

MONTHLY BUDGET STATEMENT: 31 MARCH 2017

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

The financial results for the period ended 31 March 2017 are summarized as follows:

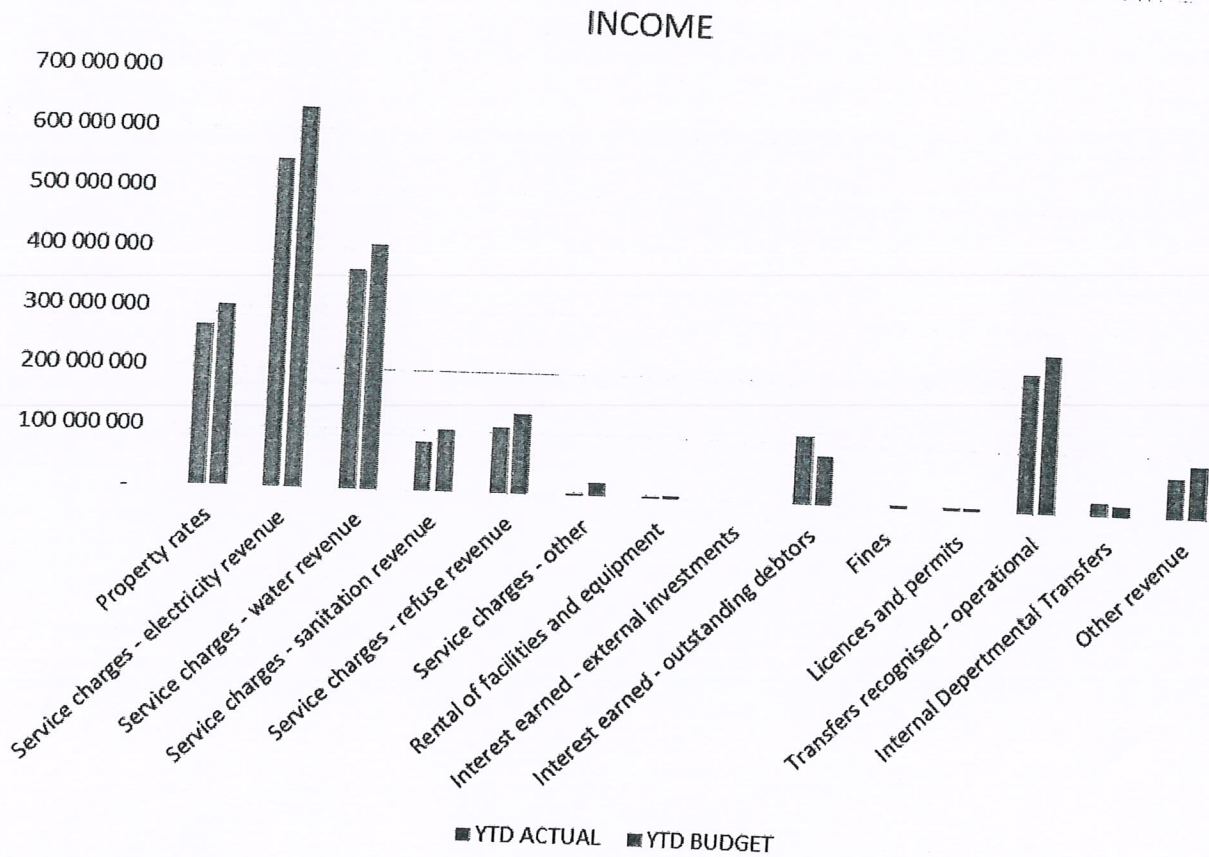
Statement of Financial Performance (SFP)

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 | March Actual 2016/17 | YTD Actual 2016/17 | Variance Favourable (Unfavourable) |
| Total Revenue By Source | (1,912,929,077) | (173,426,081) | (1,756,994,180) | (155,934,897) |
| Total Operating Expenditure | 1,976,817,651 | 180,926,856 | 1,867,547,930 | 109,269,721 |
| (SURPLUS)/ DEFICIT | 63,888,575 | (7,500,775) | 110,553,750 | (46,665,176) |

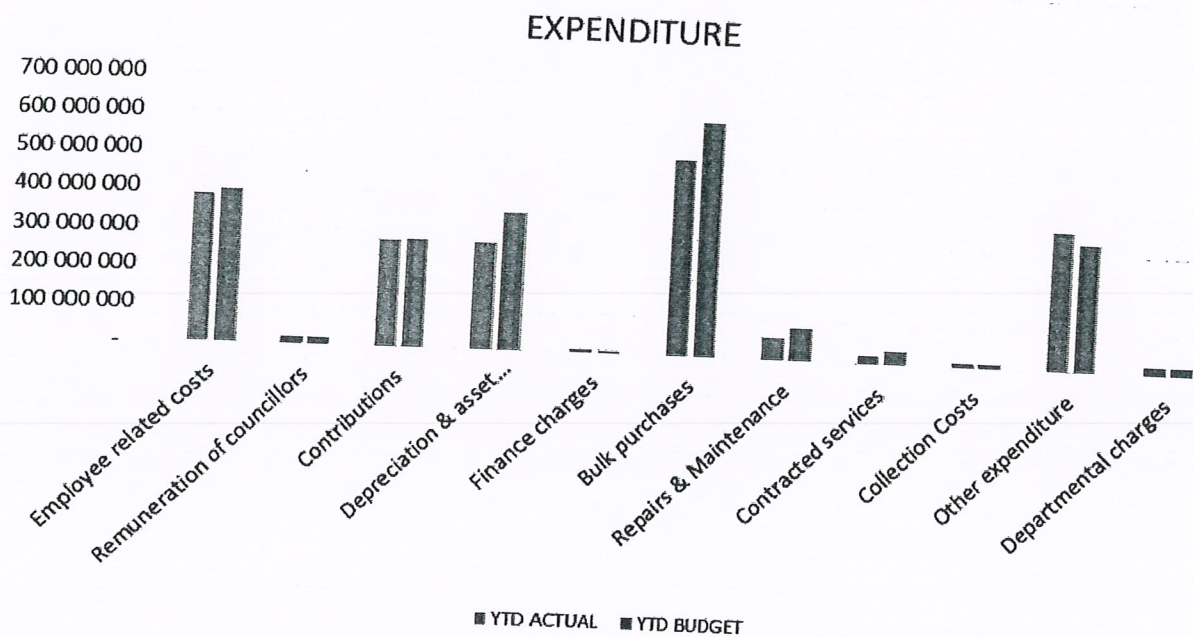
YTD Actual Income vs YTD Budget Income



Variiances Budget versus Actuals

- Service charges Water- Slightly lower due to good rainy season.
- Service charges Refuse – Provision for free basic refuse.
- Service charges Sanitation – Provision for free basic sanitation.
- Interest earned outstanding debtors – Increase in debtor's book.

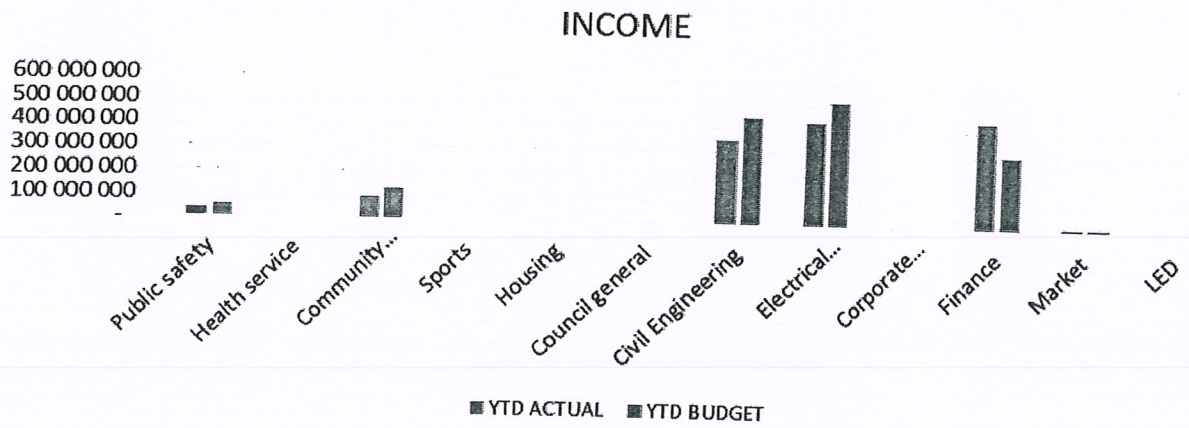
YTD Actual Expenditure vs YTD Budget Expenditure



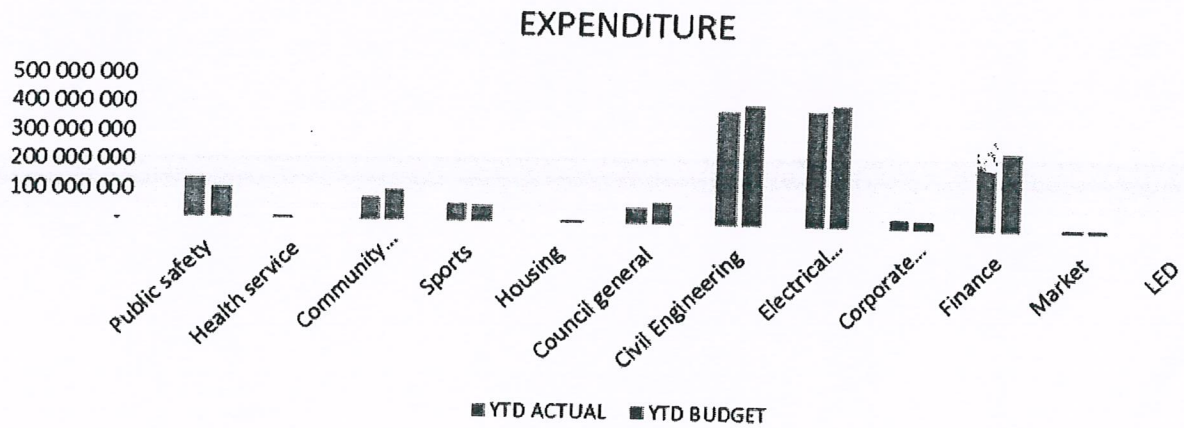
Variiances Budget versus Actuals

- 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 (Corporate services) - Due to the accrual of previous financial year to be corrected.
- Other Expenditure (Public safety) - Payment of provincial licenses

Operating Income per department



Operating Expenditure per department



GRANTS AND SUBSIDIES

Operational allocation/ Grant received

| DESCRIPTION | BUDGET 2016/17 | MARCH RECEIVED 2016/17 | YTD ACTUAL RECEIVED 2016/17 | YTD% |
|--|--------------------|------------------------------|-----------------------------------|---------------|
| Equitable shares grants | 342,855,000 | 87,514,000 | 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 | 3,598,100 | 3,598,100 | 100% |
| EPWP | 2,658,000 | | 1,656,000 | 62.30% |
| TOTAL | 352,271,100 | 91,112,100 | 349,626,100 | 99.25% |

Operational Grant spending

| DESCRIPTION | BUDGET 2016/17 | MARCH Spending 2016/17 | YTD ACTUAL 2016/17 | YTD% |
|--|--------------------|------------------------------|-----------------------|------------|
| Equitable shares grants | 342,855,000 | 28,571,250 | 257,141,250 | 75% |
| Finance Management grant | 1,810,000 | 81,310 | 577,644 | 32% |
| Improvement of Library services | 1,100,000 | 25,506 | 156,416 | 39% |
| Museum/ Grant research and development | 250,000 | 0 | 0 | 0% |
| PMU | 3,598,100 | 244,890 | 2,295,627 | 64% |
| EPWP | 2,658,000 | 0 | 1,653,277 | 62% |
| TOTAL | 352,271,100 | 28,922,956 | 261,824,214 | 74% |

CAPITAL GRANT RECEIVED

| DESCRIPTION | BUDGET | MARCH RECEIVED 2016/17 | YTD ACTUAL RECEIVED | YTD% |
|--------------|--------------------|------------------------------|---------------------------|---------------|
| MIG | 79,193,900 | 14,581,900 | 79,193,900 | 100% |
| NDPG | 35,325,000 | 17,251,000 | 35,325,000 | 100% |
| INEP | 16,800,000 | 2,800,000 | 10,800,000 | 64.29% |
| PMU | 570,000 | 570,000 | 570,000 | 100% |
| PIG -SEWER | 0 | 0 | 0 | 0 |
| TOTAL | 131,888,900 | 35,202,900 | 125,888,900 | 95.45% |

CAPITAL GRANT SPENDING

| DESCRIPTION | BUDGET | MARCH SPENDING 2016/17 | YTD ACTUAL | YTD% |
|-------------|------------|------------------------------|---------------|------|
| NDPG | 26,052,000 | 0 | 15,748,242 | 60% |
| INEP | 16,800,000 | 5,003,196 | 5,003,196 | 30% |
| PMU | 570,000 | 0 | 0 | 0% |
| PIG -SEWER | 0 | 0 | 0 | 0% |

Cash Flow Statement (Annexure B)

- Total cash receipts by source reflect an amount of R 263.6 million, including the grants received for the month of March 2017.
- Total cash payments indicate an amount of R 168 million for the month of March 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 | 134,258,664 | 5,143,772 | 81,954,667 | (52,303,997) |
| Capital funding | | | | |
| National government | 94,658,664 | 3,884,973 | 60,940,128 | (33,718,536) |
| Provincial Government | - | - | - | - |
| District Municipality | - | - | - | - |
| Borrowing | - | - | - | - |
| Internal Generated fund | 39,600,000 | 1,258,799 | 21,014,539 | (18,585,461) |
| Financial Total | 134,258,664 | 5,143,772 | 81,954,667 | (52,303,997) |

- Capital spending of 46% is lower than the 75% pro-rata.

MIG Spending

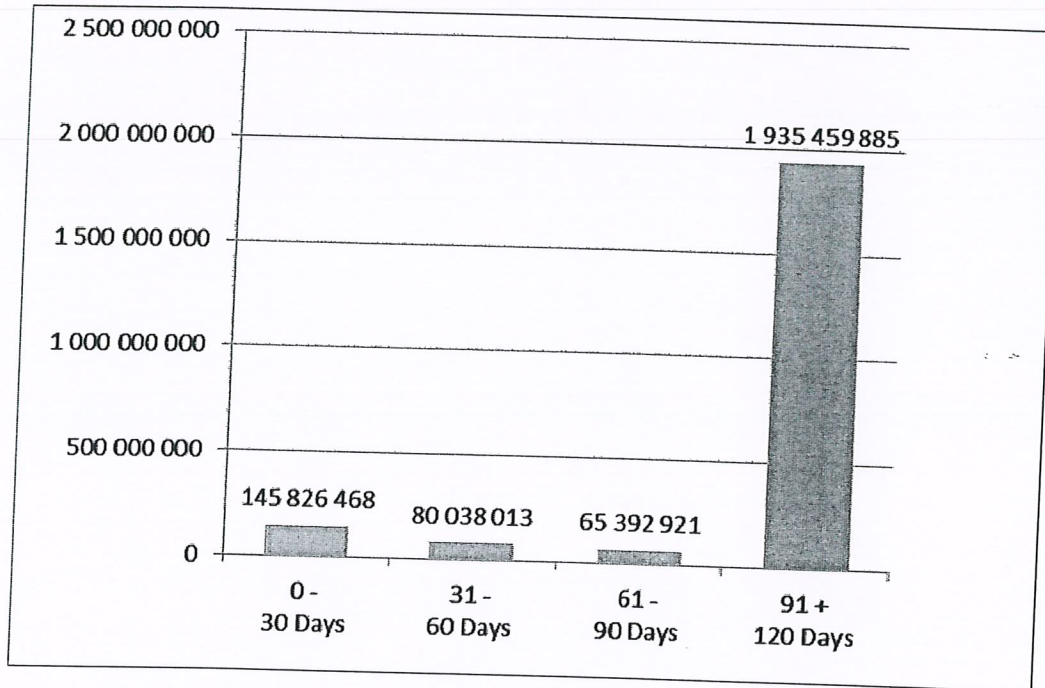
| BUDGET | MARCH RECEIVED | SPENDING YTD | YTD RECEIVED | %SPENDING |
|---------------|-----------------------|---------------------|---------------------|------------------|
| 79,193,900 | 14,581,900 | 44,730,754 | 79,193,900 | 56.48% |

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 March 2017 amounts to R 2.080 billion.

A detailed Age Analysis is on annexure D.

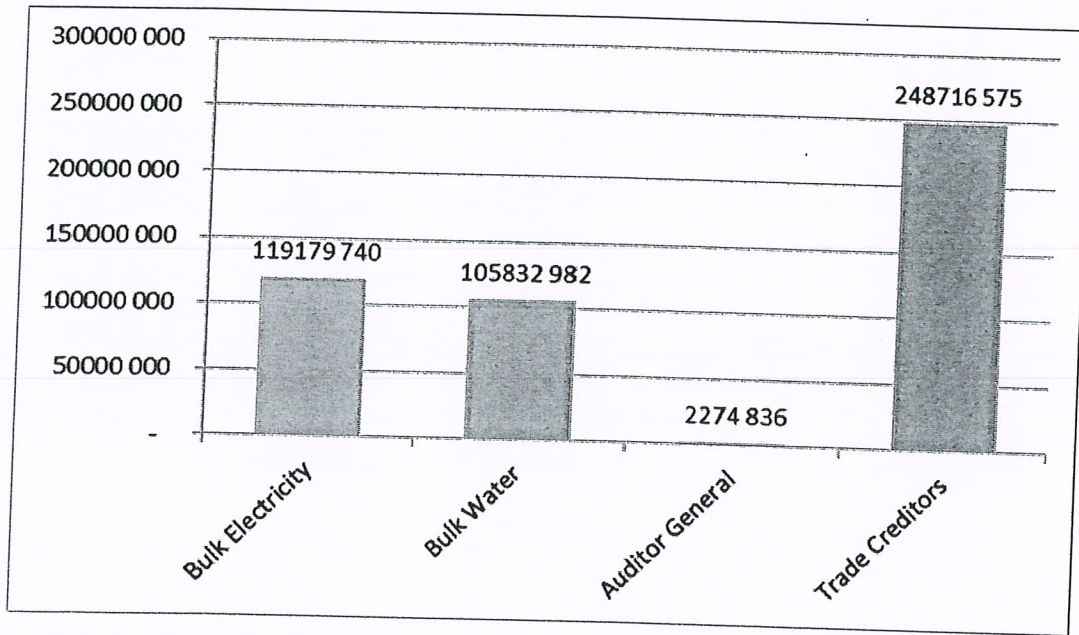
Debtors by Customer group – 31 March 2017



- Debtors' book has increased by R22 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 increased by R 50.7 million compared to the previous months.

Investment Portfolio (Annexure F)

The table indicates the status of the investment portfolio which amounts to **R 176,008,934** as at 31 March 2017.

| Investments | | | | | |
|-----------------|------------------|--------------------|---------------|-------------------|--------------------|
| Institution | Fixed | Call | Long Term | Collateral | Total |
| | R | R | R | R | R |
| ABSA | | 142,726,554 | | | 142,726,554 |
| 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 | 148,217,199 | 99,413 | 19,875,074 | 176,008,934 |

ANNEXURE G (BORROWINGS)

The total amount outstanding on external loans at the end of March 2017 amount to R72,977,983.

ANNEXURE I

RATIOS

FINANCIAL IMPLICATIONS

The report covers the period from 1 July 2016 to 31 March 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 1,757 billion is less than projected of R 1,913 billion YTD budget (Pro-rata) and vary by R 155,935 million.

Year to date actual expenditure of R 1,867 billion is less than projected expenditure of R 1,977 billion YTD budget (Pro-rata) and vary by R 109,270 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) - March 2017

Current Year 2016/17

| Description | Adjusted Budget | March Actual 2017 | YTD ACTUAL | YTD BUDGET | Variance | YTD % | Variance% |
|---|------------------------|----------------------|------------------------|------------------------|----------------------|--------------|----------------|
| Revenue By Source | | | | | | | |
| Property rates | (402 854 889) | (17 897 213) | (267 831 395) | -302 141 167 | 34 309 771 | 66.48 | (11.36) |
| Service charges - electricity revenue | (846 167 442) | (58 284 541) | (547 210 858) | -634 625 582 | 87 414 724 | 64.67 | (13.77) |
| Service charges - water revenue | (545 280 756) | (36 077 140) | (365 466 936) | -408 960 567 | 43 493 632 | 67.02 | (10.64) |
| Service charges - sanitation revenue | (139 240 341) | (8 369 314) | (82 163 814) | -104 430 256 | 22 266 442 | 59.01 | (21.32) |
| Service charges - refuse revenue | (179 039 257) | (11 691 743) | (109 402 935) | -134 279 443 | 24 876 507 | 61.11 | (18.53) |
| Service charges - other | (29 408 463) | (856 907) | (4 588 049) | -22 056 347 | 17 468 298 | 15.60 | - |
| Rental of facilities and equipment | (6 934 038) | (584 083) | (4 519 995) | -5 200 529 | 680 534 | 65.19 | (13.09) |
| Interest earned - external investments | (2 108 000) | - | (2 527 821) | -1 581 000 | (946 821) | 119.92 | 59.89 |
| Interest earned - outstanding debtors | (108 765 332) | (11 038 663) | (115 507 498) | -81 573 999 | (33 933 499) | 106.20 | 41.60 |
| Fines | (7 086 098) | (140 904) | (938 946) | -5 314 574 | 4 375 627 | 13.25 | (82.33) |
| Licences and permits | (7 700 637) | (692 038) | (5 643 712) | -5 775 478 | 131 766 | 73.29 | (2.28) |
| Transfers recognised - operational | (351 271 100) | (28 681 041) | (230 848 143) | -263 453 325 | 32 605 182 | 65.72 | (12.38) |
| Internal Departmental Transfers | (25 122 023) | (2 330 935) | (21 844 823) | -18 841 517 | (3 003 306) | 86.95 | 15.94 |
| Other revenue | (117 267 858) | (7 402 622) | (68 087 454) | -87 950 894 | 19 863 440 | 58.06 | (22.58) |
| Gains on disposal of PPE | | | | 0 | - | | |
| Total Revenue | (2 768 246 234) | (184 047 144) | (1 826 582 378) | (2 076 184 676) | 249 602 298 | 65.98 | (12.02) |
| Expenditure By Type | | | | | | | |
| Employee related costs | 529 439 654 | 44 677 800 | 381 584 195 | 397 079 741 | 15 495 546 | 72.07 | 3.90 |
| Remuneration of councillors | 25 138 051 | 2 107 568 | 17 760 584 | 18 853 538 | 1 092 954 | 70.65 | 5.80 |
| Contributions | 372 022 590 | 30 626 883 | 275 641 943 | 279 016 943 | 3 375 000 | 74.09 | 1.21 |
| Depreciation & asset impairment | 476 888 007 | - | 275 883 767 | 357 666 005 | 81 782 239 | 57.85 | 22.87 |
| Finance charges | 1 418 861 | 1 750 407 | 7 062 986 | 1 064 146 | (5 998 841) | 497.79 | (563.72) |
| Bulk purchases | 811 802 286 | 56 038 819 | 510 169 678 | 608 851 715 | 98 682 037 | 62.84 | 16.21 |
| Repairs & Maintenance | 111 394 829 | 12 145 894 | 56 986 054 | 83 546 122 | 26 560 068 | 51.16 | 31.79 |
| Contracted services | 46 647 745 | 2 939 032 | 21 395 482 | 34 985 809 | 13 590 327 | 45.87 | 38.85 |
| Collection Costs | 13 558 025 | 566 642 | 10 283 780 | 10 168 519 | (115 261) | 75.85 | (1.13) |
| Other expenditure | 438 308 954 | 38 337 381 | 358 039 862 | 328 731 716 | (29 308 146) | 81.69 | (8.92) |
| Departmental charges | 26 811 998 | 2 357 493 | 22 337 404 | 20 108 999 | (2 228 406) | 83.31 | (11.08) |
| Internal recoveries(amount charge out) | | | (9 606) | - | 9 606 | | |
| Total Expenditure | 2 853 431 000 | 191 547 919 | 1 937 136 128 | 2 140 073 250 | 202 937 122 | 67.89 | 9.48 |
| (Surplus)/Deficit | 85 184 766 | 7 500 775 | 110 553 750 | 63 888 575 | 46 665 176 | | |
| TOTAL REVENUE | (2 768 246 234) | (184 047 144) | (1 826 582 378) | (2 076 184 676) | (249 602 298) | 65.98 | 12.02 |
| LESS REVENUE FOREGONE | 217 674 132 | 10 621 063 | 69 588 198 | 163 255 599 | 93 667 401 | 31.97 | 57.37 |
| Income forgone on assessment rate | 64 190 148 | 8 367 100 | 60 300 923 | 48 142 611 | (12 158 312) | 93.94 | (25.25) |
| Income forgone on other | 153 483 984 | 2 253 962 | 9 287 276 | 115 112 988 | 105 825 712 | | |
| TOTAL INCOME | (2 550 572 102) | (173 426 081) | (1 756 994 180) | (1 912 929 077) | (155 934 897) | 68.89 | 8.15 |
| Total expenditure after deduct rever | 2 635 756 868 | 180 926 856 | 1 867 547 930 | 1 976 817 651 | 109 269 721 | 70.85 | 5.53 |
| TOTAL EXPENDITURE | 2 853 431 000 | 191 547 919 | 1 937 136 128 | 2 140 073 250 | 202 937 122 | 67.89 | 9.48 |
| Revenue foregone | (217 674 132) | (10 621 063) | (69 588 198) | (163 255 599) | (93 667 401) | 31.97 | 57.37 |
| (Surplus)/ Deficit for the year | 302 858 898 | 7 500 775 | 110 553 750 | 63 888 575 | (46 665 176) | 36.50 | 21.10 |

GRANTS AND SUBSIDIES - MARCH 2017
Operational allocation/grant received

| | ADJUSTED | MARCH 16/17 | YTD RECEIVED | YTD% |
|-------------------------------------|--------------------|------------------------|-------------------------|--------------|
| Equitable shares grants | 342 855 000 | 87 514 000 | 341 212 000 | 99.52 |
| Finance Management Grant | 1 810 000 | - | 1 810 000 | 100.00 |
| Improvement of library services | 1 100 000 | - | 1 100 000 | 100.00 |
| Museum/Grant research and developme | 250 000 | - | 250 000 | 100.00 |
| PMU | 3 598 100 | 3 598 100 | 3 598 100 | 100.00 |
| EPWP (arbour week) | 2 658 000 | | 1 656 000 | 62.30 |
| | 352 271 100 | 91 112 100 | 349 626 100 | 99.25 |

CAPITAL GRANT RECEIVED

| | | | | |
|-----------|--------------------|-------------------|--------------------|--------------|
| MIG | 79 193 900 | 14 581 900 | 79 193 900 | 100.00 |
| NDPG | 35 325 000 | 17 251 000 | 35 325 000 | 100.00 |
| DME/INER | 16 800 000 | 2 800 000 | 10 800 000 | 64.29 |
| PIG-SEWER | - | | - | - |
| PMU | 570 000 | 570 000 | 570 000 | 100.00 |
| | 131 888 900 | 35 202 900 | 125 888 900 | 95.45 |

OPERATING INCOME PER DEPARTMENT AS AT MARCH 2017

| DESCRIPTION | ADJUSTED | MARCH | YTD ACTUAL | YTD BUDGET | VARIANCE | VARIANC | YTD % |
|------------------------|----------------------|--------------------|----------------------|----------------------|----------------------|--------------|--------------|
| Public safety | 96 180 416 | 6 075 755 | 52 462 779 | 72 135 312 | (19 672 533) | -27.27 | 54.55 |
| Health service | 318 000 | 2 921 | 35 165 | 238 500 | (203 335) | - | 11.06 |
| Community services | 218 458 879 | 12 225 063 | 114 410 552 | 163 844 159 | (49 433 608) | -30.17 | 52.37 |
| Sports | 2 238 260 | 109 358 | 1 093 118 | 1 678 695 | (585 577) | -34.88 | 48.84 |
| Housing | 2 166 080 | 95 599 | 958 907 | 1 624 560 | (665 653) | -40.97 | 44.27 |
| Council general | 3 286 000 | 254 733 | 1 508 664 | 2 464 500 | (955 836) | -38.78 | 45.91 |
| Civil Engineering | 772 799 736 | 42 770 886 | 446 215 944 | 579 599 802 | (133 383 858) | -23.01 | 57.74 |
| Electrical engineering | 891 329 020 | 60 088 124 | 565 493 948 | 668 496 765 | (103 002 817) | -15.41 | 63.44 |
| Corporate services | 4 583 350 | 20 651 | 138 041 | 3 437 513 | (3 299 471) | -95.98 | 3.01 |
| Finance | 539 225 890 | 50 295 444 | 560 565 451 | 404 419 418 | 156 146 033 | 38.61 | 103.96 |
| Market | 19 980 890 | 1 487 448 | 14 109 462 | 14 985 668 | (876 206) | -5.85 | 70.61 |
| LED | 5 581 | 100 | 2 150 | 4 186 | (2 036) | - | 38.52 |
| TOTAL | 2 550 572 102 | 173 426 082 | 1 756 994 180 | 1 912 929 077 | (155 934 896) | -8.15 | 68.89 |

OPERATING EXPENDITURE PER DEPARTMENT

| DESCRIPTION | ADJUSTED | MARCH | YTD ACTUAL | YTD BUDGET | VARIANCE | VARIANC | YTD % |
|------------------------|----------------------|--------------------|----------------------|----------------------|----------------------|--------------|--------------|
| Public safety | 203 295 430 | 12 888 479 | 158 809 646 | 152 471 573 | 6 338 074 | 4.16 | 78.12 |
| Health service | 11 023 939 | 455 211 | 6 683 142 | 8 267 954 | (1 584 812) | -19.17 | 60.62 |
| Community services | 162 267 658 | 15 301 652 | 108 058 565 | 121 700 744 | (13 642 179) | -11.21 | 66.59 |
| Sports | 107 890 796 | 3 659 789 | 68 804 144 | 80 918 097 | (12 113 953) | -14.97 | 63.77 |
| Housing | 11 360 610 | 683 851 | 7 211 028 | 8 520 458 | (1 309 430) | -15.37 | 63.47 |
| Council general | 132 540 070 | 10 302 583 | 80 422 672 | 99 405 053 | (18 982 380) | -19.10 | 60.68 |
| Civil Engineering | 798 881 262 | 45 808 693 | 473 408 367 | 599 160 947 | (125 752 579) | -20.99 | 59.26 |
| Electrical engineering | 783 670 138 | 44 674 791 | 495 010 952 | 587 752 604 | (92 741 651) | -15.78 | 63.17 |
| Corporate services | 62 423 459 | 4 958 949 | 42 674 414 | 46 817 594 | (4 143 181) | -8.85 | 68.36 |
| Finance | 547 514 383 | 40 198 973 | 407 117 223 | 410 635 787 | (3 518 564) | -0.86 | 74.36 |
| Market | 22 695 099 | 1 427 000 | 14 434 176 | 17 021 324 | (2 587 148) | -15.20 | 63.60 |
| LED | 9 868 156 | 566 885 | 4 913 602 | 7 401 117 | (2 487 515) | -33.61 | 49.79 |
| TOTAL | 2 853 431 000 | 180 926 856 | 1 867 647 931 | 1 976 817 661 | (109 269 720) | -5.63 | 66.45 |
| Surplus/Deficit | (302 858 898) | (7 500 774) | (110 553 750) | (63 888 675) | (46 655 176) | (3) | 3.4 |

ANNEXURE B

Cash Flow Statement for the month of March 2017

| Cash Receipts by Source | February 2017 | March 2017 |
|---|----------------------|--------------------|
| Property rates | 18 155 422 | 19 258 553 |
| Service charges - electricity revenue | 41 020 217 | 50 602 274 |
| Service charges - water revenue | 16 798 501 | 20 199 505 |
| Service charges - sanitation revenue | 4 407 867 | 5 433 263 |
| Service charges - refuse revenue | 399 063 | 4 663 620 |
| Service charges - other | 19692752 | 21 106 530 |
| Rental of facilities and equipment | 148 884 | 215 180 |
| Interest earned - external investments | 7 915 | 5 656 |
| Interest earned - outstanding debtors | - | - |
| Fines | 46 128 | 174 485 |
| Licences and permits | 548 475 | 624 837 |
| Transfer receipts - operational grants | 497 000 | 91 112 100 |
| Other revenue | 26 399 488 | 18 063 542 |
| Cash Receipts by Source | 128 121 712 | 231 459 545 |
| Transfer receipts - capital grants | | 35 202 900 |
| Proceeds on disposal of PPE | - | - |
| Total Cash Receipts by Source | 128 121 712 | 266 662 445 |
| Proceeds on disposal of PPE | | |
| Short term loan | | |
| Borrowing long term/ Refinancing | (175 945) | (3 071 916) |
| Increase (decrease) in consumer deposits | (3 985 549) | 69 205 |
| Decrease (increase) in non - current debtors | - | - |
| Decrease (increase) in non - current | - | - |
| Decrease (increase) in non- current investment | 2 097 | 2 104 |
| Total Cash Receipts by Source | 123 962 315 | 263 661 838 |
| Cash Payments by Type | | |
| Employee related costs | 42 598 354 | 44 677 800 |
| Remuneration of councillors | 2 107 568 | 2 107 568 |
| Collection costs | - | - |
| Interest paid | 215 468 | 1 750 407 |
| Bulk purchases - Electricity | 44 442 905 | 32 373 627 |
| Bulk purchases - Water | 30 703 262 | 23 665 192 |
| Repairs and maintainance | 3 111 848 | 5 516 640 |
| Contracted services | 2 175 985 | 2 939 032 |
| General expenses | 32 771 064 | 44 966 835 |
| Cash Payments by Type | 158 126 454 | 157 997 101 |
| Other Cash Flows/Payments by Type | | |
| Capital assets | 10 732 141 | 5 143 772 |
| Repayment of borrowing | 391 412 | 4 822 323 |
| Other Cash Flows/Payments | 11 123 553 | 9 966 095 |
| Investment | | |
| | - | - |
| Total Cash Payments by Type | 169 250 007 | 167 963 196 |
| Net increase/(decrease) in cash held | (45 287 692) | 95 698 642 |
| Cash/ cash equivalent at the month begin | 101 110 538 | 55 822 846 |
| Cash/ cash equivalent at the month end | 55 822 846 | 151 521 489 |

ANNEXURE C CAPITAL EXPENDITURE

NW403 City Of Matlosana - Budgeted Capital Expenditure - March 2017

| | Adjusted Budget | March 2017 | YTD Actual | YTD Budget | Variance | YTD % |
|--|--------------------|------------------|-------------------|--------------------|---------------------|--------------|
| Capital Expenditure | | | | | | |
| <i>Council General</i> | 7 300 000 | | | | | |
| Council General Admin | 7 300 000 | 717 900 | 2 371 090 | 5 475 000 | (3 103 910) | 32.48 |
| | | 717 900 | 2 371 090 | 5 475 000 | (3 103 910) | 32.48 |
| <i>Municipal & Environmental Services</i> | 10 280 231 | - | 822 801 | 7 710 173 | (6 887 372) | 8.00 |
| Community and social services | | | - | - | - | - |
| Sport and recreation | 9 193 650 | | 822 801 | 6 895 238 | (6 072 437) | 8.95 |
| Refuse removal | | | - | - | - | - |
| Public Safety | 386 581 | | - | 289 936 | (289 936) | - |
| Health | | | - | - | - | - |
| Cemetery | 700 000 | | - | 525 000 | (525 000) | - |
| Finance | 5 000 000 | - | - | 3 750 000 | (3 750 000) | - |
| ICT Hard/software | 5 000 000 | - | - | 3 750 000 | (3 750 000) | - |
| <i>Macro city planning & Development</i> | 4 624 300 | 1 031 | 2 890 236 | 3 468 225 | (577 989) | 62.50 |
| Market | 4 624 300 | 1 031 | 2 890 236 | 3 468 225 | (577 989) | 62.50 |
| <i>Civil Services & Human Settlement</i> | 98 732 872 | 3 919 855 | 52 770 528 | 74 049 654 | (21 279 126) | 53.45 |
| Water | 27 491 330 | | 8 347 633 | 20 618 498 | (12 270 855) | 30.36 |
| Waste water management(Sewer) | 19 242 929 | 2 157 589 | 9 732 669 | 14 432 197 | (4 699 528) | 50.58 |
| Roads | 51 998 613 | 1 762 266 | 34 690 226 | 38 998 960 | (4 308 733) | 66.71 |
| Housing | | | - | - | - | - |
| PMU Unit | | | - | - | - | - |
| Dumping side | | | - | - | - | - |
| <i>Electrical & Mechanical Engineering</i> | 53 074 149 | 504 986 | 23 100 013 | 39 805 612 | (16 705 599) | 43.52 |
| Electrical | 53 074 149 | 504 986 | 23 100 013 | 39 805 612 | (16 705 599) | 43.52 |
| | | | | | | |
| Total Capital Expenditure | 179 011 552 | 5 143 772 | 81 954 667 | 134 258 664 | (52 303 997) | 45.78 |

CAPITAL FUNDING

| | | | | | | |
|--------------------------|--------------------|------------------|-------------------|--------------------|---------------------|--------------|
| National government | 126 211 552 | 3 884 973 | 60 940 128 | 94 658 664 | (33 718 536) | 48.28 |
| Provincial government | | | - | - | - | - |
| District municipality | | | - | - | - | - |
| Borrowing | | | - | - | - | - |
| Internal Generated funds | 52 800 000 | 1 258 799 | 21 014 539 | 39 600 000 | (18 585 461) | 39.80 |
| Financing Total | 179 011 552 | 5 143 772 | 81 954 667 | 134 258 664 | (52 303 997) | 45.78 |

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 D
DEBTOR'S AGE ANALYSIS - FEBRUARY 2017

| Detail | 0 - 30 Days | 31 - 60 Days | 61 - 90 Days | 91 + 120 Days | Total |
|---|--------------------|-------------------|-------------------|----------------------|----------------------|
| Debtors Age Analysis By Income Source | | | | | |
| Water Tariffs | 41 523 332 | 24 827 156 | 25 003 068 | 612 569 322 | 703 922 878 |
| Electricity Tariffs | 48 337 668 | 15 004 869 | 7 360 898 | 166 020 129 | 236 723 564 |
| Rates (Property Rates) | 19 654 544 | 5 608 765 | 5 896 749 | 147 335 956 | 178 496 014 |
| Sewerage/ Sanitation | 7 975 050 | 4 988 528 | 4 499 315 | 115 137 798 | 132 600 691 |
| Refuse Removal Tariffs | 9 963 121 | 7 269 086 | 7 042 762 | 191 863 887 | 216 138 856 |
| Other | 33 197 516 | 23 437 130 | 22 428 856 | 671 852 281 | 750 915 783 |
| Total By Income Source | 160 651 231 | 81 135 534 | 72 231 648 | 1 904 779 373 | 2 218 797 786 |
| Debtors Age Analysis By Customer Group | | | | | |
| Government | 4 219 275 | 3 662 535 | 1 791 175 | 58 244 664 | 67 917 649 |
| Business | 47 524 990 | 15 610 685 | 8 390 275 | 207 385 762 | 278 911 712 |
| Households | 107 903 118 | 61 272 353 | 61 428 058 | 1 594 456 473 | 1 825 060 002 |
| Other | 1 003 847 | 589 961 | 622 138 | 44 692 474 | 46 908 420 |
| Total By Customer Group | 160 651 231 | 81 135 534 | 72 231 648 | 1 904 779 373 | 2 218 797 786 |

ANNEXURE E
 OUTSTANDING CREDITORS STATEMENT - MARCH 2017

| Detail | 0 - 30 Days | 31 - 60 Days | 61 - 90 Days | 91 - 120 Days | 121 +Days | Total |
|------------------|--------------------|-------------------|-------------------|--------------------|--------------------|--------------------|
| Bulk Electricity | 64 909 924 | - | - | - | 54 269 816 | 119 179 740 |
| Bulk Water | 26 554 621 | - | - | - | 79 278 361 | 105 832 982 |
| Auditor General | 137 534 | 55 431 | 857 762 | - | 1 224 109 | 2 274 836 |
| Trade Creditors | 62 970 579 | 17 801 626 | 18 087 250 | 149 857 120 | - | 248 716 575 |
| Total | 154 572 658 | 17 857 057 | 18 945 012 | 149 857 120 | 134 772 286 | 476 004 133 |

ANNEXURE E
 OUTSTANDING CREDITORS STATEMENT - FEBRUARY 2017

| Detail | 0 - 30 Days | 31 - 60 Days | 61 - 90 Days | 91 - 120 Days | 121 +Days | Total |
|------------------|--------------------|-------------------|-------------------|--------------------|--------------------|--------------------|
| Bulk Electricity | 36 905 935 | - | - | - | - | - |
| Bulk Water | 24 422 348 | - | 24 601 369 | 21 936 544 | 119 179 740 | 156 085 675 |
| Auditor General | - | 857 762 | 1 629 369 | 1 354 825 | 2 576 507 | 73 536 768 |
| Trade Creditors | 39 723 805 | 16 367 010 | 10 190 272 | 124 126 612 | 1 434 009 | 5 275 965 |
| Total | 101 052 088 | 17 224 772 | 36 421 010 | 147 417 981 | 123 190 256 | 425 306 107 |

ANNEXURE F

Investment Portfolio: 31 March 2017
City of Matlosana

| INSTITUTION | INTEREST RATE | PERIOD | FEBRUARY 2017 | MARCH 2017 | MATURITY DATE | EXPLANATION |
|------------------------------|---------------|--------------------|----------------------|-----------------------|---------------|--------------------|
| Call Investment | | | | | | |
| ABSA: 3854 | 3.30% | | 5 152 056.53 | 19 228 155.28 | | |
| ABSA: 5047 | 3.25% | | 45 188.76 | 45 351.69 | | |
| ABSA: 6177 | 4.47% | | 389 112.51 | 391 102.37 | | |
| ABSA: 2264 | 3.25% | | 5 761 305.26 | 5 782 077.53 | | |
| ABSA: 4682 | 5.15% | | 7 304 920.36 | 22 782 331.74 | | |
| ABSA: 4063 | 2.80% | | 171 419.49 | 171 623.31 | | |
| ABSA: 1223 | 5.50% | | 24 577 150.04 | 94 325 912.54 | | |
| INVESTEC | 5.80% | | 5 459 116.20 | 5 490 644.47 | | |
| TOTAL Call Investment | | | 48 860 269.15 | 148 217 198.93 | | |
| 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 | | | 76 652 004.43 | 176 008 934.21 | | |

Withdraw R1 466 221 from ABSA call (MIG) - 02 March 2017
 Withdraw R25 641 from ABSA call (MIG) - 02 March 2017
 Withdraw R1 813 022 from ABSA call (NDPG) - 02 March 2017
 Withdraw R4 500 000 from ABSA call - 06 March 2017
 Withdraw R2 323 070 from ABSA call (MIG) - 10 March 2017
 Invest R17 251 000 with ABSA on call (NDPG) - 17 March 2017
 Invest R90 000 000 with ABSA on call - 17 March 2017
 Invest R18 750 000 with ABSA on call (MIG) - 23 March 2017
 Withdraw R881 680 from ABSA call (MIG) - 24 March 2017
 Withdraw R10 000 000 from ABSA call - 24 March 2017
 Withdraw R6 000 000 from ABSA call - 31 March 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

Template for Calculation of Uniform Financial Ratios and Norms

| RATIO | FORMULA | Year | MUNICIPAL COMMENTS (A) |
|-------|---------|------|------------------------|
|-------|---------|------|------------------------|

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. |
| | 1 867 547 930 | | |
| | 81 954 667 | | |
| | 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 | 0.003781957 | 0.0038 This do not indicate the capacity for further borrowing, rather the precarious situation where we cant afford the risk of commitment due to cashflow constraints. |
| | 1 867 547 930 | | |
| 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 | 0.1154 | The restated assets register and the accompanying higher depreciation have a significant impact on financial performance of the municipality. |
| | 2 111 255 503 | | |
| | 1 867 547 930 | | |

D. Expenditure Management

| | | | |
|--|--|-------------|---|
| 1 Creditors Payment Period (Trade Creditors) | Trade Creditors Outstanding / Credit Purchases (Operating and Capital) x 365 | 87.83286986 | 87.63 Improvement, but still way behind acceptable. |
| | 480 613 854 | | |
| | 2 001 806 594 | | |

| | | |
|--|--|--|
| 2 Remuneration as % of Total Operating Expenditure | Remuneration (Employee Related Costs and Councillors' Remuneration) / Total Operating Expenditure x100 | <div style="border: 1px solid black; display: inline-block; padding: 2px;">0.222716254</div> 415 933 279 1 867 547 930 |
|--|--|--|

0.22 Below NT norm

| | | |
|--|--|--|
| 2 Contracted Services % of Total Operating Expenditure | Contracted Services / Total Operating Expenditure x100 | 0.011456456 21 395 482 1 867 547 930 |
|--|--|--|

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.

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 | 25.64166279 0 21 014 539 81 954 667 |
|---|--|--|

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 | 0.46 1 756 994 180 949 013 543 0 |
|---|--|---|

Improvement reflects less reliance on grants as well as the adjustment in tariffs to the norm.

B. BUDGET IMPLEMENTATION

| | | | |
|---|---|---|------------------------|
| 1 Capital Expenditure Budget Implementation Indicator | Actual capital Expenditure / Budget Capital Expenditure x 100 | <div style="border: 1px solid black; display: inline-block; padding: 2px;">0.46</div> 81 954 667 179 011 552 | 0.46 Should be at 75%. |
| 2 Operating Expenditure Budget Implementation Indicator | Actual Operating Expenditure / Budgeted Operating Expenditure x 100 | <div style="border: 1px solid black; display: inline-block; padding: 2px;">0.94</div> 1 867 547 930 1 976 817 651 | 0.94 |
| 3 Operating Revenue Budget Implementation Indicator | Actual Operating Revenue / Budget Operating Revenue x 100 | <div style="border: 1px solid black; display: inline-block; padding: 2px;">0.92</div> 1 756 994 180 1 912 929 077 | 0.92 |