

Vision

*“Best tourist destination in
Limpopo by 2020”*

BA-PHALABORWA MUNICIPALITY



FINANCIAL PERFORMANCE REPORT

AS AT 28 FEBRUARY 2014

Mission

- ❖ To ensure financial viability, sound administration and accountable governance for investor attractiveness
- ❖ To render all stakeholders with quality and affordable infrastructure and services for enhancing a safe and better life for all
- ❖ To manage the environment for future sustainable economic growth
- ❖ To build the mining industry for economic growth
- ❖ To position Ba-Phalaborwa as a tourism destination of choice

Values

- Efficiency and accountability
- Innovation and creativity
- Professionalism & hospitality
- Transparency and fairness
 - Continuous learning
- Conservation conscious

SUMMARY

LIM334 Ba-Phalaborwa - Table C1 Monthly Budget Statement Summary - M08 February

Description	2012/13	Budget Year 2013/14							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	60,257	65,100	65,100	4,663	42,100	43,400	(1,300)	-3%	65,100
Service charges	79,414	101,515	102,770	9,030	63,320	68,513	(5,193)	-8%	102,770
Investment revenue	332	250	310	-	207	207	0	0%	84,878
Transfers recognised - operational	65,471	74,154	74,154	-	51,875	49,436	2,439	5%	74,154
Other own revenue	50,508	93,771	100,163	7,325	45,008	66,775	(21,767)	-33%	100,163
Total Revenue (excluding capital transfers and contributions)	255,983	334,790	342,497	21,018	202,510	228,331	(25,821)	-11%	427,065
Employee costs	93,712	111,154	111,750	7,895	64,300	74,500	(10,200)	-14%	111,750
Remuneration of Councillors	9,052	12,185	11,175	990	7,988	7,450	538	7%	11,175
Depreciation & asset impairment	69,182	76,500	76,500	-	-	51,000	(51,000)	-100%	76,500
Finance charges	226	803	963	385	830	642	188	29%	963
Materials and bulk purchases	53,402	82,060	81,060	-	44,134	54,040	(9,906)	-18%	81,060
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	172,461	187,557	188,981	30,375	107,269	125,987	(18,718)	-15%	188,981
Total Expenditure	398,036	470,260	470,430	39,646	224,521	313,620	(89,099)	-28%	470,430
Surplus/(Deficit)	(142,052)	(135,470)	(127,933)	(18,627)	(22,011)	(85,289)	63,278	-74%	(43,365)
Transfers recognised - capital	32,895	29,333	24,333	838	22,426	16,222	6,204	38%	24,333
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(109,157)	(106,137)	(103,600)	(17,790)	415	(69,067)	69,482	-101%	(19,032)
Surplus/ (Deficit) for the year	(109,157)	(106,137)	(103,600)	(17,790)	415	(69,067)	69,482	-101%	(19,032)
Capital expenditure & funds sources									
Capital expenditure	42,949	60,620	48,530	735	25,485	32,353	(6,868)	-21%	48,530
Capital transfers recognised	29,238	29,333	24,220	735	19,672	16,147	3,525	22%	24,220
Public contributions & donations	-	-	-	-	-	-	-	-	-

Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	13,711	31,287	24,310	–	5,814	16,207	(10,393)	-64%	24,310
Total sources of capital funds	42,949	60,620	48,530	735	25,485	32,353	(6,868)	-21%	48,530
<u>Financial position</u>									
Total current assets	56,845	182,428	182,428		318,942				182,428
Total noncurrent assets	1,057,189	1,231,748	1,231,748		1,217,767				1,231,748
Total current liabilities	373,494	9,000	9,000		23,871				9,000
Total noncurrent liabilities	33,736	189	189		9,009				189
Community wealth/Equity	706,805	1,404,987	1,404,987		1,503,828				1,404,987
<u>Cash flows</u>									
Net cash from (used) operating	43,315	61,635	39,965	1,812	(6,432)	41,090	(47,522)	-116%	61,635
Net cash from (used) investing	(42,949)	(60,620)	(38,530)	(838)	(29,465)	(40,413)	10,948	-27%	(60,620)
Net cash from (used) financing	(941)	–	–	–	26,386	–	26,386	#DIV/0!	–
Cash/cash equivalents at the month/year end	2,066	4,015	2,572	–	(8,374)	3,677	(12,051)	-328%	2,153
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Dys-1 Yr	Over 1Yr	Total
<u>Debtors Age Analysis</u>									
Total By Income Source	20,995	7,508	11,504	10,939	11,721	9,675	9,134	262,899	344,375
<u>Creditors Age Analysis</u>									
Total Creditors	3,189	105	–	699	–	–	–	–	3,993

Notes

- Total Revenue (excluding capital transfers and contributions) is R21,018 million
- Total Expenditure on financial Performances is R39,646 million
- Revenue Capital Contribution is R838 thousand
- Deficit for the month after capital transfers & contributions is R17,790 million
- The total capital expenditure for the month is R735 thousand excluding vat

1. FINANCIAL PERFORMANCE OF REVENUE AND EXPENDITURE BY VOTE

LIM334 Ba-Phalaborwa - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M08 February

Description	Ref	2012/13	Budget Year 2013/14		Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget						
R thousands	1									
Revenue - Standard										
Governance and administration		170,792	222,410	222,428	10,104	127,440	148,285	(20,845)	-14%	222,428
Executive and council		-	-	-	-	-	-	-	-	-
Budget and treasury office		170,288	222,102	222,121	10,087	127,281	148,080	(20,800)	-14%	222,121
Corporate services		504	308	308	17	159	205	(46)	-22%	308
Community and public safety		4,777	7,889	13,943	1,851	10,497	9,295	1,201	13%	13,943
Community and social services		3,906	5,969	11,423	1,851	9,110	7,615	1,495	20%	11,423
Public safety		871	1,920	2,520	-	1,387	1,680	(293)	-17%	2,520
Economic and environmental services		29,895	32,309	27,689	872	23,676	18,459	5,217	28%	27,689
Planning and development		-	15	395	1	70	263	(193)	-73%	395
Road transport		29,895	32,294	27,294	870	23,606	18,196	5,410	30%	27,294
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		83,414	101,515	102,770	9,030	63,323	68,513	(5,191)	-8%	102,770
Electricity		74,292	92,002	92,002	8,158	56,356	61,335	(4,979)	-8%	92,002
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		9,123	9,513	10,768	871	6,967	7,179	(212)	-3%	10,768
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	288,879	364,123	366,830	21,856	224,936	244,553	(19,617)	-8%	366,830
Expenditure - Standard	-									
Governance and administration		194,353	167,814	166,219	32,271	93,930	110,813	(16,883)	-15%	166,219
Executive and council		25,772	36,456	33,534	25,756	39,541	22,356	17,185	77%	33,534
Budget and treasury office		144,420	87,659	92,142	4,404	34,903	61,428	(26,525)	-43%	92,142
Corporate services		24,160	43,699	40,544	2,110	19,486	27,029	(7,543)	-28%	40,544

Community and public safety		33,767	52,146	53,096	2,773	30,707	35,397	(4,690)	-13%	53,096
Community and social services		25,244	41,185	42,880	2,244	24,630	28,587	(3,957)	-14%	42,880
Public safety		8,523	10,961	10,215	529	6,077	6,810	(733)	-11%	10,215
Economic and environmental services		90,450	119,151	119,574	3,146	33,874	79,716	(45,843)	-58%	119,574
Planning and development		7,038	11,910	11,505	636	4,757	7,670	(2,913)	-38%	11,505
Road transport		83,412	107,241	108,069	2,510	29,116	72,046	(42,930)	-60%	108,069
Environmental protection		-	-	-	-	-	-	-		-
Trading services		79,467	131,149	131,541	1,456	66,010	87,694	(21,684)	-25%	131,541
Electricity		75,856	125,959	126,269	1,150	58,956	84,179	(25,223)	-30%	126,269
Water		-	-	-	-	5,000	-	5,000	#DIV/0!	-
Waste water management		-	-	-	-	-	-	-		-
Waste management		3,611	5,190	5,272	306	2,054	3,515	(1,461)	-42%	5,272
Other		-	-	-	-	-	-	-		-
Total Expenditure - Standard	3	398,036	470,260	470,430	39,646	224,521	313,620	(89,099)	-28%	470,430
Surplus/ (Deficit) for the year		(109,157)	(106,137)	(103,600)	(17,790)	415	(69,067)	69,482	-101%	(103,600)

Notes:

- Financial performance of revenue by vote is R21,856 million including capital contributions
- Financial performance of Expenditure by vote is R39,646 million
- The deficit for the month is R17,790 million

FINANCIAL PERFORMANCE REVENUE AND EXPENDITURE PER SOURCE

LIM334 Ba-Phalaborwa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February

Description	Ref	2012/13	Budget Year 2013/14							
		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		60,257	65,100	65,100	4,663	42,100	43,400	(1,300)	-3%	65,100
Service charges - electricity revenue		70,292	92,002	92,002	8,158	56,356	61,335	(4,979)	-8%	92,002
Service charges - refuse revenue		9,123	9,513	10,768	871	6,964	7,179	(214)	-3%	10,768
Service charges - other				-			-	-		-
Rental of facilities and equipment		295	308	308	17	159	205	(46)	-22%	308
Interest earned - external investments		332	250	310		207	207	0	0%	310
Interest earned - outstanding debtors		42,369	84,568	84,568	5,346	33,581	56,379	(22,797)	-40%	84,568
Dividends received			2	2		-	1	(1)	-100%	2
Fines		871	1,900	2,500		1,380	1,667	(287)	-17%	2,500
Licences and permits		2,375	5,690	11,185	1,835	8,973	7,457	1,517	20%	11,185
Agency services		1,531		-			-	-		-
Transfers recognised - operational		65,471	74,154	74,154	-	51,875	49,436	2,439	5%	74,154
Other revenue		3,068	1,303	1,601	127	914	1,067	(153)	-14%	1,601
Total Revenue (excluding capital transfers and contributions)		255,983	334,790	342,497	21,018	202,510	228,331	(25,821)	-11%	342,497
Expenditure By Type										
Employee related costs		93,712	111,154	111,750	7,895	64,300	74,500	(10,200)	-14%	111,750
Remuneration of councillors		9,052	12,185	11,175	990	7,988	7,450	538	7%	11,175
Debt impairment		108,991	29,913	27,100	23,680	23,680	18,067	5,614	31%	27,100
Depreciation & asset impairment		69,182	76,500	76,500			51,000	(51,000)	-100%	76,500
Finance charges		226	803	963	385	830	642	188	29%	963
Bulk purchases		53,402	82,060	81,060	-	44,134	54,040	(9,906)	-18%	81,060

Other materials										
Contracted services		10,096	28,453	42,868	2,374	31,069	28,579	2,490	9%	42,868
Other expenditure		53,460	129,191	119,013	4,321	52,520	79,342	(26,822)	-34%	119,013
Loss on disposal of PPE		(86)								
Total Expenditure		398,036	470,260	470,430	39,646	224,521	313,620	(89,099)	-28%	470,430
Surplus/(Deficit)		(142,052)	(135,470)	(127,933)	(18,627)	(22,011)	(85,289)	63,278	(0)	(127,933)
Transfers recognised - capital		32,895	29,333	24,333	838	22,426	16,222	6,204	0	24,333
Contributions recognised - capital										
Contributed assets										
Surplus/(Deficit) after capital transfers & contributions		(109,157)	(106,137)	(103,600)	(17,790)	415	(69,067)			(103,600)
Taxation										
Surplus/(Deficit) after taxation		(109,157)	(106,137)	(103,600)	(17,790)	415	(69,067)			(103,600)
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		(109,157)	(106,137)	(103,600)	(17,790)	415	(69,067)			(103,600)
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		(109,157)	(106,137)	(103,600)	(17,790)	415	(69,067)			(103,600)

Notes

- Total Revenue (excluding capital transfers and contributions) is R21,018million
- Total Expenditure on financial Performances is R39,646 million
- Revenue Capital Contribution is R838 thousand
- Deficit for the month after capital transfers & contributions is R17,790 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) - M08 February

Vote Description	Ref	2012/13	Budget Year 2013/14		Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget						
R thousands	1									
Single Year expenditure appropriation	2									
Vote 1 - EXECUTIVE AND COUNCIL		-	1,900	600	-	-	400	(400)	-100%	600
Vote 2 - BUDGET AND TREASURY DEPARTMENT		-	1,500	1,680	-	-	1,120	(1,120)	-100%	1,680
Vote 3 - CORPORATE SERVICES		3,398	5,400	2,356	-	350	1,571	(1,220)	-78%	2,356
Vote 4 - COMMUNITY AND SOCIAL SERVICES		1,711	7,000	-	-	-	-	-	-	-
Vote 5 - PLANNING AND DEVELOPMENT		-	2,700	2,000	-	-	1,333	(1,333)	-100%	2,000
Vote 6 - TECHNICAL SERVICES DEPARTMENT		37,840	42,120	41,894	735	25,135	27,929	(2,794)	-10%	41,894
Total Capital single-year expenditure	4	42,949	60,620	48,530	735	25,485	32,353	(6,868)	-21%	48,530
Total Capital Expenditure		42,949	60,620	48,530	735	25,485	32,353	(6,868)	-21%	48,530
Capital Expenditure - Standard Classification										
Governance and administration		3,398	8,800	4,636	-	350	3,091	(2,740)	-89%	4,636
Executive and council			1,900	600			400	(400)	-100%	600
Budget and treasury office			1,500	1,680			1,120	(1,120)	-100%	1,680
Corporate services		3,398	5,400	2,356		350	1,571	(1,220)	-78%	2,356
Community and public safety		1,711	7,000	-	-	-	-	-	-	-
Community and social services		1,711	6,000	-	-	-	-	-	-	-
Sport and recreation										
Public safety			1,000	-			-	-	-	-
Housing										
Health										
Economic and environmental services		26,169	24,820	23,814	735	16,435	15,876	559	4%	23,814
Planning and development			2,700	2,000			1,333	(1,333)	-100%	2,000
Road transport		26,169	22,120	21,814	735	16,435	14,543	1,892	13%	21,814
Environmental protection										

Trading services		11,672	20,000	20,080	–	8,700	13,387	(4,686)	-35%	20,080
Electricity		11,672	20,000	20,080		8,700	13,387	(4,686)	-35%	20,080
Total Capital Expenditure - Standard Classification	3	42,949	60,620	48,530	735	25,485	32,353	(6,868)	-21%	48,530
Funded by:										
National Government		29,238	29,333	24,220	735	19,672	16,147	3,525	22%	24,220
Provincial Government								–		
District Municipality								–		
Other transfers and grants								–		
Transfers recognised - capital		29,238	29,333	24,220	735	19,672	16,147	3,525	22%	24,220
Public contributions & donations	5							–		
Borrowing	6							–		
Internally generated funds		13,711	31,287	24,310	–	5,814	16,207	(10,393)	-64%	24,310
Total Capital Funding		42,949	60,620	48,530	735	25,485	32,353	(6,868)	-21%	48,530

Notes:

- The total capital expenditure is R735 thousand

FINANCIAL POSITION

LIM334 Ba-Phalaborwa - Table C6 Monthly Budget Statement - Financial Position - M08 February

Description	Ref	2012/13	Budget Year 2013/14		YearTD actual	Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget		
R thousands	1					
ASSETS						
Current assets						
Cash		2,066	2,500	2,500	-	2,500
Call investment deposits			500	500	5,542	500
Consumer debtors		45,372	150,087	150,087	304,368	150,087
Other debtors		4				
Current portion of long-term receivables			20,000	20,000	-	20,000
Inventory		9,403	9,341	9,341	9,032	9,341
Total current assets		56,845	182,428	182,428	318,942	182,428
Noncurrent assets						
Long-term receivables					25,847	
Investments						
Investment property			6,000	6,000		6,000
Investments in Associate						
Property, plant and equipment		1,056,876	1,222,960	1,222,960	1,191,694	1,222,960
Agricultural			250	250		250
Biological assets		313	238	238	227	238
Intangible assets			2,300	2,300		2,300
Other non-current assets						
Total noncurrent assets		1,057,189	1,231,748	1,231,748	1,217,767	1,231,748
TOTAL ASSETS		1,114,035	1,414,176	1,414,176	1,536,708	1,414,176
LIABILITIES						
Current liabilities						
Bank overdraft					8,374	
Borrowing			4,200	4,200	4,200	4,200

Consumer deposits		2,981			1,231	
Trade and other payables		370,513	-	-	10,067	-
Provisions			4,800	4,800		4,800
Total current liabilities		373,494	9,000	9,000	23,871	9,000
Noncurrent liabilities						
Borrowing			189	189	189	189
Provisions		33,736			8,820	
Total noncurrent liabilities		33,736	189	189	9,009	189
TOTAL LIABILITIES		407,230	9,189	9,189	32,880	9,189
NET ASSETS	2	706,805	1,404,987	1,404,987	1,503,828	1,404,987
<u>COMMUNITY WEALTH/EQUITY</u>						
Accumulated Surplus/(Deficit)			(106,137)	(106,137)		(106,137)
Reserves		706,805	1,511,124	1,511,124	1,503,828	1,511,124
TOTAL COMMUNITY WEALTH/EQUITY	2	706,805	1,404,987	1,404,987	1,503,828	1,404,987

Notes:

- The financial position shows only year to date actual

3. CASH FLOW

LIM334 Ba-Phalaborwa - Table C7 Monthly Budget Statement - Cash Flow - M08 February

Description	Ref	2012/13	Budget Year 2013/14		Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget						
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Ratepayers and other		162,582	230,440	244,710	16,128	129,956	153,627	(23,670)	-15%	230,440
Government - operating		64,589	74,154	74,154	-	52,702	49,436	3,266	7%	74,154
Government - capital		33,778	29,333	24,333	-	22,381	19,556	2,825	14%	29,333
Interest		42,701	250	311	-	207	167	40	24%	250
Payments										
Suppliers and employees		(260,109)	(271,738)	(302,731)	(13,931)	(210,847)	(181,159)	29,688	-16%	(271,738)
Finance charges		(226)	(803)	(812)	(385)	(831)	(536)	296	-55%	(803)
NET CASH FROM/(USED) OPERATING ACTIVITIES		43,315	61,635	39,965	1,812	(6,432)	41,090	(47,522)	-116%	61,635
CASH FLOWS FROM INVESTING ACTIVITIES										
Payments										
Capital assets		(42,949)	(60,620)	(38,530)	(838)	(29,465)	(40,413)	(10,948)	27%	(60,620)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(42,949)	(60,620)	(38,530)	(838)	(29,465)	(40,413)	(10,948)	27%	(60,620)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Increase (decrease) in consumer deposits						26,386		26,386	#DIV/0!	
Payments										
Repayment of borrowing		(941)						-		
NET CASH FROM/(USED) FINANCING ACTIVITIES		(941)	-	-	-	26,386	-	(26,386)	#DIV/0!	-
NET INCREASE/ (DECREASE) IN CASH HELD		(575)	1,015	1,435	974	(9,512)	677			1,015
Cash/cash equivalents at beginning:		2,642	3,000	1,137		1,137	3,000			1,137
Cash/cash equivalents at month/year end:		2,066	4,015	2,572		(8,374)	3,677			2,153

Notes:

The bank shows an overdraft of R8, 374 as at 28 February 2014

4. DEBTORS AGE ANALYSIS

LIM334 Ba-Phalaborwa - Supporting Table SC3 Monthly Budget Statement - aged debtors - M08 February

Description	NT Code	Budget Year 2013/14									Total	Total over 90 days
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Dys-1 Yr	Over 1Yr			
R thousands												
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transactions - Water	1200										-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	9,138	2,485	1,972	1,687	1,151	861	537	20,631	38,461	24,867	
Receivables from Non-exchange Transactions - Property Rates	1400	5,095	3,681	3,355	3,291	3,971	3,010	2,968	90,542	115,913	103,783	
Receivables from Exchange Transactions - Waste Water Management	1500									-	-	
Receivables from Exchange Transactions - Waste Management	1600	989	787	735	665	1,384	631	611	27,306	33,109	30,598	
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	
Interest on Arrear Debtor Accounts	1810									-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-	
Other	1900	5,772	555	5,442	5,296	5,215	5,173	5,017	124,419	156,891	145,121	
Total By Income Source	2000	20,995	7,508	11,504	10,939	11,721	9,675	9,134	262,899	344,375	304,368	
2012/13 - totals only										-	-	
Debtors Age Analysis By Customer Group												
Organs of State	2200	631	357	677	189	170	138	172	3,809	6,143	4,478	
Commercial	2300	3,496	1,223	2,272	1,399	1,533	1,000	1,208	37,846	49,977	42,986	
Households	2400	15,369	5,589	8,008	8,954	9,573	8,097	7,374	217,987	280,951	251,985	
Other	2500	1,499	338	548	396	446	440	381	3,256	7,305	4,920	
Total By Customer Group	2600	20,995	7,508	11,504	10,939	11,721	9,675	9,134	262,899	344,375	304,368	

Notes:

- The debtors' age analysis shows a total figure of R304, 368 million from 30 days to over a year.

5. CREDITORS AGE ANALYSIS

LIM334 Ba-Phalaborwa - Supporting Table SC4 Monthly Budget Statement - aged creditors - M08 February

Description R thousands	NT Code	Budget Year 2013/14									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100									-	
Bulk Water	0200									-	
PAYE deductions	0300									-	
VAT (output less input)	0400									-	
Pensions / Retirement deductions	0500									-	
Loan repayments	0600									-	
Trade Creditors	0700	3,189	105	-	699					3,993	
Auditor General	0800									-	
Other	0900									-	
Total By Customer Type	1000	3,189	105	-	699	-	-	-	-	3,993	-

Note

- The total trade creditors are standing at R3,993 Million

6. INVESTMENT PORTFOLIO

LIM334 Ba-Phalaborwa - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M08 February

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
		Yrs/Months							
R thousands									
Municipality									
ABSA - Call Account			Fixed deposit		0		93	0	93
Call deposit a/c - STD Bank			Call Account		52		8,924	(3,475)	5,449
TOTAL INVESTMENTS AND INTEREST	2				52		9,017	(3,475)	5,542

Notes:

Total Investment is standing at R5, 542 million as at 28 February 2014

7. TRANSFERS AND GRANT EXPENDITURES

LIM334 Ba-Phalaborwa - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M08 February

Description	Ref	2012/13	Budget Year 2013/14							
		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										
Local Government Equitable Share			69,433	69,433	-	49,562	49,562	-	-18.0%	69,433
Finance Management			1,550	1,550	67	848	1,033	(186)	50.0%	1,550
Municipal Systems Improvement			890	890	-	890	593	297	-11.5%	890
EPWP Incentive			1,000	1,000	133	590	667	(77)	-100.0%	1,000
Operating Grant: MIG (5% of MIG Grants for PMU)			1,281	1,281	-	-	854	(854)		1,281
Total operating expenditure of Transfers and Grants:			74,154	74,154	200	51,889	52,709	(820)	-1.6%	74,154
Capital expenditure of Transfers and Grants										
National Government:										
Municipal Infrastructure Grant (MIG)			29,333	24,333	838	22,426	16,222	6,204	38.2%	24,333
Neighbourhood Development Partnership			24,333	24,333	838	21,543	16,222	5,321	32.8%	24,333
			5,000		-	883	-	883	#DIV/0!	
Total capital expenditure of Transfers and Grants			29,333	24,333	838	22,426	16,222	6,204	38.2%	24,333
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS			103,487	98,487	1,038	74,315	68,931	5,384	7.8%	98,487

Notes:

- The total monthly operating transfers and grants expenditure is R200 thousand
- Capital transfers and grants expenditure on MIG is R838 thousand

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

LIM334 Ba-Phalaborwa - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M08 February

Summary of Employee and Councillor remuneration	Ref	2012/13	Budget Year 2013/14							
		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			9,605	7,863	736	5,935	5,242	693	13%	7,863
Motor Vehicle Allowance			2,638	2,838	214	1,730	1,892	(161)	-9%	2,838
Cell phone Allowance			475	475	40	322	317	6	2%	475
Sub Total - Councillors			12,718	11,175	990	7,988	7,450	538	7%	11,175
% increase	4	-	#DIV/0!	#DIV/0!						#DIV/0!
<u>Senior Managers of the Municipality</u>	3									
Basic Salaries and Wages			3,418			1,408		1,408	#DIV/0!	
Pension and UIF Contributions			10			3		3	#DIV/0!	
Motor Vehicle Allowance			2,204			625		625	#DIV/0!	
Cell phone Allowance			77			21		21	#DIV/0!	
Housing Allowances								-		
Other benefits and allowances			702			316		316	#DIV/0!	
Sub Total - Senior Managers of Municipality			6,411	-	-	2,374	-	2,374	#DIV/0!	-
% increase	4	-	#DIV/0!							
<u>Other Municipal Staff</u>										
Basic Salaries and Wages			64,044	69,643	5,251	40,137	46,429	(6,292)	-14%	69,643
Pension and UIF Contributions			13,999	13,569	994	7,951	9,046	(1,095)	-12%	13,569
Medical Aid Contributions			4,563	4,029	271	2,187	2,686	(498)	-19%	4,029
Overtime			3,594	3,494	184	1,841	2,329	(489)	-21%	3,494
Performance Bonus			-	-	-	-	-	-		-
Motor Vehicle Allowance			8,248	11,740	839	6,011	7,827	(1,816)	-23%	11,740
Cell phone Allowance			913	1,019	65	496	679	(184)	-27%	1,019

Housing Allowances			1,555	1,058	53	424	706	(281)	-40%	1,058	
Other benefits and allowances			7,828	7,198	240	2,879	4,799	(1,920)	-40%	7,198	
Sub Total - Other Municipal Staff											
% increase	4		104,743 #DIV/0!	111,750 #DIV/0!	7,895	61,926	74,500	(12,574)	-17%	111,750 #DIV/0!	
Total Parent Municipality											
			-	123,872	122,926	8,885	72,288	81,950	(9,663)	-12%	122,926
TOTAL SALARY, ALLOWANCES & BENEFITS											
			-	123,872	122,926	8,885	72,288	81,950	(9,663)	-12%	122,926
% increase	4		#DIV/0!	#DIV/0!						#DIV/0!	
TOTAL MANAGERS AND STAFF											
			-	111,154	111,750	7,895	64,300	74,500	(10,200)	-14%	111,750

Notes:

Political office bearers remunerations for the month of February amounted to R990 thousand

Employee related costs R7, 895 million

The municipality has total employee related cost& Remuneration of councillors of R8, 885 million for the month of February 2014

11. ACTUALS AND REVISED TARGETS FOR CASH RECEIPT

LIM334 Ba-Phalaborwa - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M08 February

Description	Ref	Budget Year 2013/14											
		July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Outcome	Feb Outcome	March Budget	April Budget	May Budget	June Budget
R thousands	1												
Cash Receipts By Source													
Property rates		3,205	5,502	2,154	2,544	2,725	1,633	2,175	2,548	4,422	4,778	4,998	21,907
Service charges - electricity revenue		8,600	4,420	3,238	3,209	3,991	3,457	4,834	5,799	5,971	6,452	6,749	22,403
Service charges - water revenue		5,554		3,109	3,296	4,573	3,140	4,230	4,366	-	-	-	(28,269)
Service charges - sanitation revenue		271		536	410	547	413	503	555	-	-	-	(3,236)
Service charges - refuse		432	892	338	290	372	330	443	404	452	452	452	565
Rental of facilities and equipment		19	31	25	35	9	9	15	17	13	14	15	(27)
Interest earned - external investments		5	14	10	17	46	63	52		19	20	21	(18)
Interest earned - outstanding debtors		684	-	308	360	342	179	195	344	6,193	6,691	6,999	59,765
Dividends received		-	-	-	-	-	-	-	-	0	0	0	1
Fines		200	250			460	-	200	-	82	88	92	(289)
Licences and permits		2	1,113	3,018	710	1,225	310	760	1,835	245	264	277	(6,516)
Transfer receipts - operating		28,851	1,290	-	-	22,561	-	-	-	24,718			(3,266)
Other revenue		12,912	6,492	2,518	24	16	19	18	260	56	61	63	(21,697)
Cash Receipts by Source		60,736	20,005	15,256	10,897	36,867	9,553	13,425	16,128	42,170	18,820	19,666	41,322
Other Cash Flows by Source													-
Transfer receipts - capital		12,347	-	-	10,034					9,778			(2,825)
Total Cash Receipts by Source		73,083	20,005	15,256	20,931	36,867	9,553	13,425	16,128	51,947	18,820	19,666	38,497
													-

Cash Payments by Type													-
Employee related costs	8,351	8,259	8,035	7,779	7,596	7,895	8,489	7,895	8,388	9,064	9,481	19,921	19,921
Remuneration of councillors	1,005	1,040	1,020	984	973	998	978	990	920	994	1,039	1,245	1,245
Interest paid	44	88	39		197	38	40	385	61	66	69	(223)	(223)
Bulk purchases - Electricity	14,024		-	5,000	7,207	5,000			5,871	6,344	6,636	27,714	27,714
Bulk purchases - Water & Sewer				5,000					-	-	-	(5,000)	(5,000)
Contracted services	5,827	3,025	865	6,377	7,353	5,007	4,259	2,706	2,131	2,303	2,409	(14,020)	(14,020)
General expenses	24,238	13,811	5,386	3,253	2,760	13,297	1,824	2,340	3,197	3,454	3,613	(34,813)	(34,813)
Cash Payments by Type	53,488	26,224	15,346	28,393	26,086	32,235	15,591	14,316	20,567	22,223	23,247	(5,174)	(5,174)
Other Cash Flows/Payments by Type													-
Capital assets	9,880	3,353	325	1,612	7,823	3,302	2,332	838	4,575	4,943	5,171	16,467	16,467
Repayment of borrowing													-
Other Cash Flows/Payments					(21,875)		(4,511)					26,386	26,386
Total Cash Payments by Type	63,368	29,577	15,671	30,005	12,034	35,537	13,412	15,154	25,142	27,166	28,417	37,678	37,678
NET INCREASE/(DECREASE) IN CASH HELD	9,715	(9,572)	(415)	(9,074)	24,832	(25,985)	13	974	26,805	(8,346)	(8,751)	819	819
Cash/cash equivalents at the month/year beginning:	1,137	10,852	1,281	865	(8,209)	16,624	(9,361)	(9,348)	(8,374)	18,431	10,085	1,334	1,334
Cash/cash equivalents at the month/year end:	10,852	1,281	865	(8,209)	16,624	(9,361)	(9,348)	(8,374)	18,431	10,085	1,334	2,153	2,153

Notes

- Unfavourable balance of R8,374 million as at 28 February 2014

12. CAPITAL EXPENDITURE TREND

LIM334 Ba-Phalaborwa - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M08 February

Month	2012/13	Budget Year 2013/14							
	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		4,044		8,667	8,667	4,044	(4,623)	-114.3%	18%
August		4,044		2,580	11,247	8,088	(3,158)	-39.0%	23%
September		4,044		285	11,532	12,133	601	5.0%	24%
October		4,044		1,414	12,946	16,177	3,231	20.0%	27%
November		4,044		6,862	19,808	20,221	413	2.0%	41%
December		4,044		2,897	22,705	24,265	1,560	6.4%	47%
January		4,044		2,046	24,750	28,309	3,559	12.6%	51%
February		4,044		735	25,485	32,353	6,868	21.2%	53%
March		4,044				36,398	-		
April		4,044				40,442	-		
May		4,044				44,486	-		
June		4,044				48,530	-		
Total Capital expenditure	-	48,530	-	25,485					

Notes:

- The total capital expenditure trend gives a year to date actual of R25,485 million excluding vat

13.BANK RECONCILIATION

Ba-Phalaborwa Municipality

BANK STATEMENT TRANSACTIONS FOR FEBRUARY 2014

Main account : 33 045 1367

Statement Description	Statement Amt
Outstanding C/F	-9,347,953.73
Current - Cheques	-85,081.70
Current - ACBs	-10,030,279.73
Current - ACB Rejects	-
Current - Deposits	18,821,958.16
Current - RD Cheques	-
Current - Redeposit's	-
Current - Transfers	-7,506,973.33
Current - Bank Charges	-225,725.24
Current - Already Reconciled	-
Current - C/F	-8,374,055.57

Notes

- The closing overdraft of **R8,374,055.57**

14.RECOMMENDATIONS

a. That the following be noted:

- i. The financial report for the period ended 28 February 2014 **excluding Water and Waste Water management**
- ii. The summary of monthly budget statement report for the month ended 28 February 2014
- iii. The financial performance for the month ended 28 February 2014
- iv. The financial position as at 28 February 2014
- v. The actual operating revenue for the month ended 28 February 2014 is R21,018 million excluding capital contribution
- vi. That the Municipality did not receive any grant during the month of February 2014
- vii. The actual expenditure for the month ended 28 February 2014 is R39, 646 million (Total expenditure inclusive of Capex R735 thousand, Salaries R8, 885 million) be approved.
- viii. The deficit for the month ended 28 February 2014 is R17,790 million
- ix. Outstanding creditors as at 28 February 2014 is R3,993 million for the current month
- x. Consolidated call deposit accounts held at STD Bank and ABSA closed with a balance of R5,542 million on February 2014
- xi. That councillors and Staff Benefits for February 2014 amount to R8,885 million
- xii. Municipal Primary Bank reconciliation closed with a negative balance of **(R8,374,055.57)** as at 28 February 2014