

MONTHLY BUDGET STATEMENT: 30 APRIL 2017

MUNICIPAL FINANCE MANAGEMENT ACT NO.56 of 2003(MFMA): MONTHLY FINANCIAL REPORT FOR APRIL 2017 (MONTHLY BUDGET STATEMENT)

1. PURPOSE

To comply with section 71 of the MFMA, by the provision of a statement to the Executive Mayor containing certain financial particulars, as legislated.

2. BACKGROUND

Section 71 of the MFMA requires that:

The accounting officer of a Municipality must by no later than **10 working days** after the end of each month submit to the **Mayor of the municipality**, and the relevant **National and Provincial Treasury**, a statement in the prescribed format on the state of the municipality's budget reflecting certain particulars for that month and for the financial year up to the end of that month.

3. APRIL 2017 REPORT

The financial results for the period ended 30 April 2017 are summarized as follows:

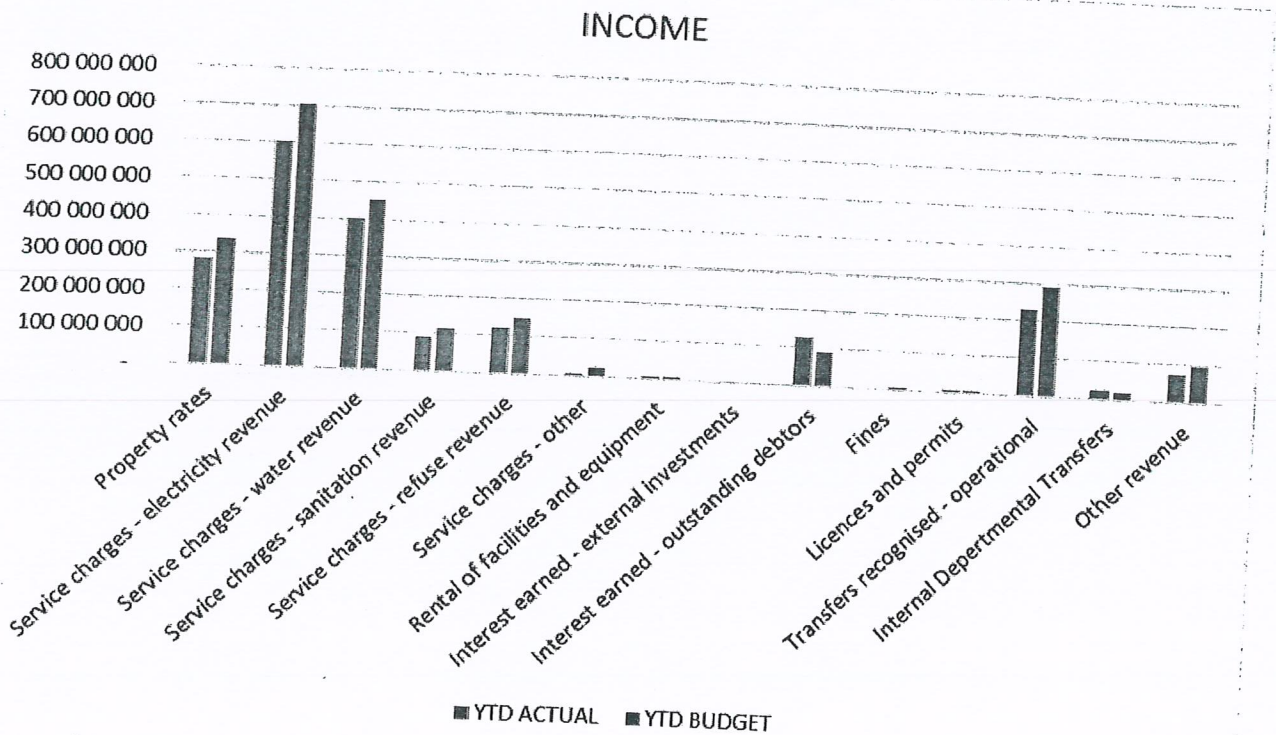
Statement of Financial Performance (SFP)

The SFP shown in Annexure A is prepared on a similar basis to the prescribed budget format, detailed revenue by source type and expenditure by category.

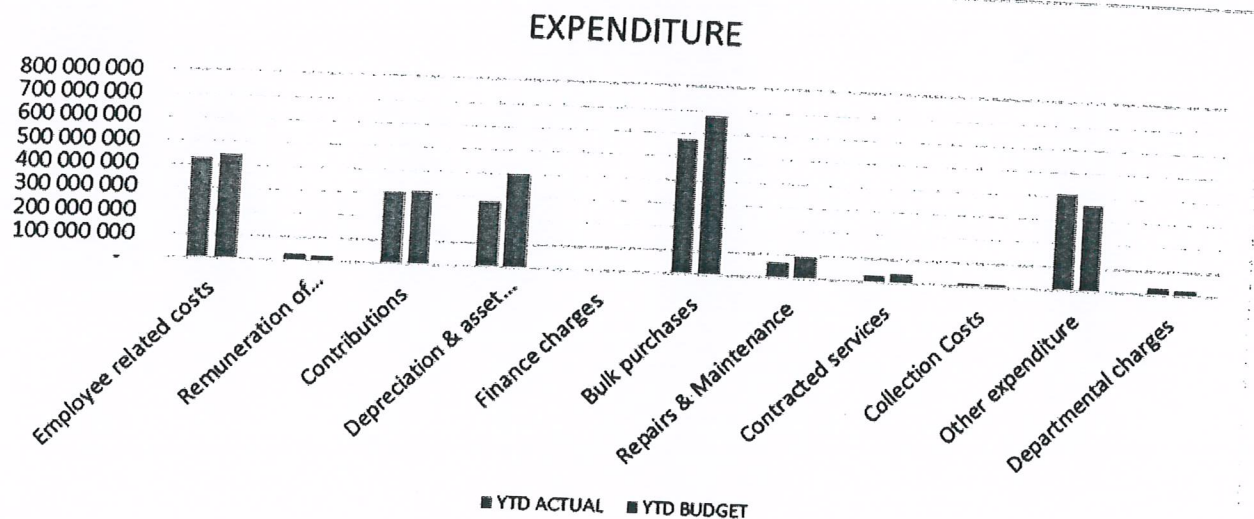
The summary report indicates the following:

Summary statement of Financial Performance				
Description	YTD Budget 2016/17	April Actual 2016/17	YTD Actual 2016/17	Variance Favourable (Unfavourable)
Total Revenue by Source	(2,125,476,752)	(146,954,677)	(1,903,948,856)	(221,527,895)
Total Operating Expenditure	2,196,464,057	205,006,884	2,072,554,813	123,909,243
(SURPLUS)/ DEFICIT	70,987,305	58,052,207	168,605,957	(97,618,652)

YTD Actual Income vs YTD Budget Income



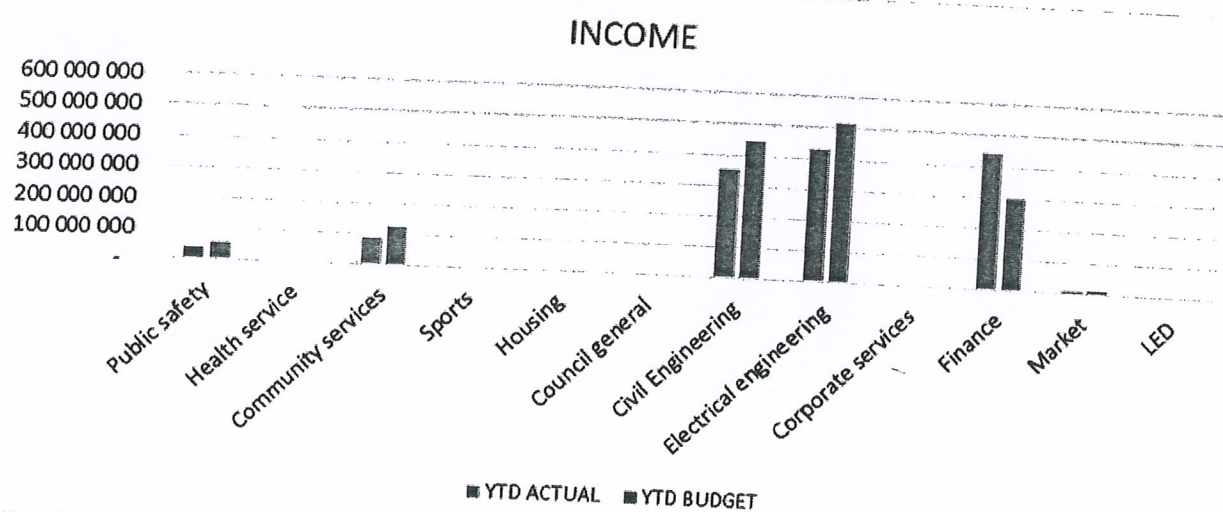
YTD Actual Expenditure vs YTD Budget Expenditure



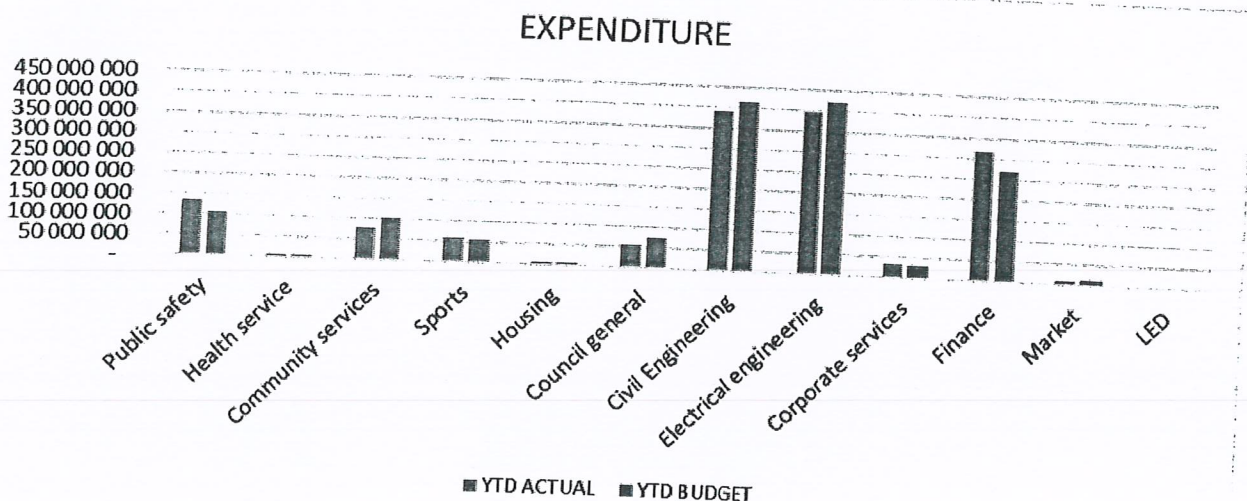
Variances Budget versus Actuals

- Repairs & Maintenance - Low expenditure due to cost containment and cash flow constrains
- Contracted Services - Low expenditure due to cost containment and cash flow constrains
- Collection cost(Corperate service - Due to the accrual of previous financial year to be Corrected.

Operating Income per department



Operating Expenditure per department



GRANTS AND SUBSIDIES

Operational allocation/ Grant received

DESCRIPTION	BUDGET 2016/17	APRIL RECEIVED 2016/17	YTD ACTUAL RECEIVED 2016/17	YTD%
Equitable shares grants	342,855,000	0	341,212,000	99.52%
Finance Management grant	1,810,000	0	1,810,000	100%
Improvement of Library services	1,100,000	0	1,100,000	100%
Museum/ Grant research and development	250,000	0	250,000	100%
PMU	3,598,100	0	3,598,100	100%
EPWP	1,658,000		1,656,000	99.88%
TOTAL	351,271,100	0	349,626,100	99.53%

Operational Grant spending

DESCRIPTION	BUDGET 2016/17	APRIL Spending 2016/17	YTD ACTUAL 2016/17	YTD%
Equitable shares grants	342,855,000	28,160,500	285,301,750	83%
Finance Management grant	1,810,000	81,310	658,954	36%
Improvement of Library services	1,100,000	25,506	181,922	17%
Museum/ Grant research and development	250,000	0	0	0%
PMU	3,598,100	204,386	2,500,013	69%
EPWP	1,658,000	0	1,653,277	99%
TOTAL	351,271,100	28,471,702	290,295,916	83%

CAPITAL GRANT RECEIVED

DESCRIPTION	BUDGET	APRIL RECEIVED 2016/17	YTD ACTUAL RECEIVED	YTD%
MIG	79,193,900	0	79,193,900	100%
NDPG	35,325,000	0	35,325,000	100%
INEP	10,800,000	0	10,800,000	100%
PMU	570,000	0	570,000	100%
PIG -SEWER	0	0	0	0
TOTAL	125,888,900	0	125,888,900	100%

CAPITAL GRANT SPENDING

DESCRIPTION	BUDGET	APRIL SPENDING 2016/17	YTD ACTUAL	YTD%
NDPG	26,052,000	0	15,748,242	60%
INEP	16,800,000	5,003,196	10,006,392	60%
PMU	570,000	12,000	12,000	2%
PIG -SEWER	0	0	0	0%

Cash Flow Statement (Annexure B)

- Total cash receipts by source reflect an amount of R 103.8 million, for the month of April 2017.
- Total cash payments indicate an amount of R 148.9 million for the month of April 2017.

Capital expenditure report (Annexure C)

The summary report indicates the following:

Summary statement of Capital Expenditure				
Description	YTD Budget	March Actual 2017	YTD Actual	Variance Favourable (Unfav)
Total Capital Expenditure	149,176,293	12,562,098	94,516,764	(54,659,529)
Capital funding				
National government	105,176,293	11,363,727	72,303,855	(32,872,439)
Provincial Government	-	-	-	-
District Municipality	-	-	-	-
Borrowing	-	-	-	-
Internal Generated fund	44,000,000	1,198,371	22,212,910	(21,787,090)
Financial Total	149,176,293	12,562,098	94,516,765	(54,659,528)

- Capital spending of 53% is lower than the 83% pro-rata.

MIG Spending

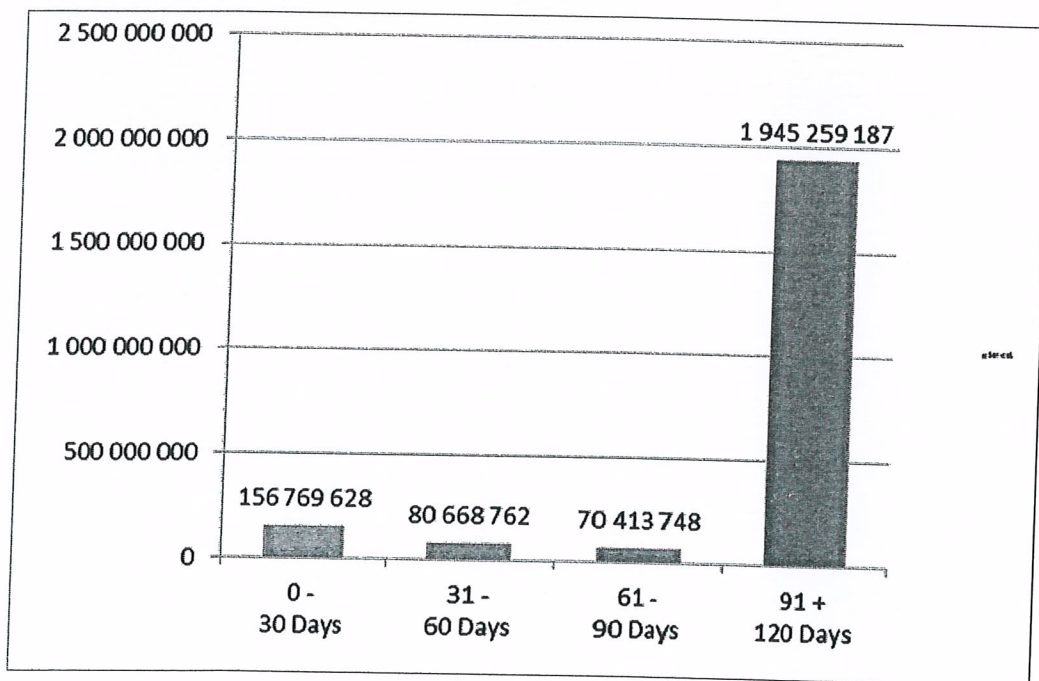
BUDGET	APRIL RECEIVED	SPENDING YTD	YTD RECEIVED	%SPENDING
79,193,900	14,581,900	57,292,852	79,193,900	72.35%

Outstanding Debtors report (Annexure D)

This graph provides an extended aged analysis, as well as debtor's type. The summary report indicates that the debtor's greater than 30 days (31-90+days) balance as at 30 April 2017 amounts to R 2.096 billion.

A detailed Age Analysis is on annexure D.

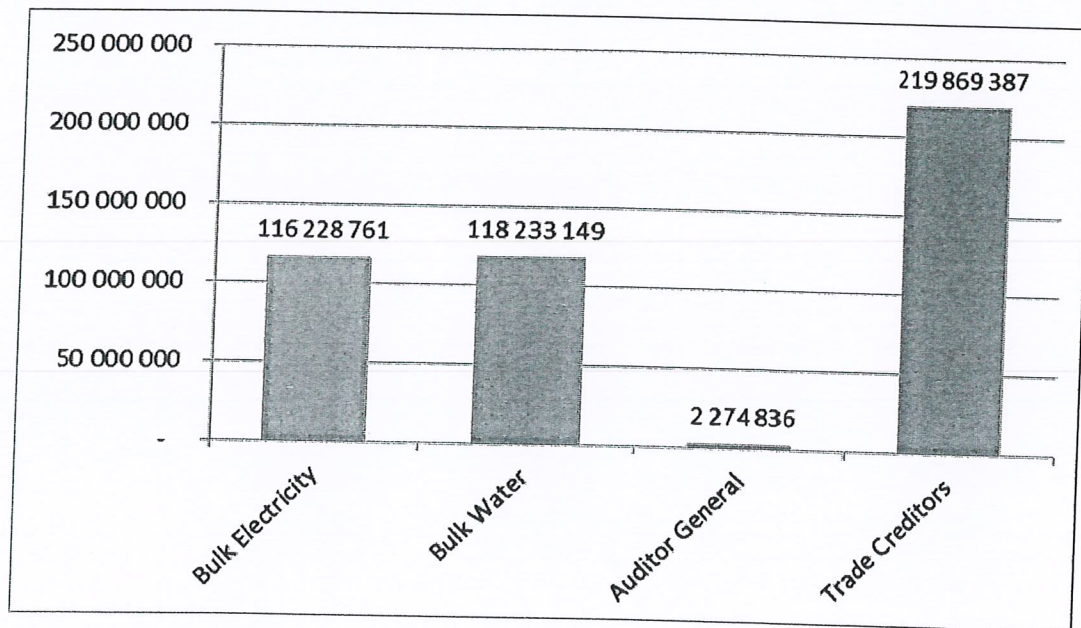
Debtors by Customer group – 30 April 2017



- Debtors' book has increased by R26 million as compared to the previous month.
- Council currently has a 120-day plan in operation to reduce the outstanding debt and Top Management is currently investigating ways to request Eskom to assist with the collections.

Outstanding Creditors report (Annexure E)

This graph provides an extended aged analysis, as well as creditor's type. The detailed Age Analysis are on Annexure E.



Outstanding creditors has decreased by R 19.4 million compared to the previous months.

Investment Portfolio (Annexure F)

The table indicates the status of the investment portfolio which amounts to **R 125,533,811** as at 30 April 2017.

Investments					
Institution	Fixed	Call	Long Term	Collateral	Total
	R	R	R	R	R
ABSA		92,251,431			92,251,431
FNB			99,413		99,413
Investec		5,490,644			5,490,644
Nedcor				19,875,074	19,875,074
Sanlam (Policy)	7, 817,248				7,817,248
	7,817,248	97,742,076	99,413	19,875,074	125,533,811

ANNEXURE G (BORROWINGS)

The total amount outstanding on external loans at the end of April 2017 amount to R72,814,561.

ANNEXURE I

RATIOS

FINANCIAL IMPLICATIONS

The report covers the period from 1 July 2016 to 30 April 2017. The actual income and expenditure that appears in "Annexure A" reflects details that relates to the actual expenditure, and actual revenue for that period. Year to date actual revenue of R 1,903 billion is less than projected of R 2,125 billion YTD budget (Pro-rata) and vary by R 221,528 million.

Year to date actual expenditure of R 2.072 billion is less than projected expenditure of R 2,196 billion YTD budget (Pro-rata) and vary by R 123,909 million.

RECOMMENDATION

That the Accounting Officer submits to the Executive Mayor this report as per section 71 of the MFMA.

ANNEXURE A - FINANCIAL PERFORMANCE

Budgeted Financial Performance (revenue and expenditure) - April 2017

Current Year 2016/17

Description	Adjusted Budget	April Actual	YTD ACTUAL	YTD BUDGET	Variance	YTD %	Variance%
Revenue By Source							
Property rates	(402 854 889)	(14 714 163)	(282 545 558)	-335 712 408	53 166 849	70.14	(15.84)
Service charges - electricity revenue	(846 167 442)	(55 177 366)	(602 388 224)	-705 139 535	102 751 311	71.19	(14.57)
Service charges - water revenue	(545 280 756)	(37 669 280)	(403 136 216)	-454 400 630	51 264 414	73.93	(11.28)
Service charges - sanitation revenue	(139 240 341)	(7 665 514)	(89 829 328)	-116 033 618	26 204 290	64.51	(22.58)
Service charges - refuse revenue	(179 039 257)	(11 961 723)	(121 364 658)	-149 199 381	27 834 723	67.79	(18.66)
Service charges - other	(29 408 463)	(1 119 898)	(5 707 946)	-24 507 053	18 799 106	19.41	-
Rental of facilities and equipment	(6 934 038)	(401 399)	(4 921 393)	-5 778 365	856 972	70.97	(14.83)
Interest earned - external investments	(2 108 000)	29 000	(2 498 821)	-1 756 667	(742 154)	118.54	42.25
Interest earned - outstanding debtors	(108 765 332)	(14 208 264)	(129 715 762)	-90 637 777	(39 077 985)	119.26	43.11
Fines	(7 086 098)	(276 861)	(1 215 807)	-5 905 082	4 689 275	17.16	(79.41)
Licences and permits	(7 700 637)	(527 237)	(6 170 949)	-6 417 198	246 249	80.14	(3.84)
Transfers recognised - operational	(351 271 100)	-	(230 848 143)	-292 725 917	61 877 773	65.72	(21.14)
Internal Departmental Transfers	(25 122 023)	(2 571 340)	(24 416 163)	-20 935 019	(3 481 144)	97.19	16.63
Other revenue	(117 267 858)	(6 679 767)	(74 767 220)	-97 723 215	22 955 995	63.76	(23.49)
Gains on disposal of PPE		-	-	0	-		
Total Revenue	(2 768 246 234)	(152 943 812)	(1 979 526 190)	(2 306 871 862)	327 345 672	71.51	(14.19)
Expenditure By Type							
Employee related costs	529 439 654	43 181 365	424 765 560	441 199 712	16 434 152	80.23	3.72
Remuneration of councillors	25 138 051	6 073 050	23 833 634	20 948 376	(2 885 258)	94.81	(13.77)
Contributions	372 022 590	30 626 883	306 268 825	310 018 825	3 750 000	82.33	1.21
Depreciation & asset impairment	476 888 007	-	275 883 767	397 406 673	121 522 906	57.85	30.58
Finance charges	14 180 861	227 991	7 290 977	11 817 384	4 526 407	51.41	38.30
Bulk purchases	811 802 286	63 416 296	573 585 973	676 501 905	102 915 932	70.66	15.21
Repairs & Maintenance	111 394 829	9 403 842	66 389 896	92 829 024	26 439 128	59.60	28.48
Contracted services	46 647 745	3 965 085	25 360 567	38 873 121	13 512 554	54.37	34.76
Collection Costs	13 558 025	1 372 114	11 655 894	11 298 354	(357 540)	85.97	(3.16)
Other expenditure	425 546 954	50 155 981	408 195 842	354 622 462	(53 573 381)	95.92	(15.11)
Departmental charges	26 811 998	2 573 414	24 910 818	22 343 332	(2 567 486)	92.91	(11.49)
Internal recoveries(amount charge out)			(9 606)	-	9 606		
Total Expenditure	2 853 431 000	210 996 019	2 148 132 147	2 377 859 167	229 727 020	75.28	9.66
(Surplus)/Deficit	85 184 766	58 052 207	168 605 957	70 987 305	97 618 652		
TOTAL REVENUE	(2 768 246 234)	(152 943 812)	(1 979 526 190)	(2 306 871 862)	(327 345 672)	71.51	14.19
LESS REVENUE FOREGONE	217 674 132	5 989 135	75 577 333	181 395 110	105 817 777	34.72	58.34
Income forgone on assessment rate	64 190 148	3 461 671	63 762 594	53 491 790	(10 270 804)	99.33	(19.20)
Income forgone on other	153 483 984	2 527 464	11 814 740	127 903 320	116 088 580		
TOTAL INCOME	(2 550 572 102)	(146 954 677)	(1 903 948 856)	(2 125 476 752)	(221 527 895)	74.65	10.42
Total expenditure after deduct reven	2 635 756 868	205 006 884	2 072 554 813	2 196 464 057	123 909 243	78.63	5.64
TOTAL EXPENDITURE	2 853 431 000	210 996 019	2 148 132 147	2 377 859 167	229 727 020	75.28	9.66
Revenue foregone	(217 674 132)	(5 989 135)	(75 577 333)	(181 395 110)	(105 817 777)	34.72	58.34
(Surplus)/ Deficit for the year	302 858 898	58 052 207	168 605 957	70 987 305	(97 618 652)	55.67	23.44

OPERATING INCOME PER DEPARTMENT AS AT APRIL 2017

DESCRIPTION	ADJUSTED	APRIL	YTD ACTUAL	YTD BUDGET	VARIANCE	VARIANC	YTD %
Public safety	96 180 416	5 027 288	57 490 067	80 150 347	(22 660 280)	-28.27	59.77
Health service	318 000	29 555	64 720	265 000	(200 280)	-	20.35
Community services	218 458 879	12 470 503	126 881 055	182 049 066	(55 168 011)	-30.30	58.08
Sports	2 238 260	166 911	1 260 029	1 865 217	(605 187)	-32.45	56.30
Housing	2 166 080	89 439	1 048 346	1 805 067	(756 720)	-41.92	48.40
Council general	3 286 000	159 155	1 667 819	2 738 333	(1 070 514)	-39.09	50.76
Civil Engineering	772 799 736	43 473 387	489 689 331	643 999 780	(154 310 449)	-23.96	63.37
Electrical engineering	891 329 020	57 122 124	622 616 072	742 774 183	(120 158 112)	-16.18	69.85
Corporate services	4 583 350	17 345	155 386	3 819 458	(3 664 072)	-95.93	3.39
Finance	539 225 890	26 742 739	587 308 190	449 354 908	137 953 281	30.70	108.92
Market	19 980 890	1 656 231	15 765 693	16 650 742	(885 049)	-5.32	78.90
LED	5 581		2 150	4 651	(2 501)	-	38.52
TOTAL	2 550 572 102	146 954 677	1 903 946 857	2 125 476 752	(221 527 894)	-10.42	74.65

OPERATING EXPENDITURE PER DEPARTMENT

DESCRIPTION	ADJUSTED	APRIL	YTD ACTUAL	YTD BUDGET	VARIANCE	VARIANC	YTD %
Public safety	203 295 430	11 095 843	169 905 489	169 412 658	492 831	0.29	83.58
Health service	11 023 939	439 234	7 122 376	9 186 616	(2 064 239)	-22.47	64.61
Community services	162 267 658	15 808 726	123 867 291	135 223 048	(11 355 757)	-8.40	76.34
Sports	107 890 796	5 064 173	73 868 317	89 908 997	(16 040 680)	-17.84	68.47
Housing	11 360 810	661 373	7 872 401	9 467 175	(1 594 774)	-16.85	69.30
Council general	132 540 070	13 400 211	93 822 883	110 450 058	(16 627 175)	-15.05	70.79
Civil Engineering	798 881 262	24 732 138	498 140 505	665 734 385	(167 593 880)	-25.17	62.35
Electrical engineering	783 670 138	66 506 323	561 517 275	653 058 448	(91 541 173)	-14.02	71.65
Corporate services	62 423 459	4 605 223	47 279 637	52 019 549	(4 739 912)	-9.11	75.74
Finance	547 514 383	60 758 359	467 875 582	456 261 986	11 613 596	2.55	85.45
Market	22 695 099	1 451 452	15 885 628	18 912 583	(3 026 955)	-16.00	70.00
LED	9 868 156	483 829	5 397 431	8 223 463	(2 826 033)	-34.37	54.70
TOTAL	2 853 431 000	206 006 884	2 072 554 815	2 196 464 057	(123 909 242)	-5.64	72.63
Surplus/Deficit	(302 858 898)	(58 052 207)	(168 605 957)	(70 987 305)	(97 618 652)	-	-

GRANTS AND SUBSIDIES - APRIL 2017
Operational allocation/grant received

Equitable shares grants
Finance Management Grant
Improvement of library services
Museum/Grant research and developme
PMU
EPWP (arbour week)

ADJUSTED	APRL	YTD RECEIVED	YTD%
342 855 000	-	341 212 000	99.52
1 810 000	-	1 810 000	100.00
1 100 000	-	1 100 000	100.00
250 000	-	250 000	100.00
3 598 100	-	3 598 100	100.00
1 658 000	-	1 656 000	99.88
351 271 100	-	349 626 100	99.53

CAPITAL GRANT RECEIVED

MIG
NDPG
DME/INER
PIG-SEWER
PMU

79 193 900	-	79 193 900	100.00
35 325 000	-	35 325 000	100.00
10 800 000	-	10 800 000	100.00
-	-	-	-
570 000	-	570 000	100.00
125 888 900	-	125 888 900	100.00

ANNEXURE B
Cash Flow Statement for the month of April 2017

Cash Receipts by Source	March 2017	April 2017
Property rates	19 258 553	16 144 846
Service charges - electricity revenue	50 602 274	38 417 282
Service charges - water revenue	20 199 505	15 735 982
Service charges - sanitation revenue	5 433 263	4 160 050
Service charges - refuse revenue	4 663 620	3 737 566
Service charges - other	21 106 530	15 238 507
Rental of facilities and equipment	215 180	164 536
Interest earned - external investments	5 656	6 565
Interest earned - outstanding debtors	-	-
Fines	174 485	305 248
Licences and permits	624 837	509 009
Transfer receipts - operational grants	91 112 100	-
Other revenue	18 063 542	9 433 938
Cash Receipts by Source	231 459 545	103 853 529
Transfer receipts - capital grants	35 202 900	-
Proceeds on disposal of PPE	-	-
Total Cash Receipts by Source	266 662 445	103 853 529
Proceeds on disposal of PPE	-	-
Short term loan	-	-
Borrowing long term/ Refinancing	(3 071 916)	-
Increase (decrease) in consumer deposits	69 205	-
Decrease (increase) in non - current debtors	-	-
Decrease (increase) in non - current	-	-
Decrease (increase) in non- current investment	2 104	-
Total Cash Receipts by Source	263 661 838	103 853 529
Cash Payments by Type		
Employee related costs	44 677 800	43 181 365
Remuneration of councillors	2 107 568	6 073 050
Collection costs	-	298 556
Interest paid	1 750 407	227 991
Bulk purchases - Electricity	32 373 627	56 938 530
Bulk purchases - Water	23 665 192	6 140 351
Repairs and maintenance	5 516 640	3 689 643
Contracted services	2 939 032	3 939 564
General expenses	44 966 835	15 457 657
Cash Payments by Type	157 997 101	135 946 707
Other Cash Flows/Payments by Type		
Capital assets	5 143 772	12 562 098
Repayment of borrowing	4 822 323	391 412
Other Cash Flows/Payments	9 966 095	12 953 510
Investment	-	-
Total Cash Payments by Type	167 963 196	148 900 217
Net increase/(decrease) in cash held	95 698 642	(45 046 688)
Cash/ cash equivalent at the month begin	55 822 846	151 521 489
Cash/ cash equivalent at the month end	151 521 489	106 474 801

ANNEXURE C CAPITAL EXPENDITURE

NW403 City Of Matlosana - Budgeted Capital Expenditure - April 2017

	Adjusted Budget	April 2017	YTD Actual	YTD Budget	Variance	YTD %
Capital Expenditure						
Council General	7 300 000	1 198 371	3 569 461	6 083 333	(2 513 872)	48.90
Council General Admin	7 300 000	1 198 371	3 569 461	6 083 333	(2 513 872)	48.90
Municipal & Environmental Services	10 280 231	3 171 874	3 994 675	8 566 859	(4 572 184)	38.86
Community and social services			-	-	-	-
Sport and recreation	9 193 650	3 171 874	3 994 675	7 661 375	(3 666 700)	43.45
Refuse removal		-	-	-	-	-
Public Safety	386 581	-	-	322 151	(322 151)	-
Health		-	-	-	-	-
Cemetery	700 000		-	583 333	(583 333)	-
Finance	5 000 000		-	4 166 667	(4 166 667)	-
ICT Hard/software	5 000 000		-	4 166 667	(4 166 667)	-
Macro city planning & Development	4 624 300	525 765	3 416 001	3 853 583	(437 583)	73.87
Market	4 624 300	525 765	3 416 001	3 853 583	(437 583)	73.87
Civil Services & Human Settlement	98 732 872	7 626 739	60 397 267	82 277 393	(21 880 126)	61.17
Water	27 491 330	2 845 348	11 192 981	22 909 442	(11 716 461)	40.71
Waste water management(Sewer)	19 242 929	2 868 001	12 600 670	16 035 774	(3 435 105)	65.48
Roads	51 998 613	1 913 390	36 603 616	43 332 178	(6 728 561)	70.39
Housing		-	-	-	-	-
PMU Unit		-	-	-	-	-
Pumping side		-	-	-	-	-
Electrical & Mechanical Engineering	53 074 149	39 348	23 139 361	44 228 458	(21 089 097)	43.60
Electrical	53 074 149	39 348	23 139 361	44 228 458	(21 089 097)	-
Total Capital Expenditure	179 011 552	12 562 097	94 516 764	149 176 293	(54 659 529)	52.80

CAPITAL FUNDING

National government	126 211 552	11 363 727	72 303 855	105 176 293	(32 872 439)	57.29
Provincial government	-	-	-	-	-	-
District municipality	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-
Internal Generated funds	52 800 000	1 198 371	22 212 910	44 000 000	(21 787 090)	42.07
Financing Total	179 011 552	12 562 098	94 516 765	149 176 293	(54 659 528)	52.80

ANNEXURE D
DEBTOR'S AGE ANALYSIS - APRIL 2017

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 + 120 Days	Total
Debtors Age Analysis By Income Source					
Water Tariffs	38 096 630	26 187 067	25 601 374	634 126 300	724 011 371
Electricity Tariffs	45 832 398	12 701 381	7 435 825	168 098 480	234 068 084
Rates (Property Rates)	19 233 934	5 686 969	4 102 341	136 343 160	165 366 404
Sewerage/ Sanitation	7 454 971	4 498 190	4 147 581	117 135 846	133 236 588
Refuse Removal Tariffs	10 493 750	6 968 841	6 458 453	198 658 412	222 579 456
Other	35 657 945	24 626 314	22 668 174	690 896 989	773 849 422
Total By Income Source	156 769 628	80 668 762	70 413 748	1 945 259 187	2 253 111 325
Debtors Age Analysis By Customer Group					
Government	4 614 677	3 702 252	1 070 979	40 469 530	49 857 438
Business	44 507 716	13 578 988	9 205 781	213 059 749	280 352 234
Households	106 868 307	62 840 756	59 602 701	1 646 996 772	1 876 308 536
Other	778 929	546 767	534 286	44 733 136	46 593 118
Total By Customer Group	156 769 628	80 668 762	70 413 748	1 945 259 187	2 253 111 325

ANNEXURE D
DEBTOR'S AGE ANALYSIS - MARCH 2017

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 + 120 Days	Total
Debtors Age Analysis By Income Source					
Water Tariffs	36 473 706	28 105 959	21 604 527	626 848 855	713 033 047
Electricity Tariffs	42 378 027	11 197 923	7 612 522	167 879 351	229 067 823
Rates (Property Rates)	18 497 001	5 193 874	4 105 297	143 966 745	171 762 917
Sewerage/ Sanitation	7 454 971	4 498 190	4 147 581	117 135 846	133 236 588
Refuse Removal Tariffs	9 595 925	6 873 019	6 617 837	196 296 067	219 382 848
Other	31 426 838	24 169 048	21 305 157	683 333 021	760 234 064
Total By Income Source	145 826 468	80 038 013	65 392 921	1 935 459 885	2 226 717 287
Debtors Age Analysis By Customer Group					
Government	4 346 072	1 325 099	1 212 708	52 003 609	58 887 488
Business	42 213 269	12 915 858	9 186 413	208 724 939	273 040 479
Households	98 610 046	65 244 502	54 430 054	1 630 441 502	1 848 726 104
Other	657 081	552 553	563 746	44 289 834	46 063 214
Total By Customer Group	145 826 468	80 038 013	65 392 921	1 935 459 885	2 226 717 287

ANNEXURE E
OUTSTANDING CREDITORS STATEMENT - APRIL 2017

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 +Days	Total
Bulk Electricity	42 582 712	-	-	73 646 049	-	116 228 761
Bulk Water	27 400 167	-	-	90 832 982	-	118 233 149
Auditor General	137 534	55 431	857 762	-	1 224 109	2 274 836
Trade Creditors	28 166 277	31 783 459	28 042 491	131 877 160	-	219 869 387
Total	98 286 690	31 838 890	28 900 253	296 356 191	1 224 109	456 606 133

ANNEXURE F

Investment Portfolio: 30 April 2017
City of Matlosana

INSTITUTION	INTEREST RATE	PERIOD	MARCH 2017	APRIL 2017	MATURITY DATE	EXPLANATION
Call Investment						
ABSA: 3854	3.65%		19 228 155.28	18 281 664.19		MIG
ABSA: 5047	4.50%		45 351.69	45 532.72		
ABSA: 6177	6.50%		391 102.37	393 369.51		
ABSA: 2264	4.66%		5 782 077.53	5 805 158.32		
ABSA: 4682	6.40%		22 782 331.74	21 873 504.57		NDPG
ABSA: 4063	1.55%		171 623.31	171 849.24		
ABSA: 1223	6.75%		94 325 912.54	45 680 352.87		
INVESTEC	6.90%		5 490 644.47	5 490 644.47		
TOTAL Call Investment			148 217 198.93	97 742 075.89		
Collateral						
SANLAM	Policy	Guaranteed Capital	7 327 152.00	7 327 152.00	2018-12-01	Policy
SANLAM	Policy	Guaranteed Capital	490 096.00	490 096.00	2019-08-01	Policy
NEDCOR	Minimum 5%		19 875 074.00	19 875 074.00	30/06/2019	Security
TOTAL			27 692 322.00	27 692 322.00		
Long Term Investment						
FNB	10.00%	1 YEAR	85 413.28	85 413.28		Housing Collateral
FNB	9.50%	1 YEAR	14 000.00	14 000.00		Housing Collateral
TOTAL			99 413.28	99 413.28		
TOTAL INVESTMENTS			176 008 934.21	125 533 811.17		

Withdraw R201 515 from ABSA call (MIG) - 11 April 2017
Withdraw R987 593 from ABSA call (NDPG) - 18 April 2017
Withdraw R24 000 00 from ABSA call - 21 April 2017
Withdraw R25 000 000 from ABSA call - 24 April 2017
Withdraw R768 300 from ABSA call (MIG) - 25 April 2017

Other changes are due to year end and Capitalisation of interest earned for the month

NB: Council to take cognisance that the investments reflected are not as a result of excess funds but grants received for the financial year invested on short term to gain interest while processes on meeting conditions of the grants are unfolding, and to avoid charges once funds are kept on current account

These investments can only be withdrawn when funds are needed for the particular reason they were invested for

Annexure 9 AS AT 30 APRIL 2017

Borrowing Reference No	Purpose	% Interest Rate (2 dec) Per Annum	Interest Paid This quarter	Opening Balance 01/07/2015	Debt Repaid or Re-deemed	Additional Principal Accrued	Balance at 30/04/2017	Redemption 2016/16
ANNUITY LOANS								
NW10969	Provision of Infrastructure	15	108 916.57	1 552 251.28	997 031.69	0.00	655 219.59	997 031.71
NW11182	Provision of Infrastructure	15.25	349 874.76	2 500 003.08	865 125.90	0.00	1 613 877.18	865 125.90
NW13837	Provision of Infrastructure	15.6	318 705.64	2 115 217.26	365 211.94	0.00	1 760 005.32	365 211.94
NW138741	Combination	14.75	120 557.34	1 566 666.66	277 777.77	0.00	1 388 888.89	555 555.54
NW138742	Combination	14.75	1 145 463.01	14 908 125.00	0.00	0.00	14 908 125.00	0.00
NW101297/1	Combination	11.2	549 116.17	9 725 708.58	1 465 075.14	0.00	8 300 633.44	2 865 360.08
NW103677/1	Provision of Infrastructure	11.2	687 117.05	12 189 920.63	1 758 185.97	0.00	10 411 734.66	3 622 903.63
10556	Provision of Infrastructure	14.75	2 373 950.34	27 545 642.54	1 541 200.65	0.00	26 104 441.89	1 864 465.30
10608	Provision of Infrastructure	15	452 811.81	3 397 253.23	1 576 383.74	0.00	1 820 874.49	1 576 383.75
10912	Provision of Infrastructure	15.25	303 623.65	2 110 134.24	497 000.79	0.00	1 613 133.45	497 000.79
10913	Provision of Infrastructure	15.25	449 853.22	3 125 015.64	726 036.23	0.00	2 398 979.41	726 036.24
	TOTAL ANNUITIES		346 072.59	2 405 147.37	596 485.35	0.00	1 809 662.02	596 485.37
			7 200 877.15	83 420 000.50	10 605 528.17	0.00	72 814 567.33	14 567 640.32

Template for Calculation of Uniform Financial Ratios and Norms

RATIO	FORMULA	Actual	Target	INTERPRETATION/COMMENTS (A)
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1. FINANCIAL POSITION

A. Asset Management/Utilisation

1 Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) x 100	4%	4%	The ratio will increasing as capital expenditure accelerates.
	2 072 554 813			
	94 516 764			
	0			

C. Liquidity Management

1 Current Ratio	Current Assets / Current Liabilities	0.800051846	0.80	The councils assets cover its liabilities by 80%.
	597 625 891			
	746 983 954			

D. Liability Management

1 Capital Cost(Interest Paid and Redemption) as a % of Total Operating Expenditure	Capital Cost(Interest Paid and Redemption) / Total Operating Expenditure x 100	0.003517869	0.0035	This do not indicate the capacity for further borrowing, rather the precorious situation where we cant afford the risk of commitment due to cashflow constraints.
	7 290 977			
	2 072 554 813			
2 Debt (Total Borrowings) / Revenue	(Overdraft + Current Finance Lease Obligation + Non current Finance Lease Obligation + Short Term Borrowings + Long term borrowing) / (Total Operating Revenue - Operational Conditional Grants) x 100	0.036595757	0.037	
	72 977 983			
	2 111 255 503			
	117 090 367			

2. FINANCIAL PERFORMANCE

1 Net Operating Surplus Margin	(Total Operating Revenue - Total Operating Expenditure)/Total Operating Revenue	0.018330652	0.0183	The restated assets register and the accompanying higher depreciation have a significant impact on financial performance of the municipality.
	2 111 255 503			
	2 072 554 813			

D. Expenditure Management

1 Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) x 365	75.01413562	75.01	Improvement, but still way behind acceptable.
	456 606 133			
	2 221 731 107			

2 Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) / Total Operating Expenditure x100	0.222984736 462 148 088 2 072 554 813	0.22 Below NT norm
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2 Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x100	0.012236379 25 360 567 2 072 554 813	The proposed lower ratio is a product of a change to create in inhouse capacity for many of the current outsourced services to improve the performance of the municipality.
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E. Grant Dependency

1 Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	Own funded Capital Expenditure (Internally generated funds + Borrowings) / Total Capital Expenditure x 100	23.50155614 0 22 212 910 94 516 764	There should be an increase in the ratio as the current capital spending accelerates.
2 Own Source Revenue to Total Operating Revenue(Including Agency Revenue)	Own Source Revenue (Total revenue - Government grants and Subsidies - Public Contributions and Donations)/ Total Operating Revenue (including agency services) x 100	0.50 1 903 948 856 949 013 543 0	Improvement reflects less reliance on grants as well as the adjustment in tariffs to the norm.

3. BUDGET IMPLEMENTATION

1 Capital Expenditure Budget Implementation Indicator	Actual capital Expenditure / Budget Capital Expenditure x 100	0.527992542 94 516 764 179 011 552	0.53 Should be at 75%.
2 Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure / Budgeted Operating Expenditure x 100	0.943586947 2 072 554 813 2 196 464 057	0.94
3 Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	0.895774962 1 903 948 856 2 125 476 752	0.90