

MONTHLY BUDGET STATEMENT: 31 AUGUST 2017

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

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

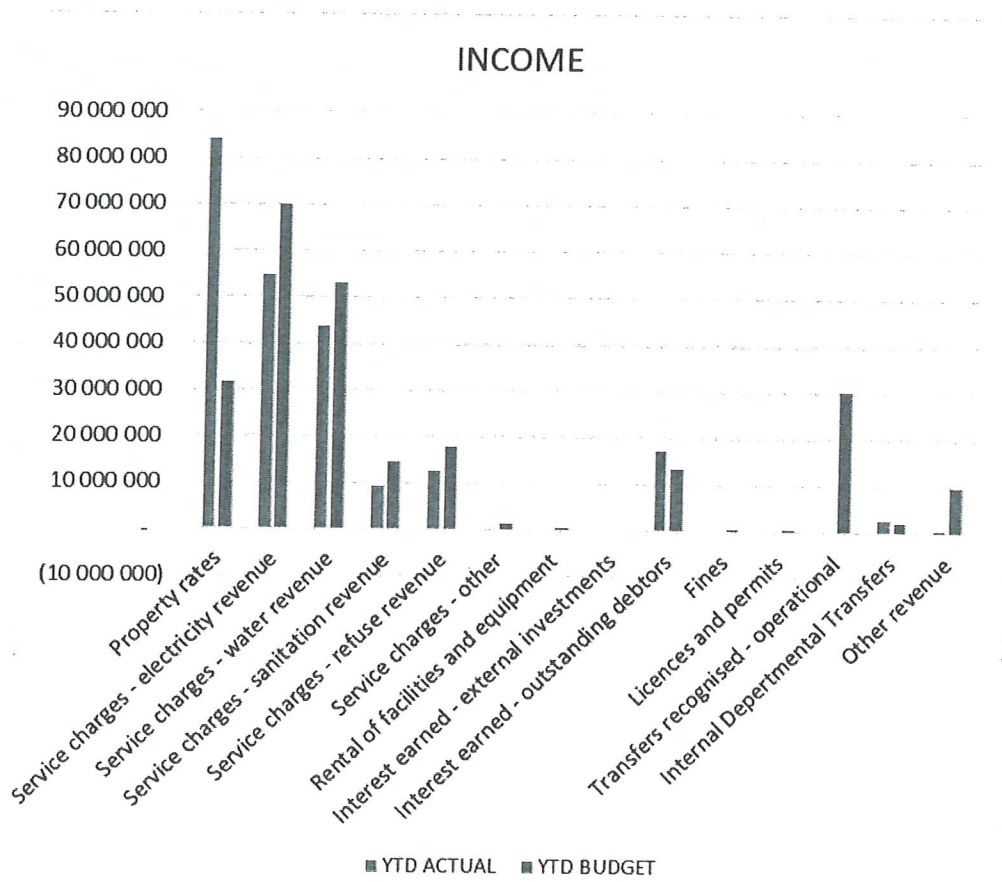
Statement of Financial Performance (SFP)

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.

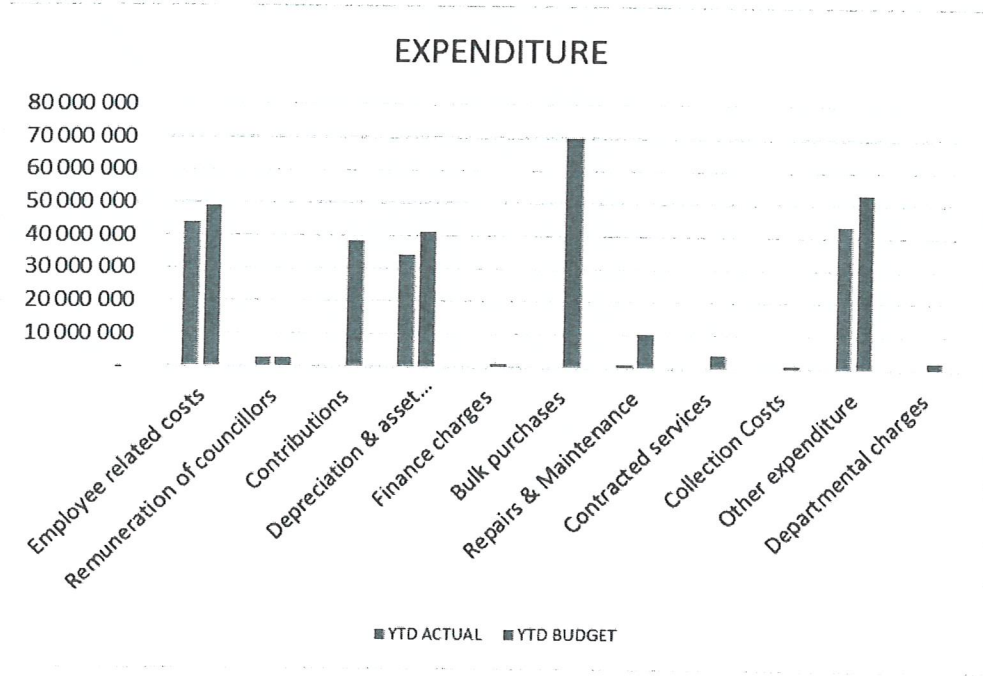
The summary report indicates the following:

Summary statement of Financial Performance				
Description	YTD Budget 2017/18	August Actual 2017/18	YTD Actual 2017/18	Variance Favourable (Unfavourable)
Total Revenue by Source	(492,629,107)	(178,135,920)	(367,214,206)	(125,414,901)
Total Operating Expenditure	546,169,667	136,863,462	225,464,345	320,705,322
(SURPLUS)/ DEFICIT	53,540,560	(41,272,458)	(141,749,861)	(195,290,421)

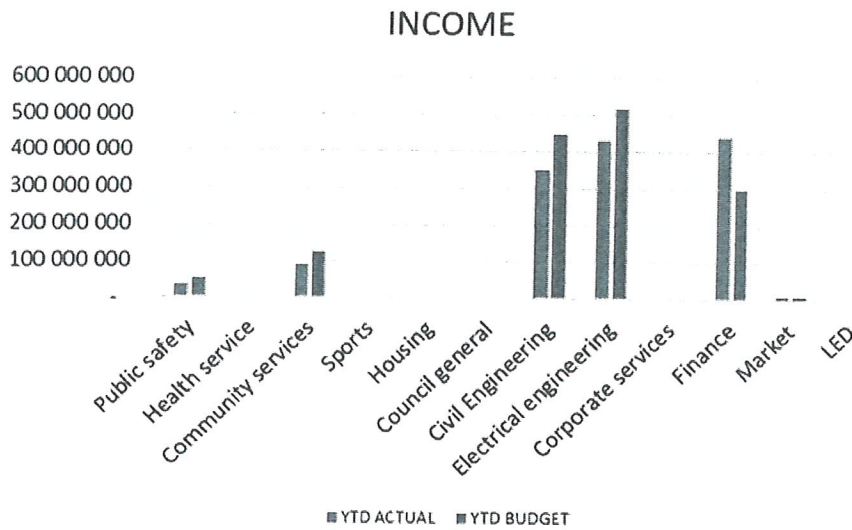
YTD Actual Income vs YTD Budget Income



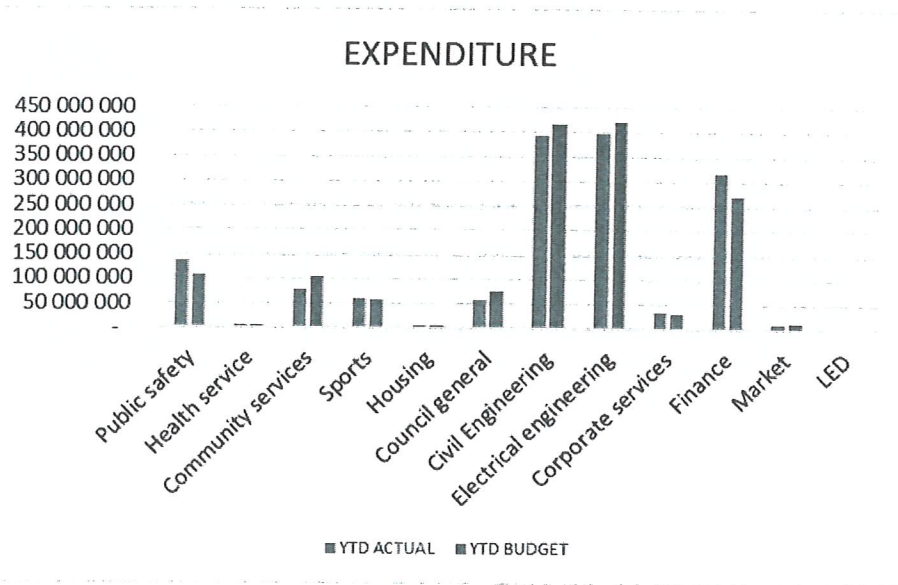
YTD Actual Expenditure vs YTD Budget Expenditure



Operating Income per department



Operating Expenditure per department



GRANTS AND SUBSIDIES

Operational allocation/ Grant received

DESCRIPTION	BUDGET 2017/18	AUGUST RECEIVED 2017/18	YTD ACTUAL RECEIVED 2017/18	YTD%
Equitable shares grants	354,377,000	0	147,658,000	41.67%
Finance Management grant	2,145,000	0	2,145,000	100%
Improvement of Library services	1,200,000	0	0	0%
PMU	4,291,613	0	0	0%
EPWP	2,246,000	562,000	562,000	25.02%
TOTAL	364,259,613	562,000	150,365,000	41.28%

Operational Grant spending

DESCRIPTION	BUDGET 2017/18	AUGUST Spending 2017/18	YTD ACTUAL 2017/18	YTD%
Equitable shares grants	354,377,000	0	0	0%
Finance Management grant	2,145,000	42,503	90,642	4.23%
Improvement of Library services	1,200,000	951	1,902	0.16%
PMU	4,291,613	0		0%
EPWP	2,246,000	0	0	0%
TOTAL	364,259,613	43,454	92,544	0.03%

CAPITAL GRANT RECEIVED

DESCRIPTION	BUDGET	AUGUST RECEIVED 2017/18	YTD ACTUAL RECEIVED	YTD%
MIG	84,588,950	0	31,164,000	36.84%
NDPG	75,000,000	0	15,000,000	20%
INEP	14,000,000	0	0	0%
PMU	160,435	0	0	0%
TOTAL	173,749,385	0	46,164,000	26.57%

DESCRIPTION	BUDGET	AUGUST SPENDING 2017/18	YTD ACTUAL	YTD%
NDPG	75,000,000	3,026,066	6,802,879	9.07%
INEP	14,000,000	0	0	0%
PMU	160,435	0	0	0%

Cash Flow Statement (Annexure B)

- Total cash receipts by source reflect an amount of R146.5 million, for the month of August 2017 includes the following grant:
EPWP R562,000
- Total cash payments indicate an amount of R166.5 million for the month of August 2017.

Capital expenditure report (Annexure C)

The summary report indicates the following:

Summary statement of Capital Expenditure				
Description	YTD Budget	August Actual 2018	YTD Actual	Variance Favourable (Unfav)
Total Capital Expenditure	35,624,500	18,121,726	21,898,538	(13,725,962)
Capital funding				
National government	28,957,833	18,121,726	21,898,538	(7,059,295)
Provincial Government	-	-	-	-
District Municipality	-	-	-	-
Borrowing	5,000,000			(5,000,000)
Internal Generated fund	1,666,667	-	-	(1,666,667)
Financial Total	35,624,500	18,121,726	21,898,538	(13,725,962)

- Capital spending of 10.25% is lower than the 16.7% pro-rata.

MIG Spending

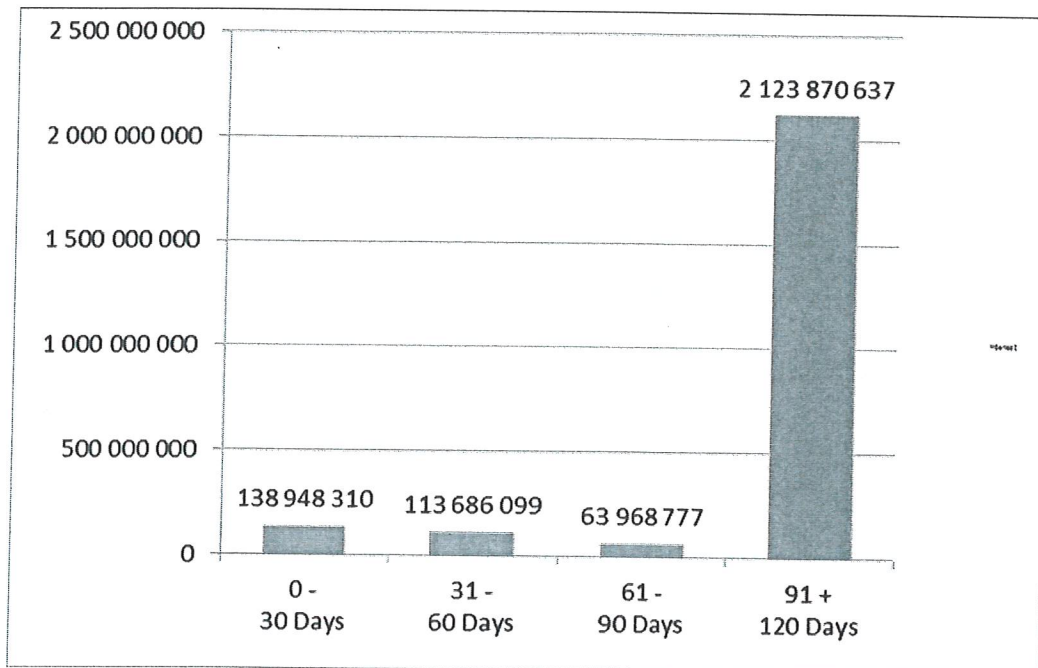
BUDGET	AUGUST RECEIVED	SPENDING YTD	YTD RECEIVED	%SPENDING
84,588,950	31,164,000	15,095,000	31,164,000	17.85%

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 2017 amounts to R 2.301 billion.

A detailed Age Analysis is on annexure D.

Debtors by Customer group – 31 August 2017



- Debtors' book has increased by R38.9 million as compared to the previous month.

ANNEXURE G (BORROWINGS)

The total amount outstanding on external loans at the end of August 2017 amount to R68,536,639.67

ANNEXURE I

RATIOS

FINANCIAL IMPLICATIONS

The report covers the period from 1 July 2017 to 31 August 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 367 million is less than projected of R 492 million YTD budget (Pro-rata) and vary by R 125 million.

Year to date actual expenditure of R 225 million is less than projected expenditure of R 546 million YTD budget (Pro-rata) and vary by R 320 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) - August 2017

Current Year 2017/18

Description	Original Budget	August 2017/18	YTD ACTUAL	YTD BUDGET	Variance	YTD %
Revenue By Source						
Property rates	(378 837 000)	(26 006 511)	(110 079 530)	-63 139 500	(46 940 030)	29.06
Service charges - electricity revenue	(838 331 000)	(67 344 763)	(122 200 527)	-139 721 833	17 521 306	14.58
Service charges - water revenue	(639 296 000)	(43 054 215)	(86 720 201)	-106 549 333	19 829 132	13.56
Service charges - sanitation revenue	(173 694 000)	(9 323 460)	(18 747 253)	-28 949 000	10 201 747	10.79
Service charges - refuse revenue	(215 011 000)	(12 707 879)	(25 422 991)	-35 835 167	10 412 176	11.82
Service charges - other	(15 000 000)	(10 388)	(8 183)	-2 500 000	2 491 817	0.05
Rental of facilities and equipment	(6 586 640)	(295 608)	(543 262)	-1 097 773	554 511	8.25
Interest earned - external investments	(2 500 000)	-	-	-416 667	416 667	-
Interest earned - outstanding debtors	(161 884 000)	(17 142 321)	(34 588 805)	-26 980 667	(7 608 138)	21.37
Fines	(7 452 000)	(295 395)	(302 349)	-1 242 000	939 651	4.06
Licences and permits	(7 529 000)	-	-	-1 254 833	1 254 833	-
Transfers recognised - operational	(364 262 000)	-	-	-60 710 333	60 710 333	-
Internal Departmental Transfers	(26 505 731)	(2 706 735)	(5 454 515)	-4 417 622	(1 036 893)	20.58
Other revenue	(118 886 269)	(2 865 553)	(3 319 554)	-19 814 378	16 494 824	2.79
Gains on disposal of PPE	-	-	-	0	-	-
Total Revenue	(2 955 774 640)	(181 752 828)	(407 387 170)	(492 629 107)	85 241 937	13.78
Expenditure By Type						
Employee related costs	586 853 000	32 662 534	67 720 652	97 808 833	30 088 181	11.54
Remuneration of councillors	31 657 000	2 515 169	5 030 338	5 276 167	245 829	15.89
Contributions	462 621 000	9 694 180	18 472 897	77 103 500	58 630 603	3.99
Depreciation & asset impairment	492 000 000	34 212 995	68 425 989	82 000 000	13 574 011	13.91
Finance charges	11 000 000	390 110	390 110	1 833 333	1 443 223	3.55
Bulk purchases	837 563 000	35 087 719	35 087 719	139 593 833	104 506 114	4.19
Repairs & Maintenance	126 791 000	1 105 037	2 329 011	21 131 833	18 802 822	1.84
Contracted services	48 250 824	269 314	269 314	8 041 804	7 772 490	0.56
Collection Costs	13 500 000	390 755	390 755	2 250 000	1 859 245	2.89
Other expenditure	640 276 448	18 709 105	62 077 072	106 712 741	44 635 669	9.70
Departmental charges	26 505 728	5 443 452	5 443 452	4 417 621	(1 025 831)	20.54
Internal recoveries(amount charge out)	-	-	-	-	-	-
Total Expenditure	3 277 018 000	140 480 370	265 637 309	546 169 667	280 532 358	8.11
(Surplus)/Deficit	321 243 360	(41 272 458)	(141 749 861)	53 540 560	(195 290 421)	
TOTAL REVENUE	(2 955 774 640)	(181 752 828)	(407 387 170)	(492 629 107)	(85 241 937)	13.78
LESS REVENUE FOREGONE	-	3 616 908	40 172 964	-	(40 172 964)	
Income forgone on assessment rate	43 528 512	3 616 908	40 172 964	7 254 752	(32 918 212)	92.29
Income forgone on other	-	-	-	-	-	
TOTAL INCOME	(2 955 774 640)	(178 135 920)	(367 214 206)	(492 629 107)	(125 414 901)	12.42
Total expenditure after deduct reven	3 277 018 000	136 863 462	225 464 345	546 169 667	320 705 322	6.88
TOTAL EXPENDITURE	3 277 018 000	140 480 370	265 637 309	546 169 667	280 532 358	8.11
Revenue foregone	-	(3 616 908)	(40 172 964)	-	40 172 964	-
(Surplus)/ Deficit for the year	321 243 360	(41 272 458)	(141 749 861)	53 540 560	195 290 421	-44.13

OPERATING INCOME PER DEPARTMENT AS AT AUGUST 2017

DESCRIPTION	BUDGET	AUGUST	YTD ACTUAL	YTD BUDGET	VARIANCE	VARIANCE	YTD %
Public safety	95 330 893	346 164	352 410	15 888 482	(15 536 072)	-97.78	0.37
Health service	-	5 500	5 500	-	5 500	-	-
Community services	220 391 330	13 239 848	26 411 942	36 731 888	(10 319 946)	-28.10	11.98
Sports	2 232 079	56 981	81 930	372 013	(290 083)	-77.98	3.67
Housing	2 166 080	87 140	173 980	361 013	(187 033)	-51.81	8.03
Council general	3 203 182	52 502	82 207	533 864	(451 657)	-84.60	2.57
Civil Engineering	826 495 380	53 253 146	106 968 134	137 749 230	(30 781 096)	-22.35	12.94
Electrical engineering	861 685 278	70 068 063	127 064 539	143 614 213	(16 549 674)	-11.52	14.75
Corporate services	4 492 179	22 995	37 851	748 697	(710 846)	-94.94	0.84
Finance	918 209 218	39 778 998	104 811 130	153 034 870	(48 223 740)	-31.51	11.41
Market	21 569 021	1 224 583	1 224 583	3 594 837	(2 370 254)	-65.93	5.68
LED	-	-	-	-	-	-	-
TOTAL	2 955 774 640	178 135 920	367 214 206	492 629 107	(125 414 901)	-25.46	12.42

OPERATING EXPENDITURE PER DEPARTMENT

DESCRIPTION	BUDGET	AUG	YTD ACTUAL	YTD BUDGET	VARIANCE	VARIANCE	YTD %
Public safety	211 969 544	8 620 379	16 024 368	35 328 257	(19 303 889)	-54.64	7.88
Health service	9 649 658	458 429	918 087	1 608 276	(690 189)	-42.91	8.33
Community services	216 166 471	12 646 695	22 900 763	36 027 745	(13 126 982)	-36.44	14.11
Sports	114 357 160	8 022 926	15 423 647	19 059 527	(3 635 880)	-19.08	14.30
Housing	11 321 100	898 442	1 675 880	1 886 850	(210 970)	-11.18	14.75
Council general	169 956 453	8 339 253	13 697 575	28 326 076	(14 628 501)	-51.64	10.33
Civil Engineering	948 642 258	38 551 324	74 345 887	158 107 043	(83 761 156)	-52.98	9.31
Electrical engineering	859 939 220	47 499 242	58 449 990	143 323 203	(84 873 213)	-59.22	7.46
Corporate services	62 609 135	3 597 631	6 785 762	10 434 856	(3 649 094)	-34.97	10.87
Finance	632 554 006	6 283 148	11 731 901	105 425 668	(93 693 767)	-88.87	2.14
Market	25 050 555	1 532 583	2 722 978	4 175 093	(1 452 115)	-34.78	12.00
LED	14 802 440	413 410	787 506	2 467 073	(1 679 567)	-68.08	7.98
TOTAL	3 277 018 000	136 863 462	225 464 344	546 169 667	(320 705 323)	-58.72	7.90
Surplus/Deficit	(321 243 360)	41 272 458	141 749 862	(53 540 560)	195 290 422	-	-

GRANTS AND SUBSIDIES - August 2017
Operational allocation/grant received

	BUDGET	AUG	YTD RECEIVED	YTD%
Equitable shares grants	354 377 000		147 658 000	41.67
Finance Management Grant	2 145 000		2 145 000	100.00
Improvement of library services	1 200 000		-	-
PMU	4 291 613		-	-
EPWP (arbour week)	2 246 000	562 000	562 000	25.02
				-
	364 259 613	562 000	150 365 000	41.28
CAPITAL GRANT RECEIVED				
MIG	84 588 950	-	31 164 000	36.84
NDPG	75 000 000		15 000 000	20.00
DME/INER	14 000 000	-	-	-
PMU	160 435	-	-	-
	173 749 385	-	46 164 000	26.57

GRANTS AND SUBSIDIES - August 2017
Operational allocation/grant spending

	BUDGET	AUG	YTD EXPENDITURE	YTD%
Equitable shares grants	354 377 000		-	-
Finance Management Grant	2 145 000	42 503	90 642	4.23
Improvement of library services	1 200 000	951	1 902	0.16
PMU	4 291 613		-	-
EPWP (arbour week)	2 246 000		-	-
				-
	364 259 613	43 454	92 544	0.03
CAPITAL GRANT EXPENDITURE				
MIG	84 588 950	15 095 660	15 095 660	17.85
NDPG	75 000 000	3 026 066	6 802 879	9.07
DME/INER	14 000 000	-	-	-
PIG-SEWER				
PMU	160 435	-	-	-
	173 749 385	18 121 726	21 898 539	12.60

ANNEXURE B

Cash Flow Statement for the month of August 2017

Cash Receipts by Source	July 2017	August 2017
Property rates	16 861 109	24 760 634
Service charges - electricity revenue	40 341 477	63 118 107
Service charges - water revenue	16 810 532	20 254 692
Service charges - sanitation revenue	4 236 875	5 192 934
Service charges - refuse revenue	3 861 751	4 690 390
Service charges - other	21 777 412	25 058 025
Rental of facilities and equipment	18 521	70 703
Interest earned - external investments	-	-
Interest earned - outstanding debtors	-	4 592
Fines	6 954	204 822
Licences and permits	-	-
Transfer receipts - operational grants	149 803 000	562 000
Other revenue	68 065 321	2 586 059
Cash Receipts by Source	321 782 952	146 502 958
Transfer receipts - capital grants	46 164 000	-
Proceeds on disposal of PPE	-	-
Total Cash Receipts by Source	367 946 952	146 502 958
Proceeds on disposal of PPE	-	-
Short term loan	-	-
Borrowing long term/ Refinancing	(5 042 312)	-
Increase (decrease) in consumer deposits	131 448	-
Decrease (increase) in non - current debtors	-	-
Decrease (increase) in non - current	(2 366 707)	-
Decrease (increase) in non- current investment	16 510	-
Total Cash Receipts by Source	360 685 891	146 502 958
Cash Payments by Type		
Employee related costs	43 836 835	42 356 718
Remuneration of councillors	2 515 169	2 515 169
Collection costs	-	536 906
Interest paid	-	-
Bulk purchases - Electricity	-	35 087 719
Bulk purchases - Water	-	-
Repairs and maintenance	-	592 037
Contracted services	-	269 314
General expenses	3 277 428	66 587 133
Cash Payments by Type	49 629 432	147 944 996
Other Cash Flows/Payments by Type		
Capital assets	3 776 812	18 121 726
Repayment of borrowing	391 412	391 547
Other Cash Flows/Payments	4 168 224	18 513 273
Investment	222 164 000	-
Total Cash Payments by Type	53 797 656	166 458 269
Net increase/(decrease) in cash held	84 724 235	(19 955 311)
Cash/ cash equivalent at the month begin	85 161 054	169 885 289
Cash/ cash equivalent at the month end	169 885 289	149 929 978

ANNEXURE C CAPITAL EXPENDITURE

NW403 City Of Matlosana - Budgeted Capital Expenditure - August 2017

	Original Budget	August 2017	YTD Actual	YTD Budget	Variance	YTD %
Capital Expenditure						
Council General	35 000 000	-	-	5 833 333	(5 833 333)	-
Council General Admin	35 000 000	-	-	5 833 333	(5 833 333)	-
Municipal & Environmental Services	10 952 000	-	-	1 825 333	(1 825 333)	-
Community and social services	-	-	-	-	-	-
Sport and recreation	10 952 000	-	-	1 825 333	(1 825 333)	-
Refuse removal	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Cemetery	-	-	-	-	-	-
Finance	5 000 000	-	-	833 333	(833 333)	-
ICT Hard/software	5 000 000	-	-	833 333	(833 333)	-
Macro city planning & Development	-	-	-	-	-	0
Market	-	-	-	-	-	0
Civil Services & Human Settlement	140 891 000	18 121 726	21 898 538	23 481 833	(1 583 295)	15.54
Water	42 187 000	15 095 660	15 095 660	7 031 167	8 064 493	35.78
Waste water management(Sewer)	7 484 000	-	-	1 247 333	(1 247 333)	-
Roads	91 220 000	3 026 066	6 802 878	15 203 333	(8 400 455)	7.46
Housing	-	-	-	-	-	-
PMU Unit	-	-	-	-	-	-
Dumping side	-	-	-	-	-	-
Electrical & Mechanical Engineering	21 904 000	-	-	3 650 667	(3 650 667)	-
Electrical	21 904 000	-	-	3 650 667	(3 650 667)	-
Total Capital Expenditure	213 747 000	18 121 726	21 898 538	35 624 500	(13 725 962)	10.25

CAPITAL FUNDING

National government	173 747 000	18 121 726	21 898 538	28 957 833	(7 059 295)	12.60
Provincial government	-	-	-	-	-	-
District municipality	-	-	-	-	-	-
Borrowing	30 000 000	-	-	5 000 000	(5 000 000)	-
Internal Generated funds	10 000 000	-	-	1 666 667	(1 666 667)	-
Financing Total	213 747 000	18 121 726	21 898 538	35 624 500	(13 725 962)	10.25

ANNEXURE D
DEBTOR'S AGE ANALYSIS - August 2017

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 + 120 Days	Total
Debtors Age Analysis By Income Source					
Water Tariffs	34 775 220	28 242 341	20 380 760	704 885 570	788 283 891
Electricity Tariffs	42 372 995	18 331 227	7 067 301	178 672 969	246 444 492
Rates (Property Rates)	14 623 806	28 832 367	4 413 330	128 934 489	176 803 992
Sewerage/ Sanitation	6 237 556	4 485 716	3 445 252	127 522 722	141 691 246
Refuse Removal Tariffs	8 771 967	7 373 481	5 898 878	218 075 514	240 119 840
Other	32 166 766	26 420 967	22 763 256	765 779 373	847 130 362
Total By Income Source	138 948 310	113 686 099	63 968 777	2 123 870 637	2 440 473 823
Debtors Age Analysis By Customer Group					
Government	5 591 399	22 619 830	1 100 103	27 307 145	56 618 477
Business	41 052 031	19 123 170	9 121 225	229 766 622	299 063 048
Households	91 418 603	70 382 997	53 240 262	1 820 681 714	2 035 723 576
Other	886 276	1 560 102	507 187	46 115 156	49 068 721
Total By Customer Group	138 948 310	113 686 099	63 968 777	2 123 870 637	2 440 473 823

ANNEXURE E
 OUTSTANDING CREDITORS STATEMENT - August 2017

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 +Days	Total
Bulk Electricity	61 272 965	-	-	-	-	61 272 965
Bulk Water	29 212 853	-	-	-	151 169 103	180 381 956
Auditor General	2 984 194	1 169 219	365 382	76 678	1 322 729	5 918 202
Trade Creditors	4 386 563	5 539 668	226 572	60 993	71 838 180	82 051 976
Total	97 856 575	6 708 887	591 954	137 671	224 330 012	329 625 099

ANNEXURE F

Investment Portfolio: 31 August 2017
City of Matlosana

INSTITUTION	INTEREST RATE	PERIOD	JULY 2017	AUGUST 2017	MATURITY DATE	EXPLANATION
Call Investment						
ABSA: 3854	3.73%		208 327.07	12 059.07		
ABSA: 5047	4.70%		46 248.77	46 278.77		
ABSA: 6177	6.75%		31 638 863.01	24 189 136.01		MIG
ABSA: 2264	4.70%		5 873 448.07	5 896 048.78		
ABSA: 4682	6.65%		22 001 777.34	14 785 315.34		NDPG
ABSA: 4063	1.55%		172 514.19	172 722.39		
ABSA: 1223	6.75%		97 112 711.43	88 512 195.43		
INVESTEC	6.80%		5 616 086.92	5 647 329.29		
TOTAL Call Investment			162 669 976.80	139 261 085.08		
Collateral						
SANLAM	Policy	Guaranteed Capital	7 837 616.22	7 837 616.22	2018/12/01	Policy
SANLAM	Policy	Guaranteed Capital	524 109.04	524 109.04	2019/08/01	Policy
NEDCOR	Minimum 5%		21 697 304.00	21 697 304.00	30/06/2019	Security
TOTAL			30 059 029.26	30 059 029.26		
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			192 828 419.34	169 419 527.62		

Withdraw R3 433 085 from ABSA call (NDPG) - 07 August 2017
 Withdraw R2 000 000 from ABSA call - 07 August 2017
 Withdraw R7 449 727 from ABSA call (MIG) - 07 August 2017
 Withdraw R196 268 from ABSA call (MIG) - 07 August 2017
 Withdraw R135 483 from ABSA call - 21 August 2017
 Withdraw R3 783 377 from ABSA call (NDPG) - 24 August 2017
 Withdraw R6 200 951 from ABSA call - 25 August 2017
 Withdraw R189 638 from ABSA call - 30 August 2017
 Withdraw R74 444 from ABSA call - 30 August 2017

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

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

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

ANNEXURE AS AT 31 AUGUST 2017

Borrowing Reference No	Start Date	End Date	Borrowing Period Years	Original Loan	Lender	Purpose	% Interest Rate (per annum)	Interest Paid This quarter	Opening Balance 01/07/2016	Debt Repaid or Re- deemed	Additional Principal Accrued	Balance at 30/08/2017	Redemption 20/7/2018	
ANNUITY LOANS														
NY110889	1/10/1987	30/08/2017	20	7439371	Development Bank of SA	Provision of Infrastructure	15	0.00	666 219.69	0.00	0.00	666 219.69	666 219.69	
NY11382	1/10/1988	30/08/2018	20	743466	Development Bank of SA	Provision of Infrastructure	16.26	0.00	1 613 877.18	0.00	0.00	1 613 877.18	1 613 346.74	
NY143837	1/10/2009	30/08/2029	20	3961600	Development Bank of SA	Provision of Infrastructure	14.6	0.00	1 760 006.32	0.00	0.00	1 760 006.32	413 488.82	
NY158741	1/10/2004	30/08/2019	18	1000000	Development Bank of SA	Combination	14.75	0.00	1 111 111.11	0.00	0.00	1 111 111.11	865 568.61	
NY158742	1/7/2001	30/08/2019	18	1489126	Development Bank of SA	Combination	14.75	0.00	14 998 726.00	0.00	0.00	14 998 726.00	865 568.61	
NY162871	1/7/2004	30/08/2019	16	2007000	Development Bank of SA	Combination	11.2	0.00	8 830 368.64	0.00	0.00	8 830 368.64	3 223 304.10	
NY162872	1/7/2004	30/08/2019	16	3700000	Development Bank of SA	Combination	11.2	0.00	8 646 927.00	0.00	0.00	8 646 927.00	4 046 886.38	
NY162873	1/1/2010	31/12/26	18	33293878	Development Bank of SA	Provision of Infrastructure	14.75	461 146.97	26 781 177.28	324 810.72	0.00	1 613 133.46	1 820 874.49	
1086	31/07/1988	31/07/2018	20	1336746	Development Bank of SA	Provision of Infrastructure	16	0.00	1 820 874.49	0.00	0.00	25 459 366.68	2 971 044.19	
1086	30/08/1989	30/08/2019	20	6487000	Development Bank of SA	Provision of Infrastructure	16.26	0.00	1 613 133.46	0.00	0.00	2 388 879.41	672 346.47	
10812	30/08/1989	30/08/2019	20	7477000	Development Bank of SA	Provision of Infrastructure	16.26	0.00	2 388 879.41	0.00	0.00	2 388 879.41	892 046.79	
10813	30/08/1989	30/08/2019	20	6780000	Development Bank of SA	Provision of Infrastructure	16.26	0.00	1 820 874.49	0.00	0.00	1 820 874.49	668 786.87	
TOTAL ANNUITIES										461 146.97	324 810.72	0.00	68 526 639.67	15 804 502.60

Template for Calculation of Uniform Financial Ratios and Norms

NAME	FORMULA	VALUE	UNIT	REMARKS / 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	225 464 345 21 898 538	9%	The ratio will increasing as capital expenditure accelerates.
		0		

C. Liquidity Management

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	0.001730251 390 110		0.0017 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.
		225 464 345		
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	0.034529964 68 858 450 2 111 255 503	0.035	
		117 090 367		

2. FINANCIAL PERFORMANCE

1 Net Operating Surplus Margin	(Total Operating Revenue - Total Operating Expenditure)/Total Operating Revenue	0.893208404 2 111 255 503	0.8932	The restated assets register and the accompanying higher depreciation have a significant impact on financial performance of the municipality.
		225 464 345		

D. Expenditure Management

1 Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) x 365	460.8131042 329 625 099 261 088 845	460.81	Improvement, but still way behind acceptable.
2 Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) /Total Operating Expenditure x100	0.457211982 103 085 000 225 464 345	0.46	Below NT norm

2	Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x100	0.001194486	
			269 314	
			225 464 345	

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	0	
			0	
			0	
			21 898 538	
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	(1.58)	
			367 214 206	
			949 013 543	
			0	

There should be an increase in the ratio as the current capital spending accelerates.

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	0.102450738	0.10	Should be at 100%.
			21 898 538		
			213 747 000		
2	Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure / Budgeted Operating Expenditure x 100	0.412810082	0.41	
			225 464 345		
			546 169 667		
3	Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	0.745417193	0.75	
			367 214 206		
			492 629 107		