

# **BA-PHALABORWA MUNICIPALITY**



## **FINANCIAL PERFORMANCE REPORT**

**AS AT 30 SEPTEMBER 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 - M03 September

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	–	124,589	–	8,879	26,647	31,147	(4,500)	-14%	124,589
Service charges	–	117,637	–	9,434	24,442	29,409	(4,967)	-17%	117,637
Investment revenue	–	275	–	78	214	69	145	211%	275
Transfers recognised - operational	–	113,160	–	179	45,556	28,290	17,266	61%	113,160
Other own revenue	–	87,404	–	7,063	21,023	21,851	(828)	-4%	87,404
<b>Total Revenue (excluding capital transfers and contributions)</b>	–	<b>443,065</b>	–	<b>25,633</b>	<b>117,881</b>	<b>110,766</b>	<b>7,115</b>	<b>6%</b>	<b>443,065</b>
Employee costs	–	122,693	–	8,593	24,151	30,673	(6,522)	-21%	122,693
Remuneration of Councillors	–	12,811	–	1,137	3,407	3,203	204	6%	12,811
Depreciation & asset impairment	–	70,104	–	–	–	17,526	(17,526)	-100%	70,104
Finance charges	–	2,109	–	116	351	527	(177)	-34%	2,109
Materials and bulk purchases	–	94,332	–	4,386	19,298	23,583	(4,285)	-18%	94,332
Other expenditure	–	167,944	–	7,921	26,349	41,986	(15,637)	-37%	167,944
<b>Total Expenditure</b>	–	<b>469,992</b>	–	<b>22,153</b>	<b>73,556</b>	<b>117,498</b>	<b>(43,942)</b>	<b>-37%</b>	<b>469,992</b>
<b>Surplus/(Deficit)</b>	–	<b>(26,927)</b>	–	<b>3,480</b>	<b>44,325</b>	<b>(6,732)</b>	<b>51,057</b>	<b>-758%</b>	<b>(26,927)</b>
Transfers recognised - capital	–	36,492	–	1,705	14,107	9,123	4,984	55%	36,492
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	–	<b>9,565</b>	–	<b>5,185</b>	<b>58,432</b>	<b>2,391</b>	<b>56,041</b>	<b>2344%</b>	<b>9,565</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
<b>Surplus/ (Deficit) for the year</b>	–	<b>9,565</b>	–	<b>5,185</b>	<b>58,432</b>	<b>2,391</b>	<b>56,041</b>	<b>2344%</b>	<b>9,565</b>
<b>Capital expenditure &amp; funds sources</b>									

<b>Capital expenditure</b>	-	53,792	-	1,509	12,677	13,448	(771)	-6%	53,792
Capital transfers recognised	-	36,492	-	1,493	12,436	9,123	3,313	36%	36,492
Internally generated funds	-	17,300	-	15	242	4,325	(4,083)	-94%	17,300
<b>Total sources of capital funds</b>	-	53,792	-	1,509	12,677	13,448	(771)	-6%	53,792
<b>Financial position</b>									
Total current assets	-	184,644	-		485,520				184,644
Total non current assets	-	1,360,832	-		1,284,139				1,360,832
Total current liabilities	-	6,741	-		39,671				6,741
Total non current liabilities	-	198,000	-		230,000				198,000
<b>Community wealth/Equity</b>	-	1,340,735	-		1,499,988				1,340,735
<b>Cash flows</b>									
Net cash from (used) operating	-	54,592	-	(1,212)	34,615	13,648	(20,967)	-154%	54,592
Net cash from (used) investing	-	(53,792)	-	(1,720)	(15,121)	(13,448)	1,673	-12%	(53,792)
Net cash from (used) financing	-	-	-	3,615	(17,835)	-	17,835	#DIV/0!	-
<b>Cash/cash equivalents at the month/year end</b>	-	1,612	-	-	3,510	1,012	(2,498)	-247%	2,651
<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	18,687	12,905	11,588	9,277	8,618	9,105	8,292	375,440	453,911
<b>Creditors Age Analysis</b>									
Total Creditors	16,142	6,303	129	612	-	-	-	-	23,186

**Notes**

- Operating Revenue (excluding capital transfers and contributions) is R25, 633 million
- Transfers recognised – capital amount to R1,705 million including VAT
- Operational Expenditure on financial Performances is R22, 153 million
- Capital expenditure incurred during the month of September R1,509 million Excluding VAT

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

LIM334 Ba-Phalaborwa - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M03 September

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>		–	306,962	–	14,456	88,832	76,741	12,091	16%	306,962
Executive and council		–	–	–	–	–	–	–	–	–
Budget and treasury office		–	306,613	–	14,420	88,692	76,653	12,038	16%	306,613
Corporate services		–	349	–	37	140	87	53	61%	349
<b>Community and public safety</b>		–	14,980	–	1,633	4,155	3,745	410	11%	14,980
Community and social services		–	12,213	–	1,633	2,384	3,053	(669)	-22%	12,213
Public safety		–	2,767	–	–	1,770	692	1,079	156%	2,767
<b>Economic and environmental services</b>		–	32,978	–	1,814	14,560	8,244	6,316	77%	32,978
Planning and development		–	–	–	–	17	–	17	–	–
Road transport		–	32,978	–	1,814	14,542	8,244	6,298	76%	32,978
<b>Trading services</b>		–	124,637	–	9,434	24,442	31,159	(6,717)	-22%	124,637
Electricity		–	112,666	–	8,170	20,862	28,166	(7,304)	-26%	112,666
Waste management		–	11,971	–	1,264	3,580	2,993	587	20%	11,971
<b>Other</b>	4	–	–	–	–	–	–	–	–	–
<b>Total Revenue - Standard</b>	2	–	479,557	–	27,338	131,988	119,889	12,099	10%	479,557
<b>Expenditure - Standard</b>	-									
<b>Governance and administration</b>		–	183,063	–	10,252	32,696	45,766	(13,069)	-29%	183,063
Executive and council		–	44,222	–	2,849	9,813	11,056	(1,243)	-11%	44,222
Budget and treasury office		–	91,301	–	4,731	15,750	22,825	(7,075)	-31%	91,301
Corporate services		–	47,540	–	2,673	7,133	11,885	(4,752)	-40%	47,540
<b>Community and public safety</b>		–	58,121	–	4,090	10,307	14,530	(4,223)	-29%	58,121
Community and social services		–	46,819	–	3,401	8,279	11,705	(3,426)	-29%	46,819
Public safety		–	11,303	–	689	2,028	2,826	(798)	-28%	11,303

<b><i>Economic and environmental services</i></b>		–	<b>97,404</b>	–	<b>1,938</b>	<b>6,210</b>	<b>24,351</b>	(18,141)	-74%	<b>97,404</b>
Planning and development		–	17,791	–	378	2,310	4,448	(2,138)	-48%	17,791
Road transport		–	79,613	–	1,560	3,901	19,903	(16,003)	-80%	79,613
<b><i>Trading services</i></b>		–	<b>131,403</b>	–	<b>5,873</b>	<b>24,343</b>	<b>32,851</b>	(8,508)	-26%	<b>131,403</b>
Electricity		–	124,296	–	5,481	23,837	31,074	(7,237)	-23%	124,296
Waste management		–	7,107	–	392	505	1,777	(1,271)	-72%	7,107
<b><i>Other</i></b>		–	–	–	–	–	–	–		–
<b>Total Expenditure - Standard</b>	<b>3</b>	–	<b>469,992</b>	–	<b>22,153</b>	<b>73,557</b>	<b>117,498</b>	<b>(43,941)</b>	<b>-37%</b>	<b>469,992</b>
<b>Surplus/ (Deficit) for the year</b>		–	<b>9,565</b>	–	<b>5,185</b>	<b>58,432</b>	<b>2,391</b>	<b>56,040</b>	<b>2344%</b>	<b>9,565</b>

**Notes:**

- Total revenue by vote including capital transfer contribution amount to R27, 338 million
- Operational Expenditure on financial Performances is R22, 153 million.

## FINANCIAL PERFORMANCE REVENUE AND EXPENDITURE PER SOURCE

LIM334 Ba-Phalaborwa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

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		8,879	26,647	31,147	(4,500)	-14%	124,589
Service charges - electricity revenue			105,666		8,170	20,862	26,416	(5,554)	-21%	105,666
Service charges - refuse revenue			11,971		1,264	3,580	2,993	587	20%	11,971
Rental of facilities and equipment			346		27	94	86	7	9%	346
Interest earned - external investments			275		78	214	69	145	211%	275
Interest earned - outstanding debtors			70,973		5,356	16,589	17,743	(1,154)	-7%	70,973
Dividends received			3			-	1	(1)	-100%	3
Fines			2,917		27	1,804	729	1,075	147%	2,917
Licences and permits			9,399		1,576	2,291	2,350	(59)	-3%	9,399
Agency services			2,381			-	595	(595)	-100%	2,381
Transfers recognised - operational			113,160		179	45,556	28,290	17,266	61%	113,160
Other revenue			1,385		77	245	346	(101)	-29%	1,385
Gains on disposal of PPE								-		
<b>Total Revenue (excluding capital transfers and contributions)</b>			<b>443,065</b>		<b>25,633</b>	<b>117,881</b>	<b>110,766</b>	<b>7,115</b>	<b>6%</b>	<b>443,065</b>
<b>Expenditure By Type</b>										
Employee related costs	-		122,693		8,593	24,151	30,673	(6,522)	-21%	122,693
Remuneration of councillors			12,811		1,137	3,407	3,203	204	6%	12,811
Debt impairment			33,326			-	8,331	(8,331)	-100%	33,326
Depreciation & asset impairment			70,104			-	17,526	(17,526)	-100%	70,104
Finance charges			2,109		116	351	527	(177)	-34%	2,109
Bulk purchases			94,332		4,386	19,298	23,583	(4,285)	-18%	94,332
Contracted services			52,256		4,694	14,240	13,064	1,176	9%	52,256
Transfers and grants							-	-		
Other expenditure			82,362		3,227	12,109	20,590	(8,481)	-41%	82,362
Loss on disposal of PPE								-		

<b>Total Expenditure</b>		-	<b>469,992</b>	-	<b>22,153</b>	<b>73,556</b>	<b>117,498</b>	<b>(43,942)</b>	<b>-37%</b>	<b>469,992</b>
<b>Surplus/(Deficit)</b>		-	<b>(26,927)</b>	-	<b>3,480</b>	<b>44,325</b>	<b>(6,732)</b>	<b>51,057</b>	<b>(0)</b>	<b>(26,927)</b>
Transfers recognised - capital			36,492		1,705	14,107	9,123	4,984	0	36,492
<b>Surplus/ (Deficit) for the year</b>		-	<b>9,565</b>	-	<b>5,185</b>	<b>58,432</b>	<b>2,391</b>			<b>9,565</b>

**Notes:**

- Operating Revenue (excluding capital transfers and contributions) is R25, 633 million
- Transfers recognised – capital amount to R1,705 million Including VAT
- Operational Expenditure on financial Performances is R22, 153 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) - M03 September

Vote 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	1							%		
<b>Single Year expenditure appropriation</b>	2									
Vote 3 - CORPORATE SERVICES		–	5,700	–	15	36	1,425	(1,389)	-97%	5,700
Vote 6 - TECHNICAL SERVICES DEPARTMENT		–	48,092	–	1,493	12,642	12,023	619	5%	48,092
<b>Total Capital single-year expenditure</b>	4	–	53,792	–	1,509	12,677	13,448	(771)	-6%	53,792
<b>Total Capital Expenditure</b>		–	53,792	–	1,509	12,677	13,448	(771)	-6%	53,792
<b>Capital Expenditure - Standard Classification</b>										
<b>Governance and administration</b>		–	5,700	–	15	36	1,425	(1,389)	-97%	5,700
Corporate services			5,700		15	36	1,425	(1,389)	-97%	5,700
<b>Economic and environmental services</b>		–	35,492	–	1,493	9,118	8,873	245	3%	35,492
Road transport			35,492		1,493	9,118	8,873	245	3%	35,492
<b>Trading services</b>		–	12,600	–	–	3,524	3,150	374	12%	12,600
Electricity			12,600			3,524	3,150	374	12%	12,600
<b>Other</b>								–		
<b>Total Capital Expenditure - Standard Classification</b>	3	–	53,792	–	1,509	12,677	13,448	(771)	-6%	53,792
<b>Funded by:</b>										
National Government			36,492		1,493	12,436	9,123	3,313	36%	36,492
<b>Internally generated funds</b>			17,300		15	242	4,325	(4,083)	-94%	17,300
<b>Total Capital Funding</b>		–	53,792	–	1,509	12,677	13,448	(771)	-6%	53,792

**Note:**

- Capital expenditure incurred during the month of September 2015 amount to R1,509 million excluding VAT

## FINANCIAL POSITION

LIM334 Ba-Phalaborwa - Table C6 Monthly Budget Statement - Financial Position - M03 September

Description	Ref	2014/15	Budget Year 2015/16		YearTD actual	Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget		
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash			1,612		3,510	1,612
Call investment deposits			1,700		18,598	1,700
Consumer debtors			161,832		453,911	161,832
Inventory			19,500		9,500	19,500
<b>Total current assets</b>			<b>184,644</b>		<b>485,520</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>1,769,659</b>	<b>1,545,477</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Consumer deposits			1,650			1,650
Trade and other payables			5,091		39,671	5,091
Provisions						
<b>Total current liabilities</b>			<b>6,741</b>		<b>39,671</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>269,671</b>	<b>204,741</b>

<b>NET ASSETS</b>	2	-	1,340,735	-	1,499,988	1,340,735
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)						
Reserves			1,340,735		1,499,988	1,340,735
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	-	1,340,735	-	1,499,988	1,340,735

**Note:**

- The financial position shows only year to date actual

### 3. CASH FLOW

LIM334 Ba-Phalaborwa - Table C7 Monthly Budget Statement - Cash Flow - M03 September

Description	Ref	2014/15	Budget Year	Adjusted	Monthly	YearTD	YearTD	YTD	YTD	Full Year
		Audited	2015/16							
R thousands	1	Outcome	Original	Budget	actual	actual	budget	variance	%	Forecast
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates, penalties & collection charges			37,772		3,694	9,507	9,443	64	1%	37,772
Service charges			197,813		9,136	30,238	49,453	(19,215)	-39%	197,813
Other revenue			16,411		1,648	4,235	4,103	132	3%	16,411
Government - operating			113,160		-	48,024	28,290	19,734	70%	113,160
Government - capital			36,492		2,800	18,564	9,123	9,441	103%	36,492
Interest			19,504		454	1,189	4,876	(3,687)	-76%	19,504
Dividends			3		-	-	1	(1)	-100%	3
<b>Payments</b>										
Suppliers and employees			(364,453)		(18,828)	(76,791)	(91,113)	(14,322)	16%	(364,453)
Finance charges			(2,109)		(116)	(351)	(527)	(177)	34%	(2,109)
Transfers and Grants								-		
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>			<b>54,592</b>		<b>(1,212)</b>	<b>34,615</b>	<b>13,648</b>	<b>(20,967)</b>	<b>-154%</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)		(1,720)	(15,121)	(13,448)	1,673	-12%	(53,792)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>			<b>(53,792)</b>		<b>(1,720)</b>	<b>(15,121)</b>	<b>(13,448)</b>	<b>1,673</b>	<b>-12%</b>	<b>(53,792)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans								-		

Borrowing long term/refinancing					3,615	(17,835)		-	#DIV/0!	
Increase (decrease) in consumer deposits								(17,835)		
<b>Payments</b>										
Repayment of borrowing								-		
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		-	-	-	<b>3,615</b>	<b>(17,835)</b>	-	<b>17,835</b>	<b>#DIV/0!</b>	-
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		-	<b>800</b>	-	<b>684</b>	<b>1,659</b>	<b>200</b>			<b>800</b>
Cash/cash equivalents at beginning:			813			1,852	813			1,852
Cash/cash equivalents at month/year end:		-	1,612	-		3,510	1,012			2,651

**Note:**

The bank shows favourable closing balance of R3, 510 million as at 30 September 2015

#### 4. DEBTORS AGE ANALYSIS

LIM334 Ba-Phalaborwa - Supporting Table SC3 Monthly Budget Statement - aged debtors - M03 September

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	6,101	2,734	1,665	1,349	885	953	1,181	25,972	40,840	30,339
Receivables from Non-exchange Transactions - Property Rates	5,185	3,687	3,377	2,667	2,585	2,726	2,407	119,926	142,560	130,312
Receivables from Exchange Transactions - Waste Management	1,046	736	692	551	544	558	490	36,703	41,319	38,846
Other	6,357	5,748	5,854	4,710	4,604	4,868	4,213	192,838	229,191	211,233
<b>Total By Income Source</b>	<b>18,687</b>	<b>12,905</b>	<b>11,588</b>	<b>9,277</b>	<b>8,618</b>	<b>9,105</b>	<b>8,292</b>	<b>375,440</b>	<b>453,911</b>	<b>410,730</b>
<b>2014/15 - totals only</b>									-	-
<b>Debtors Age Analysis By Customer Group</b>										
Organs of State	701	763	845	201	157	162	195	6,815	9,839	7,530
Commercial	3,088	2,077	2,254	1,181	1,123	938	1,091	53,846	65,598	58,179
Households	13,574	9,491	7,946	7,560	7,012	7,592	6,661	310,145	369,981	338,970
Other	1,324	574	544	335	327	413	344	4,633	8,493	6,051
<b>Total By Customer Group</b>	<b>18,687</b>	<b>12,905</b>	<b>11,588</b>	<b>9,277</b>	<b>8,618</b>	<b>9,105</b>	<b>8,292</b>	<b>375,440</b>	<b>453,911</b>	<b>410,730</b>

**Note:**

- The Debtor's age analysis shows a total figure of R453, 911 million from 30 days to over a year.

## 5. CREDITORS AGE ANALYSIS

LIM334 Ba-Phalaborwa - Supporting Table SC4 Monthly Budget Statement - aged creditors - M03 September

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	7,702	5,538							13,240	
Trade Creditors	0700	8,440	765	129	612					9,946	
Auditor General	0800									-	
Other	0900									-	
<b>Total By Customer Type</b>	<b>1000</b>	<b>16,142</b>	<b>6,303</b>	<b>129</b>	<b>612</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,186</b>	<b>-</b>

### Notes:

- The creditor's age analysis shows a total figure of R21,186 million

## 6. INVESTMENT PORTFOLIO

LIM334 Ba-Phalaborwa - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M03 September

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>									
<b>Municipality</b>									
ABSA - Call Account			Fixed deposit				93	-	93
Call deposit a/c - STD Bank			Call Account				22,120	(3,615)	18,505
<b>TOTAL INVESTMENTS AND INTEREST</b>	<b>2</b>				<b>-</b>		<b>22,213</b>	<b>(3,615)</b>	<b>18,598</b>

### Notes:

Total Investment is standing at R18, 598 million as at 30 September 2015.

## 7. TRANSFERS AND GRANT EXPENDITURES

LIM334 Ba-Phalaborwa - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M03 September

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	-	179	45,556	28,290	17,266	61.0%	113,160
Local Government Equitable Share			107,805			44,919	26,951	17,968	66.7%	107,805
Finance Management			1,675		96	287	419	(132)	-31.5%	1,675
Municipal Systems Improvement			940			-	235	(235)	-100.0%	940
EPWP Incentive			1,188		83	159	297	(138)	-46.5%	1,188
Operating Grant: MIG (5% of MIG Grants for PMU)			1,552			176	388	(212)	-54.7%	1,552
OP GR : SITA			-			15	-	15	#DIV/0!	-
<i>[insert description]</i>								-		
<b>Total operating expenditure of Transfers and Grants:</b>		-	113,160	-	179	45,556	28,290	17,266	61.0%	113,160
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>										
		-	36,492	-	1,705	14,107	9,123	4,984	54.6%	36,492
Municipal Infrastructure Grant (MIG)			29,492		1,705	14,107	7,373	6,734	91.3%	29,492
Intergrated National Electrification Grant			7,000			-	1,750	(1,750)	-100.0%	7,000
								-		
<b>Total capital expenditure of Transfers and Grants</b>		-	36,492	-	1,705	14,107	9,123	4,984	54.6%	36,492
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		-	149,652	-	1,884	59,663	37,413	22,250	59.5%	149,652

**Notes:**

- The monthly operating transfers and grants expenditure is R179 thousand
- Capital transfers and grants expenditure for the month of September 2015 is R1,705 million

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

LIM334 Ba-Phalaborwa - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M03 September

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><u>Councillors (Political Office Bearers plus Other)</u></b>										
Basic Salaries and Wages			8,874		836	2,518	2,219	299	13%	8,874
Motor Vehicle Allowance			3,109		238	701	777	(76)	-10%	3,109
Cellphone Allowance			828		63	188	207	(19)	-9%	828
<b>Sub Total - Councillors</b>			<b>12,811</b>		<b>1,137</b>	<b>3,407</b>	<b>3,203</b>	<b>204</b>	<b>6%</b>	<b>12,811</b>
<b>% increase</b>	4	-	<b>#DIV/0!</b>	-						<b>#DIV/0!</b>
<b><u>Senior Managers of the Municipality</u></b>	3									
Basic Salaries and Wages			3,797		138	552	949	(397)	-42%	3,797
Pension and UIF Contributions			11		0	1	3	(1)	-55%	11
Motor Vehicle Allowance			2,448		63	228	612	(384)	-63%	2,448
Cellphone Allowance			86		2	8	21	(14)	-65%	86
Other benefits and allowances			780		18	43	195	(152)	-78%	780
<b>Sub Total - Senior Managers of Municipality</b>			<b>7,121</b>		<b>221</b>	<b>832</b>	<b>1,780</b>	<b>(949)</b>	<b>-53%</b>	<b>7,121</b>
<b><u>Other Municipal Staff</u></b>										
Basic Salaries and Wages			73,101		5,192	15,463	18,275	(2,813)	-15%	73,101
Pension and UIF Contributions			14,153		1,078	3,091	3,538	(447)	-13%	14,153
Medical Aid Contributions			4,567		363	1,029	1,142	(113)	-10%	4,567
Overtime			4,153		192	271	1,038	(767)	-74%	4,153
Motor Vehicle Allowance			12,974		775	2,293	3,243	(950)	-29%	12,974
Cellphone Allowance			1,044		71	204	261	(58)	-22%	1,044

Housing Allowances			913		91	193	228	(35)	-15%	913
Other benefits and allowances			4,004		399	760	1,001	(241)	-24%	4,004
Long service awards			662		212	312	165	147	89%	662
<b>Sub Total - Other Municipal Staff</b>		-	<b>115,571</b>	-	<b>8,372</b>	<b>23,616</b>	<b>28,893</b>	<b>(5,277)</b>	<b>-18%</b>	<b>115,571</b>
<b>Total Parent Municipality</b>		-	<b>135,503</b>	-	<b>9,730</b>	<b>27,855</b>	<b>33,876</b>	<b>(6,021)</b>	<b>-18%</b>	<b>135,503</b>
<b>Total Municipal Entities</b>		-	-	-	-	-	-	-		-
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		-	<b>135,503</b>	-	<b>9,730</b>	<b>27,855</b>	<b>33,876</b>	<b>(6,021)</b>	<b>-18%</b>	<b>135,503</b>
<b>TOTAL MANAGERS AND STAFF</b>		-	<b>122,693</b>	-	<b>8,593</b>	<b>24,448</b>	<b>30,673</b>	<b>(6,225)</b>	<b>-20%</b>	<b>122,693</b>

**Notes:**

- Political office bearer's remunerations for the month of September amounted to R1, 137 million
- Employee related costs R8, 593 million
- The municipality has total employee related cost & Remuneration of councillors of R9, 730 million for the month of September 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 - M03 September

Description	Ref	Budget Year 2015/16											
		July Outcome	August Outcome	Sept Outcome	October Budget	Nov Budget	Dec Budget	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget
<b>R thousands</b>	1												
<b>Cash Receipts By Source</b>													
Property rates		2,808	3,005	3,694	3,583	3,375	2,765	2,765	3,366	2,542	3,154	2,544	4,170
Service charges - electricity revenue		3,683	6,159	3,736	4,211	6,069	3,404	3,404	5,398	7,389	5,834	5,944	24,019
Service charges - water revenue		3,111	6,065	4,329	8,819	2,571	5,669	5,669	8,135	7,389	3,238	3,209	2,410
Service charges - sanitation revenue		596	608	594	3,599	4,492	4,472	4,472	3,670	4,304	4,109	3,296	14,758
Service charges - refuse		425	455	477	486	371	339	339	1,480	458	452	452	3,245
Rental of facilities and equipment		29	38	27	22	22	21	20	21	23	23	23	78
Interest earned - external investments		53	83	78	19	29	28	17	26	25	26	16	(126)
Interest earned - outstanding debtors		326	229	376	329	330	330	330	331	329	326	329	15,663
Dividends received		-	-	-	0	0	0	0	0	0	0	0	1
Fines		1,772	5	27	234	231	232	230	233	235	234	233	(916)
Licences and permits		175	541	1,576	459	561	462	763	1,163	964	866	1,165	848
Agency services		-	-	-	198	196	195	194	193	193	194	195	827
Transfer receipts - operating		47,549	475	-	-	37,720	-	-	-	37,720	-	-	(10,304)
Other revenue		59	14	18	77	77	78	79	76	74	75	76	683
<b>Cash Receipts by Source</b>		<b>60,585</b>	<b>17,676</b>	<b>14,932</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>55,357</b>
<b>Other Cash Flows by Source</b>													-
Transfer receipts - capital		15,764		2,800		12,164				12,164			(6,400)
<b>Total Cash Receipts by Source</b>		<b>76,349</b>	<b>17,676</b>	<b>17,732</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>48,957</b>
													-

<b>Cash Payments by Type</b>													-
Employee related costs	8,024	7,535	8,593	10,604	10,621	10,636	10,660	10,681	10,694	10,540	10,591	13,513	
Remuneration of councillors	1,150	1,120	1,137	1,157	1,158	1,159	1,159	1,161	1,165	1,163	1,167	115	
Interest paid	69	166	116	77	79	78	79	80	79	76	75	1,136	
Bulk purchases - Electricity	15,000	5,500	5,000	6,413	7,446	7,492	7,388	5,369	8,351	8,348	8,325	9,700	
Contracted services	3,193	2,652	1,462	3,210	4,171	4,060	4,089	2,120	4,155	4,182	7,199	13,763	
General expenses	13,515	276	2,636	3,391	6,441	6,592	6,562	3,529	6,510	6,590	6,523	17,796	
<b>Cash Payments by Type</b>	<b>40,951</b>	<b>17,248</b>	<b>18,943</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>56,024</b>	-
<b>Other Cash Flows/Payments by Type</b>													
Capital assets	13,387	14	1,720	2,127	4,156	4,021	5,015	2,004	5,116	4,009	5,011	7,213	
Repayment of borrowing													-
Other Cash Flows/Payments	21,450		(3,615)									(17,835)	
<b>Total Cash Payments by Type</b>	<b>75,788</b>	<b>17,262</b>	<b>17,048</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>45,402</b>	-
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>561</b>	<b>415</b>	<b>684</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>3,554</b>	
Cash/cash equivalents at the month/year beginning:	1,852	2,412	2,827	3,510	(1,433)	32,703	16,662	(6)	(858)	36,881	20,506	(903)	
Cash/cash equivalents at the month/year end:	2,412	2,827	3,510	(1,433)	32,703	16,662	(6)	(858)	36,881	20,506	(903)	2,651	

## Notes

Total actual cash receipts for the month amount to R17, 742 million. This total is including Water and sanitation service charges.

While the total actual cash-payments made for the month amount to R20, 663 million. Transferred R3,6 million from call account to main account. The closing balance on the primary bank account shows favourable bank balance of R3, 510 million

## 10.CAPITAL EXPENDITURE TREND

LIM334 Ba-Phalaborwa - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M03 September

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>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		1,509	12,677	13,448	771	5.7%	24%
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>12,677</b>					

### Notes:

- Capital expenditure incurred during the month of September 2015 amount to R1,509 million excluding VAT.

**11.BANK RECONCILIATION**

BA-PHALBORWA MUNICIPALITY  
TRANSACTION STATEMENT FOR SEPTEMBER 2015

ACC: 330451367

Statement Description	Statement Amt
Outstanding C/F	2,826,829.44
Current - Cheques	-66,170.70
Current - ACBs	-12,200,494.78
Current - ACB Rejects	-
Current - Deposits	7,278,569.94
Current - RD Cheques	-8,189.94
Current - Redeposits	-
Current - Transfers	11,359,398.10
Current- Other Transfers	-5,636,391.53
Current - Bank Charges	-43,059.20
Current - Already Reconciled	-
Current - C/F	3,510,491.33

**Notes**

- The closing balance as at 30 September 2015 is R3,510 million

## 12.RECOMMENDATIONS

### a. That the following be noted:

- 1) The financial report for the period ended 30 September 2015 **excluding Water and Waste Water management**
- 2) The summary of monthly budget statement report for the month ended 30 September 2015
- 3) The financial performance for the month ended 30 September 2015
- 4) The financial position as at 30 September 2015
- 5) The actual operating revenue (as per GRAP) for the month ended 30 September 2015 is 25, 633 million
- 6) Revenue Capital Contribution recognised is R1,705 Including VAT
- 7) Operational Expenditure on financial Performances is R22, 153 million.
- 8) Capital Expenditure incurred during the month ended 30 September 2015 amount to R1,509 million excluding VAT
- 9) The municipality received an INEG Grant of R2,800 million during the month of September 2015

- 10) Consolidated call deposit accounts held at STD Bank and ABSA closed with a balance of R18,598 million on 30 September 2015
- 11) That councillors and Staff Benefits for September 2015 amount to R9,730 million be approved
- 12) Municipal Primary Bank reconciliation closed with a positive balance of R3,510 million as at 30 September 2015