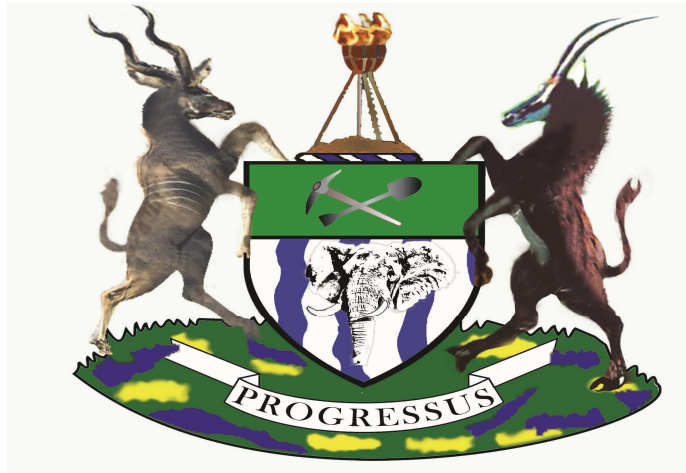
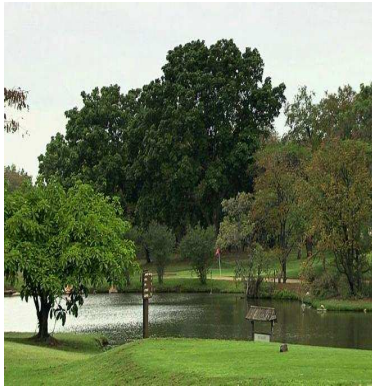


# **BA-PHALABORWA MUNICIPALITY**



## **FINANCIAL PERFORMANCE REPORT**

**AS AT 31 AUGUST 2015**



## 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 - M02 August

Description	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b><u>Financial Performance</u></b>									
Property rates	–	124,589	–	8,878	17,768	20,765	(2,996)	-14%	124,589
Service charges	–	117,637	–	8,723	15,008	19,606	(4,598)	-23%	117,637
Investment revenue	–	275	–	83	136	46	90	197%	275
Transfers recognised - operational	–	113,160	–	271	45,377	18,860	26,517	141%	113,160
Other own revenue	–	87,404	–	6,414	13,960	14,567	(608)	-4%	87,404
<b>Total Revenue (excluding capital transfers and contributions)</b>	–	<b>443,065</b>	–	<b>24,368</b>	<b>92,249</b>	<b>73,844</b>	<b>18,404</b>	<b>25%</b>	<b>443,065</b>
Employee costs	–	122,693	–	7,535	15,558	20,449	(4,890)	-24%	122,693
Remuneration of Councillors	–	12,811	–	1,120	2,270	2,135	135	6%	12,811
Depreciation & asset impairment	–	70,104	–	–	–	11,684	(11,684)	-100%	70,104
Finance charges	–	2,109	–	166	235	352	(117)	-33%	2,109
Materials and bulk purchases	–	94,332	–	4,825	14,912	15,722	(810)	-5%	94,332
Transfers and grants	–	–	–	–	–	–	–	–	–
Other expenditure	–	167,944	–	7,814	18,428	27,991	(9,563)	-34%	167,944
<b>Total Expenditure</b>	–	<b>469,992</b>	–	<b>21,459</b>	<b>51,403</b>	<b>78,332</b>	<b>(26,929)</b>	<b>-34%</b>	<b>469,992</b>
<b>Surplus/(Deficit)</b>	–	<b>(26,927)</b>	–	<b>2,909</b>	<b>40,845</b>	<b>(4,488)</b>	<b>45,333</b>	<b>-1010%</b>	<b>(26,927)</b>
Transfers recognised - capital	–	36,492	–	–	12,402	6,082	6,320	104%	36,492
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	–	<b>9,565</b>	–	<b>2,909</b>	<b>53,247</b>	<b>1,594</b>	<b>51,653</b>	<b>3240%</b>	<b>9,565</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
<b>Surplus/ (Deficit) for the year</b>	–	<b>9,565</b>	–	<b>2,909</b>	<b>53,247</b>	<b>1,594</b>	<b>51,653</b>	<b>3240%</b>	<b>9,565</b>
<b><u>Capital expenditure &amp; funds sources</u></b>									
Capital expenditure	–	53,792	–	12	11,169	8,965	2,203	25%	53,792

Capital transfers recognised	–	36,492	–	–	10,942	6,082	4,860	80%	36,492
Public contributions & donations	–	–	–	–	–	–	–		–
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	–	17,300	–	12	226	2,883	(2,657)	-92%	17,300
<b>Total sources of capital funds</b>	–	<b>53,792</b>	–	<b>12</b>	<b>11,169</b>	<b>8,965</b>	<b>2,203</b>	<b>25%</b>	<b>53,792</b>
<b><u>Financial position</u></b>									
Total current assets	–	184,644	–		507,255				184,644
Total non current assets	–	1,360,832	–		1,284,139				1,360,832
Total current liabilities	–	6,741	–		29,639				6,741
Total non current liabilities	–	198,000	–		230,000				198,000
<b>Community wealth/Equity</b>	–	<b>1,340,735</b>	–		<b>1,531,754</b>				<b>1,340,735</b>
<b><u>Cash flows</u></b>									
Net cash from (used) operating	–	54,592	–	429	35,827	9,099	(26,728)	-294%	54,592
Net cash from (used) investing	–	(53,792)	–	(14)	(13,401)	(8,965)	4,436	-49%	(53,792)
Net cash from (used) financing	–	–	–	–	(21,450)	–	21,450	#DIV/0!	–
<b>Cash/cash equivalents at the month/year end</b>	–	<b>1,612</b>	–	–	<b>2,827</b>	<b>946</b>	<b>(1,881)</b>	<b>-199%</b>	<b>2,651</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><u>Debtors Age Analysis</u></b>									
Total By Income Source	17,974	28,902	9,734	8,862	9,277	8,450	9,241	380,276	472,715
<b><u>Creditors Age Analysis</u></b>									
Total Creditors	15,597	88	1,639	590	–	–	–	–	17,914

**Notes**

- Operating Revenue (excluding capital transfers and contributions) is R24, 368 million
- Operational Expenditure on financial Performances is R21, 459 million
- Capital expenditure incurred during the month of August is R12 thousand

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

LIM334 Ba-Phalaborwa - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M02 August

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									
<b>Revenue - Standard</b>										
<i><b>Governance and administration</b></i>		–	<b>306,962</b>	–	<b>14,852</b>	<b>74,375</b>	<b>51,160</b>	23,215	45%	<b>306,962</b>
Budget and treasury office		–	306,613	–	14,793	74,272	51,102	23,170	45%	306,613
Corporate services		–	349	–	60	103	58	45	78%	349
<i><b>Community and public safety</b></i>		–	<b>14,980</b>	–	<b>560</b>	<b>2,521</b>	<b>2,497</b>	25	1%	<b>14,980</b>
Community and social services		–	12,213	–	560	751	2,036	(1,285)	-63%	12,213
Public safety		–	2,767	–	–	1,770	461	1,309	284%	2,767
<i><b>Economic and environmental services</b></i>		–	<b>32,978</b>	–	<b>233</b>	<b>12,746</b>	<b>5,496</b>	7,250	132%	<b>32,978</b>
Planning and development		–	–	–	17	17	–	17	#DIV/0!	–
Road transport		–	32,978	–	215	12,728	5,496	7,232	132%	32,978
<i><b>Trading services</b></i>		–	<b>124,637</b>	–	<b>8,723</b>	<b>15,008</b>	<b>20,773</b>	(5,765)	-28%	<b>124,637</b>
Electricity		–	112,666	–	7,569	12,692	18,778	(6,085)	-32%	112,666
Waste management		–	11,971	–	1,154	2,316	1,995	320	16%	11,971
<i><b>Other</b></i>	4	–	–	–	–	–	–	–		–
<b>Total Revenue - Standard</b>	2	–	<b>479,557</b>	–	<b>24,368</b>	<b>104,650</b>	<b>79,926</b>	<b>24,724</b>	<b>31%</b>	<b>479,557</b>
<b>Expenditure - Standard</b>	–									
<i><b>Governance and administration</b></i>		–	<b>183,063</b>	–	<b>9,205</b>	<b>22,444</b>	<b>30,511</b>	(8,067)	-26%	<b>183,063</b>
Executive and council		–	44,222	–	3,335	6,964	7,370	(406)	-6%	44,222
Budget and treasury office		–	91,301	–	3,280	11,019	15,217	(4,197)	-28%	91,301
Corporate services		–	47,540	–	2,591	4,460	7,923	(3,463)	-44%	47,540
<i><b>Community and public safety</b></i>		–	<b>58,121</b>	–	<b>2,904</b>	<b>6,217</b>	<b>9,687</b>	(3,470)	-36%	<b>58,121</b>
Community and social services		–	46,819	–	2,113	4,878	7,803	(2,925)	-37%	46,819
Public safety		–	11,303	–	791	1,339	1,884	(544)	-29%	11,303
Housing		–	–	–	–	–	–	–		–

<b>Economic and environmental services</b>		–	<b>97,404</b>	–	<b>2,244</b>	<b>4,273</b>	<b>16,234</b>	(11,961)	-74%	<b>97,404</b>
Planning and development		–	17,791	–	1,128	1,932	2,965	(1,033)	-35%	17,791
Road transport		–	79,613	–	1,116	2,341	13,269	(10,928)	-82%	79,613
<b>Trading services</b>		–	<b>131,403</b>	–	<b>7,106</b>	<b>18,470</b>	<b>21,901</b>	(3,431)	-16%	<b>131,403</b>
Electricity		–	124,296	–	7,029	18,356	20,716	(2,360)	-11%	124,296
Waste management		–	7,107	–	77	114	1,185	(1,071)	-90%	7,107
<b>Other</b>		–	–	–	–	–	–	–		–
<b>Total Expenditure - Standard</b>	<b>3</b>	–	<b>469,992</b>	–	<b>21,459</b>	<b>51,404</b>	<b>78,332</b>	<b>(26,928)</b>	<b>-34%</b>	<b>469,992</b>
<b>Surplus/ (Deficit) for the year</b>		–	<b>9,565</b>	–	<b>2,909</b>	<b>53,246</b>	<b>1,594</b>	<b>51,652</b>	<b>3240%</b>	<b>9,565</b>

**Notes:**

- Total revenue by vote including capital transfer contribution amount to R24, 368 million
- Operational Expenditure on financial Performances is R21, 459 million.

## FINANCIAL PERFORMANCE REVENUE AND EXPENDITURE PER SOURCE

LIM334 Ba-Phalaborwa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August

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			124,589		8,878	17,768	20,765	(2,996)	-14%	124,589
Service charges - electricity revenue			105,666		7,569	12,692	17,611	(4,919)	-28%	105,666
Service charges - refuse revenue			11,971		1,154	2,316	1,995	320	16%	11,971
Rental of facilities and equipment			346		38	67	58	9	15%	346
Interest earned - external investments			275		83	136	46	90	197%	275
Interest earned - outstanding debtors			70,973		5,721	11,233	11,829	(595)	-5%	70,973
Dividends received			3		-	-	0	(0)	-100%	3
Fines			2,917		5	1,777	486	1,290	265%	2,917
Licences and permits			9,399		541	715	1,567	(851)	-54%	9,399
Agency services			2,381		-	-	397	(397)	-100%	2,381
Transfers recognised - operational			113,160		271	45,377	18,860	26,517	141%	113,160
Other revenue			1,385		109	168	231	(63)	-27%	1,385
Gains on disposal of PPE								-		
<b>Total Revenue (excluding capital transfers and contributions)</b>		-	<b>443,065</b>	-	<b>24,368</b>	<b>92,249</b>	<b>73,844</b>	<b>18,404</b>	<b>25%</b>	<b>443,065</b>
<b>Expenditure By Type</b>	-									
Employee related costs			122,693		7,535	15,558	20,449	(4,890)	-24%	122,693
Remuneration of councillors			12,811		1,120	2,270	2,135	135	6%	12,811
Debt impairment			33,326		-	-	5,554	(5,554)	-100%	33,326
Depreciation & asset impairment			70,104		-	-	11,684	(11,684)	-100%	70,104
Finance charges			2,109		166	235	352	(117)	-33%	2,109
Bulk purchases			94,332		4,825	14,912	15,722	(810)	-5%	94,332
Contracted services			52,256		3,545	9,546	8,709	836	10%	52,256
Other expenditure			82,362		4,269	8,882	13,727	(4,845)	-35%	82,362
<b>Total Expenditure</b>		-	<b>469,992</b>	-	<b>21,459</b>	<b>51,403</b>	<b>78,332</b>	<b>(26,929)</b>	<b>-34%</b>	<b>469,992</b>



<b>Surplus/(Deficit)</b>		–	(26,927)	–	2,909	40,845	(4,488)	45,333	(0)	(26,927)
Transfers recognised - capital			36,492			12,402	6,082	6,320	0	36,492
Share of surplus/ (deficit) of associate										
<b>Surplus/ (Deficit) for the year</b>		–	9,565	–	2,909	53,247	1,594			9,565

**Notes:**

- Operating Revenue (excluding capital transfers and contributions) is R24, 368 million
- Operational Expenditure on financial Performances is R21, 459 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) - M02 August

Vote Description	Ref	2014/15 Audited Outcome	Budget Year 2015/16 Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	-	-	-		-
Vote 2 - BUDGET AND TREASURY DEPARTMENT		-	-	-	-	-	-	-		-
Vote 3 - CORPORATE SERVICES		-	5,700	-	12	20	950	(930)	-98%	5,700
Vote 6 - TECHNICAL SERVICES DEPARTMENT		-	48,092	-	-	11,148	8,015	3,133	39%	48,092
<b>Total Capital single-year expenditure</b>	4	-	53,792	-	12	11,169	8,965	2,203	25%	53,792
<b>Total Capital Expenditure</b>		-	53,792	-	12	11,169	8,965	2,203	25%	53,792
<b>Capital Expenditure - Standard Classification</b>										
<b>Governance and administration</b>		-	5,700	-	12	20	950	(930)	-98%	5,700
Corporate services			5,700		12	20	950	(930)	-98%	5,700
<b>Economic and environmental services</b>		-	35,492	-	-	7,624	5,915	1,709	29%	35,492
Road transport			35,492		-	7,624	5,915	1,709	29%	35,492
<b>Trading services</b>		-	12,600	-	-	3,524	2,100	1,424	68%	12,600
Electricity			12,600		-	3,524	2,100	1,424	68%	12,600
<b>Other</b>								-		
<b>Total Capital Expenditure - Standard Classification</b>	3	-	53,792	-	12	11,169	8,965	2,203	25%	53,792
<b>Funded by:</b>										
National Government			36,492		-	10,942	6,082	4,860	80%	36,492
<b>Internally generated funds</b>			17,300		12	226	2,883	(2,657)	-92%	17,300
<b>Total Capital Funding</b>		-	53,792	-	12	11,169	8,965	2,203	25%	53,792

**Note:**

- Capital expenditure incurred during the month of August 2015 amount to R 12 thousand

## FINANCIAL POSITION

LIM334 Ba-Phalaborwa - Table C6 Monthly Budget Statement - Financial Position - M06 December

Description	Ref	2012/13	Budget Year 2013/14			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b><u>ASSETS</u></b>						
<b>Current assets</b>						
Cash			1,612		2,827	1,612
Call investment deposits			1,700		22,213	1,700
Consumer debtors			161,832		472,715	161,832
Inventory			19,500		9,500	19,500
<b>Total current assets</b>		–	<b>184,644</b>	–	<b>507,255</b>	<b>184,644</b>
<b>Non current assets</b>						
Property, plant and equipment			1,360,432		1,284,139	1,360,432
Biological assets			400			400
<b>Total non current assets</b>		–	<b>1,360,832</b>	–	<b>1,284,139</b>	<b>1,360,832</b>
<b>TOTAL ASSETS</b>		–	<b>1,545,477</b>	–	<b>1,791,394</b>	<b>1,545,477</b>
<b><u>LIABILITIES</u></b>						
<b>Current liabilities</b>	-					
Consumer deposits			1,650			1,650
Trade and other payables			5,091		29,639	5,091
Provisions						
<b>Total current liabilities</b>		–	<b>6,741</b>	–	<b>29,639</b>	<b>6,741</b>

<b>Non current liabilities</b>						
Borrowing			180,000		210,000	180,000
Provisions			18,000		20,000	18,000
<b>Total non current liabilities</b>		–	<b>198,000</b>	–	<b>230,000</b>	<b>198,000</b>
<b>TOTAL LIABILITIES</b>		–	<b>204,741</b>	–	<b>259,639</b>	<b>204,741</b>
<b>NET ASSETS</b>	2	–	<b>1,340,735</b>	–	<b>1,531,754</b>	<b>1,340,735</b>
<b><u>COMMUNITY WEALTH/EQUITY</u></b>						
Accumulated Surplus/(Deficit)						
Reserves			1,340,735		1,531,754	1,340,735
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	–	<b>1,340,735</b>	–	<b>1,531,754</b>	<b>1,340,735</b>

**Note:**

- The financial position shows only year to date actual

### 3. CASH FLOW

LIM334 Ba-Phalaborwa - Table C7 Monthly Budget Statement - Cash Flow - M02 August

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>1</b>									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates, penalties & collection charges			37,772		3,005	5,814	6,295	(482)	-8%	37,772
Service charges			197,813		13,287	21,102	32,969	(11,867)	-36%	197,813
Other revenue			16,411		553	2,587	2,735	(148)	-5%	16,411
Government - operating			113,160		475	48,024	18,860	29,164	155%	113,160
Government - capital			36,492		–	15,764	6,082	9,682	159%	36,492
Interest			19,504		356	735	3,251	(2,516)	-77%	19,504
Dividends			3		–	–	0	(0)	-100%	3
<b>Payments</b>										
Suppliers and employees			(364,453)		(17,082)	(57,964)	(60,742)	(2,778)	5%	(364,453)
Finance charges			(2,109)		(166)	(235)	(352)	(117)	33%	(2,109)
Transfers and Grants								–		
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>–</b>	<b>54,592</b>	<b>–</b>	<b>429</b>	<b>35,827</b>	<b>9,099</b>	<b>(26,728)</b>	<b>-294%</b>	<b>54,592</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE								–		
<b>Payments</b>										
Capital assets			(53,792)		(14)	(13,401)	(8,965)	4,436	-49%	(53,792)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>–</b>	<b>(53,792)</b>	<b>–</b>	<b>(14)</b>	<b>(13,401)</b>	<b>(8,965)</b>	<b>4,436</b>	<b>-49%</b>	<b>(53,792)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										

<b>Receipts</b>										
Increase (decrease) in consumer deposits						(21,450)		(21,450)		
<b>Payments</b>										
Repayment of borrowing								–		
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		–	–	–	–	<b>(21,450)</b>	–	<b>21,450</b>		–
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		–	<b>800</b>	–	<b>415</b>	<b>975</b>	<b>133</b>			<b>800</b>
Cash/cash equivalents at beginning:			813			1,852	813			1,852
Cash/cash equivalents at month/year end:		–	1,612	–		2,827	946			2,651

**Note:**

The bank shows favourable closing balance of R2, 827 as at 31 August 2015

#### 4. DEBTORS AGE ANALYSIS

LIM334 Ba-Phalaborwa - Supporting Table SC3 Monthly Budget Statement - aged debtors - M02 August

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	Total over 90 days
<b>R thousands</b>											
<b>Debtors Age Analysis By Income Source</b>											
Trade and Other Receivables from Exchange Transactions – Electricity	1300	5,868	6,124	1,399	1,288	953	884	1,316	26,307	44,138	30,748
Receivables from Non-exchange Transactions - Property Rates	1400	4,987	8,257	2,836	2,548	2,783	2,530	2,683	121,471	148,095	132,015
Receivables from Exchange Transactions - Waste Management	1600	1,006	1,648	581	526	585	518	547	37,176	42,587	39,352
Other	1900	6,114	12,873	4,917	4,499	4,956	4,517	4,695	195,323	237,894	213,990
<b>Total By Income Source</b>	<b>2000</b>	<b>17,974</b>	<b>28,902</b>	<b>9,734</b>	<b>8,862</b>	<b>9,277</b>	<b>8,450</b>	<b>9,241</b>	<b>380,276</b>	<b>472,715</b>	<b>416,105</b>
<b>2014/15 - totals only</b>										–	–
<b>Debtors Age Analysis By Customer Group</b>											
Organs of State	2200	532	1,353	564	151	132	118	171	5,419	8,440	5,991
Commercial	2300	2,995	4,712	1,924	1,134	1,214	874	1,222	54,757	68,830	59,199
Households	2400	13,164	21,534	6,782	7,256	7,578	7,073	7,462	315,390	386,239	344,759
Other	2500	1,284	1,302	464	321	353	385	385	4,711	9,206	6,156
<b>Total By Customer Group</b>	<b>2600</b>	<b>17,974</b>	<b>28,902</b>	<b>9,734</b>	<b>8,862</b>	<b>9,277</b>	<b>8,450</b>	<b>9,241</b>	<b>380,276</b>	<b>472,715</b>	<b>416,105</b>

**Note:**

- The Debtor's age analysis shows a total figure of R472, 715 million from 30 days to over a year.



## 5. CREDITORS AGE ANALYSIS

LIM334 Ba-Phalaborwa - Supporting Table SC4 Monthly Budget Statement - aged creditors - M02 August

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	8,970		1,568						10,538	
Trade Creditors	0700	6,627	88	71	590					7,376	
Other	0900									-	
<b>Total By Customer Type</b>	<b>1000</b>	<b>15,597</b>	<b>88</b>	<b>1,639</b>	<b>590</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,914</b>	<b>-</b>

### Notes:

- The creditor's age analysis shows a total figure of R17,914 million

## 6. INVESTMENT PORTFOLIO

LIM334 Ba-Phalaborwa - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M02 August

Investments by maturity Name of institution & investment ID  R thousands	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><u>Municipality</u></b>									
ABSA - Call Account			Fixed deposit				93	–	93
Call deposit a/c - STD Bank			Call Account				21,945	176	22,120
<b>TOTAL INVESTMENTS AND INTEREST</b>	2				–		<b>22,038</b>	<b>176</b>	<b>22,213</b>

### Notes:

Total Investment is standing at R22, 213 million as at 31 August 2015.

## 7. TRANSFERS AND GRANT EXPENDITURES

LIM334 Ba-Phalaborwa - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M02 August

Description	Ref	2014/15	Budget Year 2015/16							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>EXPENDITURE</b>										
-										
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		-	113,160	-	271	45,377	18,860	26,517	140.6%	113,160
Local Government Equitable Share			107,805			44,919	17,968	26,952	150.0%	107,805
Finance Management			1,675		100	191	279	(88)	-31.5%	1,675
Municipal Systems Improvement			940			-	157	(157)	-100.0%	940
EPWP Incentive			1,188		76	76	198	(122)	-61.6%	1,188
Operating Grant: MIG (5% of MIG Grants for PMU)			1,552		94	176	259	(83)	-32.0%	1,552
OP GR : SITA			-			15	-	15	#DIV/0!	-
<b>Total operating expenditure of Transfers and Grants:</b>		-	113,160	-	271	45,377	18,860	26,517	140.6%	113,160
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		-	36,492	-	-	12,402	6,082	6,320	103.9%	36,492
Municipal Infrastructure Grant (MIG)			29,492			12,402	4,915	7,486	152.3%	29,492
Intergrated National Electrification Grant			7,000			-	1,167	(1,167)	-100.0%	7,000
								-		
<b>Total capital expenditure of Transfers and Grants</b>		-	36,492	-	-	12,402	6,082	6,320	103.9%	36,492
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		-	149,652	-	271	57,779	24,942	32,837	131.7%	149,652

**Notes:**

- The monthly operating transfers and grants expenditure is R271 thousand
- No monthly capital transfers and grants expenditure in the month of August 2015

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

LIM334 Ba-Phalaborwa - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M02 August

Summary of Employee and Councillor remuneration	Ref	2014/15	Budget Year 2015/16							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
	1	A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages			8,874		841	1,682	1,479	203	14%	8,874
Motor Vehicle Allowance			3,109		216	463	518	(55)	-11%	3,109
Cellphone Allowance			828		63	125	138	(13)	-9%	828
<b>Sub Total - Councillors</b>		-	12,811	-	1,120	2,270	2,135	135	6%	12,811
<b>Senior Managers of the Municipality</b>	3									
Basic Salaries and Wages			3,797		207	414	633	(219)	-35%	3,797
Pension and UIF Contributions			11		0	1	2	(1)	-49%	11
Motor Vehicle Allowance			2,448		82	165	408	(243)	-60%	2,448
Cellphone Allowance			86		3	6	14	(8)	-58%	86
Other benefits and allowances			780		4	25	130	(105)	-81%	780
<b>Sub Total - Senior Managers of Municipality</b>		-	7,121	-	297	610	1,187	(577)	-49%	7,121
<b>Other Municipal Staff</b>										
Basic Salaries and Wages			73,101		5,023	10,064	12,184	(2,119)	-17%	73,101
Pension and UIF Contributions			14,153		1,007	2,013	2,359	(346)	-15%	14,153
Medical Aid Contributions			4,567		315	666	761	(95)	-13%	4,567
Overtime			4,153		-	80	692	(613)	-89%	4,153
Motor Vehicle Allowance			12,974		701	1,436	2,162	(726)	-34%	12,974
Cellphone Allowance			1,044		68	130	174	(44)	-25%	1,044
Housing Allowances			913		52	102	152	(50)	-33%	913
Other benefits and allowances			4,004		52	358	667	(310)	-46%	4,004
Payments in lieu of leave								-		

Long service awards	2		662		21	100	110	(11)	-10%	662
Post-retirement benefit obligations								-		
<b>Sub Total - Other Municipal Staff</b>		-	115,571	-	7,238	14,948	19,262	(4,314)	-22%	115,571
<b>Total Parent Municipality</b>		-	135,503	-	8,655	17,828	22,584	(4,755)	-21%	135,503
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		-	135,503	-	8,655	17,828	22,584	(4,755)	-21%	135,503
<b>% increase</b>	4		#DIV/0!							#DIV/0!
<b>TOTAL MANAGERS AND STAFF</b>		-	122,693	-	7,535	15,558	20,449	(4,890)	-24%	122,693

**Notes:**

- Political office bearer's remunerations for the month of August amounted to R1, 120 million
- Employee related costs R7, 535 million
- The municipality has total employee related cost & Remuneration of councillors of R8, 655 million for the month of August 2015

NB: Senior Managers only contribute UIF and no pension fund contribution

## 9. ACTUALS AND REVISED TARGETS FOR CASH RECEIPT

LIM334 Ba-Phalaborwa - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M02 August

Description	Ref	Budget Year 2015/16											
		July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June
R thousands	1	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
<b>Cash Receipts By Source</b>													
Property rates		2,808	3,005	3,089	3,583	3,375	2,765	2,765	3,366	2,542	3,154	2,544	4,774
Service charges - electricity revenue		3,683	6,159	4,381	4,211	6,069	3,404	3,404	5,398	7,389	5,834	5,944	23,373
Service charges - water revenue		3,111	6,065	2,553	8,819	2,571	5,669	5,669	8,135	7,389	3,238	3,209	4,186
Service charges - sanitation revenue		596	608	4,523	3,599	4,492	4,472	4,472	3,670	4,304	4,109	3,296	10,830
Service charges - refuse		425	455	423	486	371	339	339	1,480	458	452	452	3,299
Rental of facilities and equipment		29	38	21	22	22	21	20	21	23	23	23	85
Interest earned - external investments		53	83	27	19	29	28	17	26	25	26	16	(75)
Interest earned - outstanding debtors		326	229	329	329	330	330	330	331	329	326	329	15,711
Dividends received		–	–	0	0	0	0	0	0	0	0	0	1
Fines		1,772	5	233	234	231	232	230	233	235	234	233	(1,122)
Licences and permits		175	541	757	459	561	462	763	1,163	964	866	1,165	1,667
Agency services		–	–	200	198	196	195	194	193	193	194	195	627
Transfer receipts - operating		47,549	475	–	–	37,720	–	–	–	37,720	–	–	(10,304)
Other revenue		59	14	75	77	77	78	79	76	74	75	76	626
<b>Cash Receipts by Source</b>		<b>60,585</b>	<b>17,676</b>	<b>16,611</b>	<b>22,036</b>	<b>56,044</b>	<b>17,997</b>	<b>18,283</b>	<b>24,092</b>	<b>61,646</b>	<b>18,532</b>	<b>17,482</b>	<b>53,678</b>
<b>Other Cash Flows by Source</b>													–
Transfer receipts – capital		15,764				12,164				12,164			(3,600)
Contributions & Contributed assets													–
<b>Total Cash Receipts by Source</b>		<b>76,349</b>	<b>17,676</b>	<b>16,611</b>	<b>22,036</b>	<b>68,208</b>	<b>17,997</b>	<b>18,283</b>	<b>24,092</b>	<b>73,810</b>	<b>18,532</b>	<b>17,482</b>	<b>50,078</b>

<b>Cash Payments by Type</b>													–
Employee related costs		8,024	7,535	10,558	10,604	10,621	10,636	10,660	10,681	10,694	10,540	10,591	11,548
Remuneration of councillors		1,150	1,120	1,154	1,157	1,158	1,159	1,159	1,161	1,165	1,163	1,167	98
Interest paid		69	166	76	77	79	78	79	80	79	76	75	1,176
Bulk purchases – Electricity		15,000	5,500	7,384	6,413	7,446	7,492	7,388	5,369	8,351	8,348	8,325	7,316
Contracted services		3,193	2,652	4,098	3,210	4,171	4,060	4,089	2,120	4,155	4,182	7,199	11,127
General expenses		13,515	276	6,351	3,391	6,441	6,592	6,562	3,529	6,510	6,590	6,523	14,081
<b>Cash Payments by Type</b>		<b>40,951</b>	<b>17,248</b>	<b>29,622</b>	<b>24,853</b>	<b>29,916</b>	<b>30,017</b>	<b>29,937</b>	<b>22,940</b>	<b>30,955</b>	<b>30,898</b>	<b>33,881</b>	<b>45,346</b>
<b>Other Cash Flows/Payments by Type</b>													–
Capital assets		13,387	14	4,095	2,127	4,156	4,021	5,015	2,004	5,116	4,009	5,011	4,838
Repayment of borrowing													–
Other Cash Flows/Payments		21,450											(21,450)
<b>Total Cash Payments by Type</b>		<b>75,788</b>	<b>17,262</b>	<b>33,717</b>	<b>26,980</b>	<b>34,072</b>	<b>34,038</b>	<b>34,952</b>	<b>24,944</b>	<b>36,071</b>	<b>34,907</b>	<b>38,891</b>	<b>28,733</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>561</b>	<b>415</b>	<b>(17,107)</b>	<b>(4,944)</b>	<b>34,137</b>	<b>(16,041)</b>	<b>(16,668)</b>	<b>(852)</b>	<b>37,739</b>	<b>(16,375)</b>	<b>(21,409)</b>	<b>21,345</b>
Cash/cash equivalents at the month/year beginning:		1,852	2,412	2,827	(14,280)	(19,223)	14,913	(1,128)	(17,797)	(18,648)	19,091	2,716	(18,693)
Cash/cash equivalents at the month/year end:		2,412	2,827	(14,280)	(19,223)	14,913	(1,128)	(17,797)	(18,648)	19,091	2,716	(18,693)	2,651

## Notes

Total actual cash receipts for the month amount to R17, 676 million. This total is including Water and sanitation service charges.

While the total actual cash-payments made for the month amount to R17, 262 million.

The closing balance on the primary bank account shows favourable bank balance of R2, 827 million



## 10.CAPITAL EXPENDITURE TREND

LIM334 Ba-Phalaborwa - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M02 August

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								%	
<b>Monthly expenditure performance trend</b>									
July		4,483		11,156	11,156	4,483	(6,674)	-148.9%	21%
August		4,483		12	11,169	8,965	(2,203)	-24.6%	21%
September		4,483				13,448	–		
October		4,483				17,931	–		
November		4,483				22,413	–		
December		4,483				26,896	–		
January		4,483				31,379	–		
February		4,483				35,861	–		
March		4,483				40,344	–		
April		4,483				44,827	–		
May		4,483				49,309	–		
June		4,483				53,792	–		
<b>Total Capital expenditure</b>	–	<b>53,792</b>	–	<b>11,169</b>					

### Notes:

- Capital expenditure incurred during the month of August 2015 amount to R12 thousand

## 11.BANK RECONCILIATION

BA-PHALBORWA MUNICIPALITY

TRANSACTION STATEMENT FOR AUGUST 2015

ACC: 330451367

Statement Description	AMOUNT
Outstanding C/F	2,412,235.54
Current - Cheques	-117,376.65
Current - ACBs	-11,567,501.53
Current - ACB Rejects	-
Current - Deposits	8,775,525.04
Current - RD Cheques	-
Current - Redeposits	-
Current - Transferred Deposits	15,668,634.32
Current - Bank Charges	-51,584.48
Current - Salaries & Other Transfers	-12,293,102.80
Current - Already Reconciled	-
Current - C/F	2,826,829.44

### Notes

- The closing balance as at 31 August 2015 is R2, 827 million

## 12.RECOMMENDATIONS

### a. That the following be noted:

- 1) The financial report for the period ended 31 August 2015 **excluding Water and Waste Water management**
- 2) The summary of monthly budget statement report for the month ended 31 August 2015
- 3) The financial performance for the month ended 31 August 2015
- 4) The financial position as at 31 August 2015
- 5) The actual operating revenue (as per GRAP) for the month ended 31 August 2015 is 24, 368 million
- 6) No Revenue Capital Contribution recognised
- 7) Operational Expenditure on financial Performances is R21, 459 million.
- 8) Capital Expenditure incurred during the month ended 31 August 2015 amount to R12 thousand
- 9) The municipality received an EPWP Grant of R475 thousand during the month of August 2015
- 10) Consolidated call deposit accounts held at STD Bank and ABSA closed with a balance of R22, 213 million on 31 August 2015

11) That councillors and Staff Benefits for August 2015 amount to R8,655 million be approved

12) Municipal Primary Bank reconciliation closed with a positive balance of R2,827 million as at 31 August 2015