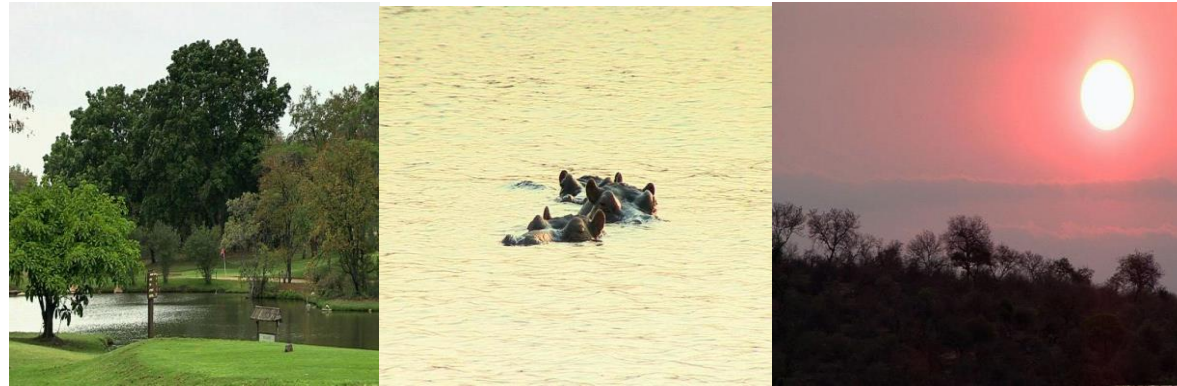


# **BA-PHALABORWA MUNICIPALITY**



## **FINANCIAL PERFORMANCE REPORT**

**AS AT 31 MAY 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 - M11 May

Description	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	65 594	124 589	100 165	6 128	86 919	91 818	(4 899)	-5%	100 165
Service charges	99 013	117 637	121 640	9 305	102 373	111 503	(9 131)	-8%	121 640
Investment revenue	277	275	475	86	572	435	137	31%	475
Transfers recognised - operational	87 633	113 160	112 660	399	112 085	103 272	8 813	9%	112 660
Other own revenue	53 897	87 404	86 231	5 367	56 262	79 045	(22 782)	-29%	86 231
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>306 414</b>	<b>443 065</b>	<b>421 170</b>	<b>21 286</b>	<b>358 210</b>	<b>386 072</b>	<b>(27 862)</b>	<b>-7%</b>	<b>421 170</b>
Employee costs	123 098	122 693	120 297	9 295	98 323	110 272	(11 949)	-11%	120 297
Remuneration of Councillors	11 790	12 811	12 811	1 177	13 065	11 743	1 322	11%	12 811
Depreciation & asset impairment	60 127	70 104	65 104	5 465	53 644	59 679	(6 034)	-10%	65 104
Finance charges	231	2 109	1 709	73	1 092	1 567	(475)	-30%	1 709
Materials and bulk purchases	65 626	94 332	84 332	3 070	75 975	77 304	(1 329)	-2%	84 332
Other expenditure	189 287	167 944	173 909	6 765	101 701	159 417	(57 715)	-36%	173 909
<b>Total Expenditure</b>	<b>450 159</b>	<b>469 992</b>	<b>458 162</b>	<b>25 845</b>	<b>343 801</b>	<b>419 982</b>	<b>(76 181)</b>	<b>-18%</b>	<b>458 162</b>
<b>Surplus/(Deficit)</b>	<b>(143 745)</b>	<b>(26 927)</b>	<b>(36 992)</b>	<b>(4 558)</b>	<b>14 410</b>	<b>(33 909)</b>	<b>48 319</b>	<b>-142%</b>	<b>(36 992)</b>
Transfers recognised - capital	38 768	36 492	56 992	6 134	48 698	52 243	(3 544)	-7%	56 992
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(104 977)</b>	<b>9 565</b>	<b>20 000</b>	<b>1 576</b>	<b>63 108</b>	<b>18 333</b>	<b>44 775</b>	<b>244%</b>	<b>20 000</b>
<b>Surplus/ (Deficit) for the year</b>	<b>(104 977)</b>	<b>9 565</b>	<b>20 000</b>	<b>1 576</b>	<b>63 108</b>	<b>18 333</b>	<b>44 775</b>	<b>244%</b>	<b>20 000</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>35 760</b>	<b>53 792</b>	<b>70 792</b>	<b>5 407</b>	<b>49 392</b>	<b>64 893</b>	<b>(15 501)</b>	<b>-24%</b>	<b>70 792</b>
Capital transfers recognised	26 026	36 492	56 992	5 381	43 040	52 243	(9 203)	-18%	56 992
Internally generated funds	9 734	17 300	13 800	26	6 352	12 650	(6 298)	-50%	13 800
<b>Total sources of capital funds</b>	<b>35 760</b>	<b>53 792</b>	<b>70 792</b>	<b>5 407</b>	<b>49 392</b>	<b>64 893</b>	<b>(15 501)</b>	<b>-24%</b>	<b>70 792</b>

<b>Financial position</b>									
Total current assets	186 197	184 644	186 644		624 872				186 644
Total non current assets	923 298	1 360 832	1 005 535		919 046				1 005 535
Total current liabilities	368 045	6 741	287 741		23 492				287 741
Total non current liabilities	59 656	198 000	48 000		59 656				48 000
<b>Community wealth/Equity</b>	<b>681 794</b>	<b>1 340 735</b>	<b>856 438</b>		<b>1 460 769</b>				<b>856 438</b>
<b>Cash flows</b>									
Net cash from (used) operating	57 365	54 592	40 517	807	65 329	37 141	(28 189)	-76%	40 517
Net cash from (used) investing	(35 847)	(53 792)	(41 200)	(5 945)	(56 757)	(37 767)	18 990	-50%	(41 200)
Net cash from (used) financing	(495)	-	-	4 246	(9 357)	-	9 357	#DIV/0!	-
<b>Cash/cash equivalents at the month/year end</b>	<b>3 246</b>	<b>1 612</b>	<b>1 169</b>	<b>-</b>	<b>1 067</b>	<b>1 226</b>	<b>159</b>	<b>13%</b>	<b>1 169</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	20 358	13 837	12 194	11 829	12 229	11 687	11 692	431 658	525 484
<b>Creditors Age Analysis</b>									
Total Creditors	10 242	407	359	1 901	-	-	-	-	12 909

## Notes

- Operating Revenue (excluding capital transfers and contributions) is R21.3 million  
Transfers recognised – capital amount in the month of May 2016 is R6.1 million
- Operational Expenditure on financial Performances is R25.8 million
- Capital expenditure incurred during the month of May 2016 amount to R5,4 million (MIG and INEG excluding vat)

**LIM334 Ba-Phalaborwa - Supporting Table SC1 Material variance explanations - M11 May**

Ref	Description R thousands	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
1	<b><u>Revenue By Source</u></b>			
	Property rates	(4,899)	Changes in the categories of property on the Valuation roll	Constant monitoring
	Service charges	(9,131)	Electricity losses caused by old infrastructure and illegal connections	investigations and audit to be conducted
	Investment revenue	137	The call accounts yielded more interest than we expected	None
	Other own revenue	(22,782)	The equitable share allocation	None
2	<b><u>Expenditure By Type</u></b>			
	Employee costs	(11,949)	changes in staff complement	None
	Depreciation & asset impairment	(6,034)		
	Finance charges	(475)	The Overdraft was closed thus less bank charges	None
	Materials and bulk purchases	(1,329)	Under billing and low consumptions	
3	<b><u>Capital Expenditure</u></b>			
	Capital transfers recognised	(9,203)	Additional allocation of R20 million was tranfered	Tto continue spending according to plan
	Internally generated funds	(6,298)		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) - M11 May

Description	Ref	2014/15	Budget Year 2015/16							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Revenue - Standard</b>										
<b>Governance and administration</b>		<b>194,637</b>	<b>306,962</b>	<b>267,461</b>	<b>8,768</b>	<b>233,907</b>	<b>245,173</b>	(11,266)	-5%	<b>267,461</b>
Executive and council		-	-	-	-	-	-	-		-
Budget and treasury office		193,504	306,613	266,888	8,584	233,154	244,647	(11,493)	-5%	266,888
Corporate services		1,133	349	574	184	753	526	227	43%	574
<b>Community and public safety</b>		<b>14,758</b>	<b>14,980</b>	<b>13,529</b>	<b>1,758</b>	<b>13,712</b>	<b>12,402</b>	1,310	11%	<b>13,529</b>
Community and social services		5,935	12,213	13,278	1,713	11,981	12,172	(191)	-2%	13,278
Public safety		8,823	2,767	251	44	1,730	230	1,500	652%	251
<b>Economic and environmental services</b>		<b>27,774</b>	<b>32,978</b>	<b>53,033</b>	<b>5,417</b>	<b>46,916</b>	<b>48,613</b>	(1,697)	-3%	<b>53,033</b>
Planning and development		7	-	55	482	513	50	462	917%	55
Road transport		27,767	32,978	52,978	4,935	46,403	48,563	(2,159)	-4%	52,978
<b>Trading services</b>		<b>108,013</b>	<b>124,637</b>	<b>144,139</b>	<b>11,478</b>	<b>112,374</b>	<b>132,127</b>	(19,753)	-15%	<b>144,139</b>
Electricity		96,608	112,666	122,802	9,862	96,048	112,568	(16,520)	-15%	122,802
Waste management		11,405	11,971	21,337	1,616	16,326	19,559	(3,233)	-17%	21,337
<b>Other</b>	4	-	-	-	-	-	-	-		-
<b>Total Revenue - Standard</b>	2	<b>345,182</b>	<b>479,557</b>	<b>478,162</b>	<b>27,420</b>	<b>406,909</b>	<b>438,315</b>	<b>(31,406)</b>	<b>-7%</b>	<b>478,162</b>
<b>Expenditure - Standard</b>	-									
<b>Governance and administration</b>		<b>197,318</b>	<b>183,063</b>	<b>189,142</b>	<b>7,533</b>	<b>119,374</b>	<b>173,380</b>	(54,006)	-31%	<b>189,142</b>
Executive and council		48,368	44,222	45,046	3,250	38,193	41,293	(3,099)	-8%	45,046
Budget and treasury office		93,807	91,301	97,273	2,209	53,918	89,167	(35,249)	-40%	97,273
Corporate services		55,143	47,540	46,823	2,074	27,263	42,921	(15,658)	-36%	46,823
<b>Community and public safety</b>		<b>42,251</b>	<b>58,121</b>	<b>56,150</b>	<b>5,051</b>	<b>44,969</b>	<b>51,471</b>	(6,501)	-13%	<b>56,150</b>
Community and social services		33,365	46,819	46,229	4,259	37,379	42,377	(4,998)	-12%	46,229
Public safety		8,885	11,303	9,921	792	7,590	9,094	(1,503)	-17%	9,921

<b><i>Economic and environmental services</i></b>		<b>105,178</b>	<b>97,404</b>	<b>85,500</b>	<b>7,605</b>	<b>72,887</b>	<b>78,375</b>	(5,488)	-7%	<b>85,500</b>
Planning and development		11,069	17,791	10,721	507	6,472	9,827	(3,356)	-34%	10,721
Road transport		94,109	79,613	74,779	7,098	66,415	68,548	(2,133)	-3%	74,779
<b><i>Trading services</i></b>		<b>105,413</b>	<b>131,403</b>	<b>127,370</b>	<b>5,655</b>	<b>106,571</b>	<b>116,756</b>	(10,185)	-9%	<b>127,370</b>
Electricity		96,600	124,296	119,755	5,025	102,738	109,776	(7,037)	-6%	119,755
Waste management		8,812	7,107	7,615	630	3,833	6,981	(3,148)	-45%	7,615
<b><i>Other</i></b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
<b>Total Expenditure - Standard</b>	<b>3</b>	<b>450,159</b>	<b>469,992</b>	<b>458,162</b>	<b>25,845</b>	<b>343,801</b>	<b>419,982</b>	<b>(76,181)</b>	<b>-18%</b>	<b>458,162</b>
<b>Surplus/ (Deficit) for the year</b>		<b>(104,977)</b>	<b>9,565</b>	<b>20,000</b>	<b>1,576</b>	<b>63,108</b>	<b>18,333</b>	<b>44,774</b>	<b>244%</b>	<b>20,000</b>

**Notes:**

- Total revenue by vote amount to R27.4 million including transfers – capital recognition.
- Operational Expenditure on financial Performances is R25.8 million.

## FINANCIAL PERFORMANCE REVENUE AND EXPENDITURE PER SOURCE

LIM334 Ba-Phalaborwa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 May

Description	Ref	2014/15	Budget Year 2015/16							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue By Source</b>										
Property rates		65 594	124 589	100 165	6 128	86 919	91 818	(4 899)	-5%	100 165
Property rates - penalties & collection charges							-	-		-
Service charges - electricity revenue		87 608	105 666	105 666	8 174	89 714	96 860	(7 147)	-7%	105 666
Service charges - refuse revenue		11 405	11 971	15 974	1 131	12 659	14 643	(1 984)	-14%	15 974
Rental of facilities and equipment		265	346	441	22	337	404	(67)	-17%	441
Interest earned - external investments		277	275	475	86	572	435	137	31%	475
Interest earned - outstanding debtors		29 899	70 973	70 973	2 849	39 706	65 058	(25 352)	-39%	70 973
Dividends received		-	3				-	-		-
Fines		8 823	2 917	381	46	2 016	349	1 667	478%	381
Licences and permits		2 257	9 399	10 512	1 687	11 613	9 636	1 977	21%	10 512
Agency services		5 325	2 381	2 381	-	-	2 183	(2 183)	-100%	2 381
Transfers recognised - operational		87 633	113 160	112 660	399	112 085	103 272	8 813	9%	112 660
Other revenue		7 328	1 385	1 543	763	2 590	1 415	1 175	83%	1 543
Gains on disposal of PPE							-	-		-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>306 414</b>	<b>443 065</b>	<b>421 170</b>	<b>21 286</b>	<b>358 210</b>	<b>386 072</b>	<b>(27 862)</b>	<b>-7%</b>	<b>421 170</b>
<b>Expenditure By Type</b>										
Employee related costs	-	123 098	122 693	120 297	9 295	98 323	110 272	(11 949)	-11%	120 297
Remuneration of councillors		11 790	12 811	12 811	1 177	13 065	11 743	1 322	11%	12 811
Debt impairment		73 146	33 326	33 326	-	8 222	30 548	(22 327)	-73%	33 326
Depreciation & asset impairment		60 127	70 104	65 104	5 465	53 644	59 679	(6 034)	-10%	65 104
Finance charges		231	2 109	1 709	73	1 092	1 567	(475)	-30%	1 709
Bulk purchases		65 626	94 332	84 332	3 070	75 975	77 304	(1 329)	-2%	84 332
Other materials							-	-		
Contracted services		44 545	52 256	51 887	2 820	45 007	47 563	(2 555)	-5%	51 887
Transfers and grants							-	-		
Other expenditure		71 596	82 362	88 697	3 946	48 472	81 306	(32 833)	-40%	88 697
Loss on disposal of PPE							-	-		
<b>Total Expenditure</b>		<b>450 159</b>	<b>469 992</b>	<b>458 162</b>	<b>25 845</b>	<b>343 801</b>	<b>419 982</b>	<b>(76 181)</b>	<b>-18%</b>	<b>458 162</b>
<b>Surplus/(Deficit)</b>		<b>(143 745)</b>	<b>(26 927)</b>	<b>(36 992)</b>	<b>(4 558)</b>	<b>14 410</b>	<b>(33 909)</b>	<b>48 319</b>	<b>(0)</b>	<b>(36 992)</b>



Transfers recognised - capital		38 768	36 492	56 992	6 134	48 698	52 243	(3 544)	(0)	56 992
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(104 977)</b>	<b>9 565</b>	<b>20 000</b>	<b>1 576</b>	<b>63 108</b>	<b>18 333</b>			<b>20 000</b>
Share of surplus/ (deficit) of associate										
<b>Surplus/ (Deficit) for the year</b>		<b>(104 977)</b>	<b>9 565</b>	<b>20 000</b>	<b>1 576</b>	<b>63 108</b>	<b>18 333</b>			<b>20 000</b>

**Notes:**

- ❖ Operating Revenue (excluding capital transfers and contributions) is R21.3 million for the month ending 31 May 2016 which include amongst the following:
  - Property rates is R6.1 million and R86.9 million on year to date
  - Service Charges Electricity is R8 million and R89.7 million on year to date
  - Service Charges Refuse is R1.1 million and R12.7 million on year to date
  - Interest Outstanding debtors is R2.8 million and R39.7 million on year to date
  - Licenses & Permits is R1.7 million and 11.6 million on year to date
  - Transfers operational is R399 thousand and R112 million on year to date
- ❖ Total revenue on year to date is at R358.2 million which is 85% of total budgeted at R421.2 million
- ❖ Operational Expenditure on financial Performances is R25.8 million which includes amongst the following expenditure:
  - Employee Related Costs is R9.3 million and R98.3 million on year to date
  - Remuneration of Councillors is R1.2 million and R13 million on year to date

- Depreciation is R5.5 million and R53.6 million on year to date
- Bulk Purchases is at R3 million and R76 million on year to date
- Contracted is at R2.8 million and R45 million on year to date
- Other expenditure is R3.9 million and R48.5 million on year to date
- ❖ Total operating expenditure is R343.8 million on year to date which is 75% of total is budgeted of R458.2 million

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

LIM334 Ba-Phalaborwa - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M11 May

Vote Description	Ref	2014/15	Budget Year 2015/16							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Single Year expenditure appropriation</b>	2									
Vote 3 - CORPORATE SERVICES		2,627	5,700	4,200	26	1,521	3,850	(2,329)	-60%	4,200
Vote 6 - TECHNICAL SERVICES DEPARTMENT		33,133	48,092	66,592	5381	47,870	61,043	(13,172)	-22%	66,592
0		-	-	-	-	-	-	-		-
<b>Total Capital single-year expenditure</b>	4	35,760	53,792	70,792	5,407	49,392	64,893	(15,501)	-24%	70,792
<b>Total Capital Expenditure</b>		35,760	53,792	70,792	5,407	49,392	64,893	(15,501)	-24%	70,792
<b>Capital Expenditure - Standard Classification</b>										
<b>Governance and administration</b>		2,627	5,700	4,200	26	1,521	3,850	(2,329)	-60%	4,200
Corporate services		2,627	5,700	4,200	26	1,521	3,850	(2,329)	-60%	4,200
<b>Economic and environmental services</b>		24,886	35,492	55,992	4,166	39,981	51,326	(11,345)	-22%	55,992
Road transport		24,886	35,492	55,992	4,166	39,981	51,326	(11,345)	-22%	55,992
<b>Trading services</b>		8,247	12,600	10,600	1,214	7,889	9,717	(1,828)	-19%	10,600
Electricity		8,247	12,600	10,600	1,214	7,889	9,717	(1,828)	-19%	10,600
<b>Other</b>										
<b>Total Capital Expenditure - Standard Classification</b>	3	35,760	53,792	70,792	5,407	49,392	64,893	(15,501)	-24%	70,792
<b>Funded by:</b>										
National Government		26,026	36,492	56,992	5,381	43,040	52,243	(9,203)	-18%	56,992
<b>Borrowing</b>	6									
Internally generated funds		9,734	17,300	13,800	26	6,352	12,650	(6,298)	-50%	13,800
<b>Total Capital Funding</b>		35,760	53,792	70,792	5,407	49,392	64,893	(15,501)	-24%	70,792

**Note:**

- Capital expenditure incurred during the month of May 2016 amount to R5.4 million (MIG and INEG excluding vat).
- Total Capital Budgeted for the year is R70.8 million, spent R49.4 million which is divided into internally funded and National funded. The National funded is R43 million and internally funded spent R6.4 million to date.
- The total capital expenditure percentage is standing at 69%

### 3. FINANCIAL POSITION

LIM334 Ba-Phalaborwa - Table C6 Monthly Budget Statement - Financial Position - M11 May

Description	Ref	2014/15	Budget Year 2015/16			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		3,246	1,612	1,612	1,067	1,612
Call investment deposits			1,700	1,700	15,711	1,700
Consumer debtors		99,985	161,832	102,832	525,484	102,832
Current portion of long-term receivables		356				
Inventory		82,611	19,500	80,500	82,611	80,500
<b>Total current assets</b>		<b>186,197</b>	<b>184,644</b>	<b>186,644</b>	<b>624,872</b>	<b>186,644</b>
<b>Non current assets</b>						
Investment property		42,999		42,999	42,999	42,999
Property, plant and equipment		878,196	1,360,432	960,432	873,752	960,432
Biological assets		388	400	388	388	388
Intangible assets		1,715		1,715	1,715	1,715
Other non-current assets				-		
<b>Total non current assets</b>		<b>923,298</b>	<b>1,360,832</b>	<b>1,005,535</b>	<b>918,854</b>	<b>1,005,535</b>
<b>TOTAL ASSETS</b>		<b>1,109,496</b>	<b>1,545,477</b>	<b>1,192,179</b>	<b>1,539,724</b>	<b>1,192,179</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Consumer deposits		3,738	1,650	3,650		3,650
Trade and other payables		364,307	5,091	284,091	23,492	284,091
Provisions						
<b>Total current liabilities</b>		<b>368,045</b>	<b>6,741</b>	<b>287,741</b>	<b>23,492</b>	<b>287,741</b>

<b>Non current liabilities</b>						
Borrowing		38,475	180,000	30,000	38,475	30,000
Provisions		21,182	18,000	18,000	21,182	18,000
<b>Total non current liabilities</b>		<b>59,656</b>	<b>198,000</b>	<b>48,000</b>	<b>59,656</b>	<b>48,000</b>
<b>TOTAL LIABILITIES</b>		<b>427,702</b>	<b>204,741</b>	<b>335,741</b>	<b>83,148</b>	<b>335,741</b>
<b>NET ASSETS</b>	2	<b>681,794</b>	<b>1,340,735</b>	<b>856,438</b>	<b>1,460,578</b>	<b>856,438</b>
<b><u>COMMUNITY WEALTH/EQUITY</u></b>						
Accumulated Surplus/(Deficit)		627,330		856,438	1,460,578	856,438
Reserves		54,464	1,340,735			
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>681,794</b>	<b>1,340,735</b>	<b>856,438</b>	<b>1,460,578</b>	<b>856,438</b>

**Note:**

- The financial position shows only year to date actual

## 4. CASH FLOW

LIM334 Ba-Phalaborwa - Table C7 Monthly Budget Statement - Cash Flow - M11 May

Description	Ref	2014/15	Budget Year							
		Audited Outcome	2015/16 Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates, penalties & collection charges		65,594	37,772	44,800	1,919	32,561	41,067	(8,505)	-21%	44,800
Service charges		88,228	197,813	137,811	14,079	125,368	126,327	(958)	-1%	137,811
Other revenue		23,998	16,411	10,512	1,767	18,072	9,636	8,436	88%	10,512
Government - operating		87,633	113,160	113,160	149	111,868	103,730	8,138	8%	113,160
Government - capital		37,279	36,492	36,492	-	58,044	33,451	24,593	74%	36,492
Interest		30,176	19,504	4,305	420	3,916	3,946	(30)	-1%	4,305
Dividends			3	-		-	-	-		-
<b>Payments</b>										
Suppliers and employees		(273,972)	(364,453)	(305,165)	(17,454)	(283,409)	(279,735)	3,674	-1%	(305,165)
Finance charges		(1,570)	(2,109)	(1,398)	(73)	(1,092)	(1,282)	(190)	15%	(1,398)
Transfers and Grants								-		
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>57,365</b>	<b>54,592</b>	<b>40,517</b>	<b>807</b>	<b>65,329</b>	<b>37,141</b>	<b>(28,189)</b>	<b>-76%</b>	<b>40,517</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE								-		
<b>Payments</b>										
Capital assets		(35,847)	(53,792)	(41,200)	(5,945)	(56,757)	(37,767)	18,990	-50%	(41,200)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(35,847)</b>	<b>(53,792)</b>	<b>(41,200)</b>	<b>(5,945)</b>	<b>(56,757)</b>	<b>(37,767)</b>	<b>18,990</b>	<b>-50%</b>	<b>(41,200)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										

Short term loans										
Borrowing long term/refinancing										
Increase (decrease) in consumer deposits					4,246	(9,357)		(9,357)	#DIV/0!	
<b>Payments</b>										
Repayment of borrowing		(495)								
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(495)</b>	<b>-</b>	<b>-</b>	<b>4,246</b>	<b>(9,357)</b>	<b>-</b>	<b>9,357</b>	<b>#DIV/0!</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>21,023</b>	<b>800</b>	<b>(683)</b>	<b>(892)</b>	<b>(785)</b>	<b>(626)</b>			<b>(683)</b>
Cash/cash equivalents at beginning:		(17,777)	813	1,852		1,852	1,852			1,852
Cash/cash equivalents at month/year end:		3,246	1,612	1,169		1,067	1,226			1,169

**Note:**

The bank shows favourable closing balance of **R1.067 million** as at 31 May 2016.



## 5. DEBTORS AGE ANALYSIS

### LIM334 Ba-Phalaborwa - Supporting Table SC3 Monthly Budget Statement - aged debtors - M11 May

Description	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	Total over 90 days
<b>R thousands</b>										
<b>Debtors Age Analysis By Income Source</b>										
Trade and Other Receivables from Exchange Transactions - Electricity	7,737	3,046	938	769	1,297	555	543	25,487	40,372	28,651
Receivables from Non-exchange Transactions - Property Rates	4,763	3,359	3,942	3,876	3,909	4,233	4,278	110,693	139,055	126,990
Receivables from Exchange Transactions - Waste Management	1,192	868	808	789	779	770	808	41,466	47,480	44,611
Other	6,665	6,563	6,507	6,395	6,244	6,128	6,063	254,012	298,578	278,843
<b>Total By Income Source</b>	<b>20,358</b>	<b>13,837</b>	<b>12,194</b>	<b>11,829</b>	<b>12,229</b>	<b>11,687</b>	<b>11,692</b>	<b>431,658</b>	<b>525,484</b>	<b>479,095</b>
<b>2014/15 - totals only</b>									-	-
<b>Debtors Age Analysis By Customer Group</b>										
Organs of State	1,342	1,007	802	662	618	584	605	15,533	21,153	18,002
Commercial	3,265	2,195	2,390	1,453	1,541	1,164	1,494	60,785	74,286	66,437
Households	14,352	10,029	8,425	9,302	9,622	9,426	9,122	350,110	420,388	387,582
Other	1,400	606	576	412	448	513	471	5,230	9,656	7,074
<b>Total By Customer Group</b>	<b>20,358</b>	<b>13,837</b>	<b>12,194</b>	<b>11,829</b>	<b>12,229</b>	<b>11,687</b>	<b>11,692</b>	<b>431,658</b>	<b>525,484</b>	<b>479,095</b>

#### Note:

- The Debtor's age analysis shows a total figure of R525.4 million from 30 days to over a year.

## 6. CREDITORS AGE ANALYSIS

### LIM334 Ba-Phalaborwa - Supporting Table SC4 Monthly Budget Statement - aged creditors - M11 May

Description R thousands	NT Code	Budget Year 2015/16									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
<b>Creditors Age Analysis By Customer Type</b>											
Bulk Electricity	0100	6,785	-	-	-					6,785	
Trade Creditors	0700	3,457	407	359	1,901					6,123	
Other	0900									-	
<b>Total By Customer Type</b>	<b>1000</b>	<b>10,242</b>	<b>407</b>	<b>359</b>	<b>1,901</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,909</b>	<b>-</b>

#### Notes:

- The creditor's age analysis shows a total figure of R12.9 million
- Bulk electricity is Eskom which is at 0-30 days
- Trade creditors consist of:
  - ✓ Limpopo province Administration at 0-30 days and 90 days plus.
  - ✓ Cigicell at 0-30 days
  - ✓ other suppliers at 0-30 days to 90 days plus

## 7. INVESTMENT PORTFOLIO

### LIM334 Ba-Phalaborwa - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M11 May

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 - Call Account			Fixed deposit				93	-	93
Call deposit a/c - STD Bank			Call Account		86		19,777	(4,160)	15,618
<b>Entities sub-total</b>					-		-	-	-
<b>TOTAL INVESTMENTS AND INTEREST</b>	2				86		19,870	(4,160)	15,711

#### Notes:

Total Investment is standing at R15.7 million as at 31 May 2016.

## 8. TRANSFERS AND GRANT EXPENDITURES

### LIM334 Ba-Phalaborwa - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M11 May

Description	Ref	2014/15	Budget Year							
		Audited Outcome	2015/16 Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>EXPENDITURE</b>										
-										
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		<b>88,490</b>	<b>113,160</b>	<b>112,660</b>	<b>399</b>	<b>111,991</b>	<b>103,272</b>	<b>8,719</b>	<b>8.4%</b>	<b>112,660</b>
Local Government Equitable Share		83,256	107,805	107,805	-	107,805	98,821	8,984	9.1%	107,805
Finance Management		1,600	1,675	1,675	91	1,465	1,535	(70)	-4.6%	1,675
Municipal Systems Improvement		934	940	940	-	940	862	78	9.1%	940
EPWP Incentive		1,212	1,188	1,188	159	887	1,089	(202)	-18.5%	1,188
Operating Grant: MIG (5% of MIG Grants for PMU)		1,488	1,552	1,052	-	633	964	(331)	-34.3%	1,052
OP GR : SITA			-		149	260	-	260	#DIV/0!	-
<b>Total operating expenditure of Transfers and Grants:</b>		<b>88,490</b>	<b>113,160</b>	<b>112,660</b>	<b>399</b>	<b>111,991</b>	<b>103,272</b>	<b>8,719</b>	<b>8.4%</b>	<b>112,660</b>
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		<b>37,279</b>	<b>36,492</b>	<b>56,992</b>	<b>6,134</b>	<b>48,792</b>	<b>47,493</b>	<b>1,299</b>	<b>2.7%</b>	<b>36,992</b>
Municipal Infrastructure Grant (MIG)		28,279	29,492	49,992	4,750	44,524	41,660	2,864	6.9%	29,992
Intergrated National Electrification Grant		9,000	7,000	7,000	1,384	4,268	5,833	(1,565)	-26.8%	7,000
<b>Total capital expenditure of Transfers and Grants</b>		<b>37,279</b>	<b>36,492</b>	<b>56,992</b>	<b>6,134</b>	<b>48,792</b>	<b>47,493</b>	<b>1,299</b>	<b>2.7%</b>	<b>36,992</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		<b>125,769</b>	<b>149,652</b>	<b>169,652</b>	<b>6,533</b>	<b>160,783</b>	<b>150,765</b>	<b>10,018</b>	<b>6.6%</b>	<b>149,652</b>

#### Notes:

- The monthly operating transfers and grants expenditure is R399 thousand and Capital is R6.1 million

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

### LIM334 Ba-Phalaborwa - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M11 May

Summary of Employee and Councillor remuneration	Ref	2014/15	Budget Year							
		Audited Outcome	2015/16	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands										
	1	A	B	C						D
<b><u>Councillors (Political Office Bearers plus Other)</u></b>										
Basic Salaries and Wages			8,874	8,874	860	9,658	8,135	1,523	19%	8,874
Motor Vehicle Allowance			3,109	3,109	256	2,455	2,849	(394)	-14%	3,109
Cellphone Allowance			828	828	61	953	759	194	26%	828
<b>Sub Total - Councillors</b>		<b>-</b>	<b>12,811</b>	<b>12,811</b>	<b>1,177</b>	<b>13,066</b>	<b>11,743</b>	<b>1,323</b>	<b>11%</b>	<b>12,811</b>
<b><u>Senior Managers of the Municipality</u></b>	3									
Basic Salaries and Wages			3,797	2,731	261	2,448	2,503	(56)	-2%	2,731
Pension and UIF Contributions			11	11	1	7	10	(3)	-33%	11
Motor Vehicle Allowance			2,448	2,448	151	1,291	2,244	(953)	-42%	2,448
Cellphone Allowance			86	86	6	50	78	(29)	-37%	86
Other benefits and allowances			780	780	11	439	715	(276)	-39%	780
<b>Sub Total - Senior Managers of Municipality</b>		<b>-</b>	<b>7,121</b>	<b>6,055</b>	<b>430</b>	<b>4,234</b>	<b>5,551</b>	<b>(1,316)</b>	<b>-24%</b>	<b>6,055</b>
<b><u>Other Municipal Staff</u></b>										
Basic Salaries and Wages			73,101	74,462	5,494	58,410	68,257	(9,847)	-14%	74,462
Pension and UIF Contributions			14,153	14,320	1,082	11,744	13,127	(1,383)	-11%	14,320
Medical Aid Contributions			4,567	4,672	400	4,179	4,283	(104)	-2%	4,672
Overtime			4,153	2,965	286	2,489	2,718	(229)	-8%	2,965
Motor Vehicle Allowance			12,974	12,025	763	8,269	11,023	(2,754)	-25%	12,025
Cellphone Allowance			1,044	1,009	76	788	925	(137)	-15%	1,009
Housing Allowances			913	898	60	678	823	(145)	-18%	898
Other benefits and allowances			4,004	2,607	420	3,760	2,389	1,371	57%	2,607
Long service awards			662	1,284	285	3,772	1,177	2,595	221%	1,284
<b>Sub Total - Other Municipal Staff</b>		<b>-</b>	<b>115,571</b>	<b>114,242</b>	<b>8,865</b>	<b>94,089</b>	<b>104,722</b>	<b>(10,633)</b>	<b>-10%</b>	<b>114,242</b>

TOTAL SALARY, ALLOWANCES & BENEFITS		-	135,503	133,108	10,471	111,389	122,015	(10,627)	-9%	133,108
TOTAL MANAGERS AND STAFF		-	122,693	120,297	9,295	98,323	110,272	(11,950)	-11%	120,297

**Notes:**

- Political office bearer's remunerations for the month of May amounted to R1.2 million.
- Employee related costs R9.3 million.
- The municipality has total employee related cost & Remuneration of councillors of R10.5 million for the month of May 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 - M11 May

Description	Ref	Budget Year 2015/16											
		July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Outcome	Feb Outcome	March Outcome	April Outcome	May Outcome	June Budget
<b>R thousands</b>	1												
<b><u>Cash Receipts By Source</u></b>													
Property rates		2,808	3,005	3,694	4,220	3,934	3,588	3,112	2,016	2,353	1,912	1,919	12,239
Service charges - electricity revenue		3,683	6,159	3,736	5,578	4,999	5,094	5,097	6,341	4,995	7,579	7,019	436
Service charges - water revenue		3,111	6,065	4,329	6,704	4,523	5,149	5,166	3,717	3,067	5,500	5,947	11,204
Service charges - sanitation revenue		596	608	594	767	626	533	655	436	606	614	622	259
Service charges - refuse		425	455	477	588	459	440	481	380	452	507	492	544
Rental of facilities and equipment		29	38	27	34	15	43	23	22	50	22	22	106
Interest earned - external investments		53	83	78	50	19	21	22	21	25	114	86	(67)
Interest earned - outstanding debtors		326	229	376	339	320	245	329	197	203	403	334	499
Fines		1,772	5	27	15	17	1	66	19	47	1	46	655
Licences and permits		175	541	1,576	568	730	1	2,712	887	1,463	1,274	1,687	(4,557)
Transfer receipts - operating		47,549	475	-	-	36,292	-	-	452	26,951	-	149	1,292
Other revenue		59	14	18	59	15		1,534	23	738	1,691	13	(3,808)
<b>Cash Receipts by Source</b>		<b>60,585</b>	<b>17,676</b>	<b>14,932</b>	<b>18,921</b>	<b>51,948</b>	<b>15,114</b>	<b>19,196</b>	<b>14,512</b>	<b>40,951</b>	<b>19,617</b>	<b>18,334</b>	<b>18,802</b>
<b>Other Cash Flows by Source</b>													-
Transfer receipts - capital		15,764		2,800	10,267	-	7,763	-	1,450	20,000	-		(21,552)

<b>Total Cash Receipts by Source</b>		<b>76,349</b>	<b>17,676</b>	<b>17,732</b>	<b>29,188</b>	<b>51,948</b>	<b>22,877</b>	<b>19,196</b>	<b>15,962</b>	<b>60,951</b>	<b>19,617</b>	<b>18,334</b>	<b>(2,750)</b>
<b>Cash Payments by Type</b>													-
Employee related costs		8,024	7,535	8,593	8,888	8,418	8,678	8,799	9,348	11,527	9,219	9,295	24,369
Remuneration of councillors		1,150	1,120	1,137	1,137	1,171	1,128	1,105	1,166	1,591	1,185	1,177	(255)
Interest paid		69	166	116	118	138	126	107	25	24	130	73	1,018
Bulk purchases - Electricity		15,000	5,500	5,000	14,500	4,500	7,000	8,000	4,000	10,000	7,000	3,500	10,332
Bulk purchases - Water & Sewer													-
Other materials													-
Contracted services		3,193	2,652	1,462	3,986	2,426	8,595	4,378	3,035	1,600	1,492	1,470	19,968
Grants and subsidies paid - other municipalities													-
Grants and subsidies paid - other													-
General expenses		13,515	276	2,636	4,771	6,099	7,158	4,181	2,404	1,841	8,838	2,012	26,631
<b>Cash Payments by Type</b>		<b>40,951</b>	<b>17,248</b>	<b>18,943</b>	<b>33,400</b>	<b>22,752</b>	<b>32,685</b>	<b>26,569</b>	<b>19,978</b>	<b>26,583</b>	<b>27,865</b>	<b>17,527</b>	<b>82,062</b>
<b>Other Cash Flows/Payments by Type</b>													-
Capital assets		13,387	14	1,720	8,509	2,443	10,273	3,129	26	1,902	9,409	5,945	(2,965)
Repayment of borrowing													-
Other Cash Flows/Payments		21,450		(3,615)	(18,231)						14,000	(4,246)	(9,357)
<b>Total Cash Payments by Type</b>		<b>75,788</b>	<b>17,262</b>	<b>17,048</b>	<b>23,677</b>	<b>25,195</b>	<b>42,958</b>	<b>29,699</b>	<b>20,004</b>	<b>28,485</b>	<b>51,274</b>	<b>19,226</b>	<b>69,740</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>561</b>	<b>415</b>	<b>684</b>	<b>5,511</b>	<b>26,753</b>	<b>(20,081)</b>	<b>(10,503)</b>	<b>(4,042)</b>	<b>32,466</b>	<b>(31,657)</b>	<b>(892)</b>	<b>(72,489)</b>
Cash/cash equivalents at the month/year beginning:		1,852	2,412	2,827	3,510	9,022	35,775	15,694	5,191	1,150	33,616	1,959	1,067
Cash/cash equivalents at the month/year end:		2,412	2,827	3,510	9,022	35,775	15,694	5,191	1,150	33,616	1,959	1,067	(71,423)



**Notes**

Total actual cash receipts for the month amount to R18.3 million. This total is including Water and sanitation service charges.

While the total actual cash payments made for the month amount to R23.5 million. R4.2 million was transferred from call accounts. The closing balance on the primary bank account shows favourable bank balance of R1.067 million

## 11.CAPITAL EXPENDITURE TREND

LIM334 Ba-Phalaborwa - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M11 May

Month	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
<b>R thousands</b>									
<b><u>Monthly expenditure performance trend</u></b>									
July	2,980	4,483	11,156	11,156	11,156	11,156	-		21%
August	2,980	4,483	12	12	11,169	11,169	-		21%
September	2,980	4,483	1,509	1,509	12,677	12,677	-		24%
October	2,980	4,483	7,464	7,464	20,141	20,141	-		37%
November	2,980	4,483	2,143	2,143	22,284	22,284	-		41%
December	2,980	4,483	9,011	9,011	31,295	31,295	-		58%
January	2,980	4,483	3,250	2,745	34,040	34,544	504	1.5%	63%
February	2,980	4,483	3,250	23	34,063	37,794	3,731	9.9%	63%
March	2,980	4,483	3,250	1,668	35,731	41,043	5,312	12.9%	66%
April	2,980	4,483	8,250	8,254	43,985	49,293	5,308	10.8%	0
May	2,980	4,483	13,250	5,407	49,392	62,542	13,151	21.0%	0
June	2,980	4,483	8,250			70,792	-		
<b>Total Capital expenditure</b>	<b>35,760</b>	<b>53,792</b>	<b>70,792</b>	<b>49,392</b>					

### Notes:

- Capital expenditure incurred during the month of May 2016 amount to R5.4 million (MIG and INEG)

## 12.BANK RECONCILIATION

BA-PHALABORWA MUNICIPALITY  
BANK TRANSACTIONS STATEMENT FOR MAY 2016

Statement Description	Statement Amt
<b>Outstanding C/F</b>	<b>1,958,510.74</b>
Current - Cheques	(87,025.75)
Current - ACBs	(15,333,106.77)
Current - ACB Rejects	-
Current - Deposits	5,712,361.06
Current - RD Cheques	-
Current - Redeposits	-
Current - Transfers	15,459,180.37
Current - Bank Charges	(46,191.37)
Current - Already Reconciled	-
<b>Current - C/F</b>	<b>1,066,624.75</b>

### Notes

- The closing balance as at 31 May 2016 is **R1.067 million**

### 13.RECOMMENDATIONS

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

- 1) The financial report for the period ended 31 May 2016 **excluding Water and Waste Water management**
- 2) The summary of monthly budget statement report for the month ended 31 May 2016
- 3) The financial performance for the month ended 31 May 2016
- 4) The financial position as at 31 May 2016
- 5) The actual operating revenue (as per GRAP) for the month ended 31 May 2016 is R21.3 million
- 6) Revenue Capital Contribution recognised amount to R6.1 million (MIG and INEG Including vat)
- 7) Operational Expenditure on financial Performances is R25.8 million.
- 8) Capital Expenditure incurred during the month ended 31 May 2016 amount to R5.4 million (Capital Grant excluding vat)
- 9) The municipality received 100% allocation as per DoRA
- 10) Consolidated call deposit accounts held at STD Bank and ABSA closed with a balance of R15.7 million on 31 May 2016
- 11) That councillors and Staff Benefits for May 2016 amount to R10.4 million be approved

12) Municipal Primary Bank reconciliation closed with a positive balance of **R1.067 million** as at 31 May 2016