

## MONTHLY BUDGET STATEMENT: 31 AUGUST 2016

MUNICIPAL FINANCE MANAGEMENT ACT NO.56 of 2003(MFMA): MONTHLY FINANCIAL REPORT FOR AUGUST 2016 (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. AUGUST 2016 REPORT

The financial results for the period ended 31 August 2016 are summarized as follows:

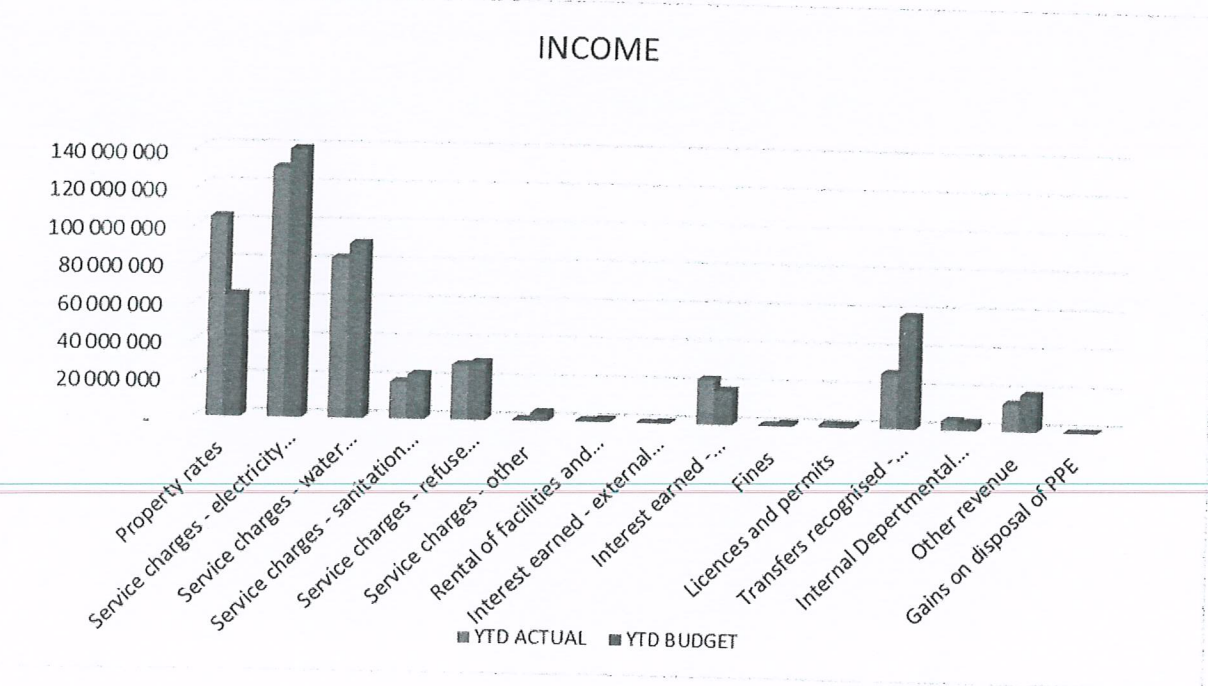
#### Statement of Financial Performance (SFP)

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

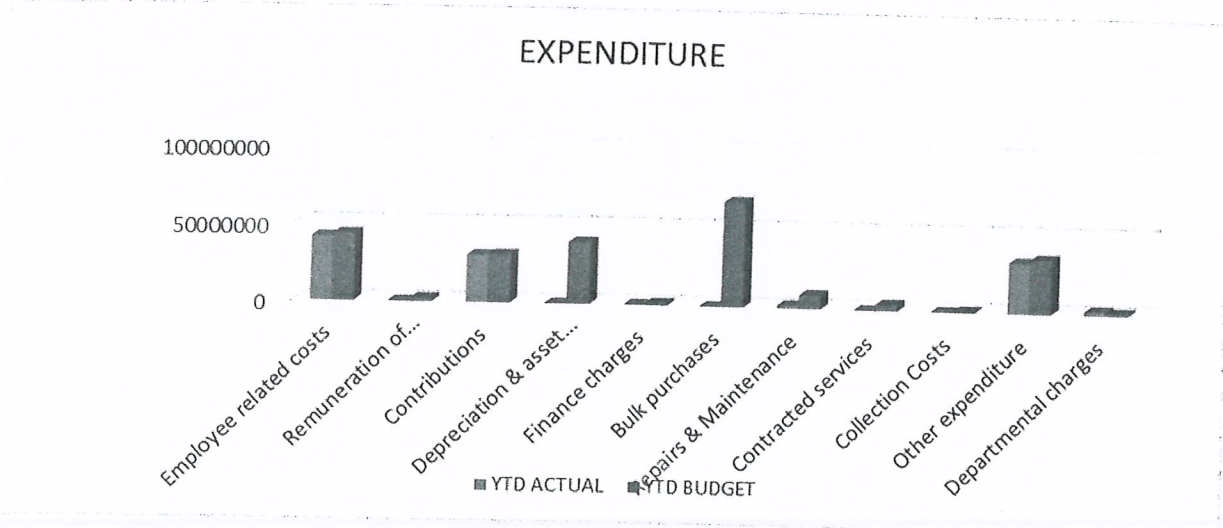
The summary report indicates the following:

Summary statement of Financial Performance				
Description	YTD Budget 2016/17	August Actual 2016/17	YTD Actual 2016/17	Variance (Favourable) Unfavourable
Total Revenue By Source	(419,028,910)	(209,447,652)	(412,664,207)	6,364,703
Total Operating Expenditure	433,546,985	186,206,968	272,300,744	(161,246,240)
<b>(SURPLUS)/ DEFICIT</b>	<b>14,518,075</b>	<b>(23,240,684)</b>	<b>(140,363,463)</b>	<b>(154,881,538)</b>

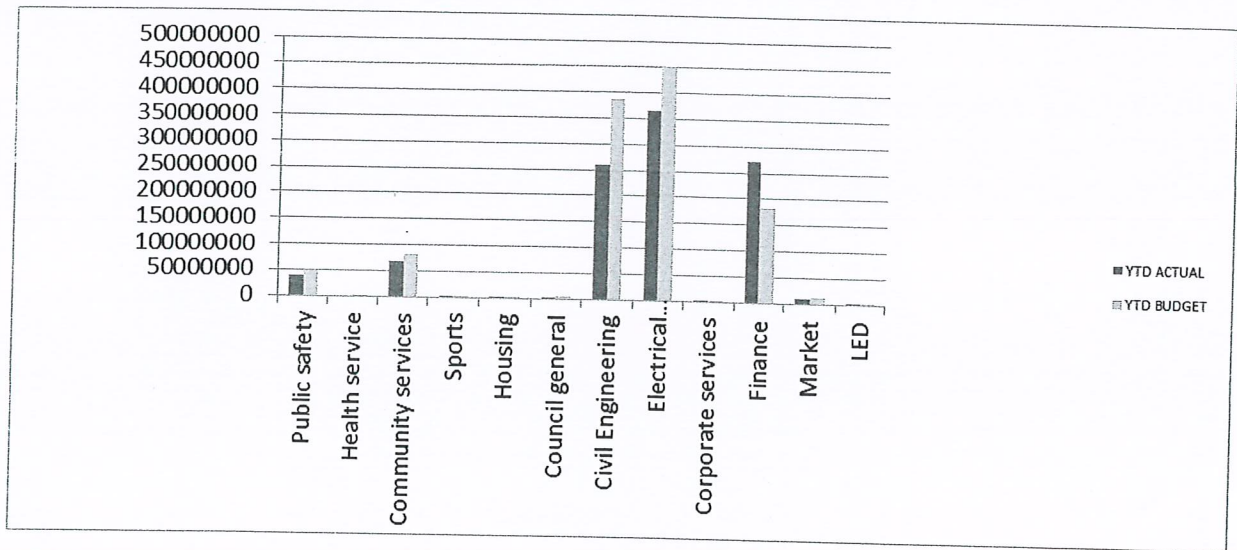
## YTD Actual Income vs YTD Budget Income



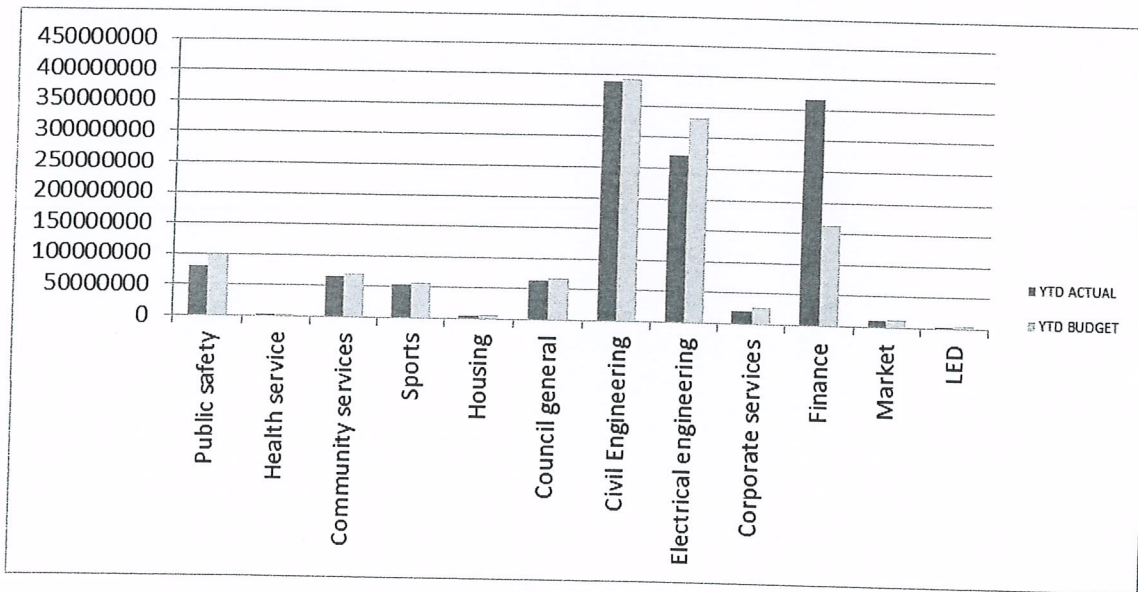
## YTD Actual Expenditure vs YTD Budget Expenditure



### Operating Income per department



### Operating Expenditure per department





## GRANTS AND SUBSIDIES

### Operational allocation/ Grant received

DESCRIPTION	BUDGET 2016/17	AUGUST RECEIVED 2016/17	YTD ACTUAL RECEIVED	YTD%
Equitable shares grants	342,855,000	0	142,856,000	41.67%
Finance Management grant	1,810,000	1,810,000	1,810,000	100%
Improvement of Library services	1,100,000	0	0	0
Museum/ Grant research and development	250,000	0	0	0
PMU	3,598,100	0	0	0
EPWP	1,658,000	414,000	414,000	24.97%
<b>TOTAL</b>	<b>351,271,100</b>	<b>2,224,000</b>	<b>145,080,000</b>	<b>41.30%</b>

## CAPITAL GRANT RECEIVED

DESCRIPTION	BUDGET	AUGUST RECEIVED 2016/17	YTD ACTUAL RECEIVED	YTD%
MIG	79,193,900	0	4,808,000	6.07%
NDPG	26,052,000	18,074,000	18,074,000	69.38%
INEP	16,800,000	0	0	0
PMU	570,000	0	0	0
PIG -SEWER	12,000,000	0	0	0
<b>TOTAL</b>	<b>134,615,900</b>	<b>18,074,000</b>	<b>22,882,000</b>	<b>17%</b>



### Cash Flow Statement (Annexure B)

- Total cash receipts by source reflect an amount of R 153,7 million for the month of August 2016 includes the following grants:
 

Finance Management grant	R1, 810,000
EPWP	R 414,000
NDPG	R18, 074,000

- Total cash payments indicate an amount of R 174, 6 million for the month of August 2016.

### Capital expenditure report (Annexure C)

The summary report indicates the following:

<b>Summary statement of Capital Expenditure</b>				
Description	YTD Budget	August Actual 2016	YTD Actual	Variance Favourable (Unfav)
Total Capital Expenditure	<b>24,102,650</b>	<b>5,476,913</b>	<b>5,476,913</b>	<b>(18,625,737)</b>
<b>Capital funding</b>				
National government	22,552,650	5,461,542	5,461,542	(17,091,108)
Provincial Government	0	0	0	0
District Municipality	0	0	0	0
Borrowing	0	0	0	0
Internal Generated fund	1,550,000	15,371	15,371	(1,534,629)
<b>Financial Total</b>	<b>24,102,650</b>	<b>5,476,913</b>	<b>5,476,913</b>	<b>(18,625,737)</b>

### MIG Spending

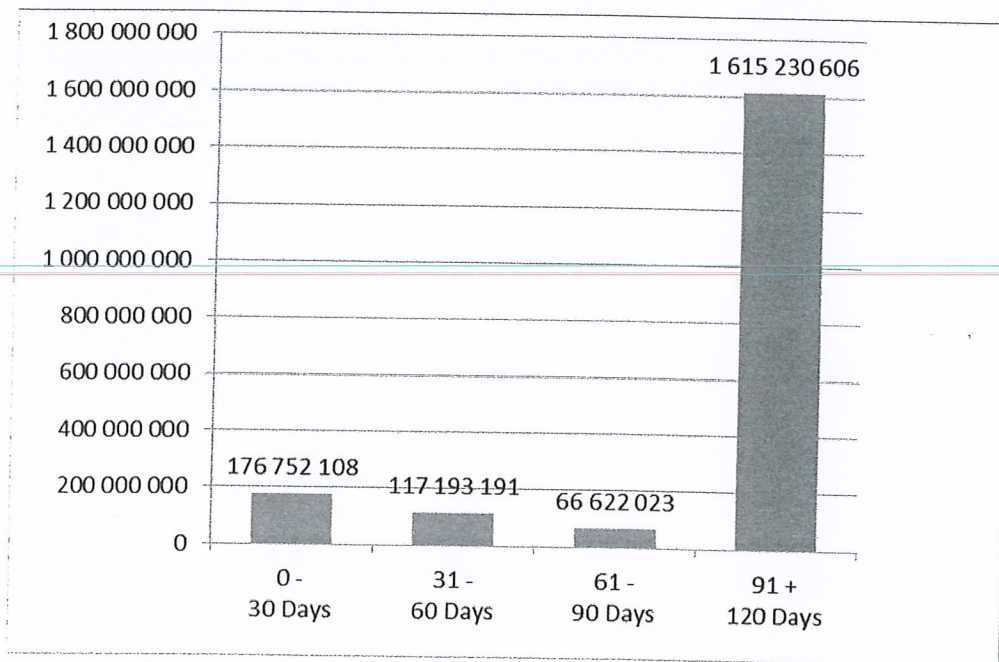
BUDGET	RECEIVED	SPENDING YTD	BALANCE	%SPENDING
79,193,900	0	2,410,783	74,385,900	3.04%

### 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 31 August 2016 amounts to R 1.799 billion.

A detailed Age Analysis is on annexure D.

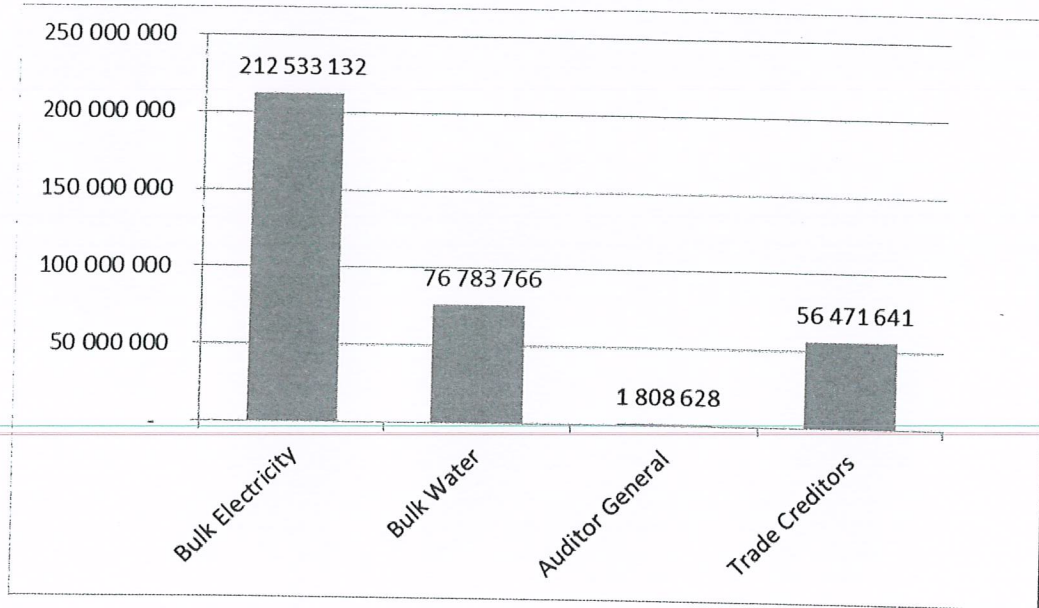
### **Debtors by Customer group – 31 August 2016**



Debtors' book has increased by R62.7 million as compared to the previous month.

**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 creditor's has decreased by R 111.4 million compared to the previous months.



## **Investment Portfolio (Annexure F)**

The table indicates the status of the investment portfolio and detail of where invested, which amounts to **R 122,197,375** as at 31 August 2016.

Institution	Investments				
	Fixed	Call	Long Term	Collateral	Total
	R	R	R	R	R
ABSA		89,127,040			89,127,040
FNB			99,413		99,413
RMB					-
Investec		5,278,600			5,278,600
Nedcor				19,875,074	19,875,074
Sanlam (Policy)	7,817,248				7,817,248
	<b>7,817,248</b>	<b>94,405,640</b>	<b>99,413</b>	<b>19,875,074</b>	<b>122,197,375</b>

## **ANNEXURE G (BORROWINGS)**

The total amount outstanding on external loans at the end of August 2016 is R83, 131,983.90.

## **ANNEXURE I**

### **RATIOS**

### **FINANCIAL IMPLICATIONS**

The report covers the period from 1 July 2016 to 31 August 2016. The actual income and expenditure appears in "Annexure A" reflects detail that relates to the budget actual spending, and actual revenue, per month and year to date. Year to date actual revenue of R 412.7 million is less than what is projected of R 419 million YTD budget (Pro-rata) and vary by R 6.3million.

Year to date actual expenditure of R 272.3 million is less than projected expenditure of R 433.5 million YTD budget (Pro-rata) and vary by R 161.2 million.

## **RECOMMENDATION**

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

**ANNEXURE A - FINANCIAL PERFORMANCE**

**Budgeted Financial Performance (revenue and expenditure) - August 2016**

Current Year 2016/17:

Description	Original Budget	August 2016/17	YTD ACTUAL	YTD BUDGET	Variance	YTD %	Variance%
<b>Revenue By Source</b>							
Property rates	(381 412 939)	(25 353 787)	(104 125 200)	-63 568 823	(40 556 377)	27.30	63.80
Service charges - electricity revenue	(839 692 210)	(67 787 346)	(130 207 188)	-139 948 702	9 741 514	15.51	(6.96)
Service charges - water revenue	(545 280 756)	(42 248 341)	(83 277 323)	-90 880 126	7 602 803	15.27	(8.37)
Service charges - sanitation revenue	(139 240 341)	(10 545 312)	(19 308 597)	-23 206 724	3 898 127	13.87	(16.80)
Service charges - refuse revenue	(179 029 257)	(16 610 811)	(28 624 167)	-29 838 210	1 214 042	15.99	(4.07)
Service charges - other	(26 600 000)	(623 308)	(697 154)	-4 433 333	3 736 179	2.62	-
Rental of facilities and equipment	(6 614 948)	(356 154)	(682 343)	-1 102 491	420 148	10.32	(38.11)
Interest earned - external investments	(2 108 000)	(454)	(29 454)	-351 333	321 880	1.40	(91.62)
Interest earned - outstanding debtors	(106 207 762)	(11 086 925)	(23 317 176)	-17 701 294	(5 615 882)	21.95	31.73
Fines	(7 101 983)	(171 277)	(227 012)	-1 183 664	956 652	3.20	(80.82)
Licences and permits	(7 707 601)	(572 054)	(1 323 460)	-1 284 600	(38 860)	17.17	3.03
Transfers recognised - operational	(351 271 100)	(28 793 704)	(28 793 704)	-58 545 183	29 751 480	8.20	(50.82)
Internal Departmental Transfers	(25 112 023)	(2 538 452)	(5 058 354)	-4 185 337	(873 016)	20.14	20.86
Other revenue	(114 468 670)	(6 290 481)	(14 461 277)	-19 078 112	4 616 835	12.63	(24.20)
Gains on disposal of PPE	-	-	-	0	-	-	-
<b>Total Revenue</b>	<b>(2 731 847 590)</b>	<b>(212 978 405)</b>	<b>(440 132 408)</b>	<b>(455 307 932)</b>	<b>15 175 524</b>	<b>16.11</b>	<b>(3.33)</b>
<b>Expenditure By Type</b>							
Employee related costs	520 242 208	42 004 046	83 455 777	86 707 035	3 251 257	16.04	3.75
Remuneration of councillors	25 138 051	2 800 967	3 034 230	4 189 675	1 155 445	12.07	27.58
Contributions	372 022 590	30 626 883	61 253 765	62 003 765	750 000	16.47	1.21
Depreciation & asset impairment	476 888 007	-	-	79 481 335	79 481 335	-	100.00
Finance charges	14 180 861	246 774	494 721	2 363 477	1 868 756	3.49	79.07
Bulk purchases	811 802 286	73 266 303	73 266 303	135 300 381	62 034 078	9.03	45.85
Repairs & Maintenance	105 957 770	3 727 628	5 571 980	17 659 628	12 087 648	5.26	68.45
Contracted services	46 447 745	2 418 412	2 430 107	7 741 291	5 311 184	5.23	68.61
Collection Costs	8 480 000	5 576 411	5 698 928	1 413 333	(4 285 594)	67.20	(303.23)
Other expenditure	420 684 500	26 468 661	59 370 402	70 114 083	10 743 681	14.11	15.32
Departmental charges	17 112 023	2 601 638	5 192 731	2 852 004	(2 340 727)	30.35	(82.07)
Internal recoveries(amount charge out)	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>2 818 956 041</b>	<b>189 737 721</b>	<b>299 768 945</b>	<b>469 826 007</b>	<b>170 057 061</b>	<b>10.63</b>	<b>36.20</b>
<b>(Surplus)/Deficit</b>	<b>87 108 451</b>	<b>(23 240 684)</b>	<b>(140 363 463)</b>	<b>14 518 075</b>	<b>(154 881 538)</b>		
<b>TOTAL REVENUE</b>	<b>(2 731 847 590)</b>	<b>(212 978 405)</b>	<b>(440 132 408)</b>	<b>(455 307 932)</b>	<b>(15 175 524)</b>	<b>16.11</b>	<b>3.33</b>
<b>LESS REVENUE FOREGONE</b>	<b>217 674 132</b>	<b>3 530 753</b>	<b>27 468 201</b>	<b>36 279 022</b>	<b>8 810 821</b>	<b>12.62</b>	<b>24.29</b>
<b>Income forgone on assessment rate</b>	<b>64 190 148</b>	<b>3 445 179</b>	<b>27 382 627</b>	<b>10 698 358</b>	<b>(16 684 269)</b>	<b>42.66</b>	<b>(155.95)</b>
<b>Income forgone on other</b>	<b>153 483 984</b>	<b>85 574</b>	<b>85 574</b>	<b>25 580 664</b>	<b>25 495 090</b>		
<b>TOTAL INCOME</b>	<b>(2 514 173 458)</b>	<b>(209 447 652)</b>	<b>(412 664 207)</b>	<b>(419 028 910)</b>	<b>(6 364 703)</b>	<b>16.41</b>	<b>1.52</b>
<b>Total expenditure after deduct revenue fo</b>	<b>2 601 281 909</b>	<b>186 206 968</b>	<b>272 300 744</b>	<b>433 546 985</b>	<b>161 246 240</b>	<b>10.47</b>	
<b>TOTAL EXPENDITURE</b>	<b>2 818 956 041</b>	<b>189 737 721</b>	<b>299 768 945</b>	<b>469 826 007</b>	<b>170 057 061</b>	<b>10.63</b>	<b>36.20</b>
	<b>-217674132</b>	<b>(3 530 753)</b>	<b>(27 468 201)</b>	<b>(36 279 022)</b>	<b>(8 810 821)</b>	<b>12.62</b>	
<b>(Surplus)/ Deficit for the year</b>	<b>87 108 451</b>	<b>(23 240 684)</b>	<b>(140 363 463)</b>	<b>14 518 075</b>	<b>154 881 538</b>	<b>(161.14)</b>	



OPERATING INCOME PER DEPARTMENT AS AT 31 AUGUST 2016

DESCRIPTION	BUDGET	AUGUST	YTD ACTUAL	YTD BUDGET	VARIANCE	VARIANCE	YTD %
Public safety	91 245 550	6 076 557	12 843 407	15 207 592	(2 364 185)	-15.55	14.08
Health service	318 000	-	-	53 000	(53 000)	-	-
Community services	218 260 846	17 132 083	29 627 832	36 376 808	(6 748 976)	-18.55	13.57
Sports	2 288 260	64 702	121 847	381 377	(259 529)	-68.05	5.32
Housing	2 166 080	89 540	186 409	361 013	(174 604)	-48.37	8.61
Council general	3 286 000	51 145	84 242	547 667	(463 425)	-84.62	2.56
Civil Engineering	770 137 955	53 547 663	104 039 842	128 356 326	(24 316 484)	-18.94	13.51
Electrical engineering	886 807 970	70 002 938	134 479 614	147 801 328	(13 321 715)	-9.01	15.16
Corporate services	4 523 042	-	10 506	753 840	(743 335)	-98.61	0.23
Finance	515 073 831	62 483 024	129 815 123	85 845 639	43 969 484	51.22	25.20
Market	20 060 343	-	1 455 386	3 343 391	(1 888 004)	-56.47	7.26
LED	5 581	-	-	930	(930)	-	-
<b>TOTAL</b>	<b>2 514 173 458</b>	<b>209 447 652</b>	<b>412 664 207</b>	<b>419 028 910</b>	<b>(6 364 702)</b>	<b>-1.52</b>	<b>16.41</b>

OPERATING EXPENDITURE PER DEPARTMENT

DESCRIPTION	BUDGET	AUG	YTD ACTUAL	YTD BUDGET	VARIANCE	VARIANCE	YTD %
Public safety	184 212 585	13 858 614	22 102 629	30 702 098	(8 599 469)	-28.01	12.00
Health service	9 630 318	372 450	763 951	1 605 053	(841 102)	-52.40	7.93
Community services	179 417 061	10 365 325	19 227 203	29 902 844	(10 675 641)	-35.70	10.72
Sports	99 807 013	3 222 883	6 181 277	16 634 502	(10 453 225)	-62.84	6.19
Housing	10 452 484	655 310	1 294 731	1 742 081	(447 350)	-25.68	12.39
Council general	130 134 637	11 227 757	14 216 952	21 689 106	(7 472 154)	-34.45	10.92
Civil Engineering	713 859 286	35 784 358	47 693 334	118 976 548	(71 283 214)	-59.91	6.68
Electrical engineering	724 562 975	59 069 268	65 636 895	120 760 496	(55 123 601)	-45.65	9.06
Corporate services	54 044 627	9 000 008	12 312 139	9 007 438	3 304 701	36.69	22.78
Finance	464 821 031	41 213 369	80 038 344	77 470 172	2 568 172	3.32	17.22
Market	22 701 386	967 077	1 902 969	3 783 564	(1 880 595)	-49.70	8.38
LED	7 638 506	470 549	930 320	1 273 084	(342 764)	-26.92	12.18
<b>TOTAL</b>	<b>2 601 281 909</b>	<b>186 206 968</b>	<b>272 300 744</b>	<b>433 546 985</b>	<b>(161 246 241)</b>	<b>-37.19</b>	<b>10.47</b>
<b>Surplus/Deficit</b>	<b>(87 108 451)</b>	<b>23 240 684</b>	<b>140 363 463</b>	<b>(14 518 075)</b>	<b>154 881 538</b>	<b>36</b>	<b>5.9</b>



**GRANTS AND SUBSIDIES - AUGUST 2016**  
**Operational allocation/grant received**

	<b>BUDGET</b>	<b>AUG</b>	<b>YTD RECEIVED</b>	<b>YTD%</b>
Equitable shares grants	342 855 000	-	142 856 000	41.67
Finance Management Grant	1 810 000	1 810 000	1 810 000	100.00
Improvement of library services	1 100 000	-	-	-
Museum/Grant research and developme	250 000	-	-	-
PMU	3 598 100	-	-	-
EPWP (arbour week)	1 658 000	414 000	414 000	24.97
	<b>351 271 100</b>	<b>2 224 000</b>	<b>145 080 000</b>	<b>41.30</b>
<b>CAPITAL GRANT RECEIVED</b>				
MIG	79 193 900	-	4 808 000	6.07
NDPG	26 052 000	18 074 000	18 074 000	69.38
DME/INER	16 800 000	-	-	-
PIG-SEWER	12 000 000	-	-	-
PMU	570 000	-	-	-
	<b>134 615 900</b>	<b>18 074 000</b>	<b>22 882 000</b>	<b>17.00</b>

**ANNEXURE B**

**Cash Flow Statement for the month of August 2016**

<b>Cash Receipts by Source</b>	<b>July 2016</b>	<b>August 2016</b>
Property rates	16 418 598	19 395 132
Service charges - electricity revenue	37 445 640	48 589 540
Service charges - water revenue	15 394 361	17 182 863
Service charges - sanitation revenue	4 233 626	4 609 533
Service charges - refuse revenue	3 936 164	4 346 590
Service charges - other	16 372 258	19 855 293
Rental of facilities and equipment	80 966	114 427
Interest earned - external investments	35 945	454
Interest earned - outstanding debtors		-
Fines	59 555	181 176
Licences and permits	697 554	626 427
Transfer receipts - operational grants	142 856 000	2 224 000
Other revenue	18 310 685	19 096 541
<b>Cash Receipts by Source</b>	<b>255 841 352</b>	<b>136 221 975</b>
Transfer receipts - capital grants	4 808 000	18 074 000
Proceeds on disposal of PPE	-	-
<b>Total Cash Receipts by Source</b>	<b>260 649 352</b>	<b>154 295 975</b>
Proceeds on disposal of PPE	-	-
Short term loan	-	-
Borrowing long term/ Refinancing	(143 465)	(144 638)
Increase (decrease) in consumer deposits	122 625	34 579
Decrease (increase) in non - current debtors	-	(513 081)
Decrease (increase) in non - current	(1 382 276)	-
Decrease (increase) in non- current investment	2 044	2 056
<b>Total Cash Receipts by Source</b>	<b>259 248 280</b>	<b>153 674 891</b>
<b>Cash Payments by Type</b>		
Employee related costs	41 918 259	42 004 046
Remuneration of councillors	(233 264)	2 800 967
Collection costs	30 237	2 832 664
Interest paid	247 947	246 774
Bulk purchases - Electricity	-	53 508 772
Bulk purchases - Water	-	19 757 531
Repairs and maintainance	-	1 063 313
Contracted services	-	2 404 258
General expenses	119 705 409	44 097 945
<b>Cash Payments by Type</b>	<b>161 668 588</b>	<b>168 716 270</b>
<b>Other Cash Flows/Payments by Type</b>		
Capital assets	-	5 476 913
Repayment of borrowing	391 412	391 412
<b>Other Cash Flows/Payments</b>	<b>391 412</b>	<b>5 868 325</b>
<b>Investment</b>		
	-	-
<b>Total Cash Payments by Type</b>	<b>162 060 000</b>	<b>174 584 595</b>
<b>Net increase/(decrease) in cash held</b>	<b>97 188 280</b>	<b>(20 909 704)</b>
<b>Cash/ cash equivalent at the month begin</b>	<b>31 075 842</b>	<b>128 264 122</b>
<b>Cash/ cash equivalent at the month end</b>	<b>128 264 122</b>	<b>107 354 418</b>

## ANNEXURE C CAPITAL EXPENDITURE

## NW403 City Of Matlosana - Budgeted Capital Expenditure - AUGUST 2016

	Original Budget	August 2016	YTD Actual	YTD Budget	Variance	YTD %
<b>Capital Expenditure</b>						
<b>Council General</b>	4 300 000	15 371	15 371	716 667	(701 296)	-
Council General Admin	4 300 000	15 371	15 371	716 667	(701 296)	0
<b>Municipal &amp; Environmental Services</b>	5 999 650	-	-	999 942	(999 942)	-
Community and social services	-	-	-	-	-	-
Sport and recreation	5 299 650	-	-	883 275	(883 275)	-
Refuse removal	-	-	-	-	-	-
Public Safety	-	-	-	-	-	0
Health	-	-	-	-	-	0
Cemetary	700 000	-	-	116 667	(116 667)	0
<b>Finance</b>	5 000 000	-	-	833 333	(833 333)	0
ICT Hard/software	5 000 000	-	-	833 333	(833 333)	0
<b>Macro city planning &amp; Development</b>	4 624 300	-	-	770 717	(770 717)	0
Market	4 624 300	-	-	385 358	(385 358)	-
<b>Civil Services &amp; Human Settlement</b>	101 291 950	5 461 542	5 461 542	16 881 992	(11 420 450)	5.39
Water	17 936 078	-	-	2 989 346	(2 989 346)	-
Waste water management(Sewer)	37 186 272	1 117 058	1 117 058	6 197 712	(5 080 654)	-
Roads	45 599 600	4 344 484	4 344 484	7 599 933	(3 255 449)	-
Housing	-	-	-	-	-	-
PMU Unit	570 000	-	-	95 000	(95 000)	-
Dumping side	-	-	-	-	-	-
<b>Electrical &amp; Mechanical Engineering</b>	23 400 000	-	-	3 900 000	(3 900 000)	-
Electrical	23 400 000	-	-	3 900 000	(3 900 000)	-
<b>Total Capital Expenditure</b>	<b>144 615 900</b>	<b>5 476 913</b>	<b>5 476 913</b>	<b>24 102 650</b>	<b>(18 625 737)</b>	<b>3.79</b>

## CAPITAL FUNDING

National government	135 315 900	5 461 542	5 461 542	22 552 650	(17 091 108)	4.04
Provincial government	-	-	-	-	-	-
District municipality	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-
Internal Generated funds	9 300 000	15 371	15 371	1 550 000	(1 534 629)	0.17
<b>Financing Total</b>	<b>144 615 900</b>	<b>5 476 913</b>	<b>5 476 913</b>	<b>24 102 650</b>	<b>(18 625 737)</b>	<b>3.79</b>



**ANNEXURE D**  
**DEBTOR'S AGE ANALYSIS - AUGUST 2016**

<b>Detail</b>	<b>0 - 30 Days</b>	<b>31 - 60 Days</b>	<b>61 - 90 Days</b>	<b>91 + 120 Days</b>	<b>Total</b>
<b>Debtors Age Analysis By Income Source</b>					
Water Tariffs	44 746 775	31 716 678	23 431 778	511 444 039	611 339 270
Electricity Tariffs	54 193 768	13 844 496	6 810 143	148 118 493	222 966 900
Rates (Property Rates)	20 290 051	32 949 475	3 826 267	112 627 278	169 693 071
Sewerage/ Sanitation	9 353 188	5 494 443	4 012 701	98 621 674	117 482 006
Refuse Removal Tariffs	13 174 451	9 133 690	6 959 736	161 966 921	191 234 798
Other	34 993 875	24 054 409	21 581 398	582 452 201	-1 312 716 045
<b>Total By Income Source</b>	<b>176 752 108</b>	<b>117 193 191</b>	<b>66 622 023</b>	<b>1 615 230 606</b>	<b>1 975 797 928</b>
<b>Debtors Age Analysis By Customer Group</b>					
Government	4759342	26 215 344	1 312 448	31 421 084	63 708 218
Business	46650283	13 124 366	7 863 204	180 918 057	248 555 910
Households	124655199	76 537 065	57 014 433	1 363 186 863	1 621 393 560
Other	687284	1 316 416	431 938	39 704 602	42 140 240
<b>Total By Customer Group</b>	<b>176 752 108</b>	<b>117 193 191</b>	<b>66 622 023</b>	<b>1 615 230 606</b>	<b>1 975 797 928</b>

**ANNEXURE D**  
**DEBTOR'S AGE ANALYSIS - JULY 2016**

<b>Detail</b>	<b>0 - 30 Days</b>	<b>31 - 60 Days</b>	<b>61 - 90 Days</b>	<b>91 + 120 Days</b>	<b>Total -</b>
<b>Debtors Age Analysis By Income Source</b>					
Water Tariffs	44 771 443	25 404 536	29 252 017	488 584 279	588 012 275
Electricity Tariffs	53 490 799	9 645 154	6 050 300	146 907 647	216 093 900
Rates (Property Rates)	48 385 906	5 110 955	3 625 937	111 789 964	168 912 762
Sewerage/ Sanitation	8 821 480	4 480 578	3 466 939	95 489 857	112 258 854
Refuse Removal Tariffs	12 280 018	7 448 799	6 103 645	154 209 536	180 041 998
Other	33 176 871	22 824 754	19 422 577	572 404 276	-1 265 319 789
<b>Total By Income Source</b>	<b>200 926 517</b>	<b>74 914 776</b>	<b>67 921 415</b>	<b>1 569 385 559</b>	<b>1 913 148 267</b>
<b>Debtors Age Analysis By Customer Group</b>					
Government	28212481	1 644 641	1 248 689	30 003 084	61 108 895
Business	49186659	10 052 537	8 244 192	180 063 057	247 546 445
Households	121607730	62 708 888	57 936 444	1 319 880 054	1 562 133 116
Other	1919647	508 710	492 090	39 439 364	42 359 811
<b>Total By Customer Group</b>	<b>200 926 517</b>	<b>74 914 776</b>	<b>67 921 415</b>	<b>1 569 385 559</b>	<b>1 913 148 267</b>

**ANNEXURE E  
OUTSTANDING CREDITORS STATEMENT -AUGUST 2016**

<b>Detail</b>	<b>0 - 30 Days</b>	<b>31 - 60 Days</b>	<b>61 - 90 Days</b>	<b>91 - 120 Days</b>	<b>121 +Days</b>	<b>Total</b>
Bulk Electricity	-	77 384 098	-	135 149 034	-	212 533 132
Bulk Water	22 120 432	-	-	54 663 334	-	76 783 766
Auditor General	365 382	76 678	16 064	30 074	1 320 430	1 808 628
Trade Creditors	23 770 720	15 318 682	5 086 751	12 295 488	-	56 471 641
<b>Total</b>	<b>46 256 534</b>	<b>92 779 458</b>	<b>5 102 815</b>	<b>202 137 930</b>	<b>1 320 430</b>	<b>347 597 167</b>



**ANNEXURE E  
OUTSTANDING CREDITORS STATEMENT -JULY 2016**

<b>Detail</b>	<b>0 - 30 Days</b>	<b>31 - 60 Days</b>	<b>61 - 90 Days</b>	<b>91 - 120 Days</b>	<b>121 +Days</b>	<b>Total</b>
Bulk Electricity	81 824 941	83 595 974	-	-	33 451 488	198 872 402
Bulk Water	22 089 510	21 647 187	14 020 804	13 659 511	9 789 909	81 206 920
Auditor General	92 742	30 074	49 061	20 698	1 750 670	1 943 245
Trade Creditors	145 653 940	13 033 392	4 913 067	13 345 035	-	176 945 434
<b>Total</b>	<b>249 661 132</b>	<b>118 306 627</b>	<b>18 982 932</b>	<b>27 025 244</b>	<b>44 992 067</b>	<b>458 968 001</b>

**ANNEXURE F**

**Investment Portfolio: 31 August 2016**  
**City of Matlosana**

INSTITUTION	INTEREST RATE	PERIOD	JULY 2016	AUGUST 2016	MATURITY DATE	EXPLANATION
<b>Call Investment</b>						
ABSA: 3854	3.30%		5 233 818	2 655 635		
ABSA: 5047	3.25%		43 957	44 133		
ABSA: 6177	4.47%		5 467 799	375 189		
ABSA: 2264	3.25%		5 604 298	5 626 669		
ABSA: 4682	5.15%		1 811 315	18 983 132		
ABSA: 4063	2.80%		169 863	170 086		
ABSA: 1223	5.50%		95 665 505	61 272 197		
INVESTEC	5.80%		5 248 289	5 278 600		
<b>TOTAL Call Investment</b>			<b>119 244 843</b>	<b>94 405 640</b>		
<b>Collateral</b>						
SANLAM	Policy	Guaranteed Capital	6 846 094	7 327 152	2018-12-01	Policy
SANLAM	Policy	Guaranteed Capital	458 072	490 096	2019-08-01	Policy
NEDCOR	Minimum 5%		19 875 074	19 875 074	30/06/2019	Security
<b>TOTAL</b>			<b>27 179 241</b>	<b>27 692 322</b>		
<b>Long Term Investment</b>						
FNB	10.00%	1 YEAR	83 216	85 413		Housing Collateral
FNB	9.50%	1 YEAR	14 000	14 000		Housing Collateral
<b>TOTAL</b>			<b>97 216</b>	<b>99 413</b>		
<b>TOTAL INVESTMENTS</b>			<b>146 521 300</b>	<b>122 197 375</b>		

- Withdraw R5 122 877 from ABSA call - 02 August 2016
- Withdraw R7 000 000 from ABSA call - 05 August 2016
- Withdraw R2 000 000 from ABSA call - 16 July 2016
- Withdraw R912 413 from ABSA call - 22 August 2016 (NDPG)
- Withdraw R2 655 635 from ABSA call - 22 August 2016 (MIG current allocation)
- Withdraw R10 000 000 from ABSA call - 24 August 2016
- Withdraw R20 000 000 from ABSA call - 26 August 2016
- Invest R18 983 132 with ABSA on call - 04 July 2016 (NDPG)

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 C AS AT 31 August 2016

Borrowing Reference No	Start Date	End Date	Borrowing Period Years	Original Loan	Lender	Purpose	% Interest Rate (2 dec) Per Annum	Interest Paid This quarter	Opening Balance 01/07/2015	Debt Repaid or Reversed	Additional Principal Accrued	Balance at 31/08/2016	Redemption 23/10/16
<b>ANNUITY LOANS</b>													
NW10989	1/10/1987	30/09/2017	20	745371	Development Bank of SA	Provision of Infrastructure	16	0.00	1 652 251.28	0.00	0.00	1 652 251.28	887 631.71
NW11182	1/10/1988	30/09/2018	20	745446	Development Bank of SA	Provision of Infrastructure	16.28	0.00	2 609 003.08	0.00	0.00	2 609 003.08	885 108.00
NW13837	1/10/2000	30/09/2020	20	3981600	Development Bank of SA	Provision of Infrastructure	16.6	0.00	2 115 217.26	0.00	0.00	2 115 217.26	385 214.88
NW138741	1/10/2001	30/09/2018	18	1090000	Development Bank of SA	Combination	14.75	0.00	1 666 666.66	0.00	0.00	1 666 666.66	686 666.66
NW138742	1/7/2001	30/09/2018	18	1488178	Development Bank of SA	Combination	14.75	0.00	14 898 126.00	0.00	0.00	14 898 126.00	686 666.66
NW1012971	1/7/2004	30/09/2018	16	2807000	Development Bank of SA	Combination	11.2	0.00	9 726 706.89	0.00	0.00	9 726 706.89	2 885 340.88
NW1012972	1/1/2004	30/09/2018	16	3700000	Development Bank of SA	Combination	11.2	0.00	12 169 817.63	0.00	0.00	12 169 817.63	3 852 893.83
NW1638771	1/1/2010	1/1/2028	15	3428878	Development Bank of SA	Provision of Infrastructure	14.75	484 721.20	27 646 642.64	288 103.60	0.00	3 387 288.23	1 864 488.28
10856	31/2/1988	31/2/2018	20	13382746	Development Bank of SA	Provision of Infrastructure	16	0.00	3 397 258.23	0.00	0.00	3 397 258.23	1 872 352.28
1086	30/09/1989	30/09/2018	20	689700	Development Bank of SA	Provision of Infrastructure	16.35	0.00	3 156 016.64	0.00	0.00	3 156 016.64	497 090.79
10812	30/09/1989	30/09/2018	20	747700	Development Bank of SA	Provision of Infrastructure	16.35	0.00	2 466 442.37	0.00	0.00	2 466 442.37	726 026.26
10813	30/09/1989	30/09/2018	20	678000	Development Bank of SA	Provision of Infrastructure	16.26	484 721.20	83 420 887.80	288 103.60	0.00	83 131 803.50	14 661 860.32
TOTAL ANNUITIES								484 721.20	83 420 887.80	288 103.60	0.00	83 131 803.50	14 661 860.32



# Template for Calculation of Uniform Financial Ratios and Norms

RATIO	FORMULA	Aug-16	MUNICIPAL COMMENTS (#)
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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	29%	The ratio will increasing as capital expenditure accelerates.
		272 300 744	
		5 476 913	
		0	

### B. Debtors Management

1 Collection Rate	(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance - Bad Debts Written Off)/Billed Revenue x 100	199.78%	This indicates the collection rate.
		1 722 258 665	
		1 885 071 490	
		163 168 905	

### C. Liquidity Management

1 Current Ratio	Current Assets / Current Liabilities	0.41884367	The councils assets only cover its liabilities by 42%.
		289 112 062	
		690 261 311	

### 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 00	0.001816819	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.
		494 721	
		272 300 744	
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	0.040498644	This means total borrowings accounts for 4% of the budgetd income
		83 131 984	
		2 111 255 503	
		58 545 183	

## 2. FINANCIAL PERFORMANCE

1 Net Operating Surplus Margin	(Total Operating Revenue - Total Operating Expenditure)/Total Operating Revenue	0.871024258	The restated assets register and the accompanying higher depreciation have a significant impact on financial performance
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272 300 744

**D. Expenditure Management**

1 Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) x 365	428.0415417 347 597 167 296 403 394	Improvement, but still way behind acceptable.
2 Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) / Total Operating Expenditure x100	0.333809994 90 896 710 272 300 744	Below NT norm

2 Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x100	0.00892435 2 430 107 272 300 744	The proposed lower ratio is a product of a change to create 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	0.280650797  0  15 371 5 476 913	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	0.133578916 1716984232 1487631340 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	0.047872136 5 476 913 144 615 900	Should be at 18%, currently 3.7%.
2 Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure / Budgeted Operating Expenditure x 100	0.628076885 272 300 744 433 546 985	Should be atleast 92%
3 Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	0.984153504 412 388 770 419 028 910	Should be atleast 92%