

## MONTHLY BUDGET STATEMENT: 30 SEPTEMBER 2016

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

The financial results for the period ended 30 September 2016 are summarized as follows:

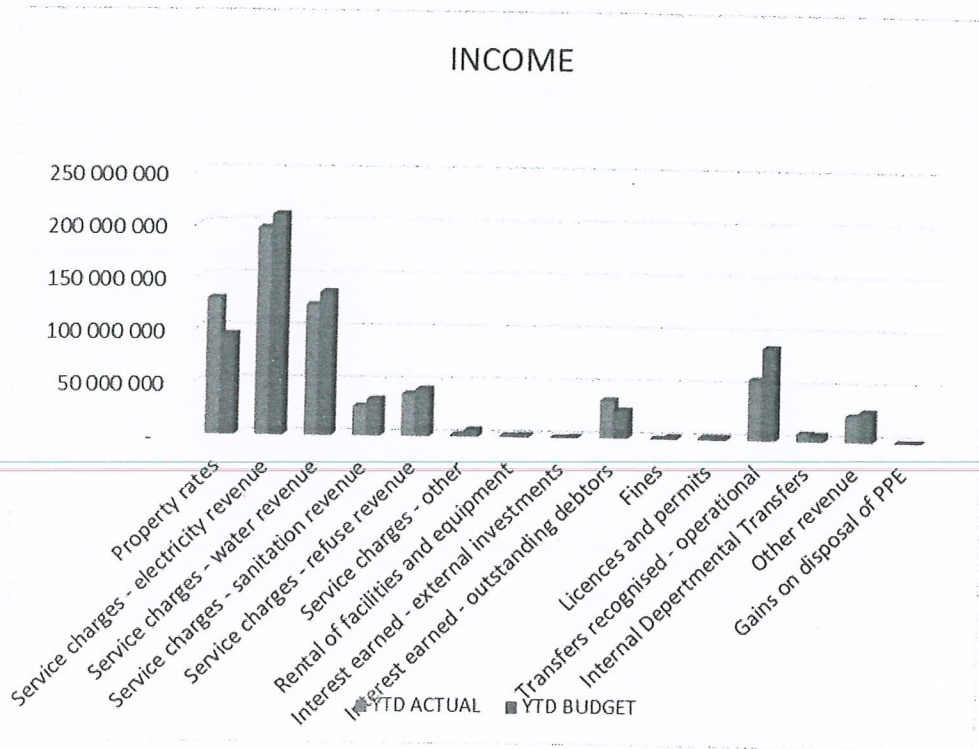
#### Statement of Financial Performance (SFP)

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.

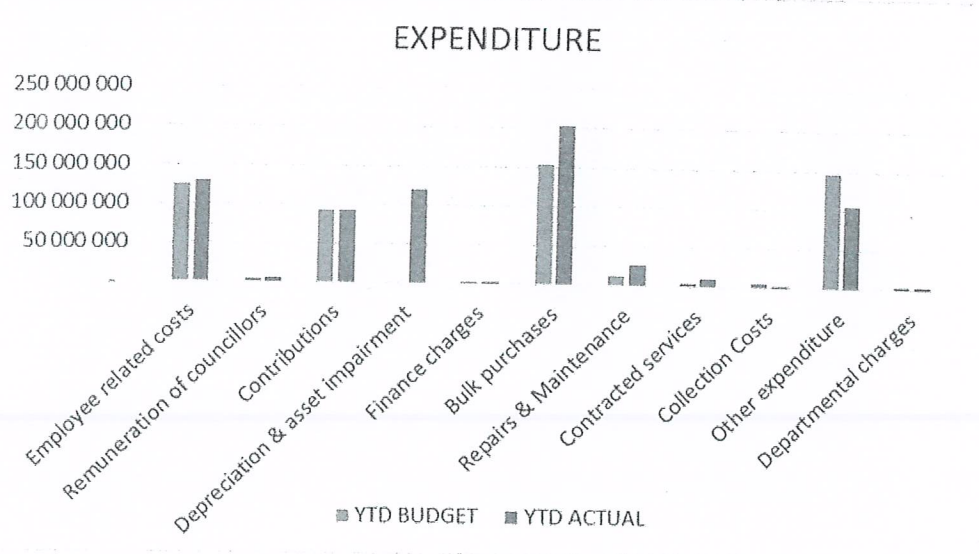
The summary report indicates the following:

Summary statement of Financial Performance				
Description	YTD Budget 2016/17	September Actual 2016/17	YTD Actual 2016/17	Variance (Favourable) Unfavourable
Total Revenue By Source	(628,543,365)	(206,753,486)	(615,746,026)	(12,797,339)
Total Operating Expenditure	650,320,477	248,774,399	521,075,143	129,245,334
<b>(SURPLUS)/ DEFICIT</b>	<b>21,777,113</b>	<b>42,020,913</b>	<b>(94,670,882)</b>	<b>120,119,662</b>

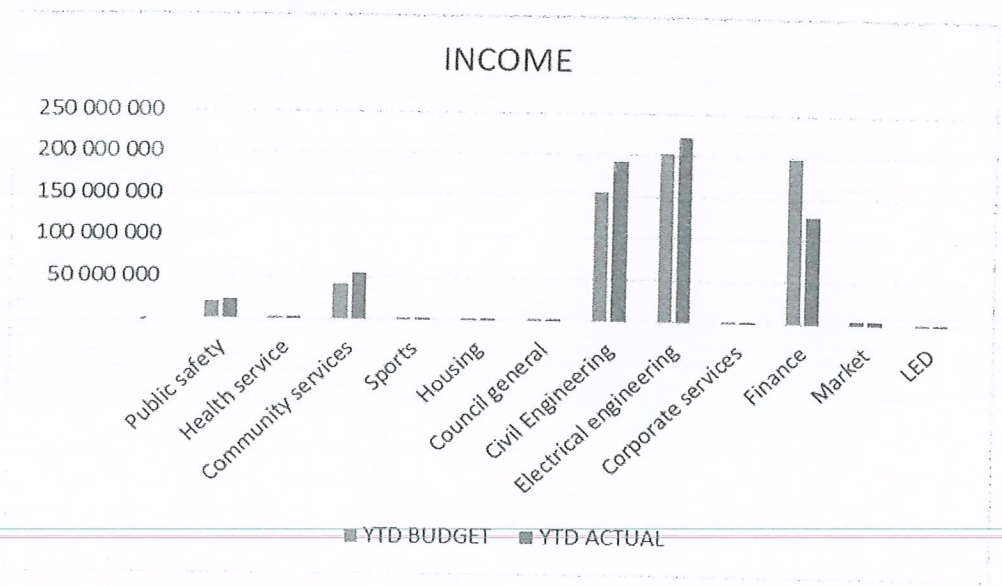
### YTD Actual Income vs YTD Budget Income



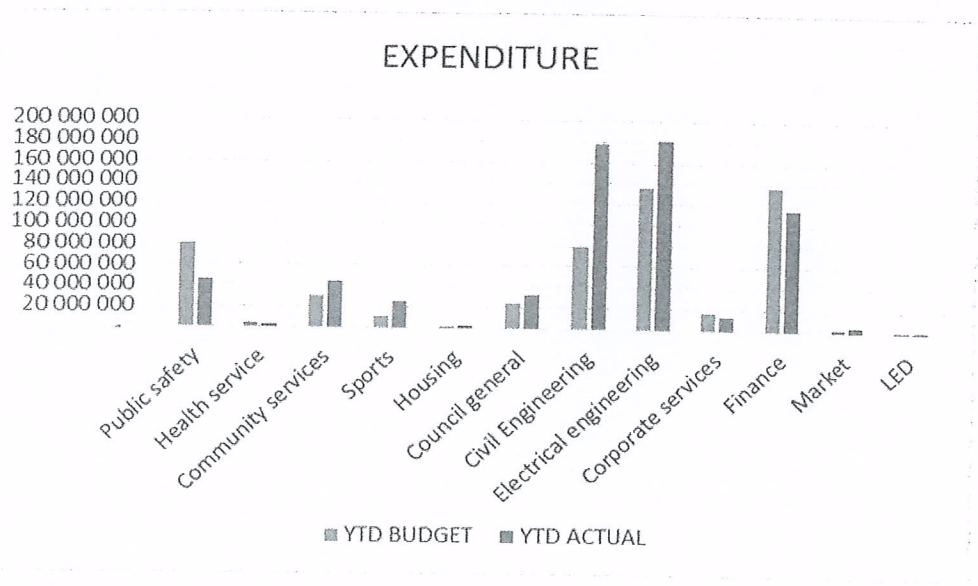
### YTD Actual Expenditure vs YTD Budget Expenditure



### Operating Income per department



### Operating Expenditure per department



## GRANTS AND SUBSIDIES

### Operational allocation/ Grant received

DESCRIPTION	BUDGET 2016/17	SEPTEMBER 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	0	1,810,000	100%
Improvement of Library services	1,100,000	400,000	400,000	36.36
Museum/ Grant research and development	250,000	0	0	0
PMU	3,598,100		0	0
EPWP	1,658,000	0	414,000	24.97%
<b>TOTAL</b>	<b>351,271,100</b>	<b>400,000</b>	<b>145,480,000</b>	<b>41.42%</b>

## CAPITAL GRANT RECEIVED

DESCRIPTION	BUDGET	SEPTEMBER RECEIVED 2016/17	YTD ACTUAL RECEIVED	YTD%
MIG	79,193,900	0	4,808,000	6.07%
NDPG	26,052,000	0	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>0</b>	<b>22,882,000</b>	<b>17%</b>

### Cash Flow Statement (Annexure B)

- Total cash receipts by source reflect an amount of R 130,3 million for the month of September 2016 includes the following grants:  
Improvement of Library Grants of R 400,000.
- Total cash payments indicate an amount of R 174, 5 million for the month of September 2016.

### Capital expenditure report (Annexure C)

The summary report indicates the following:

<b>Summary statement of Capital Expenditure</b>				
Description	YTD Budget	September Actual 2016	YTD Actual	Variance Favourable (Unfav)
Total Capital Expenditure	36,153,975	6,958,560	12,435,474	(23,718,502)
<b>Capital funding</b>				
National government	33,828,975	6,764,349	12,225,891	(21,603,084)
Provincial Government				
District Municipality				
Borrowing				
Internal Generated fund	2325,000	194,212	209,583	(2,115,417)
<b>Financial Total</b>	<b>36,153,975</b>	<b>6,958,560</b>	<b>12,435,474</b>	<b>(23,718,502)</b>

- 8.06% capital spending is low than 25% pro-rata.

### MIG Spending

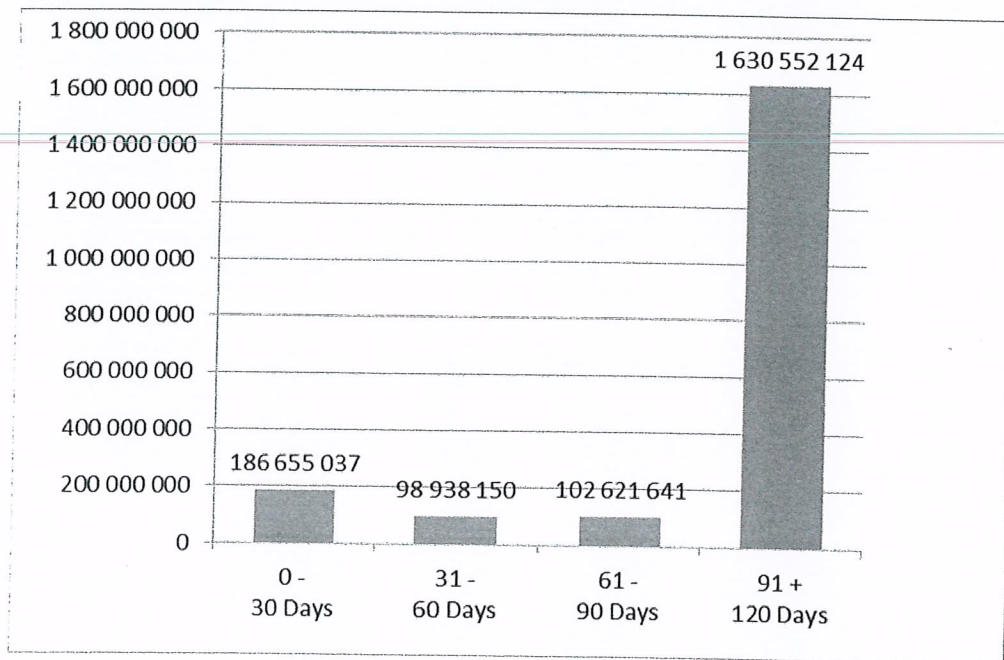
BUDGET	RECEIVED	SPENDING YTD	BALANCE	%SPENDING
79,193,900	0	6,994,180	72,199,720	8.8%

### 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 September 2016 amounts to R 1.832 billion.

A detailed Age Analysis is on annexure D.

### **Debtors by Customer group – 30 September 2016**



Debtors' book has increased by R42.9 million as compared to the previous month.

The debtors book is escalating with approximately R40 million on a monthly basis.

## **ANNEXURE G (BORROWINGS)**

The total amount outstanding on external loans at the end of September 2016 R80,272,226.59.

## **ANNEXURE I**

### **RATIOS**

### **FINANCIAL IMPLICATIONS**

The report covers the period from 1 July 2016 to 30 September 2016. The actual income and expenditure that appears in "Annexure A" reflects details that relates to the actual expenditure, and actual revenue for the month of September and year to date. Year to date actual revenue of R 615,7 million is less than what is projected of R 628.5 million YTD budget (Pro-rata) and vary by R 12.8 million.

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Year to date actual expenditure of R 521 million is less than projected expenditure of R 650,3 million YTD budget (Pro-rata) and vary by R 129,2 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) - September 2016**

Current Year 2016/17:

Description	Original Budget	Sept 2016/17	YTD ACTUAL	YTD BUDGET	Variance	YTD %	Variance%
<b>Revenue By Source</b>							
Property rates	(381 412 939)	(25 615 651)	(129 740 851)	-95 353 235	(34 387 616)	34.02	36.06
Service charges - electricity revenue	(839 692 210)	(66 805 880)	(197 013 068)	-209 923 053	12 909 984	23.46	(6.15)
Service charges - water revenue	(545 280 756)	(40 796 552)	(124 073 875)	-136 320 189	12 246 314	22.75	(8.98)
Service charges - sanitation revenue	(139 240 341)	(8 768 807)	(28 077 404)	-34 810 085	6 732 681	20.16	(19.34)
Service charges - refuse revenue	(179 029 257)	(11 484 472)	(40 108 639)	-44 757 314	4 648 675	22.40	(10.39)
Service charges - other	(26 600 000)	(913 193)	(1 610 347)	-6 650 000	5 039 653	6.05	-
Rental of facilities and equipment	(6 614 948)	(617 262)	(1 299 605)	-1 653 737	354 132	19.65	(21.41)
Interest earned - external investments	(2 108 000)	-	(29 454)	-527 000	497 546	1.40	(94.41)
Interest earned - outstanding debtors	(106 207 762)	(12 917 728)	(36 234 904)	-26 551 941	(9 682 963)	34.12	36.47
Fines	(7 101 983)	(123 624)	(350 636)	-1 775 496	1 424 860	4.94	(80.25)
Licences and permits	(7 707 601)	(697 579)	(2 021 039)	-1 926 900	(94 139)	26.22	4.89
Transfers recognised - operational	(351 271 100)	(29 086 686)	(57 880 390)	-87 817 775	29 937 385	16.48	(34.09)
Internal Departmental Transfers	(25 112 023)	(2 506 622)	(7 564 976)	-6 278 006	(1 286 970)	30.12	20.50
Other revenue	(114 468 670)	(10 326 684)	(24 787 960)	-28 617 168	3 829 207	21.65	(13.38)
Gains on disposal of PPE	-	-	-	0	-	-	-
<b>Total Revenue</b>	<b>(2 731 847 590)</b>	<b>(210 660 741)</b>	<b>(650 793 149)</b>	<b>(682 961 898)</b>	<b>32 168 749</b>	<b>23.82</b>	<b>(4.71)</b>
<b>Expenditure By Type</b>							
Employee related costs	520 242 208	41 171 427	124 627 204	130 060 552	5 433 348	23.96	4.18
Remuneration of councillors	25 138 051	2 064 199	5 098 429	6 284 513	1 186 084	20.28	18.87
Contributions	372 022 590	30 626 883	91 880 648	93 005 648	1 125 000	24.70	1.21
Depreciation & asset impairment	476 888 007	-	-	119 222 002	119 222 002	-	100.00
Finance charges	14 180 861	1 978 601	2 473 322	3 545 215	1 071 893	17.44	30.23
Bulk purchases	811 802 286	79 755 155	153 021 458	202 950 572	49 929 113	18.85	24.60
Repairs & Maintenance	105 957 770	6 598 740	12 170 720	26 489 443	14 318 722	11.49	54.05
Contracted services	46 447 745	2 593 229	5 023 336	11 611 936	6 588 600	10.82	56.74
Collection Costs	8 480 000	564 746	6 263 674	2 120 000	(4 143 674)	73.86	(195.46)
Other expenditure	420 684 500	87 328 675	146 699 077	105 171 125	(41 527 952)	34.87	(39.49)
Departmental charges	17 112 023	-	5 192 731	4 278 006	(914 725)	30.35	(21.38)
Internal recoveries(amount charge out)	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>2 818 956 041</b>	<b>252 681 654</b>	<b>552 450 599</b>	<b>704 739 010</b>	<b>152 288 411</b>	<b>19.60</b>	<b>21.61</b>
<b>(Surplus)/Deficit</b>	<b>87 108 451</b>	<b>42 020 913</b>	<b>(98 342 549)</b>	<b>21 777 113</b>	<b>(120 119 662)</b>		
<b>TOTAL REVENUE</b>	<b>(2 731 847 590)</b>	<b>(210 660 741)</b>	<b>(650 793 149)</b>	<b>(682 961 898)</b>	<b>(32 168 749)</b>	<b>23.82</b>	<b>4.71</b>
<b>LESS REVENUE FOREGONE</b>	<b>217 674 132</b>	<b>3 907 255</b>	<b>35 047 123</b>	<b>54 418 533</b>	<b>19 371 410</b>	<b>16.10</b>	<b>35.60</b>
<b>Income forgone on assessment rate</b>	<b>64 190 148</b>	<b>3 504 070</b>	<b>34 558 364</b>	<b>16 047 537</b>	<b>(18 510 827)</b>	<b>53.84</b>	<b>(115.35)</b>
<b>Income forgone on other</b>	<b>153 483 984</b>	<b>403 185</b>	<b>488 759</b>	<b>38 370 996</b>	<b>37 882 237</b>		
<b>TOTAL INCOME</b>	<b>(2 514 173 458)</b>	<b>(206 753 486)</b>	<b>(615 746 026)</b>	<b>(628 543 365)</b>	<b>(12 797 339)</b>	<b>24.49</b>	<b>2.04</b>
<b>Total expenditure after deduct revenue fo</b>	<b>2 601 281 909</b>	<b>248 774 399</b>	<b>521 075 143</b>	<b>650 320 477</b>	<b>129 245 334</b>	<b>20.03</b>	
<b>TOTAL EXPENDITURE</b>	<b>2 818 956 041</b>	<b>252 681 654</b>	<b>552 450 599</b>	<b>704 739 010</b>	<b>152 288 411</b>	<b>19.60</b>	<b>21.61</b>
	<b>(217 674 132)</b>	<b>(3 907 255)</b>	<b>(31 375 456)</b>	<b>(54 418 533)</b>	<b>(23 043 077)</b>	<b>14.41</b>	
<b>(Surplus)/ Deficit for the year</b>	<b>87 108 451</b>	<b>42 020 913</b>	<b>(94 670 882)</b>	<b>21 777 113</b>	<b>120 119 662</b>	<b>(108.68)</b>	



**GRANTS AND SUBSIDIES - SEPTEMBER 2016**

**Operational allocation/grant received**

	<b>BUDGET</b>	<b>SEPT</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	100.00
Improvement of library services	1 100 000	400 000	400 000	36.36
Museum/Grant research and developme	250 000	-	-	-
PMU	3 598 100	-	-	-
EPWP (arbour week)	1 658 000	-	414 000	24.97
	<b>351 271 100</b>	<b>400 000</b>	<b>145 480 000</b>	<b>41.42</b>
<b>CAPITAL GRANT RECEIVED</b>				
MIG	79 193 900	-	4 808 000	6.07
NDPG	26 052 000	-	18 074 000	69.38
DME/INER	16 800 000	-	-	-
PIG-SEWER	12 000 000	-	-	-
PMU	570 000	-	-	-
	<b>134 615 900</b>	<b>-</b>	<b>22 882 000</b>	<b>17.00</b>

OPERATING INCOME PER DEPARTMENT AS AT 30 SEPTEMBER 2016

DESCRIPTION	BUDGET	SEPTEMBER	YTD ACTUAL	YTD BUDGET	VARIANCE	VARIANCE	YTD %
Public safety	91 245 550	7 078 422	19 921 829	22 811 388	(2 889 558)	-12.67	21.83
Health service	318 000	8 086	8 086	79 500	(71 414)	-	2.54
Community services	218 260 846	12 082 067	41 709 899	54 565 212	(12 855 312)	-23.56	19.11
Sports	2 288 260	75 293	197 140	572 065	(374 925)	-65.54	8.62
Housing	2 166 080	100 751	287 160	541 520	(254 360)	-46.97	13.26
Council general	3 286 000	486 428	570 670	821 500	(250 830)	-30.53	17.37
Civil Engineering	770 137 955	50 670 927	154 710 769	192 534 489	(37 823 720)	-19.65	20.09
Electrical engineering	886 807 970	68 887 001	203 366 614	221 701 993	(18 335 378)	-8.27	22.93
Corporate services	4 523 042	12 394	22 900	1 130 761	(1 107 861)	-97.97	0.51
Finance	515 073 831	64 331 495	190 474 951	128 768 458	61 706 494	47.92	36.98
Market	20 060 343	3 020 421	4 475 807	5 015 086	(539 279)	-10.75	22.31
LED	5 581	200	200	1 395	(1 195)	-	3.58
<b>TOTAL</b>	<b>2 514 173 458</b>	<b>206 753 486</b>	<b>615 746 026</b>	<b>628 543 365</b>	<b>(12 797 339)</b>	<b>-2.04</b>	<b>24.49</b>

OPERATING EXPENDITURE PER DEPARTMENT

DESCRIPTION	BUDGET	SEP	YTD ACTUAL	YTD BUDGET	VARIANCE	VARIANCE	YTD %
Public safety	184 212 585	57 689 050	79 791 679	46 053 146	33 738 533	73.26	43.31
Health service	9 630 318	2 892 208	3 656 159	2 407 580	1 248 579	51.86	37.97
Community services	179 417 061	11 493 002	30 720 205	44 854 265	(14 134 060)	-31.51	17.12
Sports	99 807 013	4 782 068	10 963 345	24 951 753	(13 988 408)	-56.06	10.98
Housing	10 452 484	624 431	1 919 162	2 613 121	(693 959)	-26.56	18.36
Council general	130 134 637	10 166 245	24 383 197	32 533 659	(8 150 462)	-25.05	18.74
Civil Engineering	713 859 286	31 482 024	79 175 359	178 464 822	(99 289 464)	-55.64	11.09
Electrical engineering	724 562 975	70 154 531	135 791 426	181 140 744	(45 349 317)	-25.04	18.74
Corporate services	54 044 627	4 714 391	17 026 530	13 511 157	3 515 373	26.02	31.50
Finance	464 821 031	53 084 635	133 122 979	116 205 258	16 917 721	14.56	28.64
Market	22 701 386	1 229 443	3 132 412	5 675 347	(2 542 935)	-44.81	13.80
LED	7 638 506	462 371	1 392 691	1 909 627	(516 935)	-27.07	18.23
<b>TOTAL</b>	<b>2 601 281 909</b>	<b>248 774 399</b>	<b>521 075 143</b>	<b>650 320 477</b>	<b>(129 245 334)</b>	<b>-19.87</b>	<b>20.03</b>
<b>Surplus/Deficit</b>	<b>(87 108 451)</b>	<b>(42 020 913)</b>	<b>94 670 883</b>	<b>(21 777 113)</b>	<b>116 447 996</b>	<b>18</b>	<b>4.5</b>

**ANNEXURE B**

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

<b>Cash Receipts by Source</b>	<b>August 2016</b>	<b>September 2016</b>
Property rates	19 395 132	17 875 077
Service charges - electricity revenue	48 589 540	47 177 390
Service charges - water revenue	17 182 863	17 006 916
Service charges - sanitation revenue	4 609 533	4 643 744
Service charges - refuse revenue	4 346 590	4 390 355
Service charges - other	19 855 293	20 160 884
Rental of facilities and equipment	114 427	329 670
Interest earned - external investments	454	10 836
Interest earned - outstanding debtors	-	-
Fines	181 176	123 062
Licences and permits	626 427	646 378
Transfer receipts - operational grants	2 224 000	400 000
Other revenue	19 096 541	20 417 202
<b>Cash Receipts by Source</b>	<b>136 221 975</b>	<b>133 181 514</b>
Transfer receipts - capital grants	18 074 000	-
Proceeds on disposal of PPE	-	-
<b>Total Cash Receipts by Source</b>	<b>154 295 975</b>	<b>133 181 514</b>
Proceeds on disposal of PPE	-	-
Short term loan	-	-
Borrowing long term/ Refinancing	(144 638)	(2 859 760)
Increase (decrease) in consumer deposits	34 579	52 038
Decrease (increase) in non - current debtors	(513 081)	-
Decrease (increase) in non - current	-	-
Decrease (increase) in non- current investment	2 056	2 063
<b>Total Cash Receipts by Source</b>	<b>153 674 891</b>	<b>130 375 855</b>
<b>Cash Payments by Type</b>		
Employee related costs	42 004 046	41 171 427
Remuneration of councillors	2 800 967	2 064 198
Collection costs	2 832 664	249 633
Interest paid	246 774	1 978 601
Bulk purchases - Electricity	53 508 772	63 157 895
Bulk purchases - Water	19 757 531	13 843 291
Repairs and maintenance	1 063 313	1 832 182
Contracted services	2 404 258	2 496 801
General expenses	44 097 945	35 520 833
<b>Cash Payments by Type</b>	<b>168 716 270</b>	<b>162 314 861</b>
<b>Other Cash Flows/Payments by Type</b>		
Capital assets	5 476 913	6 958 560
Repayment of borrowing	391 412	5 233 814
<b>Other Cash Flows/Payments</b>	<b>5 868 325</b>	<b>12 192 374</b>
<b>Investment</b>	-	-
<b>Total Cash Payments by Type</b>	<b>174 584 595</b>	<b>174 507 235</b>
<b>Net increase/(decrease) in cash held</b>	<b>(20 909 704)</b>	<b>(44 131 380)</b>
<b>Cash/ cash equivalent at the month begin</b>	<b>128 264 122</b>	<b>107 354 418</b>
<b>Cash/ cash equivalent at the month end</b>	<b>107 354 418</b>	<b>63 223 038</b>

ANNEXURE C CAPITAL EXPENDITURE

NW403 City Of Matlosana - Budgeted Capital Expenditure - SEPTEMBER 2016

	Original Budget	September 2016	YTD Actual	YTD Budget	Variance	YTD %
<b>Capital Expenditure</b>						
<b>Council General</b>	4 300 000	194 212	209 583	1 075 000	(865 417)	-
Council General Admin	4 300 000	194 212	209 583	1 075 000	(865 417)	0
<b>Municipal &amp; Environmental Services</b>	5 999 650	334 100	334 100	1 499 913	(1 165 813)	5.57
Community and social services	-	-	-	-	-	-
Sport and recreation	5 299 650	334 100	334 100	1 324 913	(990 813)	-
Refuse removal	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Health	-	-	-	-	-	0
Cemetery	700 000	-	-	175 000	(175 000)	0
<b>Finance</b>	5 000 000	-	-	1 250 000	(1 250 000)	0
ICT Hard/software	5 000 000	-	-	1 250 000	(1 250 000)	0
<b>Macro city planning &amp; Development</b>	4 624 300	38 875	38 875	1 156 075	(1 117 200)	0
Market	4 624 300	38 875	38 875	1 156 075	(1 117 200)	0
<b>Civil Services &amp; Human Settlement</b>	101 291 950	6 391 373	11 852 915	25 322 988	(13 470 073)	11.70
Water	17 936 078	-	-	4 484 020	(4 484 020)	-
Waste water management(Sewer)	37 186 272	701 837	1 818 895	9 296 568	(7 477 673)	-
Roads	45 599 600	5 689 536	10 034 020	11 399 900	(1 365 880)	-
Housing	-	-	-	-	-	-
PMU Unit	570 000	-	-	142 500	(142 500)	-
Dumping side	-	-	-	-	-	-
<b>Electrical &amp; Mechanical Engineering</b>	23 400 000	-	-	5 850 000	(5 850 000)	-
Electrical	23 400 000	-	-	5 850 000	(5 850 000)	-
<b>Total Capital Expenditure</b>	<b>144 615 900</b>	<b>6 958 560</b>	<b>12 435 473</b>	<b>36 153 975</b>	<b>(23 718 502)</b>	<b>8.60</b>

CAPITAL FUNDING

National government	135 315 900	6 764 349	12 225 891	33 828 975	(21 603 084)	9.04
Provincial government	-	-	-	-	-	-
District municipality	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-
Internal Generated funds	9 300 000	194 212	209 583	2 325 000	(2 115 417)	2.25
<b>Financing Total</b>	<b>144 615 900</b>	<b>6 958 561</b>	<b>12 435 474</b>	<b>36 153 975</b>	<b>(23 718 501)</b>	<b>8.60</b>

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

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 + 120 Days	Total
<b>Debtors Age Analysis By Income Source</b>					-
Water Tariffs	47 522 378	33 075 727	28 234 851	517 387 997	626 220 953
Electricity Tariffs	58 705 325	15 951 278	8 154 382	147 223 539	230 034 524
Rates (Property Rates)	19 610 903	6 583 476	30 989 757	113 513 758	170 697 894
Sewerage/ Sanitation	10 112 516	6 254 269	4 765 906	98 905 662	120 038 353
Refuse Removal Tariffs	15 916 263	10 278 661	8 250 356	161 226 259	195 671 539
Other	34 787 652	26 794 739	22 226 389	592 294 909	-1 342 663 263
<b>Total By Income Source</b>	<b>186 655 037</b>	<b>98 938 150</b>	<b>102 621 641</b>	<b>1 630 552 124</b>	<b>2 018 766 952</b>
<b>Debtors Age Analysis By Customer Group</b>					
Government	5 531 118	2 941 577	24 192 265	32 129 912	64 794 872
Business	47 390 924	11 644 782	9 698 045	182 749 475	251 483 226
Households	131 649 629	83 781 290	67 465 673	1 375 610 117	1 658 506 709
Other	2 083 366	570 500	1 265 658	40 062 619	43 982 143
<b>Total By Customer Group</b>	<b>186 655 037</b>	<b>98 938 150</b>	<b>102 621 641</b>	<b>1 630 552 124</b>	<b>2 018 766 952</b>

**ANNEXURE E  
OUTSTANDING CREDITORS STATEMENT -SEPTEMBER 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	43 560 548	3 433 657	77 384 098	-	63 149 034	187 527 337
Bulk Water	23 458 221	22 120 432	16 089 510	-	15 580 602	77 248 765
Auditor General	1 169 219	365 382	76 678	16 064	1 306 665	2 934 008
Trade Creditors	38 239 344	26 451 151	11 295 871	62 187 927	-	138 174 293
<b>Total</b>	<b>106 427 332</b>	<b>52 370 622</b>	<b>104 846 157</b>	<b>62 203 991</b>	<b>80 036 301</b>	<b>405 884 403</b>

**ANNEXURE F**

**Investment Portfolio: 30 September 2016**  
**City of Matlosana**

INSTITUTION	INTEREST RATE	PERIOD	AUGUST 2016	SEPTEMBER 2016	MATURITY DATE	EXPLANATION
<b>Call Investment</b>						
ABSA: 3854	3.30%		2 655 635	184 078		
ABSA: 5047	3.25%		44 133	44 309		
ABSA: 6177	4.47%		375 189	378 287		
ABSA: 2264	3.25%		5 626 669	5 649 129		
ABSA: 4682	5.15%		18 983 132	17 383 175		
ABSA: 4063	2.80%		170 086	170 310		
ABSA: 1223	5.50%		61 272 197	30 758 093		
INVESTEC	5.80%		5 278 600	5 308 102		
<b>TOTAL Call Investment</b>			<b>94 405 640</b>	<b>59 875 483</b>		
<b>Collateral</b>						
SANLAM	Policy	Guaranteed Capital	7 327 152	7 327 152	2018-12-01	Policy
SANLAM	Policy	Guaranteed Capital	490 096	490 096	2019-08-01	Policy
NEDCOR	Minimum 5%		19 875 074	19 875 074	30/06/2019	Security
<b>TOTAL</b>			<b>27 692 322</b>	<b>27 692 322</b>		
<b>Long Term Investment</b>						
FNB	10.00%	1 YEAR	85 413	85 413		Housing Collateral
FNB	9.50%	1 YEAR	14 000	14 000		Housing Collateral
<b>TOTAL</b>			<b>99 413</b>	<b>99 413</b>		
<b>TOTAL INVESTMENTS</b>			<b>122 197 375</b>	<b>87 667 218</b>		

Withdraw R519 634 from ABSA call - 01 September 2016 (MIG current allocation)  
 Withdraw R5 000 000 from ABSA call - 06 September 2016  
 Withdraw R1 589 076 from ABSA call - 13 September 2016 (NDPG)  
 Withdraw R8 000 000 from ABSA call - 16 September 2016  
 Withdraw R1 529 924 from ABSA call - 22 September 2016 (MIG current allocation)  
 Withdraw R361 830 from ABSA call - 23 September 2016 (MIG current allocation)  
 Withdraw R20 000 000 from ABSA call - 23 September 2016  
 Withdraw R685 759 from ABSA call - 28 September 2016 (MIG current allocation)  
 Withdraw R22 800 from ABSA call - 28 September 2016  
 Withdraw R14 000 000 from ABSA call - 30 September 2016

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	Sep-16	MUNICIPAL COMMENTS (if)
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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	23 521 075 143 12 435 473	The ratio will increasing as capital expenditure accelerates.
		0	

### C. Liquidity Management

1 Current Ratio	Current Assets / Current Liabilities	0.433081921 328 292 891 758 033 523	The councils assets only cover its liabilities by 43%.
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### 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	0.004746575 2 473 322	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.
		521 075 143	
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	0.03949554 80 272 227 2 111 255 503	This means total borrowings accounts for 4% of the budgetd income
		78 817 775	

## 2. FINANCIAL PERFORMANCE

1 Net Operating Surplus Margin	(Total Operating Revenue - Total Operating Expenditure)/Total Operating Revenue	0.753191813 2 111 255 503	The restated assets register and the accompanying higher depreciation have a significant impact on financial performance of the municipality.
		521 075 143	



### D. Expenditure Management

1 Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) x 365	265.8651571 405 884 403 557 229 118	Improvement, but still way behind acceptable.
2 Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) / Total Operating Expenditure x100	0.261661042 136 345 065 521 075 143	Below NT norm
2 Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x100	0.00964033 5 023 336 521 075 143	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	1.685364119  0 209 583 12 435 473	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	0.13 1 716 984 232 1 487 631 340 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	0.085989866 12 435 473 144 615 900	Should be at 25%.
2 Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure / Budgeted Operating Expenditure x 100	0.801259012 521 075 143 650 320 477	Should be atleast 92%
3 Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	0.979639688 615 746 026 628 543 365	

ANNEXURE A AS AT 30 SEPTEMBER 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 01/01/2016	Debt Repaid or Re-deemed	Additional Principal Accrued	Balance at 30/09/2016	Redemption 2015/16
ANNUITY LOANS													
NW11959	1/10/1997	30/09/2017	20	7436371	Development Bank of SA	Provision of Infrastructure	15	115 737.90	1 552 251.28	480 237.33	0.00	1 072 013.95	967 031.71
NW11182	1/10/1998	30/09/2018	20	7436456	Development Bank of SA	Provision of Infrastructure	15.25	161 836.63	2 509 903.08	420 664.70	0.00	2 079 238.38	865 125.90
NW11367	1/10/2000	30/09/2020	20	3951600	Development Bank of SA	Provision of Infrastructure	15.6	165 638.97	2 115 217.26	170 821.82	0.00	1 944 395.44	865 211.04
NW13874/1	1/10/2001	30/09/2019	18	10000000	Development Bank of SA	Combination	14.75	42 752.88	1 856 866.65	0.00	0.00	1 899 619.53	855 856.54
NW13874/2	1/7/2001	30/09/2019	18	14908125	Development Bank of SA	Combination	14.75	384 726.15	14 908 125.00	0.00	0.00	14 908 125.00	2 856 350.06
NW101287/1	1/7/2004	30/09/2019	15	29070000	Development Bank of SA	Combination	11.2	0.00	8 725 708.58	0.00	0.00	8 725 708.58	3 022 963.63
NW10367/1	1/1/2010	1/1/2025	15	37000000	Development Bank of SA	Combination	11.2	0.00	12 189 820.63	0.00	0.00	12 189 820.63	1 864 486.59
10556	31/3/1998	31/3/2018	20	36296879	Development Bank of SA	Provision of Infrastructure	14.75	722 180.65	27 646 642.54	442 957.35	0.00	27 203 685.19	1 579 353.75
10908	30/09/1998	30/09/2018	20	15360746	Development Bank of SA	Provision of Infrastructure	15	265 482.45	3 397 258.23	759 195.35	0.00	2 638 062.88	487 000.79
10912	30/09/1999	30/09/2019	20	5537000	Development Bank of SA	Provision of Infrastructure	15.25	161 338.85	2 110 134.24	238 973.67	0.00	1 871 160.57	798 096.24
10913	30/09/1999	30/09/2019	20	6780000	Development Bank of SA	Provision of Infrastructure	15.25	238 935.27	3 125 015.64	353 909.45	0.00	2 771 106.19	666 486.37
TOTAL ANNUITIES													
								2 473 322.07	83 420 900.50	3 147 863.81	0.00	80 272 258.59	14 551 640.32