

BA-PHALABORWA MUNICIPALITY



FINANCIAL PERFORMANCE REPORT

AS AT 31 MARCH 2016



Values

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

The Home of Marula and Wildlife Tourism

Vision

“Provision of quality services for community well-being and tourism development”

Mission

“To provide quality infrastructure and affordable services, promote sustainable economic growth, financial viability, sound administration and

SUMMARY**LIM334 Ba-Phalaborwa - Table C1 Monthly Budget Statement Summary - M09 March**

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
R thousands									
<u>Financial Performance</u>									
Property rates	65,594	124,589	100,165	7,364	74,939	75,123	(185)	-0%	100,165
Service charges	99,013	117,637	121,640	10,151	84,475	91,230	(6,755)	-7%	121,640
Investment revenue	277	275	475	25	372	356	16	4%	475
Transfers recognised - operational	87,633	113,160	112,660	27,281	111,517	84,495	27,022	32%	112,660
Other own revenue	53,897	87,404	86,231	4,618	45,571	64,673	(19,102)	-30%	86,231
Total Revenue (excluding capital transfers and contributions)	306,414	443,065	421,170	49,439	316,874	315,877	997	0%	421,170
Employee costs	123,098	122,693	120,297	11,527	79,810	90,223	(10,413)	-12%	120,297
Remuneration of Councillors	11,790	12,811	12,811	1,591	10,704	9,608	1,096	11%	12,811
Depreciation & asset impairment	60,127	70,104	65,104	4,743	42,687	48,828	(6,141)	-13%	65,104
Finance charges	231	2,109	1,709	24	888	1,282	(394)	-31%	1,709
Materials and bulk purchases	65,626	94,332	84,332	3,070	54,836	63,249	(8,413)	-13%	84,332
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	189,287	167,944	173,909	7,309	88,129	130,432	(42,303)	-32%	173,909
Total Expenditure	450,159	469,992	458,162	28,264	277,054	343,621	(66,567)	-19%	458,162
Surplus/(Deficit)	(143,745)	(26,927)	(36,992)	21,175	39,820	(27,744)	67,564	-244%	(36,992)
Transfers recognised - capital	38,768	36,492	36,992	1,902	33,201	27,744	5,457	20%	36,992
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-

									-
Surplus/(Deficit) after capital transfers & contributions	(104,977)	9,565	-	23,077	73,020	(0)	73,020	#####	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-		-
Surplus/ (Deficit) for the year	(104,977)	9,565	-	23,077	73,020	(0)	73,020	#####	-
<u>Capital expenditure & funds sources</u>									
Capital expenditure	35,760	53,792	50,792	1,668	35,731	38,094	(2,363)	-6%	50,792
Capital transfers recognised	26,026	36,492	36,992	1,668	29,405	27,744	1,661	6%	36,992
Public contributions & donations	-	-	-	-	-	-	-		-
Borrowing	-	-	-	-	-	-	-		-
Internally generated funds	9,734	17,300	13,800	-	6,326	9,200	(2,874)	-31%	13,800
Total sources of capital funds	35,760	53,792	50,792	1,668	35,731	36,944	(1,213)	-3%	50,792
<u>Financial position</u>									
Total current assets	186,197	184,644	186,644		656,285				186,644
Total non current assets	923,298	1,360,832	1,005,535		916,342				1,005,535
Total current liabilities	368,045	6,741	287,741		44,745				287,741
Total non current liabilities	59,656	198,000	48,000		59,656				48,000
Community wealth/Equity	681,794	1,340,735	856,438		1,468,226				856,438
<u>Cash flows</u>									
Net cash from (used) operating	57,365	54,592	40,517	34,368	72,770	30,388	(42,382)	-139%	40,517
Net cash from (used) investing	(35,847)	(53,792)	(41,200)	(1,902)	(41,403)	(30,900)	10,503	-34%	(41,200)
Net cash from (used) financing	(495)	-	-	-	397	-	(397)	#DIV/0!	-
Cash/cash equivalents at the month/year end	3,246	1,612	1,169	-	33,616	1,339	(32,276)	-2410%	1,169

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
<u>Debtors Age Analysis</u>									
Total By Income Source	22,519	16,155	13,932	12,192	12,137	11,884	12,478	423,005	524,302
<u>Creditors Age Analysis</u>									
Total Creditors	7,872	2,072	72	3,285	-	-	-	-	13,301

Notes

- Operating Revenue (excluding capital transfers and contributions) is R49.4 million
R1.9 million transfers recognised – capital amount in the month of March 2016
- Operational Expenditure on financial Performances is R28.3 million
- Capital expenditure incurred during the month of March amount to R1,7 million

LIM334 Ba-Phalaborwa - Supporting Table SC1 Material variance explanations - M09 March

Ref	Description R thousands	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
1	Revenue By Source			
	Property rates	(185)	Not Material	None
	Service charges	(6,755)	Electricity losses caused by old infrastructure and illegal connections	investigations and audit to be conducted
	Investment revenue	16	The call accounts yielded more interest than we expected	None
	Other own revenue	(19,102)	Low collection of Interest on outstanding debtors	Appointment of pool of debt collectors
2	Expenditure By Type			
	Employee costs	10,413	Defined benefits to be done at year end	None
	Depreciation & asset impairment	6,141	Over budgeted	
	Finance charges	394	The Overdraft was closed thus less bank charges	None
	Materials and bulk purchases	8,413		
3	Capital Expenditure			
	Capital transfers recognised	1,661	MIG received was spent in full for 2015/16.	INEG Capital expenditure to continue spending according to plan
	Internally generated funds	(2,874)	Cash flow	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) - M09 March

Description	Ref	2014/15	Budget Year 2015/16							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Standard										
Governance and administration		194,637	306,962	267,461	36,830	215,862	200,596	15,266	8%	267,461
Executive and council		-	-	-	-	-	-	-		-
Budget and treasury office		193,504	306,613	266,888	36,763	215,360	200,166	15,194	8%	266,888
Corporate services		1,133	349	574	66	502	430	72	17%	574
Community and public safety		14,758	14,980	13,529	1,531	7,817	10,147	(2,330)	-23%	13,529
Community and social services		5,935	12,213	13,278	1,483	8,977	9,959	(982)	-10%	13,278
Sport and recreation		-	-	-	-	-	-	-		-
Public safety		8,823	2,767	251	48	(1,160)	188	(1,348)	-716%	251
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
Economic and environmental services		27,774	32,978	33,033	163	32,020	24,774	7,246	29%	33,033
Planning and development		7	-	55	0	31	41	(11)	-26%	55
Road transport		27,767	32,978	32,978	163	31,990	24,733	7,257	29%	32,978
Environmental protection		-	-	-	-	-	-	-		-
Trading services		108,013	124,637	144,139	12,817	91,530	108,104	(16,574)	-15%	144,139
Electricity		96,608	112,666	122,802	11,226	78,416	92,101	(13,685)	-15%	122,802
Waste management		11,405	11,971	21,337	1,591	13,113	16,003	(2,890)	-18%	21,337
Other	4	-	-	-	-	-	-	-		-
Total Revenue - Standard	2	345,182	479,557	458,162	51,341	347,229	343,621	3,608	1%	458,162
Expenditure - Standard	-									

Governance and administration		197,318	183,063	189,142	9,891	102,791	141,856	(39,065)	-28%	189,142
Executive and council		48,368	44,222	45,046	4,566	31,630	33,785	(2,154)	-6%	45,046
Budget and treasury office		93,807	91,301	97,273	2,557	48,485	72,954	(24,469)	-34%	97,273
Corporate services		55,143	47,540	46,823	2,768	22,675	35,117	(12,442)	-35%	46,823
Community and public safety		42,251	58,121	56,150	5,827	35,600	42,112	(6,513)	-15%	56,150
Community and social services		33,365	46,819	46,229	5,057	29,632	34,672	(5,040)	-15%	46,229
Sport and recreation		-	-	-	-	-	-	-		-
Public safety		8,885	11,303	9,921	769	5,968	7,440	(1,472)	-20%	9,921
Economic and environmental services		105,178	97,404	85,500	6,789	57,943	64,125	(6,182)	-10%	85,500
Planning and development		11,069	17,791	10,721	578	5,423	8,040	(2,617)	-33%	10,721
Road transport		94,109	79,613	74,779	6,212	52,520	56,084	(3,565)	-6%	74,779
Environmental protection		-	-	-	-	-	-	-		-
Trading services		105,413	131,403	127,370	5,757	80,721	95,528	(14,807)	-16%	127,370
Electricity		96,600	124,296	119,755	4,961	77,842	89,816	(11,975)	-13%	119,755
Waste management		8,812	7,107	7,615	796	2,879	5,711	(2,832)	-50%	7,615
Other		-	-	-	-	-	-	-		-
Total Expenditure - Standard	3	450,159	469,992	458,162	28,264	277,055	343,621	(66,567)	-19%	458,162
Surplus/ (Deficit) for the year		(104,977)	9,565	-	23,077	70,174	-	70,174	#DIV/0!	-

Notes:

- Total revenue by vote amount to R51.3 million.
- Operational Expenditure on financial Performances is R28.3 million.

FINANCIAL PERFORMANCE REVENUE AND EXPENDITURE PER SOURCE

LIM334 Ba-Phalaborwa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March

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										
Revenue By Source										
Property rates		65,594	124,589	100,165	7,364	74,939	75,123	(185)	0%	100,165
Property rates - penalties & collection charges							-	-		-
Service charges - electricity revenue		87,608	105,666	105,666	9,030	74,066	79,249	(5,183)	-7%	105,666
Service charges - refuse revenue		11,405	11,971	15,974	1,121	10,409	11,981	(1,572)	-13%	15,974
Service charges - other				-			-	-		-
Rental of facilities and equipment		265	346	441	50	293	331	(37)	-11%	441
Interest earned - external investments		277	275	475	25	372	356	16	4%	475
Interest earned - outstanding debtors		29,899	70,973	70,973	2,924	34,037	53,230	(19,193)	-36%	70,973
Dividends received		-	3	-		-	-	-		-
Fines		8,823	2,917	381	47	1,969	286	1,684	589%	381
Licences and permits		2,257	9,399	10,512	1,463	8,652	7,884	768	10%	10,512
Agency services		5,325	2,381	2,381	-	-	1,786	(1,786)	-100%	2,381
Transfers recognised - operational		87,633	113,160	112,660	27,281	111,517	84,495	27,022	32%	112,660
Other revenue		7,328	1,385	1,543	134	620	1,157	(537)	-46%	1,543
Gains on disposal of PPE							-	-		-
Total Revenue (excluding capital transfers and contributions)		306,414	443,065	421,170	49,439	316,874	315,877	997	0%	421,170

Expenditure By Type	-									
Employee related costs	123,098	122,693	120,297	11,527	79,810	90,223	(10,413)	-12%	120,297	
Remuneration of councillors	11,790	12,811	12,811	1,591	10,704	9,608	1,096	11%	12,811	
Debt impairment	73,146	33,326	33,326	-	8,222	24,994	(16,773)	-67%	33,326	
Depreciation & asset impairment	60,127	70,104	65,104	4,743	42,687	48,828	(6,141)	-13%	65,104	
Finance charges	231	2,109	1,709	24	888	1,282	(394)	-31%	1,709	
Bulk purchases	65,626	94,332	84,332	3,070	54,836	63,249	(8,413)	-13%	84,332	
Other materials						-	-			
Contracted services	44,545	52,256	51,887	2,641	38,574	38,915	(341)	-1%	51,887	
Transfers and grants			-			-	-		-	
Other expenditure	71,596	82,362	88,697	4,667	41,334	66,523	(25,189)	-38%	88,697	
Loss on disposal of PPE							-			
Total Expenditure	450,159	469,992	458,162	28,264	277,054	343,621	(66,567)	-19%	458,162	
Surplus/(Deficit)	(143,745)	(26,927)	(36,992)	21,175	39,820	(27,744)	67,564	(0)	(36,992)	
Transfers recognised - capital	38,768	36,492	36,992	1,902	33,201	27,744	5,457	0	36,992	
Contributions recognised - capital							-			
Contributed assets							-			
Surplus/(Deficit) after capital transfers & contributions	(104,977)	9,565	-	23,077	73,020	-	-		-	
Taxation							-			
Surplus/(Deficit) after taxation	(104,977)	9,565	-	23,077	73,020	-	-		-	
Attributable to minorities										
Surplus/(Deficit) attributable to municipality	(104,977)	9,565	-	23,077	73,020	-	-		-	
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year	(104,977)	9,565	-	23,077	73,020	-	-		-	

Notes:

- Operating Revenue (excluding capital transfers and contributions) is R49.4 million for the month ending 31 March 2016 which include amongst the following:
 - Property rates is R7.4 million and R74.9 million on year to date
 - Service Charges Electricity is R9.0 million and R74.1 million on year to date
 - Service Charges Refuse is R1.1 million and R10.4 million on year to date
 - Interest Outstanding debtors is R2.9 million and R34 million on year to date
 - Licenses & Permits is R1.5 million and R8.7 million on year to date
 - Transfers operational is R27.3 million and R111.5 million on year to date
- Total revenue on year to date is at R315.9 million which is 75.24% of total budgeted at R421.2 million
- Operational Expenditure on financial Performances is R28.3 million which includes amongst the following expenditure:
 - Employee Related Costs is R11.5 million and R79.8 million on year to date
 - Remuneration of Councillors is R1.6 million and R10.7 million on year to date
 - Depreciation is R4.7 million and R42.7 million on year to date
 - Bulk Purchases is at R3.1 million and R54.8 million on year to date
 - contracted is at R2.6 million and R38.6 million on year to date

-Other expenditure is R4.7 million and R41.3 million on year to date

Total operating expenditure is R277.1 million on year to date which is 60.47% of total is budgeted of R458.3 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) - M09 March

Vote Description	Ref	2014/15	Budget Year 2015/16							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Single Year expenditure appropriation	2									
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	-	-	-	-	-
Vote 2 - BUDGET AND TREASURY DEPARTMENT		-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		2,627	5,700	4,200	-	1,495	3,150	(1,655)	-53%	4,200
Vote 4 - COMMUNITY AND SOCIAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 5 - PLANNING AND DEVELOPMENT		-	-	-	-	-	-	-	-	-
Vote 6 - TECHNICAL SERVICES DEPARTMENT		33,133	48,092	46,592	1,668	34,236	34,944	(708)	-2%	46,592
Total Capital single-year expenditure	4	35,760	53,792	50,792	1,668	35,731	38,094	(2,363)	-6%	50,792
Total Capital Expenditure		35,760	53,792	50,792	1,668	35,731	38,094	(2,363)	-6%	50,792
Capital Expenditure - Standard Classification										
Governance and administration		2,627	5,700	4,200	-	1,495	3,150	(1,655)	-53%	4,200
Executive and council								-		
Budget and treasury office								-		

Corporate services		2,627	5,700	4,200	-	1,495	3,150	(1,655)	-53%	4,200
Community and public safety		-	-	-	-	-	-	-		-
Community and social services										
Sport and recreation										
Public safety										
Housing										
Health										
Economic and environmental services		24,886	35,492	35,992	-	27,562	26,994	568	2%	35,992
Planning and development										
Road transport		24,886	35,492	35,992		27,562	26,994	568	2%	35,992
Environmental protection										
Trading services		8,247	12,600	10,600	1,668	6,675	7,950	(1,275)	-16%	10,600
Electricity		8,247	12,600	10,600	1,668	6,675	7,950	(1,275)	-16%	10,600
Water										
Waste water management										
Waste management										
Other										
Total Capital Expenditure - Standard Classification	3	35,760	53,792	50,792	1,668	35,731	38,094	(2,363)	-6%	50,792
Funded by:										
National Government		26,026	36,492	36,992	1,668	29,405	27,744	1,661	6%	36,992
Provincial Government										
District Municipality										
Other transfers and grants										
Transfers recognised - capital		26,026	36,492	36,992	1,668	29,405	27,744	1,661	6%	36,992
Public contributions & donations	5									
Borrowing	6									
Internally generated funds		9,734	17,300	13,800	-	6,326	9,200	(2,874)	-31%	13,800
Total Capital Funding		35,760	53,792	50,792	1,668	35,731	36,944	(1,213)	-3%	50,792

Note:

- Capital expenditure incurred during the month of March 2016 amount to R1.7 million (Capital Grant excluding vat).
- Total Capital Budgeted for the year is R50.8 million adjusted from R53.8 million which we spent R35, 7 million which is divided into internally funded and National funded. The National funded is R36.99 million which we spent R29.4 million and internally funded is budgeted at R13.8 million and we spent R6.3 million.
- The total capital expenditure percentage is standing at 70.35%

3. FINANCIAL POSITION

LIM334 Ba-Phalaborwa - Table C6 Monthly Budget Statement - Financial Position - M09 March

Description	Ref	2014/15	Budget Year 2015/16			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
<u>ASSETS</u>						
Current assets						
Cash		3,246	1,612	1,612	33,616	1,612
Call investment deposits			1,700	1,700	15,757	1,700
Consumer debtors		99,985	161,832	102,832	524,302	102,832
Other debtors						
Current portion of long-term receivables		356				
Inventory		82,611	19,500	80,500	82,611	80,500
Total current assets		186,197	184,644	186,644	656,285	186,644
Non current assets						
Long-term receivables				-		-
Investments				-		-
Investment property		42,999		42,999	42,999	42,999
Investments in Associate				-		-
Property, plant and equipment		878,196	1,360,432	960,432	871,240	960,432
Agricultural				-		-
Biological assets		388	400	388	388	388
Intangible assets		1,715		1,715	1,715	1,715
Other non-current assets				-		-
Total non current assets		923,298	1,360,832	1,005,535	916,342	1,005,535
TOTAL ASSETS		1,109,496	1,545,477	1,192,179	1,572,628	1,192,179
<u>LIABILITIES</u>						
Current liabilities						

Bank overdraft						
Borrowing				-		-
Consumer deposits		3,738	1,650	3,650		3,650
Trade and other payables		364,307	5,091	284,091	44,745	284,091
Provisions						
Total current liabilities		368,045	6,741	287,741	44,745	287,741
Non current liabilities						
Borrowing		38,475	180,000	30,000	38,475	30,000
Provisions		21,182	18,000	18,000	21,182	18,000
Total non current liabilities		59,656	198,000	48,000	59,656	48,000
TOTAL LIABILITIES		427,702	204,741	335,741	104,402	335,741
NET ASSETS	2	681,794	1,340,735	856,438	1,468,226	856,438
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		627,330		856,438	1,468,226	856,438
Reserves		54,464	1,340,735			
TOTAL COMMUNITY WEALTH/EQUITY	2	681,794	1,340,735	856,438	1,468,226	856,438

Note:

- The financial position shows only year to date actual

4. CASH FLOW

LIM334 Ba-Phalaborwa - Table C7 Monthly Budget Statement - Cash Flow - M09 March

Description	Ref	2014/15	Budget Year 2015/16							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates, penalties & collection charges		65,594	37,772	44,800	2,353	28,731	33,600	(4,869)	-14%	44,800
Service charges		88,228	197,813	137,811	9,121	97,089	103,358	(6,269)	-6%	137,811
Other revenue		23,998	16,411	10,512	2,298	13,316	7,884	5,432	69%	10,512
Government - operating		87,633	113,160	113,160	26,951	111,719	84,870	26,849	32%	113,160
Government - capital		37,279	36,492	36,492	20,000	58,044	27,369	30,675	112%	36,492
Interest		30,176	19,504	4,305	228	2,980	3,229	(249)	-8%	4,305
Dividends			3	-		-	-	-		-
Payments										
Suppliers and employees		(273,972)	(364,453)	(305,165)	(26,559)	(238,221)	(228,874)	9,347	-4%	(305,165)
Finance charges		(1,570)	(2,109)	(1,398)	(24)	(888)	(1,049)	(160)	15%	(1,398)
Transfers and Grants								-		
NET CASH FROM/(USED) OPERATING ACTIVITIES		57,365	54,592	40,517	34,368	72,770	30,388	(42,382)	-139%	40,517
CASH FLOWS FROM INVESTING ACTIVITIES										
Payments										
Capital assets		(35,847)	(53,792)	(41,200)	(1,902)	(41,403)	(30,900)	10,503	-34%	(41,200)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(35,847)	(53,792)	(41,200)	(1,902)	(41,403)	(30,900)	10,503	-34%	(41,200)
CASH FLOWS FROM FINANCING ACTIVITIES										

Receipts										
Short term loans								-		
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits						397		397	#DIV/0!	
Payments										
Repayment of borrowing		(495)						-		
NET CASH FROM/(USED) FINANCING ACTIVITIES		(495)	-	-	-	397	-	(397)	#DIV/0!	-
NET INCREASE/ (DECREASE) IN CASH HELD		21,023	800	(683)	32,466	31,764	(512)			(683)
Cash/cash equivalents at beginning:	(17,777)	813	1,852		1,852	1,852	1,852			1,852
Cash/cash equivalents at month/year end:	3,246	1,612	1,169		33,616	1,339				1,169

Note:

The bank shows favourable closing balance of **R33 615 730.33** as at 31 March 2016. The receipts were from the following sources amongst others:

- Equitable share of R26 951 000 from National Treasury
- Municipal Infrastructure Grant (MIG) of R20 000 000 from National Treasury
- Electricity which is at R4 995 307.61 from consumers
- Total Receipts for March 2016 is at R60 951 000

5. DEBTORS AGE ANALYSIS

LIM334 Ba-Phalaborwa - Supporting Table SC3 Monthly Budget Statement - aged debtors - M09 March

Description	NT Code	Budget Year 2015/16								
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
R thousands										
Debtors Age Analysis By Income Source										
Trade and Other Receivables from Exchange Transactions - Electricity	1300	7,918	3,742	2,412	686	625	608	611	25,685	42,288
Receivables from Non-exchange Transactions - Property Rates	1400	6,811	5,010	4,395	4,536	4,570	4,439	5,011	112,210	146,982
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	1,216	928	830	803	834	831	817	40,695	46,953
Other	1900	6,575	6,475	6,295	6,167	6,109	6,005	6,039	244,415	288,080
Total By Income Source	2000	22,519	16,155	13,932	12,192	12,137	11,884	12,478	423,005	524,302
2014/15 - totals only										-
Debtors Age Analysis By Customer Group										
Organs of State	2200	1,787	1,448	1,346	691	696	651	620	16,679	23,918
Commercial	2300	3,559	2,516	2,641	1,497	1,518	1,178	1,598	59,353	73,860
Households	2400	15,647	11,496	9,308	9,580	9,482	9,537	9,756	341,866	416,671
Other	2500	1,526	695	637	424	442	519	504	5,107	9,853
Total By Customer Group	2600	22,519	16,155	13,932	12,192	12,137	11,884	12,478	423,005	524,302

Note:

- The Debtor's age analysis shows a total figure of R524,3 million from 30 days to over a year.

6. CREDITORS AGE ANALYSIS

LIM334 Ba-Phalaborwa - Supporting Table SC4 Monthly Budget Statement - aged creditors - M09 March

Description R thousands	NT Code	Budget Year 2015/16								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	
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	4,325								4,325
Trade Creditors	0700	3,547	2,072	72	3,285					8,976
Auditor General	0800									-
Other	0900									-
Total By Customer Type	1000	7,872	2,072	72	3,285	-	-	-	-	13,301

Notes:

- The creditor's age analysis shows a total figure of R13.3 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 - M09 March

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									
<u>Municipality</u>									
ABSA - Call Account			Fixed deposit				93	-	93
Call deposit a/c - STD Bank			Call Account				5,617	10,046	15,664
Municipality sub-total					-		5,710	10,046	15,757
<u>Entities</u>									
Entities sub-total					-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2				-		5,710	10,046	15,757

Notes:

Total Investment is standing at R15,8 million as at 31 March 2016.

8. TRANSFERS AND GRANT EXPENDITURES

LIM334 Ba-Phalaborwa - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M09 March

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										
EXPENDITURE										
-										
Operating expenditure of Transfers and Grants										
National Government:		88,490	113,160	112,660	27,205	111,242	84,495	26,747	31.7%	112,660
Local Government Equitable Share		83,256	107,805	107,805	26,951	107,805	80,854	26,951	33.3%	107,805
Finance Management		1,600	1,675	1,675	85	1,175	1,256	(81)	-6.5%	1,675
Municipal Systems Improvement		934	940	940	169	940	705	235	33.3%	940
EPWP Incentive		1,212	1,188	1,188		578	891	(313)	-35.2%	1,188
Operating Grant: MIG (5% of MIG Grants for PMU)		1,488	1,552	1,052		633	789	(156)	-19.7%	1,052
OP GR : SITA			-			111	-	111	#DIV/0!	-
Total operating expenditure of Transfers and Grants:		88,490	113,160	112,660	27,205	111,242	84,495	26,747	31.7%	112,660
Capital expenditure of Transfers and Grants										
National Government:		37,279	36,492	36,992	1,902	33,295	27,744	5,551	20.0%	36,992
Municipal Infrastructure Grant (MIG)		28,279	29,492	29,992	-	30,411	22,494	7,917	35.2%	29,992
Intergrated National Electrification Grant		9,000	7,000	7,000	1,902	2,884	5,250	(2,366)	-45.1%	7,000
Total capital expenditure of Transfers and Grants		37,279	36,492	36,992	1,902	33,295	27,744	5,551	20.0%	36,992
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		125,769	149,652	149,652	29,107	144,537	112,239	32,298	28.8%	149,652

Notes:

- The monthly operating transfers and grants expenditure is R27.2 million and Capital is R1.9 million

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

LIM334 Ba-Phalaborwa - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M09 March

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
<u>Councillors (Political Office Bearers plus Other)</u>										
Basic Salaries and Wages			8,874	8,874	1,267	7,941	5,177	2,765	53%	8,874
Motor Vehicle Allowance			3,109	3,109	261	2,139	2,331	(193)	-8%	3,109
Cellphone Allowance			828	828	63	624	621	4	1%	828
Sub Total - Councillors			12,811	12,811	1,591	10,705	8,129	2,576	32%	12,811
% increase	4	-	#DIV/0!	#DIV/0!						#DIV/0!
<u>Senior Managers of the Municipality</u>	3									
Basic Salaries and Wages			3,797	2,731	221	1,929	2,848	(918)	-32%	2,731
Pension and UIF Contributions			11	11	1	5	8	(3)	-36%	11
Motor Vehicle Allowance			2,448	2,448	159	989	1,836	(847)	-46%	2,448
Cellphone Allowance			86	86	6	38	64	(27)	-42%	86
Other benefits and allowances			780	780	36	408	585	(177)	-30%	780
Sub Total - Senior Managers of Municipality			7,121	6,055	424	3,369	5,341	(1,972)	-37%	6,055
% increase	4	-	#DIV/0!	#DIV/0!						#DIV/0!
<u>Other Municipal Staff</u>										
Basic Salaries and Wages			73,101	74,462	6,150	47,484	55,847	(8,362)	-15%	74,462
Pension and UIF Contributions			14,153	14,320	1,114	9,577	10,740	(1,163)	-11%	14,320
Medical Aid Contributions			4,567	4,672	395	3,378	3,504	(126)	-4%	4,672

Overtime			4,153	2,965	238	1,883	2,224	(341)	-15%	2,965
Motor Vehicle Allowance			12,974	12,025	723	6,759	9,019	(2,259)	-25%	12,025
Cellphone Allowance			1,044	1,009	73	638	757	(120)	-16%	1,009
Housing Allowances			913	898	61	559	674	(115)	-17%	898
Other benefits and allowances			4,004	2,607	345	2,958	1,955	1,003	51%	2,607
Payments in lieu of leave				-	-		-	-		-
Long service awards			662	1,284	2,005	3,204	963	2,242	233%	1,284
Post-retirement benefit obligations	2			-				-		-
Sub Total - Other Municipal Staff		-	115,571	114,242	11,104	76,440	85,681	(9,241)	-11%	114,242
% increase	4									
Total Parent Municipality		-	135,503	133,108	13,118	90,514	99,151	(8,638)	-9%	133,108
Unpaid salary, allowances & benefits in arrears:										
TOTAL SALARY, ALLOWANCES & BENEFITS		-	135,503	133,108	13,118	90,514	99,151	(8,638)	-9%	133,108
% increase	4									
TOTAL MANAGERS AND STAFF		-	122,693	120,297	11,527	79,809	91,022	(11,213)	-12%	120,297

Notes:

- Political office bearer's remunerations for the month of March amounted to R1.6 million.
- Employee related costs R11.5 million.
- The municipality has total employee related cost & Remuneration of councillors of R13.1 million for the month of March 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 - M09 March

Description	Ref	Budget Year 2015/16												Budget Year 2015/16
		July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Outcome	Feb Outcome	March Outcome	April Budget	May Budget	June Budget	
R thousands	1													
Cash Receipts By Source														
Property rates		2,808	3,005	3,694	4,220	3,934	3,588	3,112	2,016	2,353	3,933	3,733	8,402	44,800
Property rates - penalties & collection charges													-	
Service charges - electricity revenue		3,683	6,159	3,736	5,578	4,999	5,094	5,097	6,341	4,995	5,511	5,102	4,420	60,715
Service charges - water revenue		3,111	6,065	4,329	6,704	4,523	5,149	5,166	3,717	3,067	6,200	5,900	10,550	64,481
Service charges - sanitation revenue		596	608	594	767	626	533	655	436	606	483	449	563	6,915
Service charges - refuse		425	455	477	588	459	440	481	380	452	449	489	605	5,700
Service charges - other													-	
Rental of facilities and equipment		29	38	27	34	15	43	23	22	50	36	43	70	430
Interest earned - external investments		53	83	78	50	19	21	22	21	25	21	28	84	505
Interest earned - outstanding debtors		326	229	376	339	320	245	329	197	203	325	365	545	3,800
Fines		1,772	5	27	15	17	1	66	19	47	369	26	307	2,671
Licences and permits		175	541	1,576	568	730	1	2,712	887	1,463	563	622	(2,781)	7,056
Transfer receipts - operating		47,549	475	-	-	36,292	-	-	452	26,951			1,441	113,160
Other revenue		59	14	18	59	15		1,534	23	738	28	32	(2,164)	355
Cash Receipts by Source		60,585	17,676	14,932	18,921	51,948	15,114	19,196	14,512	40,951	17,920	16,790	22,043	310,588
Other Cash Flows by Source														
Transfer receipts - capital		15,764		2,800	10,267	-	7,763	-	1,450	20,000			(21,552)	36,492
Contributions & Contributed assets													-	
Total Cash Receipts by Source		76,349	17,676	17,732	29,188	51,948	22,877	19,196	15,962	60,951	17,920	16,790	491	347,080

Cash Payments by Type														
Employee related costs	8,024	7,535	8,593	8,888	8,418	8,678	8,799	9,348	11,527	10,540	10,591	21,752	122,693	
Remuneration of councillors	1,150	1,120	1,137	1,137	1,171	1,128	1,105	1,166	1,591	1,163	1,167	(223)	12,811	
Interest paid	69	166	116	118	138	126	107	25	24	76	75	1,069	2,109	
Bulk purchases - Electricity	15,000	5,500	5,000	14,500	4,500	7,000	8,000	4,000	10,000	8,348	8,325	4,159	94,332	
Contracted services	3,193	2,652	1,462	3,986	2,426	8,595	4,378	3,035	1,600	4,182	7,199	11,549	54,256	
General expenses	13,515	276	2,636	4,771	6,099	7,158	4,181	2,404	1,841	6,590	6,523	24,368	80,362	
Cash Payments by Type	40,951	17,248	18,943	33,400	22,752	32,685	26,569	19,978	26,583	30,898	33,881	62,675	366,562	
Other Cash Flows/Payments by Type														
Capital assets	13,387	14	1,720	8,509	2,443	10,273	3,129	26	1,902	4,009	5,011	3,370	53,792	
Repayment of borrowing												-		
Other Cash Flows/Payments	21,450		(3,615)	(18,231)								397		
Total Cash Payments by Type	75,788	17,262	17,048	23,677	25,195	42,958	29,699	20,004	28,485	34,907	38,891	66,441	420,354	
NET INCREASE/(DECREASE) IN CASH HELD	561	415	684	5,511	26,753	(20,081)	(10,503)	(4,042)	32,466	(16,987)	(22,101)	(65,950)	(73,274)	
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	16,629	(5,473)	1,852	
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	16,629	(5,473)	(71,423)	(71,423)	

Notes

Total actual cash receipts for the month amount to R60.951 million. This total is including Water and sanitation service charges.

While the total actual cash-payments made for the month amount to R28.485 million. The closing balance on the primary bank account shows favourable bank balance of R33.616 million

11.CAPITAL EXPENDITURE TREND

LIM334 Ba-Phalaborwa - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M09 March

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
R thousands								%	
Monthly expenditure performance trend									
July	2,980	4,483		11,156	11,156	4,483	(6,674)	-148.9%	21%
August	2,980	4,483		12	11,169	8,965	(2,203)	-24.6%	21%
September	2,980	4,483		1,509	12,677	13,448	771	5.7%	24%
October	2,980	4,483		7,464	20,141	17,931	(2,211)	-12.3%	37%
November	2,980	4,483		2,143	22,284	22,413	129	0.6%	41%
December	2,980	4,483		9,011	31,295	26,896	(4,399)	-16.4%	58%
January	2,980	4,483		2,745	34,040	31,379	(2,661)	-8.5%	63%
February	2,980	4,483		23	34,063	35,861	1,799	5.0%	63%
March	2,980	4,483		1,668	35,731	40,344	4,613	11.4%	66%
April	2,980	4,483				44,827	-		
May	2,980	4,483				49,309	-		
June	2,980	4,483				53,792	-		
Total Capital expenditure	35,760	53,792	-	35,731					

Notes:

- Capital expenditure incurred during the month of March 2016 amount to R1.7 million (INEP grant)

12.BANK RECONCILIATION

BA-PHALABORWA MUNICIPALITY

BANK RECONCILIATION STATEMENT AS AT 31 MARCH 2016

BANK NO 001

ACCOUNT NO 330451367

Statement Adjustment Description	CODE	Adjustment Amt	Running Total
Bank Statement C/F		19,289,055.13	19,289,055.13
Uncashed Cheques	C1	-17,218.80	19,271,836.33
Uncashed ACBs	C2	-4,474,640.00	14,797,196.33
Undeposited Receipts	C3	292,388.00	15,089,584.33
Partially Undeposited Receipts	C4	1,071,259.92	16,160,844.25
Uncashed RDs	brs1	-	16,160,844.25
Miscellaneous Charge 0080	brs2	248,760.47	16,409,604.72
Unreconciled On Statement - Post Dated Cheques	brs3	-	16,409,604.72
Unreconciled On Statement - ACB Rejects	brs4	-	16,409,604.72
Unreconciled On Statement - Deposits	brs5	-6,200,252.76	10,209,351.96
Partially Unreconciled On Statement - ACBs	brs6	27,037,959.87	37,247,311.83
Partially Unreconciled On Statement - Deposits	brs7	-	37,247,311.83
Partially Unreconciled On Statement - Redeposits	brs8	-	37,247,311.83
Partially Unreconciled On Statement - Transfers	brs9	-3,631,581.50	33,615,730.33
Statement C/F			<u>33,615,730.33</u>

Notes

- The closing balance as at 31 March 2016 is **R33 615 730.33**.

13.RECOMMENDATIONS

a. That the following be noted:

- 1) The financial report for the period ended 31 March 2016 **excluding Water and Waste Water management**
- 2) The summary of monthly budget statement report for the month ended 31 March 2016
- 3) The financial performance for the month ended 31 March 2016
- 4) The financial position as at 31 March 2016
- 5) The actual operating revenue (as per GRAP) for the month ended 31 March 2016 is R49.4 million
- 6) No Revenue Capital Contribution recognised
- 7) Operational Expenditure on financial Performances is R28.3 million.
- 8) Capital Expenditure incurred during the month ended 31 March 2016 amount to R1.7 million (Capita Grant excluding vat)
- 9) The municipality received MIG of R20 million and Equitable Share of R26.951 million during the month of March 2016

-
- 10) Consolidated call deposit accounts held at STD Bank and ABSA closed with a balance of R15.76 million on 31 March 2016
 - 11) That councillors and Staff Benefits for March 2016 amount to R13.118 million be approved
 - 12) Municipal Primary Bank reconciliation closed with a positive balance of **R33 615 730.33** as at 31 March 2016