Expenditure on financial Performances is R23.2 million which includes amongst the following expenditure:
  - Employee Related Costs is R9.7 million
  - Remuneration of Councillors is R1.2 million

- Bulk Purchases is at R7 million
- Contracted is at R1.3 million
- Other expenditure is R3.9 million
- ❖ Total monthly operating expenditure is R23.2 million which is 4.9% of total operational budget of R446.4 million

## 2. CAPITAL EXPENDITURE (MUNICIPAL VOTE, STANDARD CLASSIFICATION AND FUNDING)

LIM334 Ba-Phalaborwa - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M01 July

Vote Description	Ref	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
<b>R thousands</b>	1									
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - Executive and Council		-	500	-	-	-	42	(42)	-100%	500
Vote 2 - Budget and Treasury Department		-	1,000	-	-	-	83	(83)	-100%	1,000
Vote 3 - Corporate Services		-	4,900	-	-	-	408	(408)	-100%	4,900
Vote 6 - Technical Services Department		-	42,060	-	3,639	3,639	3,505	134	4%	42,060
0		-	-	-	-	-	-	-		-
<b>Total Capital single-year expenditure</b>	4	-	48,460	-	3,639	3,639	4,038	(399)	-10%	48,460
<b>Total Capital Expenditure</b>		-	48,460	-	3,639	3,639	4,038	(399)	-10%	48,460
<b>Capital Expenditure - Standard Classification</b>										
<b>Governance and administration</b>		-	6,400	-	-	-	533	(533)	-100%	6,400
Executive and council			500				42	(42)	-100%	500
Budget and treasury office			1,000				83	(83)	-100%	1,000
Corporate services			4,900				408	(408)	-100%	4,900
Health							-			
<b>Economic and environmental services</b>		-	30,460	-	3,639	3,639	2,538	1,101	43%	30,460
Planning and development										
Road transport			30,460		3,639	3,639	2,538	1,101	43%	30,460
Environmental protection										
<b>Trading services</b>		-	11,600	-	-	-	967	(967)	-100%	11,600
Electricity			11,600				967	(967)	-100%	11,600
<b>Other</b>										
<b>Total Capital Expenditure - Standard Classification</b>	3	-	48,460	-	3,639	3,639	4,038	(399)	-10%	48,460

<b>Funded by:</b>										
National Government			29,460		3,639	3,639	2,455	1,184	48%	29,460
<b>Internally generated funds</b>			19,000		-	-	1,583	(1,583)	-100%	19,000
<b>Total Capital Funding</b>		-	<b>48,460</b>	-	<b>3,639</b>	<b>3,639</b>	<b>4,038</b>	<b>(399)</b>	<b>-10%</b>	<b>48,460</b>

**Note:**

- Capital expenditure incurred during the month of July 2016 excluding vat amount to R3.6 million that was funded by MIG ).
- Total Capital Budgeted for the year is R48.4 million,
- The total capital expenditure percentage is standing at 7.4%

### 3. FINANCIAL POSITION

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

Description	Ref	2015/16	Budget Year 2016/17		YearTD actual	Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget		
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash			1,849		35,183	1,849
Call investment deposits			1,800		7,112	1,800
Consumer debtors			144,976		548,149	144,976
Inventory			80,300		80,300	80,300
<b>Total current assets</b>			<b>-</b>	<b>228,925</b>	<b>-</b>	<b>670,744</b>
<b>Non current assets</b>						
Investment property			42,999		42,999	42,999
Property, plant and equipment			1,023,821		1,027,460	1,023,821
Biological assets			388		388	388
Intangible assets			1,715		1,715	1,715
Other non-current assets			-		-	-
<b>Total non current assets</b>			<b>-</b>	<b>1,068,923</b>	<b>-</b>	<b>1,072,563</b>
<b>TOTAL ASSETS</b>			<b>-</b>	<b>1,297,849</b>	<b>-</b>	<b>1,743,307</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Consumer deposits			3,060			3,060
Trade and other payables			-		18,013	-
Provisions						
<b>Total current liabilities</b>			<b>-</b>	<b>3,060</b>	<b>-</b>	<b>3,060</b>
<b>Non current liabilities</b>						
Borrowing				28,000		28,000

Provisions			15,000			15,000
<b>Total non current liabilities</b>		-	<b>43,000</b>	-	-	<b>43,000</b>
<b>TOTAL LIABILITIES</b>		-	<b>46,060</b>	-	<b>18,013</b>	<b>46,060</b>
<b>NET ASSETS</b>	2	-	<b>1,251,789</b>	-	<b>1,725,294</b>	<b>1,251,789</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)			1,251,789		1,725,294	1,251,789
Reserves			-			-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	-	<b>1,251,789</b>	-	<b>1,725,294</b>	<b>1,251,789</b>

**Note:**

- The financial position shows only year to date actual

## 4. CASH FLOW

LIM334 Ba-Phalaborwa - Table C7 Monthly Budget Statement - Cash Flow - M01 July

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
<b>R thousands</b>	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates, penalties & collection charges			69,404	–	2,199	2,199	5,784	(3,585)	-62%	69,404
Service charges			86,894	–	11,158	11,158	7,241	3,917	54%	86,894
Other revenue			10,572	–	2,043	2,043	881	1,162	132%	10,572
Government - operating			114,153	–	46,352	46,352	9,513	36,839	387%	114,153
Government - capital			29,460	–	11,181	11,181	2,455	8,726	355%	29,460
Interest			49,756	–	191	191	4,146	(3,956)	-95%	49,756
<b>Payments</b>										
Suppliers and employees			(318,412)	–	(36,154)	(36,154)	(26,534)	9,620	-36%	(318,412)
Finance charges			(1,519)	–	(51)	(51)	(127)	(75)	60%	(1,519)
Transfers and Grants			–	–	–	–	–	–	–	–
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>			<b>40,309</b>	<b>–</b>	<b>36,917</b>	<b>36,917</b>	<b>3,359</b>	<b>(33,558)</b>	<b>-999%</b>	<b>40,309</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE								–		
<b>Payments</b>										
Capital assets			(40,160)	–	(4,149)	(4,149)	(3,347)	802	-24%	(40,160)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>			<b>(40,160)</b>	<b>–</b>	<b>(4,149)</b>	<b>(4,149)</b>	<b>(3,347)</b>	<b>802</b>	<b>-24%</b>	<b>(40,160)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Increase (decrease) in consumer deposits								–		
<b>Payments</b>										



<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		-	-	-	-	-	-	-	-
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		-	149	-	32,769	32,769	12		149
Cash/cash equivalents at beginning:			1,700			2,414	1,700		2,414
Cash/cash equivalents at month/year end:		-	1,849	-		35,183	1,712		2,563

**Note:**

The bank shows favourable closing balance of **R35.2 million** as at 31 July 2016.

## 5. DEBTORS AGE ANALYSIS

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

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
<b>R thousands</b>										
<b>Debtors Age Analysis By Income Source</b>										
Trade and Other Receivables from Exchange Transactions - Electricity	6,848	3,297	1,368	783	664	528	3,398	22,044	38,931	27,418
Receivables from Non-exchange Transactions - Property Rates	7,000	4,014	3,349	3,062	3,831	3,785	24,312	98,438	147,790	133,428
Receivables from Exchange Transactions - Waste Management	1,207	968	843	809	793	782	4,738	39,427	49,568	46,550
Other	6,871	6,782	6,639	6,533	6,484	6,369	35,867	236,316	311,861	291,569
<b>Total By Income Source</b>	<b>21,925</b>	<b>15,060</b>	<b>12,199</b>	<b>11,188</b>	<b>11,772</b>	<b>11,465</b>	<b>68,315</b>	<b>396,226</b>	<b>548,149</b>	<b>498,965</b>
<b>2015/16 - totals only</b>									-	-
<b>Debtors Age Analysis By Customer Group</b>										
Organs of State	1,252	936	596	626	595	558	3,192	14,356	22,110	19,326
Commercial	3,549	2,416	2,434	1,374	1,483	1,144	8,776	55,781	76,958	68,558
Households	15,603	11,040	8,581	8,798	9,262	9,260	53,579	321,290	437,414	402,189
Other	1,522	668	587	390	431	504	2,767	4,799	11,668	8,891
<b>Total By Customer Group</b>	<b>21,925</b>	<b>15,060</b>	<b>12,199</b>	<b>11,188</b>	<b>11,772</b>	<b>11,465</b>	<b>68,315</b>	<b>396,226</b>	<b>548,149</b>	<b>498,965</b>

#### Note:

- The Debtor's age analysis shows a total figure of R548.1 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 - M01 July

Description R thousands	NT Code	Budget Year 2016/17								Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
<b>Creditors Age Analysis By Customer Type</b>										
Bulk Electricity	0100	6,181								6,181
Other	0900	4,010		452						4,461
<b>Total By Customer Type</b>	<b>1000</b>	<b>10,191</b>	<b>-</b>	<b>452</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,642</b>

#### Notes:

- The creditor's age analysis shows a total figure of R10.6 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 - M01 July

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
		Yrs/Months							
<b>R thousands</b>									
<u>Municipality</u>									
ABSA BANK			CALL ACC				3	-	3
ABSA BANK			FIXED				88	-	88
STD BANK 238711102-001			CALL ACC				3,186	15	3,201
STD BANK 238711102-002			CALL ACC				1,037	5	1,042
STD BANK 238711102-004			CALL ACC				2,491	11	2,502
STD BANK 238711102-005			CALL ACC				274	2	276
<b>TOTAL INVESTMENTS AND INTEREST</b>	<b>2</b>				<b>-</b>		<b>7,080</b>	<b>32</b>	<b>7,112</b>

#### Notes:

Total Investment is standing at R7.1 million as at 31 July 2016.

## 8. TRANSFERS AND GRANT EXPENDITURES

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

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										
<b>EXPENDITURE</b>										
-										
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>										
		-	114,153	-	46,014	46,014	46,023	(10)	0.0%	114,153
Local Government Equitable Share			110,235	-	45,931	45,931	45,931	-		110,235
Finance Management			1,810	-	-	-	-	-		1,810
EPWP Incentive			1,000	-	-	-	-	-		1,000
Operating Grant: MIG (5% of MIG Grants for PMU)			1,108	-	83	83	92	(10)	-10.4%	1,108
<b>Total operating expenditure of Transfers and Grants:</b>		<b>-</b>	<b>114,153</b>	<b>-</b>	<b>46,014</b>	<b>46,014</b>	<b>46,023</b>	<b>(10)</b>	<b>0.0%</b>	<b>114,153</b>
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>										
		-	29,460	-	4,149	4,149	2,455	1,694	69.0%	29,460
Municipal Infrastructure Grant (MIG)			29,460	-	4,149	4,149	2,455	1,694	69.0%	29,460
<b>Total capital expenditure of Transfers and Grants</b>		<b>-</b>	<b>29,460</b>	<b>-</b>	<b>4,149</b>	<b>4,149</b>	<b>2,455</b>	<b>1,694</b>	<b>69.0%</b>	<b>29,460</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		<b>-</b>	<b>143,613</b>	<b>-</b>	<b>50,162</b>	<b>50,162</b>	<b>48,478</b>	<b>1,684</b>	<b>3.5%</b>	<b>143,613</b>

### Notes:

- The monthly operating transfers and grants expenditure is R46 million and Capital is R4.2 million

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

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

Summary of Employee and Councillor remuneration	Ref	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	A	B	C						D
<b><u>Councillors (Political Office Bearers plus Other)</u></b>										
Basic Salaries and Wages			9,549	–	857	857	796	61	8%	9,549
Motor Vehicle Allowance			3,345	–	245	245	279	(33)	-12%	3,345
Cellphone Allowance			891	–	61	61	74	(13)	-18%	891
<b>Sub Total - Councillors</b>		<b>–</b>	<b>13,784</b>	<b>–</b>	<b>1,163</b>	<b>1,163</b>	<b>1,149</b>	<b>14</b>	<b>1%</b>	<b>13,784</b>
<b><u>Senior Managers of the Municipality</u></b>	3									
Basic Salaries and Wages			3,797	–	267	267	316	(49)	-16%	3,797
Pension and UIF Contributions			11	–	1	1	1	(0)	0%	11
Motor Vehicle Allowance			1,381	–	141	141	115	26	22%	1,381
Cellphone Allowance			86	–	6	6	7	(1)	-16%	86
Other benefits and allowances			780	–	20	20	65	(45)	-69%	780
<b>Sub Total - Senior Managers of Municipality</b>		<b>–</b>	<b>6,055</b>	<b>–</b>	<b>435</b>	<b>435</b>	<b>505</b>	<b>(70)</b>	<b>-14%</b>	<b>6,055</b>
<b><u>Other Municipal Staff</u></b>										
Basic Salaries and Wages			76,265	–	5,706	5,706	6,355	(649)	-10%	76,265
Pension and UIF Contributions			15,330	–	1,152	1,152	1,278	(126)	-10%	15,330
Medical Aid Contributions			4,992	–	389	389	416	(27)	-7%	4,992
Overtime			3,194	–	263	263	266	(3)	-1%	3,194
Motor Vehicle Allowance			11,086	–	792	792	924	(132)	-14%	11,086
Cellphone Allowance			1,094	–	80	80	91	(11)	-12%	1,094
Housing Allowances			968	–	62	62	81	(19)	-24%	968
Other benefits and allowances			6,980	–	479	479	582	(103)	-18%	6,980
Long service awards			3,341	–	298	298	278	19	7%	3,341

Post-retirement benefit obligations	2							-		
<b>Sub Total - Other Municipal Staff</b>		-	123,249	-	9,220	9,220	10,271	(1,051)	-10%	123,249
<b>Total Parent Municipality</b>		-	143,088	-	10,817	10,817	11,924	(1,107)	-9%	143,088
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		-	143,088	-	10,817	10,817	11,924	(1,107)	-9%	143,088
<b>TOTAL MANAGERS AND STAFF</b>		-	129,304	-	9,654	9,654	10,775	(1,121)	-10%	129,304

**Notes:**

- Political office bearer's remunerations for the month of July amounted to R1.2 million.
- Employee related costs R9.7 million.
- The municipality has total employee related cost & Remuneration of councillors of R10.8 million for the month of July 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 - M01 July

Description	Ref	Budget Year 2016/17											
		July Outcome	August Budget	Sept Budget	October Budget	Nov Budget	Dec Budget	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget
<b>R thousands</b>	1												
<b><u>Cash Receipts By Source</u></b>													
Property rates		2,199	5,005	5,694	5,220	5,934	5,588	5,833	5,733	5,033	5,933	5,733	11,498
Service charges - electricity revenue		6,375	6,159	7,736	5,578	7,999	5,094	5,105	5,210	6,002	5,511	6,102	8,953
Service charges - water revenue		3,876											(3,876)
Service charges - sanitation revenue		479											(479)
Service charges - refuse		428	855	877	988	959	940	935	963	910	949	789	1,476
Rental of facilities and equipment		31	38	27	34	15	13	38	29	18	36	13	12
Interest earned - external investments		32	83	18	40	19	21	13	12	19	21	18	32
Interest earned - outstanding debtors		159	4,229	3,376	3,339	4,320	4,245	4,300	4,319	4,333	4,325	4,365	8,116
Fines			5	27	15	17	1	42	29	22	69	26	22
Licences and permits		59	541	1,576	568	730	1	533	634	475	563	622	982
Agency services		254	94	18	59	15	100	19	121	25	28	132	784
Transfer receipts - operating		46,352	475	-	-	36,292	-	-	-	29,837	-	-	1,197
Other revenue		1,698	94	18	59	15	100	19	121	25	28	132	(1,251)
<b>Cash Receipts by Source</b>		<b>61,942</b>	<b>17,577</b>	<b>19,366</b>	<b>15,899</b>	<b>56,314</b>	<b>16,102</b>	<b>16,839</b>	<b>17,173</b>	<b>46,702</b>	<b>17,465</b>	<b>17,934</b>	<b>27,467</b>
<b>Other Cash Flows by Source</b>													-
Transfer receipts - capital		11,181	-	-	10,267	-	-	-	-	3,429	-	-	4,583
<b>Total Cash Receipts by Source</b>		<b>73,123</b>	<b>17,577</b>	<b>19,366</b>	<b>26,166</b>	<b>56,314</b>	<b>16,102</b>	<b>16,839</b>	<b>17,173</b>	<b>50,131</b>	<b>17,465</b>	<b>17,934</b>	<b>32,050</b>
<b><u>Cash Payments by Type</u></b>													-
Employee related costs		9,654	10,535	10,593	10,888	10,418	10,678	10,667	10,466	10,563	10,667	10,125	10,051
Remuneration of councillors		1,163	1,120	1,137	1,137	1,171	1,128	1,113	1,120	1,150	1,109	1,111	1,326



Interest paid	51	166	116	118	138	126	122	113	106	100	119	244
Bulk purchases - Electricity	15,149	5,500	5,000	10,500	4,500	7,000	6,167	7,157	7,525	7,990	6,994	(1,222)
Contracted services	4,067	2,652	1,462	3,986	2,426	8,595	3,167	3,248	1,549	3,857	3,268	1,780
General expenses	6,121	276	2,636	4,771	6,099	7,158	5,833	2,153	4,687	5,235	1,987	10,052
<b>Cash Payments by Type</b>	<b>36,205</b>	<b>20,248</b>	<b>20,943</b>	<b>31,400</b>	<b>24,752</b>	<b>34,685</b>	<b>27,068</b>	<b>24,257</b>	<b>25,580</b>	<b>28,957</b>	<b>23,604</b>	<b>22,231</b>
<b>Other Cash Flows/Payments by Type</b>												
Capital assets	4,149	14	1,720	8,509	2,443	3,273	1,000	2,000	-	10,410	5,950	693
<b>Total Cash Payments by Type</b>	<b>40,354</b>	<b>20,262</b>	<b>22,663</b>	<b>39,909</b>	<b>27,195</b>	<b>37,958</b>	<b>28,068</b>	<b>26,257</b>	<b>25,580</b>	<b>39,367</b>	<b>29,554</b>	<b>22,924</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>32,769</b>	<b>(2,684)</b>	<b>(3,297)</b>	<b>(13,742)</b>	<b>29,119</b>	<b>(21,856)</b>	<b>(11,229)</b>	<b>(9,084)</b>	<b>24,551</b>	<b>(21,902)</b>	<b>(11,620)</b>	<b>9,126</b>
Cash/cash equivalents at the month/year beginning:	2,414	35,183	32,498	29,201	15,459	44,578	22,723	11,493	2,410	26,961	5,058	(6,562)
Cash/cash equivalents at the month/year end:	35,183	32,498	29,201	15,459	44,578	22,723	11,493	2,410	26,961	5,058	(6,562)	2,563

## Notes

Total actual cash receipts for the month amount to R73 million. This total is including Grants, Water and sanitation service charges.

While the total actual cash payments made for the month amount to R40.4 million. The closing balance on the primary bank account shows favourable bank balance of R35 million

## 11.CAPITAL EXPENDITURE TREND

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

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
<b>R thousands</b>									
<b><u>Monthly expenditure performance trend</u></b>									
July		4,038	-	3,639	3,639	4,038	399	9.9%	8%
August		4,038	-			8,077	-		
September		4,038	-			12,115	-		
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	-		
<b>Total Capital expenditure</b>	-	<b>48,460</b>	-	<b>3,639</b>					

### Notes:

- Capital expenditure incurred during the month of July 2016 amount to R3.6 million (MIG Capital expenditure excluding vat)

## 12.BANK RECONCILIATION

BA-PHALBORWA MUNICIPALITY

TRANSACTION STATEMENT FOR JULY 2016

ACC: 330451367

Statement Amt	Statement Description
Outstanding C/F	2,414,184.31
Current - Cheques	-85,766.30
Current - ACBs	-36,291,465.59
Current - ACB Rejects	-
Current - Deposits	6,169,026.92
Current - RD Cheques	-
Current - Redeposits	-
Current - Transfers	18,276,407.03
Current - Bank Charges	-25,788.43
Current - Other Tranfers	44,726,145.66
Current - Already Reconciled	-
Current - C/F	35,182,743.60

### Notes

- The closing balance as at 31 July 2016 is **R35 million**

### 13.RECOMMENDATIONS

**a. That the following be noted:**

- 1) The financial report for the period ended 31 July 2016 **excluding Water and Waste Water management**
- 2) The summary of monthly budget statement report for the month ended 31 July 2016
- 3) The financial performance for the month ended 31 July 2016
- 4) The financial position as at 31 July 2016
- 5) The actual operating revenue (as per GRAP) for the month ended 31 July 2016 is R67 million
- 6) Revenue Capital Contribution recognised amount to R4.1 million (MIG Including vat)
- 7) Operational Expenditure on financial Performances is R23.2 million.
- 8) Capital Expenditure incurred during the month ended 31 July 2016 amount to R3.6 million (Capital Grant excluding vat)
- 9) The municipality received the following allocation as per DoRA
  - Equitable Share of R45.9 million
  - MIG of R11.6 million

- 
- 10) Consolidated call deposit accounts held at STD Bank and ABSA closed with a balance of R7.1 million on 31 July 2016
  - 11) That councillors and Staff Benefits for July 2016 amount to R10.8 million be approved
  - 12) Municipal Primary Bank reconciliation closed with a positive balance of **R35 million** as at 31 July 2016